

The Long-Term Fiscal Implications of Colorado's Higher Education Funding Model: An Analysis and Policy Proposal

Honors Thesis

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Abstract

This paper examines the events, policies, and political circumstances that resulted in Colorado's current model for funding higher education and analyzes the ongoing effects of that model on the future of the state's economy and workforce. Through expert testimony, extensive research, and data collection and comparison, this paper also aims to serve as a roadmap for policymakers and higher education administrators. Accordingly, it provides a policy solution designed to mitigate those effects and promote the continued prosperity of Colorado workers, consumers, and postsecondary institutions.

The findings of the first section of this paper detail three original causes of the state's current higher education funding model: the Taxpayer's Bill of Rights (TABOR), demographic-specific population growth within Colorado, and sector-specific inflation within Colorado. The paper elaborates on each and showcases the compounding budgetary challenge facing state legislators, policymakers, and postsecondary administrators when all three coexist. The paper then goes on to detail the effects of the state's budgetary issues on higher education, explaining that the lack of state funding creates a cyclical effect in which Colorado's public postsecondary institutions are unable to offer tuition rates or student experiences to compete with institutions in peer states. Thus, enrollment rates, endowments, state funding, and state-permitted tuition increase caps all fail to keep Colorado institutions competitive. This contributes to what is known as the Colorado Paradox—a growing dichotomy in which Colorado educates the workforces of other states, while Colorado's economy depends on a consistent influx of out-of-state educated workers. The paper then argues that this poses a significant threat to the economic prosperity of the state, as fewer prospective postsecondary students opt to attain their degrees in Colorado. To add to this, immigration to Colorado is expected to decline and Colorado's population is predicted to age significantly in the coming decade—further worsening the paradox.

The paper concludes with a two-stage policy proposal. In the first stage, the paper recommends referring a de-Brucing measure to Colorado voters that would loosen some TABOR-imposed revenue constraints on higher education, allowing the state to better fund postsecondary institutions. In the second stage, the paper recommends that these extra funds be earmarked for programs that the state deems beneficial to industries integral to the future prosperity of Colorado's workforce and economy. This allows the solution to be framed as a measure to economically and professionally benefit Colorado workers, consumers, and voters through the avenue of higher education.

It should be noted that this paper does not include a traditional methodology section, as it focuses on providing a narrative analysis to better serve as a roadmap for policymakers in addressing the issues faced by higher education in Colorado. All content that otherwise would be found in a methodology section can be found integrated throughout the paper.

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Preface

Between April of 2024 and May of 2025, I had the honor of serving as the Student Body Vice President of Colorado State University. Before launching our campaign, my running mate and I sat down to discuss our goals for our term. These goals amounted to two main categories: making higher education in Colorado more affordable and building a vibrant student experience on CSU's campus. We recognized that, because a few college students were unlikely to single-handedly repeal TABOR over the course of a year, we would need to focus our efforts on lobbying for various student-focused legislation and lower tuition increase caps. Thus, we contracted a lobbying firm to meet frequently with elected officials, policymakers, higher education leaders, and Joint Budget Committee members to do so. In each meeting or legislative hearing, we were met with receptive officials who were excited about youth engagement in state policy, but who also knew that any legislative solution passed or agreement reached was simply a temporary fix to a structural issue. This experience taught me just how dire Colorado's budget crisis is, and exactly how it affects the state's postsecondary institutions and, by extension, the state's economy and workforce.

Turning to student experience, I drew inspiration from my childhood in the South and memories of attending SEC football games. I recognized CSU as a large state school with significant unrealized potential to offer a student experience comparable to peer institutions in other states. However, as I proposed various ideas, events, and new traditions to university administrators, I was often met with one major roadblock: money. Between the lack of state funding and tuition dollars that lagged behind peer institutions, CSU had just enough to maintain a steady pace, but certainly not enough to expand to the horizons I envisioned.

It soon became apparent that, without major state-level policy changes, Colorado institutions risked falling behind their out-of-state counterparts. Furthermore, I realized, if Colorado institutions remained uncompetitive with their out-of-state peers, and the cost of living continued to dampen the rate of immigration of out-of-state educated workers, Colorado's economy would become concerningly vulnerable. This realization served as the inspiration and foundation for my thesis.

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Part 1: The Problem

Introduction

The web of issues, causes, and effects that have resulted in the current state of Colorado’s postsecondary public institutions and their effects on the state’s workforce and economy can be traced to three original causes—the Taxpayer’s Bill of Rights (TABOR), Colorado demographic shifts, and sector-specific inflation in Colorado industries. These three factors, independent of each other, do not pose a significant threat to the future prosperity of the state of Colorado or its postsecondary institutions. However, when combined, they create a cyclical effect that may soon place Colorado’s economy at increased risk. Figure 1 represents the cyclical nature of this issue and the core findings of this section. A larger version with a key is provided in Appendix A.

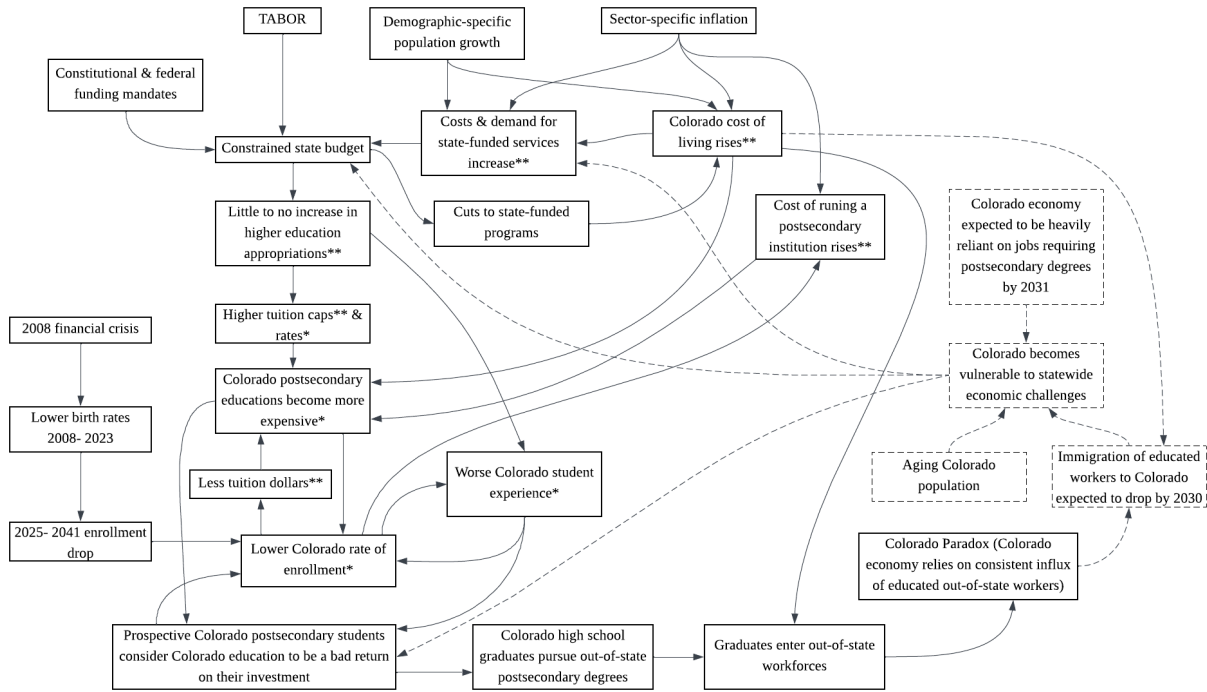
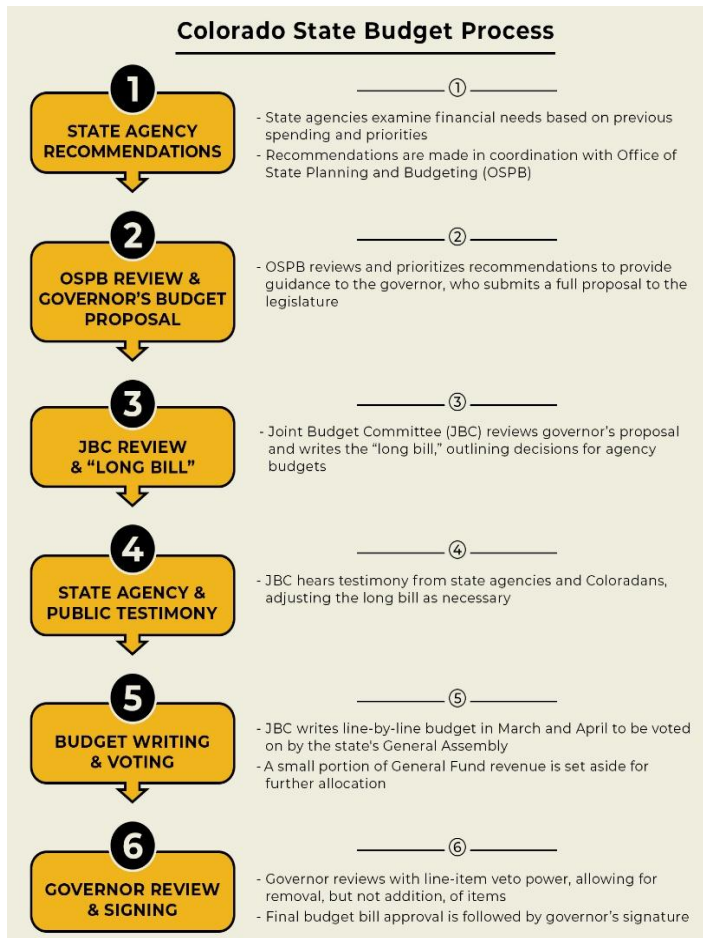


Figure 1. Drivers of Colorado Higher Education Funding & Economic Outcomes (see Appendix A for full version)

The First Original Cause: TABOR



Before understanding the Taxpayer's Bill of Rights, one must first understand the Colorado state budgeting process. In Colorado, the state budget is created by the Joint Budget Committee (JBC)—a six person bipartisan joint-legislative committee made up of the chairpersons of the State House Appropriations Committee and State Senate Appropriations Committee, and a Democrat and a Republican from each committee.¹ All state departments and agencies—from the Governor's office to the Department of Higher Education—send the JBC their budget proposals and requests early in the legislative session each year. The JBC then holds hearings and meetings on each aspect of the budget and drafts the Long Bill to appropriate tax dollars to various departments and programs across the state. This bill follows the Figure 2. Colorado State Budget Process²

same process as any other piece of state legislation—it passes through the House and its committees, the Senate and its committees, then is signed by the Governor, who has the power to line-item veto certain appropriations. Finally, tax dollars are allocated according to the Long Bill at the start of the state's fiscal year on July 1st.³

¹ "Joint Budget Committee, Colorado General Assembly - Ballotpedia," Ballotpedia, March 1, 2021, https://ballotpedia.org/Joint_Budget_Committee,_Colorado_General_Assembly.

² Bell Policy Center Staff, "Everything You Need to Know about Colorado's Budget," The Bell Policy Center, August 27, 2025, <https://bellpolicy.org/colorados-budget/#constitutional-spending-mandates>.

³Ibid.

In 1992, when the state was still solidly Republican,⁴ Colorado voters approved an amendment to the state Constitution known as the Taxpayer’s Bill of Rights (TABOR)⁵. Today, Colorado remains the only state with such an amendment or law⁶. TABOR consisted of several important changes to the state’s budget and tax code, but for the purposes of this paper, I will highlight only three of these changes. First, it implemented a new restriction on the amount of tax revenue the state could retain and spend. The TABOR limit allows the state to spend or retain an amount no greater than the prior fiscal year’s revenue or the prior fiscal year’s TABOR limit, whichever was lower, adjusted annually for Colorado inflation and population growth. This is why Colorado taxpayers are familiar with more generous state tax refunds compared to other states; revenue in excess of the TABOR limit must be returned to the taxpayers. Secondly, TABOR ensured its own immortality by requiring that any tax policy change that results in an increase in net state revenue must be approved by Colorado voters via a ballot measure.

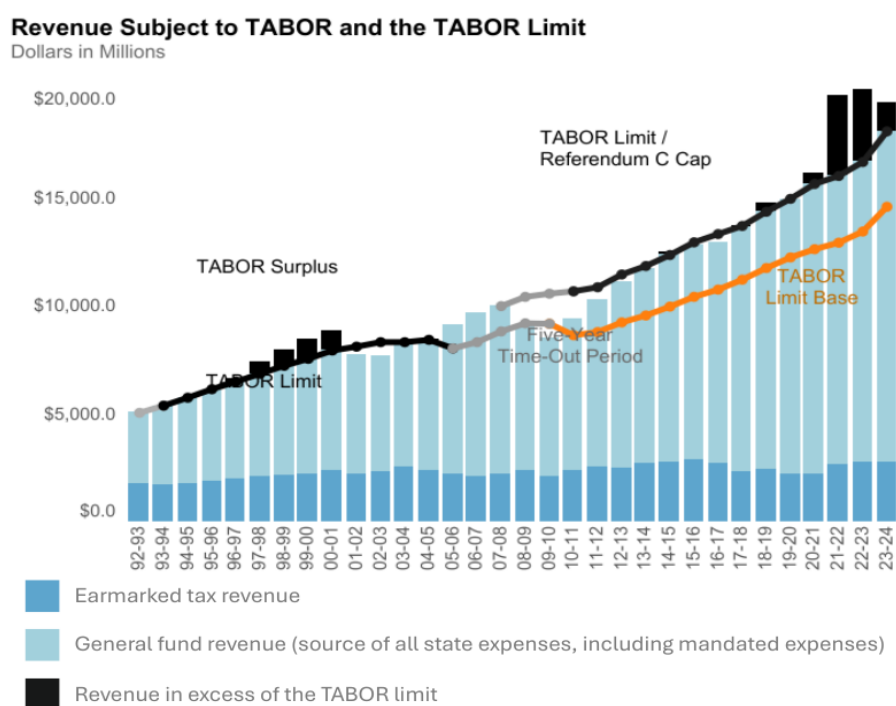


Figure 3. Colorado Tax Revenue Subject to TABOR⁷

⁴ Adam Schrager and Rob Witwer, *The Blueprint: How the Democrats Won Colorado (and Why Republicans Everywhere Should Care)* (Golden, CO: Fulcrum Publishing, Inc., 2010). Page 5.

⁵ “What Is the Taxpayer’s Bill of Rights (Tabor)?,” Colorado Fiscal Institute, accessed March 3, 2026, <https://coloradofiscal.org/wp-content/uploads/2025/03/TABOR-One-Pager.pdf>.

⁶ Tim Walker, “Tabor Lives on: How the War on Public Education Becomes Irreversible,” National Education Association, September 15, 2015, <https://www.nea.org/nea-today/all-news-articles/tabor-lives-how-war-public-education-becomes-irreversible#:~:text=NEA%20Today%20Magazines-.TABOR%20Lives%20On:%20How%20the%20War%20on%20Public%20Education%20Becomes,fifths%20majority%20in%20the%20House.>

⁷ Bell Policy Center Staff, “What Does ‘Debrucing’ Mean?,” The Bell Policy Center, February 12, 2026, <https://bellpolicy.org/what-is-debrucing/>. See interactive table at <https://public.tableau.com/app/profile/lcsdatavis/viz/TABOR/TABORDash>.

This makes it exceedingly difficult to amend TABOR to adapt to changing economic realities, as few voters would be willing to cast their vote in favor of increasing their own taxes or decreasing their own TABOR rebates.⁸ Third, in 2004, Colorado Senate Bill 04-189 amended TABOR to designate state institutions managed by a single governing board as enterprises, including universities and colleges with governing boards. Individual state-created enterprises are exempt from the TABOR limit, and are thus permitted to retain revenue and spend above the TABOR limit. However, in order to qualify as an enterprise, state and local government grants must make up less than 10% of an institution's total revenue.⁹

In addition to TABOR, the Colorado Constitution enshrines several other requirements for the state's use of tax dollars. First, the state is required to maintain a balanced budget and is prohibited from deficit spending; in drafting the Long Bill, the JBC cannot spend more money than is available. Secondly, through several amendments and statutes, the state is constitutionally required to fund several services and programs before tax revenue is allocated to any other purpose. These include preschool-12 education through the State Education Fund (Amendment 23, passed in 2000), property tax exemptions for seniors and disabled veterans, and the Old Age Pension (created in 1936). In addition to these three, there are some federal public health and human services programs that, while not required to be funded by the state, are only partially funded by the federal government if the state contributes a certain threshold of funds that varies with each program. This includes Medicaid, among other programs. Although it is also not required, the General Assembly has historically set aside funds to maintain state infrastructure and transportation projects each year. Finally, Colorado law mandates that income from certain taxes be appropriated in specific ways ("Cash Funds" in Figure 4 below): marijuana tax revenue must be dedicated to K-12 education infrastructure; tobacco tax revenue must be dedicated to the expansion of Medicaid, other health programs, and tobacco education programs; gaming tax (gambling) revenue must be dedicated to the State Historical Fund and municipalities and counties in which gambling is legal; lottery tax revenue must be dedicated towards various outdoor recreation and conservation programs; and motor vehicle licensing and registration fees must be spent on transportation infrastructure.¹⁰ When all is said and done, about 56% of Colorado's annual budget is tied up in these obligatory funds.¹¹

⁸ "Understanding Tabor: The First Steps," The Bell Policy Center, February 2002, <https://www.bellpolicy.org/wp-content/uploads/2017/11/Understanding-TABOR.pdf>.

⁹ Marianne Evashenk, "Performance Audit of the Implementation of the College Opportunity Fund Program," State of Colorado Office of the State Auditor, June 2012, https://leg.colorado.gov/sites/default/files/documents/audits/2162_higher_ed_college_opportunityjuly_2012.pdf.

¹⁰ John Ziegler, Kate Watkins, and Gregg Fraser, "Understanding the State Budget: The Big Picture," New Legislator Orientation Information Paper, December 3, 2018, https://content.leg.colorado.gov/sites/default/files/images/understanding_the_state_budget_information_paper.pdf.

¹¹ Bell Policy Center Staff, "Everything You Need to Know about Colorado's Budget," The Bell Policy Center, August 27, 2025, <https://bellpolicy.org/colorados-budget/#constitutional-spending-mandates>.

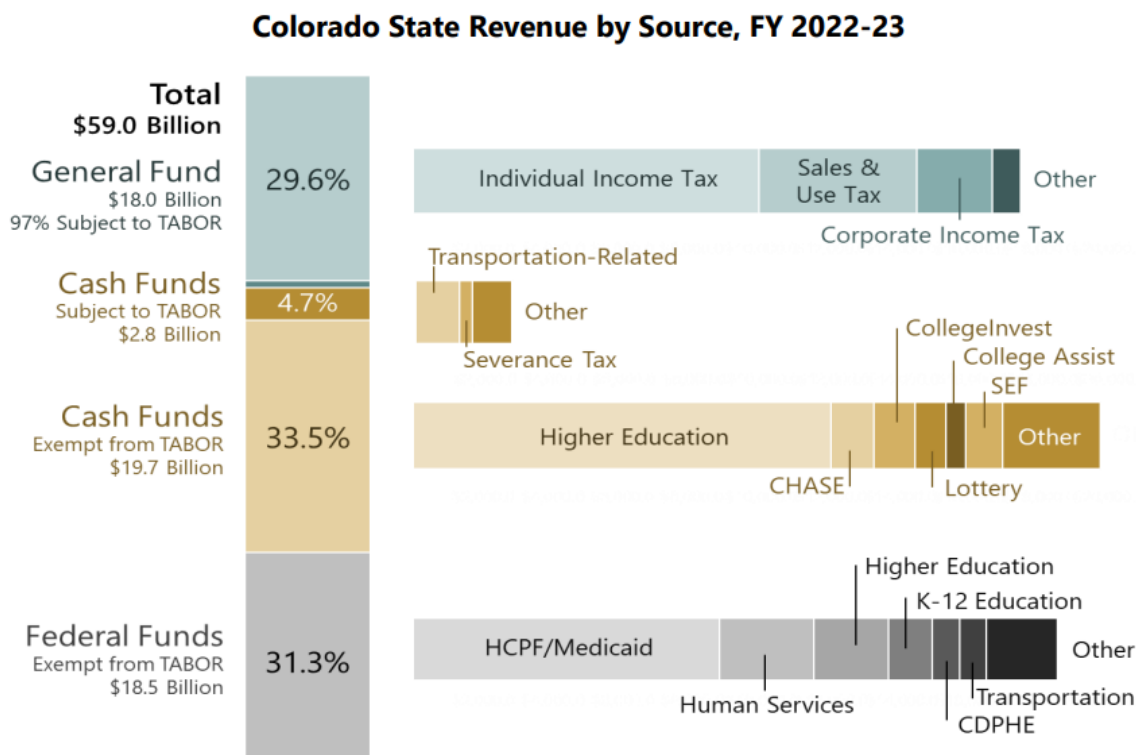


Figure 4. Colorado State Revenue by Source, FY 2022-23¹²

All of this creates three possible outcomes. In the best possible case, Colorado has enough money to fund all of the abovementioned required expenditures *and* allocate funding to non-essential endeavors such as the construction of affordable housing or innovative transit solutions *and* save enough to prepare for future economic downturns like the 2008 financial crisis or public health emergencies like COVID-19, all while remaining under the TABOR limit. This case allows the state to effectively and efficiently carry out its duties and take measures to ensure the future prosperity of the state. However, a reality like this has become nearly impossible for reasons that this paper will cover in the next section. In the best of the two worst possible cases, the state has enough money to cover all of the abovementioned required expenditures but does not have enough money to save or allocate to non-essential endeavors. In the worst of the two worst possible cases, the state does not have enough money to cover the abovementioned required expenditures, much less enough to save or allocate to non-essential endeavors.

The latter scenario is the new reality our state has begun facing in recent years; in 2023, 2024, and 2025, Governor Polis called the General Assembly into extraordinary sessions for this reason.¹³ In these extraordinary sessions, because the state did not have enough money to meet

¹² Craig Harper, Greg Sobetski, and Pierce Lively, "Understanding the State Budget: The Big Picture," New Legislator Orientation Information Paper, accessed March 3, 2026, https://content.leg.colorado.gov/sites/default/files/r24-1030_understanding_the_state_budget_2024-accessible.pdf.

¹³ "Colorado's Budget: Tabor Surplus & Deficit Explained," Colorado Fiscal Institute, April 29, 2025, <https://coloradofiscal.org/colorados-budget-tabor-surplus-deficit->

its constitutional obligations, the General Assembly was forced to cut funding for departments and programs across the state.^{14; 15; 16} Additionally, in the 2024 and 2025 legislative sessions, the Governor made clear to legislators that any piece of legislation with more than a \$10,000 fiscal note would be “dead on arrival” (vetoed immediately). In the 2025 extraordinary session, legislators were faced with a nearly \$1 billion budget shortfall.¹⁷ Since the passage of TABOR, no previous extraordinary sessions have been primarily focused on a budget deficit of the magnitude seen in the past three years.¹⁸ This budget situation essentially confines the state to adequately fund only its constitutionally-required expenditures by funding non-required programs like higher education at inadequate rates.

The Second and Third Original Causes: Demographic Shifts and Sector-Specific Inflation

Because the TABOR limit formula accounts for population growth and inflation, at a first glance, it logically follows that the state should not encounter the budget deficits that we have seen in recent years. TABOR was meant to set parameters for government spending to ensure that the state always had enough to perform its functions well, but never enough to allow for bureaucratic growth or government overreach. Thus, on paper, TABOR should never be an issue. However, the TABOR limit formula only accounts for population growth and inflation based on generalized statewide metrics. In fact, the inflation metric is only based on the Denver-Boulder Consumer-Price Index (CPI).¹⁹ This creates a problem, as Colorado’s constitutionally required expenditures are hyper-specific. A TABOR formula based on statewide population growth cannot account for enrollment changes in preschool-12 Colorado public schools or federal public health and human services programs, nor the number of Colorado residents reaching the age of eligibility for the Old Age Pension or property tax exemptions. Additionally, TABOR has no

[explained/#:~:text=In%20recent%20years%2C%20Colorado%20experienced,and%20a%20\\$1.2%20billion%20deficit.](#)

¹⁴ Taylor Dolven, Lucas Brady Woods, and Jesse Paul, “What the Colorado Legislature Did during Its Special Session to Tackle a \$750M Budget Hole,” The Colorado Sun, August 28, 2025,

<https://coloradosun.com/2025/08/27/colorado-special-session-what-happened/#:~:text=Another%20measure%20passed%20during%20the,for%20all%20Planned%20Parenthood%20services.>

¹⁵ Birkeland, Bente. “Colorado Lawmakers Pass Deal to Lower Property Taxes for Businesses, Homeowners.” Colorado Public Radio, August 29, 2024. <https://www.cpr.org/2024/08/29/colorado-lawmakers-pass-property-tax-deal-special-session/>.

¹⁶ Caroline Nutter, “Extraordinary Indeed: What the Heck Just Happened?!” Colorado Fiscal Institute, March 19, 2026, <https://coloradofiscal.org/extraordinary-indeed/#:~:text=Rental%20and%20food%20assistance%20expansions,year%20and%20provide%20immediate%20relief.>

¹⁷ Caroline Nutter, “Extraordinary Indeed: What the Heck Just Happened?!” Colorado Fiscal Institute, March 19, 2026, <https://coloradofiscal.org/extraordinary-indeed/#:~:text=Rental%20and%20food%20assistance%20expansions,year%20and%20provide%20immediate%20relief.>

¹⁸ Amanda King, “Memorandum,” Nonpartisan Services for Colorado’s Legislature, September 11, 2025, https://content.leg.colorado.gov/sites/default/files/r25-795_update_special_session_list-accessible.pdf.

¹⁹ “Understanding Tabor: The First Steps,” The Bell Policy Center, February 2002, <https://www.bellpolicy.org/wp-content/uploads/2017/11/Understanding-TABOR.pdf>.

¹⁹ “Understanding Tabor: The First Steps,” The Bell Policy Center, February 2002, <https://www.bellpolicy.org/wp-content/uploads/2017/11/Understanding-TABOR.pdf>.

mechanism to balance fluctuations in tax revenues that are mandated to be allocated in certain ways. For example, recent years have seen a decrease in tobacco sales, so the General Assembly must find a way to cover the decrease in tobacco tax revenue dedicated to Medicaid.²⁰ Also in recent years, the population of Colorado residents enrolled in Medicaid has increased.²¹ This creates an even bigger deficit that must be filled, but because of the TABOR limit, the state is constricted in its overall spending. Thus, in this example, the General Assembly must either cut funding for Medicaid—which could trigger a decrease in federal funding²²—or cut funding from other programs. The same is true for the other dedicated tax revenues.

Furthermore, while TABOR accounts for generalized inflation, it does not account for sector-specific inflation. In any given year, the inflation in the cost of infrastructure construction, for example, may be higher than the general rate of inflation across the state. Thus, the state budget must meet real costs within the various sectors that it allocates funds to while being constrained by arbitrary and generalized limits. Put simply, a TABOR limit based on the price of toothpaste in Denver and Boulder cannot account for the costs of running a postsecondary institution.

Several major categories tend to inflate faster than TABOR allots for. Medicaid costs rise at rates based on the rate of enrollment and the rate of inflation of the medical sector, neither of which is accounted for by TABOR.²³ Recently, the federal government has implemented changes that increased the Medicaid funding threshold that states must meet in order to receive federal funding. Additionally, Medicaid enrollment in Colorado has risen dramatically in recent years. For these reasons, Medicaid is currently the state's largest and fastest growing cost.²⁴ Similarly, the state is experiencing increased costs associated with the Old Age Pension and property tax exemptions for seniors due to an aging population. It is estimated that the 65+ demographic will grow by 48% by 2030, at which point, the demographic will account for nearly 19% of the state's population.²⁵ None of these costs can be accounted for by TABOR.

²⁰ Kelly Shen, "Joint Budget Committee Staff Figure Setting: FY 2026-27 Tobacco Revenue," Colorado General Assembly, February 4, 2026, https://content.leg.colorado.gov/sites/default/files/FY2026-27_govhrg.pdf.

²¹ Jesse Paul and John Ingold, "How Medicaid Became Such a Drag on Colorado's State Budget," The Colorado Sun, December 1, 2025, <https://coloradosun.com/2025/12/01/colorado-medicaid-spending-state-budget/>.

²² John Ziegler, Kate Watkins, and Gregg Fraser, "Understanding the State Budget: The Big Picture," New Legislator Orientation Information Paper, December 3, 2018, https://content.leg.colorado.gov/sites/default/files/images/understanding_the_state_budget_information_paper.pdf.

²³ Bell Policy Center Staff, "What Does 'Debrucing' Mean?," The Bell Policy Center, February 12, 2026, <https://bellpolicy.org/what-is-debrucing/>.

²⁴ Paul, "How Medicaid Became Such a Drag on Colorado's State Budget."

²⁵ Caitlin McKennie, "Aging into the Future: Economic Implications of Colorado's Aging Demographics," Common Sense Institute Colorado, July 1, 2025, <https://www.commonsenseinstituteus.org/colorado/research/housing-and-our-community/aging-into-the-future-economic-implications-of-colorados-aging-demographics->

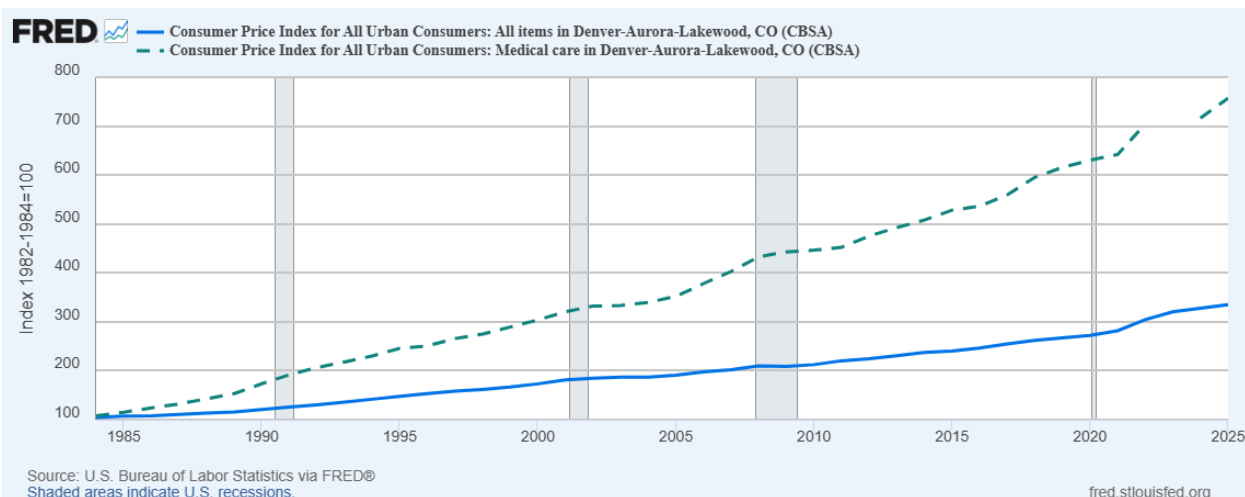


Figure 5. Medical vs General Colorado CPI²⁶

Aside from TABOR, Amendment 23, which mandated annual funding increases for preschool-12 education, generally outpaces enrollment. The Amendment 23 formula is also based on the general rate of inflation.²⁷ Currently, enrollment is down across the state²⁸, but inflation is rising dramatically, so funding requirements for preschool-12 education are artificially inflated. These are the most prominent examples, but the state’s budget and tax structures are riddled with these arbitrary formulas that tend to force the JBC’s hand.²⁹

The Effects on Higher Education

TABOR, demographic-specific population growth, and sector-specific inflation, when taken alone, do not adversely affect higher education in Colorado. However, coupled together, required costs surpass TABOR limits and force the General Assembly to cut funding to programs across the state. The effects of this catch-22 are the same on higher education as they are on many other state departments and programs. However, as will be discussed in the next section, the consequences of these adverse effects on higher education are much more dire for the future prosperity of Colorado. The state’s constrained budget causes Colorado to consistently lag behind peer states and the national average in dollars allocated to higher education per full-time equivalent (FTE) student.³⁰ This paper considers Colorado’s peer states as states within the

²⁶ Bell Policy Center Staff, “What Does ‘Debrucing’ Mean?,” The Bell Policy Center, February 12, 2026, <https://bellpolicy.org/what-is-debrucing/>. Access the interactive chart at <https://fred.stlouisfed.org/series/CUUSA433SA0#>.

²⁷ “Colorado Amendment 23, Education Funding Initiative (2000),” Ballotpedia, accessed April 13, 2026, [https://ballotpedia.org/Colorado_Amendment_23_Education_Funding_Initiative_\(2000\)](https://ballotpedia.org/Colorado_Amendment_23_Education_Funding_Initiative_(2000)).

²⁸ Ann Schimke, “Colorado Public Schools Report Biggest Enrollment Drop since the Pandemic,” Chalkbeat, January 14, 2026, <https://www.chalkbeat.org/colorado/2026/01/13/public-school-enrollment-declines-by-10000/>.

²⁹ Craig Harper, Greg Sobetski, and Pierce Lively, “Understanding the State Budget: The Big Picture,” New Legislator Orientation Information Paper, accessed March 3, 2026, https://content.leg.colorado.gov/sites/default/files/r24-1030_understanding_the_state_budget_2024-accessible.pdf.

³⁰ “State Profile for Colorado,” State Higher Education Finance (SHEF), accessed April 13, 2026, <https://shef.sheeo.org/state->

Western Interstate Commission for Higher Education (WICHE), the same comparison that many data analyses produced by the Colorado Department of Higher Education (CDHE) uses. Many of these states host similar numbers of public postsecondary institutions of similar sizes and with similar demographics to those in Colorado. WICHE states include Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.³¹

Figure 6. Colorado versus WICHE Average Funding Per FTE Student³²

Colorado also lags behind the national average of the same metric.

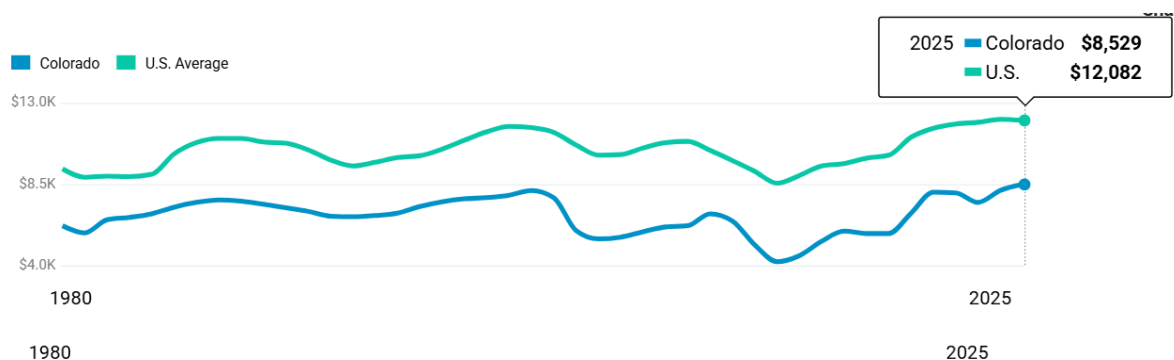


Figure 7. Colorado versus U.S Average Funding Per FTE Student³³

In Colorado, individual postsecondary public institutions are permitted to set their own tuition rates. However, any tuition increase must remain under a cap determined each year by the JBC.³⁴ As the state budget crisis becomes more dire year after year, the JBC has had no choice but to give incredibly minimal funding increases to higher education in the best case, and no increase or funding decreases in the worst cases.³⁵ Because of this, the JBC raises the tuition increase cap to allow institutions to attempt to balance minimal, lower, or stagnant state appropriations, as seen in Figure 8 below. Universities and colleges were not designated as enterprises until 2004, and thus the JBC did not set a cap for tuition increases, as institutions

[profile/colorado/?comp_group=RegionalComp&inflation=CPI&state_adjustment=unadjusted](https://www.shef.sheeo.org/state-profile/colorado/?comp_group=RegionalComp&inflation=CPI&state_adjustment=unadjusted) (data view: Regional comparison group, CPI-adjusted, state-unadjusted).

³¹ “Our Region,” Western Interstate Commission for Higher Education, accessed April 13, 2026, <https://www.wiche.edu/our-region/>.

³² “State Profile for Colorado,” SHEF (Regional comparison, CPI-adjusted). https://shef.sheeo.org/state-profile/colorado/?comp_group=RegionalComp&inflation=CPI&state_adjustment=unadjusted

³³ “State Profile for Colorado,” State Higher Education Finance (SHEF), accessed April 13, 2026, https://shef.sheeo.org/state-profile/colorado/?inflation=CPI&state_adjustment=unadjusted (data view: U.S comparison group, CPI-adjusted, unadjusted state support).

³⁴ Colorado General Assembly, *College Affordability Act*, SB HB 14-001 (2014), Page 2, http://www.leg.state.co.us/clics/clics2014a/csl.nsf/fsbillcont3/040C5229C1B8F2E087257C360075B2B8?open&file=001_enr.pdf

³⁵ “State Profile for Colorado,” State Higher Education Finance (SHEF), accessed April 13, 2026, https://shef.sheeo.org/state-profile/colorado/?comp_group=RegionalComp&inflation=CPI&state_adjustment=unadjusted (data view: CPI-adjusted, state-unadjusted).

were capped by TABOR.³⁶ The JBC did not implement a formal tuition increase cap until 2014, so between 2005 and 2013, tuition increases were essentially uncapped.³⁷ Due to changes in the higher education funding structure and formula, between 2014 and 2018, tuition caps were inconsistent and varied widely between institutions.

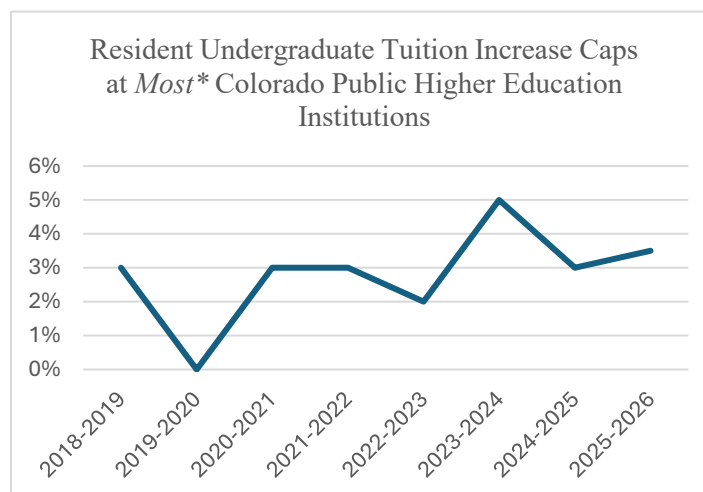


Figure 8. Resident Undergraduate Tuition Increase Caps at Most Colorado Public Higher Education Institutions^{38; 39; 40; 41; 42; 43; 44; 45}

**Note: In some years, the University of Colorado System, the Colorado School of Mines, the Metropolitan State University of Denver, and/or the Colorado Community College System have separate tuition increase cap designations.*

Because state appropriations account for increasingly less of institutions' revenue, student tuition must account for increasingly more. In 1980, student tuition constituted only about 37% of Colorado postsecondary public institutions' revenue, while WICHE states' student tuition

³⁶ Marianne Evashenk, "Performance Audit of the Implementation of the College Opportunity Fund Program," State of Colorado Office of the State Auditor, June 2012,

https://leg.colorado.gov/sites/default/files/documents/audits/2162_higher_ed_college_opportunityjuly_2012.pdf.

³⁷ "State Profile for Colorado," SHEF (U.S comparison group, CPI-adjusted).

³⁸ Colorado General Assembly, *2025-26 Long Bill*, SB 25-206. Page 101. <https://leg.colorado.gov/bills/sb25-206>.

³⁹ Colorado General Assembly, *2024-25 Long Bill*, HB 24-1430. Page 102. <https://leg.colorado.gov/bills/HB24-1430>.

⁴⁰ Colorado General Assembly, *2023-24 Long Bill*, SB 23-214. Page 103. <https://leg.colorado.gov/bills/SB23-214>.

⁴¹ Colorado General Assembly, *2022-2023 Long Bill*, HB 22-1329. Page 93. <https://leg.colorado.gov/bills/hb22-1329>.

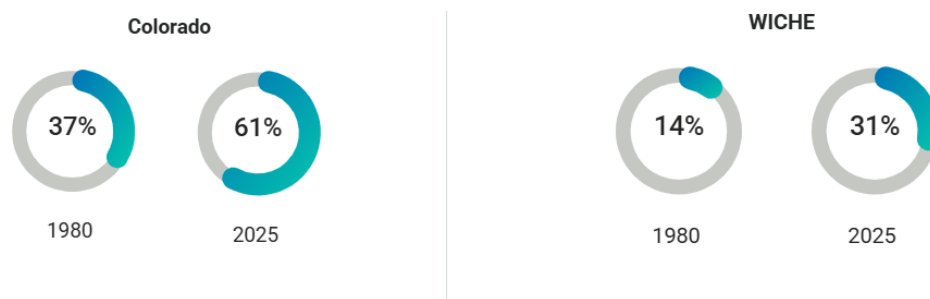
⁴² Colorado General Assembly, *2021-2022 Long Bill*, SB 21-205. Page 84. <https://leg.colorado.gov/bills/hb22-1329>.

⁴³ Colorado General Assembly, *2020-2021 Long Bill*, HB 20-1360. Page 89. <https://leg.colorado.gov/bills/hb22-1329>.

⁴⁴ Colorado General Assembly, *2019-2020 Long Bill*, SB 19-207. Page 85. <https://leg.colorado.gov/bills/sb19-207>.

⁴⁵ Colorado General Assembly, *2018-2019 Long Bill*, HB 18-1322. Pages 85-87. <https://leg.colorado.gov/bills/hb18-1322>.

constituted about 14%⁴⁶ and the national average was 21%.⁴⁷ Now, in Colorado, the student share has risen to 61%, while WICHE states and the national average are only at 31%⁴⁸ and

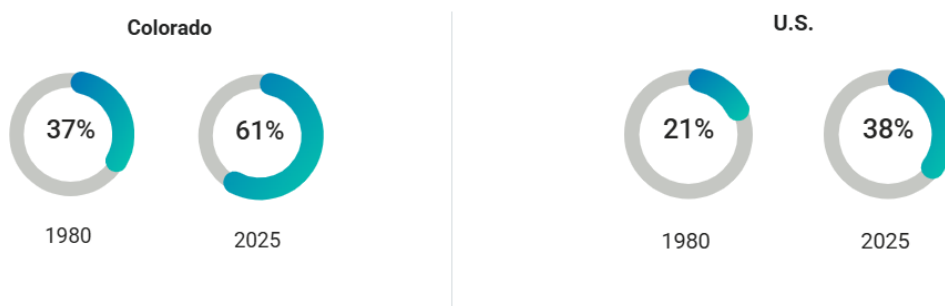


38%,⁴⁹ respectively. Now as in 1980, the remainder of Colorado postsecondary public institutions' revenue is made up in large part by state appropriations, and a small fraction is contributed by donor dollars and other revenue streams.

Figure 9. Colorado versus WICHE Average Student Share of Public Postsecondary Institutions' Revenues⁵⁰

Figure 10. Colorado versus U.S Average Student Share of Public Postsecondary Institutions' Revenues⁵¹

Colorado also exceeds both its peer states and the nation in average tuition and fees per FTE. In 1980, an average student enrolled at a Colorado public institution could expect to pay around \$3,600 in tuition (compared to the WICHE average of around \$1,600 and the U.S average



⁴⁶ "State Profile for Colorado," State Higher Education Finance (SHEF), accessed April 13, 2026, https://shef.sheeo.org/state-profile/colorado/?comp_group=RegionalComp&inflation=CPI&state_adjustment=unadjusted (data view: Regional comparison group, CPI-adjusted, state-unadjusted).

⁴⁷ "State Profile for Colorado," State Higher Education Finance (SHEF), accessed April 13, 2026, https://shef.sheeo.org/state-profile/colorado/?inflation=CPI&state_adjustment=unadjusted (data view: U.S comparison group, CPI-adjusted, unadjusted state support).

⁴⁸ "State Profile for Colorado," SHEF (data view: Regional comparison group)

⁴⁹ "State Profile for Colorado," SHEF (data view: U.S comparison group)

⁵⁰ "State Profile for Colorado," SHEF (data view: Regional comparison group)

⁵¹ "State Profile for Colorado," SHEF (data view: U.S comparison group)

of around \$2,500). Now, the same student can expect to pay around \$13,500 in tuition and fees (compared to the WICHE average of around \$6,000 and the U.S average of around \$7,500).^{52, 53}

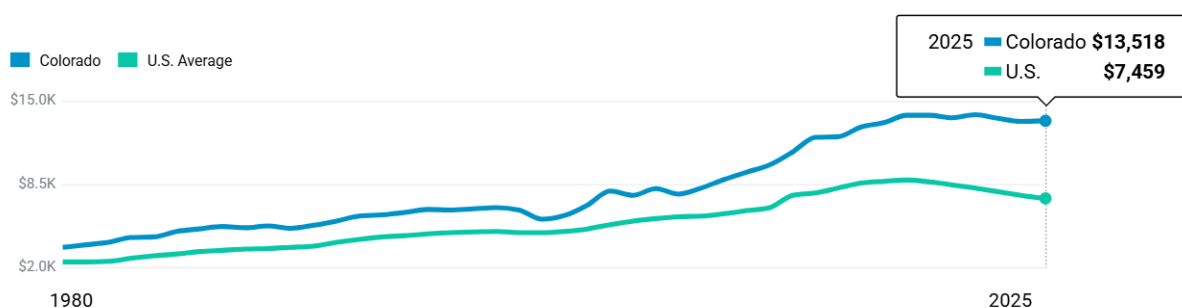


Figure 11. Colorado versus U.S Public Postsecondary Average Tuition & Fee Revenue per FTE⁵⁴

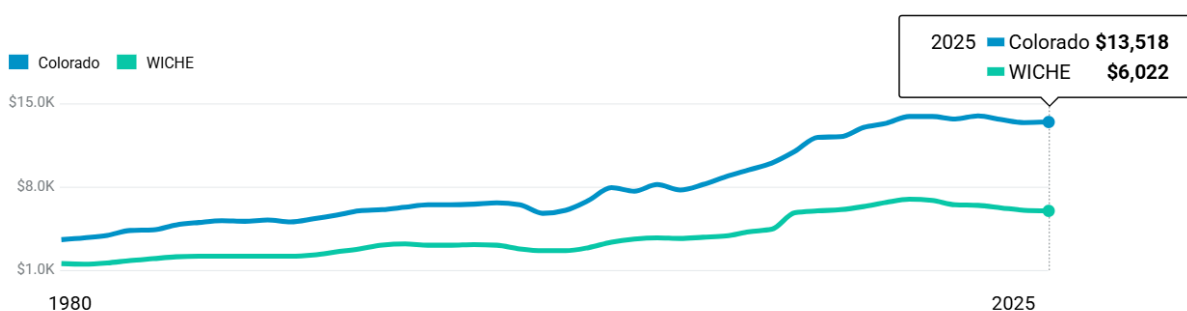


Figure 12. Colorado versus WICHE Public Postsecondary Average Tuition & Fee Revenue per FTE⁵⁵

Almost without exception, each year, the governing boards of Colorado’s postsecondary institutions elect to raise tuition rates to the maximum allotted by the JBC. They do this not out of greed or to line their own pockets, but because the cost of operating a postsecondary institution has risen dramatically.⁵⁶ Most institutions across the nation expanded dramatically between 1950 and 1970 after WWII, driven primarily by the allocation of GI Bill benefits for

⁵² “State Profile for Colorado,” State Higher Education Finance (SHEF), accessed April 13, 2026, https://shef.sheeo.org/state-profile/colorado/?comp_group=RegionalComp&inflation=CPI&state_adjustment=unadjusted (data view: Regional comparison group, CPI-adjusted, unadjusted state support).

⁵³ “State Profile for Colorado,” State Higher Education Finance (SHEF), accessed April 13, 2026, https://shef.sheeo.org/state-profile/colorado/?inflation=CPI&state_adjustment=unadjusted (data view: U.S comparison group, CPI-adjusted, unadjusted state support).

⁵⁴ “State Profile for Colorado,” State Higher Education Finance (SHEF), accessed April 13, 2026, https://shef.sheeo.org/state-profile/colorado/?inflation=CPI&state_adjustment=unadjusted#perstudent-tuition-revenue-over-time (data view: U.S comparison group, CPI-adjusted, unadjusted state support).

⁵⁵ “State Profile for Colorado,” State Higher Education Finance, (SHEF) accessed April 13, 2026, https://shef.sheeo.org/state-profile/colorado/?inflation=CPI&state_adjustment=unadjusted#perstudent-tuition-revenue-over-time (data view: Regional comparison group, CPI-adjusted, unadjusted state support).

⁵⁶ Weisbrod, Burton A., Jeffrey P. Ballou, and Evelyn D. Asch. *Mission and Money: Understanding the University*. New York, NY: Cambridge University Press, 2011. Chapter 3.

veterans and the baby boom generation reaching college age.⁵⁷ During this time, universities expanded their operations, educational pathways, and physical campuses, rapidly constructing new buildings. Now, those buildings are reaching ages in which they must be completely renovated or rebuilt. The cost of these facilities' deferred maintenance places a rapidly accumulating financial burden on universities' funds. For example, at Colorado State University alone, 47 new buildings were constructed between 1950 and 1970. Of those 47, three are currently under renovation and 40 still stand today, many with millions of dollars of deferred maintenance continually accumulating.⁵⁸ Additionally, today's students have begun to expect more out of universities than that of previous generations. Now, schools that are not primarily known for their academic reputation (most state schools) compete with each other to draw in students interested in a premier college experience. This means new state-of-the-art athletic stadiums, vibrant on-campus traditions and events, and multi-million-dollar student facilities have become the norm. Today, most state schools offer comparable educations and post-graduation regional career opportunities.⁵⁹ Thus, the average prospective state school student will tend to choose a school that is able to invest in creating a better student experience and more vibrant campus. Aside from deferred maintenance and the student experience, the costs of supplies, personnel, maintaining competitive academic programs, and simply keeping the lights on have risen exponentially. In these three areas, Colorado schools are quickly beginning to lag behind their out-of-state peer institutions.⁶⁰

However, even raising tuition rates to the cap set by the JBC is not enough for Colorado universities and colleges to meet the larger scale of needs now required to be a competitive postsecondary state institution. Additionally, most Colorado public institutions cannot rely on donor dollars, as they simply do not have endowments or engaged alumni networks comparable to other universities. In order to attain large enough endowments to mitigate rising costs without significant assistance from state appropriations, a school must have been established long ago and have hundreds of years' worth of established alumni communities (e.g. University of Georgia or University of North Carolina Chapel Hill),⁶¹ have an extremely active and engaged alumni base (e.g. Texas A&M University or University of Texas at Austin),⁶² or have a profitable

⁵⁷ Clark, J. H. C. (2025, September 30). *Raising up the world's Best Educated Workforce Through Postsecondary Education*. George W. Bush Presidential Center. <https://www.bushcenter.org/publications/raising-up-the-worlds-best-educated-workforce-through-postsecondary-education>

⁵⁸ Trap, Clarissa. "Research Guides: CSU Buildings and Grounds History: The Modern Era, 1950-Present." Colorado State University Libraries, Accessed April 13, 2026. [https://libguides.colostate.edu/c.php?g=1186582&p=8914138#:~:text=Glover%20Building/Glover%20Veterinary%20Hospital,Braiden%20Hall%20\(1963%2Dpresent\).](https://libguides.colostate.edu/c.php?g=1186582&p=8914138#:~:text=Glover%20Building/Glover%20Veterinary%20Hospital,Braiden%20Hall%20(1963%2Dpresent).)

⁵⁹ "Involvement in College Matters." Center for the Study of Student Life. Accessed April 29, 2026. <https://cssl.osu.edu/reports-and-data/by-project>.

⁶⁰ "Colleges with the Best Student Life in Colorado," Niche, 2026, <https://www.niche.com/colleges/search/best-student-life/s/colorado/>.

⁶¹ "What Is an Alumni Network?" Rollins College - Crummer School of Business, November 25, 2025. [https://crummer.rollins.edu/resources/what-is-an-alumni-](https://crummer.rollins.edu/resources/what-is-an-alumni-network/#:~:text=Importance%20of%20an%20Alumni%20Network,great%20deal%20of%20rewarding%20benefits)

[network/#:~:text=Importance%20of%20an%20Alumni%20Network,great%20deal%20of%20rewarding%20benefits](https://crummer.rollins.edu/resources/what-is-an-alumni-network/#:~:text=Importance%20of%20an%20Alumni%20Network,great%20deal%20of%20rewarding%20benefits)

⁶² Ibid

niche (e.g. University of Alabama’s football program or University of California System’s STEM and research programs).⁶³ In general, Colorado public universities and colleges have fallen short of meeting these criteria, and must resort to increasing tuition rates to keep the lights on. However, because the JBC caps Colorado public institutions’ tuition increases, even this is not enough to remain competitive with out-of-state schools.

These factors cause a dangerous imbalance: as the costs of attaining a postsecondary degree in Colorado are rising, the quality of that degree is failing to match that of other public institutions. Colorado public postsecondary institutions are ranked low for best student life when compared to other U.S public postsecondary institutions. The University of Colorado is an outlier (ranked 57th), while Colorado State University ranked 157th, Aims Community College ranked 322nd, Colorado Mesa University ranked 675th, and the Colorado School of Mines ranked 929th.⁶⁴

By averaging the national student life rankings of all four-year public postsecondary institutions in the state, Colorado ranked 10th (average national ranking of 733rd) amongst other WICHE states. This is below Arizona (668th), California (528th), Hawaii (704th), Idaho (496th), Montana (726th), Nevada (624th), North Dakota (681st), Utah (353rd), and Wyoming (433rd), but above Alaska (1000+), New Mexico (823rd), Oregon (758th), South Dakota (766th), and Washington (820th).⁶⁵ It should be noted that these results are based on data that does not rank schools ranked under 1000th nationally. These schools were accounted for using a value of 1000 for calculation purposes. See appendix B for a full chart comparing WICHE state institutions’ national ranking for student experience.

It should also be noted that averaging public institutions in this way can make the data appear worse than reality. For example, California has many public institutions, and many of these institutions rank nationally high for student experience. However, because it has so many institutions, it also has many that rank nationally very low for student experience. This dilutes the high-quality student experience offered at some of California's institutions, making it seem as if the state generally offers worse student experiences than Wyoming, for example, which only has one postsecondary public institution. In reality, the prominent California schools are generally regarded as offering far better student experiences than the University of Wyoming. In a narrower framing, if the national rankings for best student life are averaged for only the two schools in each WICHE state with the highest average enrollment for their state are accounted for, Colorado ranks much higher (third amongst WICHE states).⁶⁶ However, the data outlined

⁶³ Wagner, Ron. “Combat Declining Enrollment with In-Demand Niche Programs.” Academic Briefing | Higher Ed Administrative Leadership, February 24, 2025. <https://www.academicbriefing.com/administration/program-development/combat-declining-enrollment-with-in-demand-niche-programs-2/#:~:text=This%20could%20mean%20more%20hands,needs%20120%20hours%20to%20graduate?>

⁶⁴ “Colleges with the Best Student Life in Colorado,” Niche, 2026, <https://www.niche.com/colleges/search/best-student-life/s/colorado/>.

⁶⁵ Ibid

⁶⁶ Ibid

above remains valuable, as it provides a holistic picture of student experience available to the average postsecondary student in a WICHE state, and shows that Colorado offers fewer overall institutions with comparable student experiences to its peer states.

Furthermore, Colorado ranked 38th in 2026 for overall university quality. Comparatively, only six of the 15 WICHE schools rank below Colorado— New Mexico (#50), Alaska (#49), Hawaii (#47), North Dakota (#46), Montana (#43), and Oregon (#41). The other eight WICHE states rank above Colorado— Wyoming (#37), Nevada (#36), Arizona (#35), Idaho (#33), South Dakota (#32), Utah (#26), Washington (#21), California (#7). These rankings are based on 18 metrics, including the quality of the states’ school systems, Blue Ribbon schools per capita, and the average quality of the states’ universities.⁶⁷ It should be noted that, largely due to the work of champions of higher education at the Colorado Capitol and leaders in the higher education space, Colorado has remained relatively in the middle of its peers in overall university quality, and is currently the number two state in the nation for educational attainment. However, as a state that relies on out-of-state educated workers to stimulate its economy, remaining average puts Colorado in a dangerous position.

Beyond student experience and university quality, Colorado schools are also ranked nationally low for best academics; the Colorado School of Mines ranks #155, the University of Colorado ranks #260, Colorado State University ranks #326, and the University of Northern Colorado ranks #682.⁶⁸ The United States Air Force Academy ranks much higher, but does not serve the same purposes or function in the same manner as other state institutions.

These factors are preventing enrollment in Colorado public institutions from matching the average rate of enrollment in peer states; students are beginning to rethink their decision to go to college. Just 20 years ago, those of a certain age and of a certain socioeconomic background were expected to go to college as a step in the natural progression of the life of a productive and contributory member of American society.⁶⁹ Now, that has become less true. Some students are beginning to see college as a bad return on investment and opt to enter directly into the workforce instead. In fact, in 2024, an estimated only one-third of postsecondary students view their education as worth its cost. These students’ assessments of their situations are fairly accurate— postsecondary degrees have not only become incredibly expensive, but also incredibly common. Many graduates are not able to attain their desired income in their desired career field with public university undergraduate degrees.⁷⁰

⁶⁷ Adam McCann, “Most & Least Educated States in America (2026),” WalletHub, February 9, 2026, <https://wallethub.com/edu/e/most-educated-states/31075>.

⁶⁸ “2026 Colleges with the Best Academics & Their Rankings.” Niche. Accessed April 29, 2026. <https://www.niche.com/colleges/search/best-college-academics/>.

⁶⁹ Goldrick-Rab, Sara. *Paying the Price: College Costs, Financial Aid, and the Betrayal of the American Dream*. Chicago, IL: The University of Chicago Press, 2016. Page 1.

⁷⁰ Welding, Lyss. “Just One-Third of Students Say College Is Worth the Cost.” Best Colleges, May 7, 2024. <https://www.bestcolleges.com/research/student-survey-is-college-worth-cost/>.

Even if a student does decide to pursue a postsecondary public education, it is increasingly less likely that they will choose a university or college in Colorado due to high costs of living, increasing tuition rates, less competitive college experiences, and lower ranked undergraduate programs. To make matters worse, during and directly after the 2008 financial crisis, birth rates across the United States declined; families were not able to afford to have children. In fact, U.S. birthrates declined significantly after 2008 until 2014, and continued to steadily decline until 2023. Those low birthrates are now contributing to an enrollment cliff, as there will simply be fewer individuals of college-going age between 2025 and 2041.⁷¹ One year into this enrollment cliff, data is showing that it is affecting mid-tier public institutions (University of Northern Colorado, Colorado School of Mines, etc.) and community colleges disproportionately more than large public institutions (Colorado State University, University of Colorado, etc.).⁷² This goes to show that students' value for a better student experience continues to be a major factor in driving enrollment trends.

This creates a cyclical conundrum: Colorado public postsecondary undergraduate degrees become more expensive, less valuable, and less enjoyable, so fewer students opt to attain their degrees in-state. As enrollment increases at a slower rate for this reason and the others outlined above, Colorado schools must raise tuition. However, because they can only do so to a certain point dictated by the JBC, the value of their degrees and student experiences drop, causing a continued decline in enrollment, and the cycle continues. It should be noted that enrollment in Colorado public institutions has increased by 27% from 2001 to 2023.⁷³ While this number may seem positive, it has not kept pace with overall state population growth (36.3% from 2001 to 2023),⁷⁴ nor has it kept pace with the rate of enrollment at public institutions in peer states⁷⁵ or the national average rate of enrollment at public institutions.⁷⁶

⁷¹ Lane, Patrick, Colleen Falkenstern, and Peace Bransberger. "Knocking at the College Door: Projections of High School Graduates | December 2024." WICHE. Accessed April 29, 2026. <https://www.wiche.edu/wp-content/uploads/2024/12/2024-Knocking-at-the-College-Door-final.pdf>.

⁷² "2025 Final Student FTE Enrollment Report." Colorado Department of Higher Education, June 2025. <https://spl.cde.state.co.us/artemis/hedserials/hed1554internet/hed1554201415internet.pdf>.

⁷³ "State Profile for Colorado," State Higher Education Finance (SHEF), https://shef.sheeo.org/state-profile/colorado/?comp_group=RegionalComp&inflation=CPI&state_adjustment=unadjusted#how-has-student-enrollment-changed-over-time (data view: Regional comparison group, CPI-adjusted, unadjusted state support).

⁷⁴ "Resident Population in Colorado," Federal Reserve Bank of St. Louis, March 3, 2026, <https://fred.stlouisfed.org/series/COPOP>.

⁷⁵ "2025 Final Student FTE Enrollment Report." Colorado Department of Higher Education.

⁷⁶ "State Profile for Colorado," State Higher Education Finance (SHEF), https://shef.sheeo.org/state-profile/colorado/?inflation=CPI&state_adjustment=unadjusted#how-has-student-enrollment-changed-over-time (data view: U.S comparison group, CPI-adjusted, unadjusted state support).

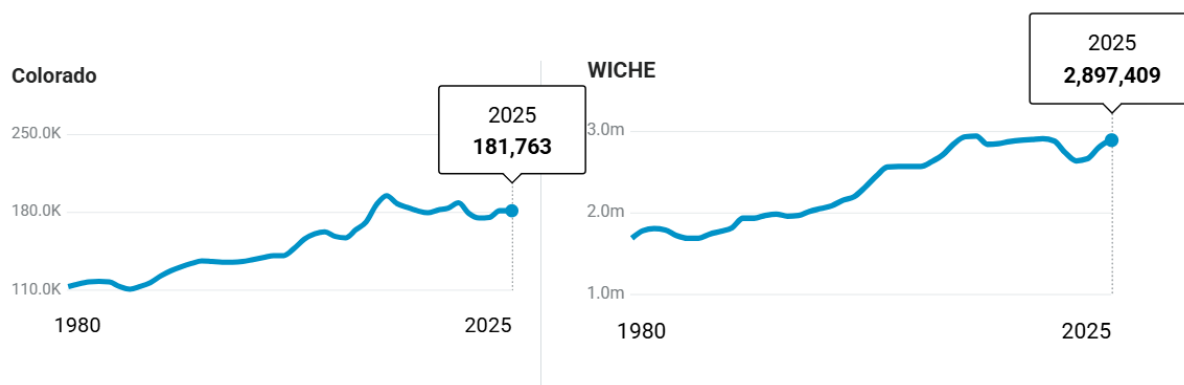


Figure 13. Colorado versus WICHE Average Enrollment at Public Postsecondary Institutions⁷⁷

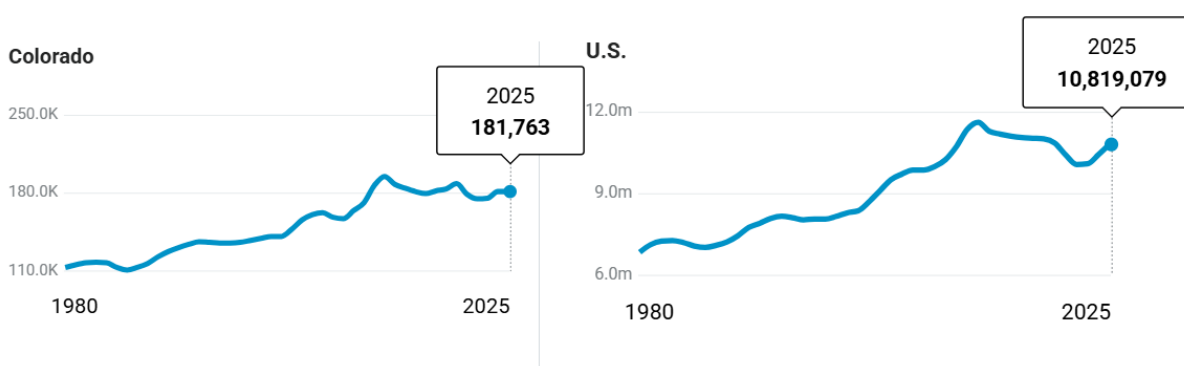


Figure 14. Colorado versus U.S. Average Enrollment at Public Postsecondary Institutions⁷⁸

While the tables above do not show average enrollment per WICHE or U.S. state, by dividing the figures above by the 15 WICHE states, one can find that average WICHE state enrollment was 113,014 in 1980 (compared to Colorado's 113,281) and 193,160 in 2025 (compared to Colorado's 181,763). In the same way, one can find that the average U.S. state enrollment was 137,044 in 1980 and 216,381 in 2025.

The Effects on Colorado's Economy and Workforce

Because fewer students will remain in-state for their undergraduate degrees, fewer students will enter the Colorado workforce after attaining their degrees. In 2025, Colorado was ranked among the top 10 most unaffordable states; households needed to spend an average of

⁷⁷ "State Profile for Colorado," State Higher Education Finance (SHEF), https://shef.sheeo.org/state-profile/colorado/?comp_group=RegionalComp&inflation=CPI&state_adjustment=unadjusted#how-has-student-enrollment-changed-over-time (data view: Regional comparison group, CPI-adjusted, unadjusted state support).

⁷⁸ "State Profile for Colorado," State Higher Education Finance (SHEF), https://shef.sheeo.org/state-profile/colorado/?inflation=CPI&state_adjustment=unadjusted#how-has-student-enrollment-changed-over-time (data view: U.S. comparison group, CPI-adjusted, unadjusted state support).

\$20,800 more to cover the costs of living compared to the national average increase of only \$15,400.⁷⁹ Thus, many of those who choose to attend Colorado public universities and colleges cannot afford to or choose not to enter the workforce in Colorado due to these rising costs. This contributes to what is known as the Colorado Paradox: Colorado educates the workforces of other states, while other states educate Colorado's workforce.⁸⁰ This is caused by a high and consistent influx of educated out-of-state workers, but a low number of Colorado high school graduates pursuing postsecondary degrees in-state, if at all.⁸¹ Thus, Colorado relies on these educated workers from other states in order to stimulate the state economy.⁸² That reliance will only grow as Colorado postsecondary institutions become less attractive and the state becomes increasingly less affordable for workers and consumers.⁸³

This is a very volatile and unreliable metric to stake a state's economy on, and should these trends continue, it exposes the state to economic risk. By 2050, net migration to the Denver metro area is expected to slow by over 70% from 2015.⁸⁴ Further exacerbating the issue, Colorado's population is aging rapidly, and the state is expected to see over 40,000 additional retirees each year by 2030.⁸⁵

⁷⁹ Zachary Milne, "Colorado's Inflation Hangover," Common Sense Institute, March 17, 2026, <https://www.commonsenseinstituteus.org/colorado/research/jobs-and-our-economy/the-inflation-hangover-how-the-post-pandemic-price-surge-reshaped-affordability-in-america>.

⁸⁰ Emily DeRuy, "The Colorado Paradox," The Atlantic, May 26, 2016, <https://www.theatlantic.com/education/archive/2016/05/a-city-that-imports-college-educated-workers-tries-to-grow-its-own-talent/484325/>.

⁸¹ Ibid

⁸² Gamm, Erik, and Jason Gaulden. "Diagnosing Colorado's Skills and Attainment Gap." Common Sense Institute, February 13, 2024. <https://www.commonsenseinstituteus.org/colorado/research/education/diagnosing-colorados-skills-and-attainment-gap>.

⁸³ Scott Carlson, "The Colorado Paradox," The Chronicle of Higher Education, October 31, 2025, <https://www.chronicle.com/special-projects/the-different-voices-of-student-success/reducing-structural-barriers/the-colorado-paradox>.

⁸⁴ Cole Anderson and Caitlin McKennie, "Fewer Movers, Bigger Problems: Migration Declines in Colorado," Common Sense Institute, July 10, 2025, <https://www.commonsenseinstituteus.org/colorado/research/housing-and-our-community/fewer-movers-bigger-problems-migration-declines-in-colorado--its-biggest-cities>.

⁸⁵ Caitlin McKennie, "Aging into the Future: Economic Implications of Colorado's Aging Demographics," Common Sense Institute, July 1, 2025, <https://www.commonsenseinstituteus.org/colorado/research/housing-and-our-community/aging-into-the-future-economic-implications-of-colorados-aging-demographics->.



Figure 15. Colorado Net Migration Projections for the Denver Metro Area⁸⁶

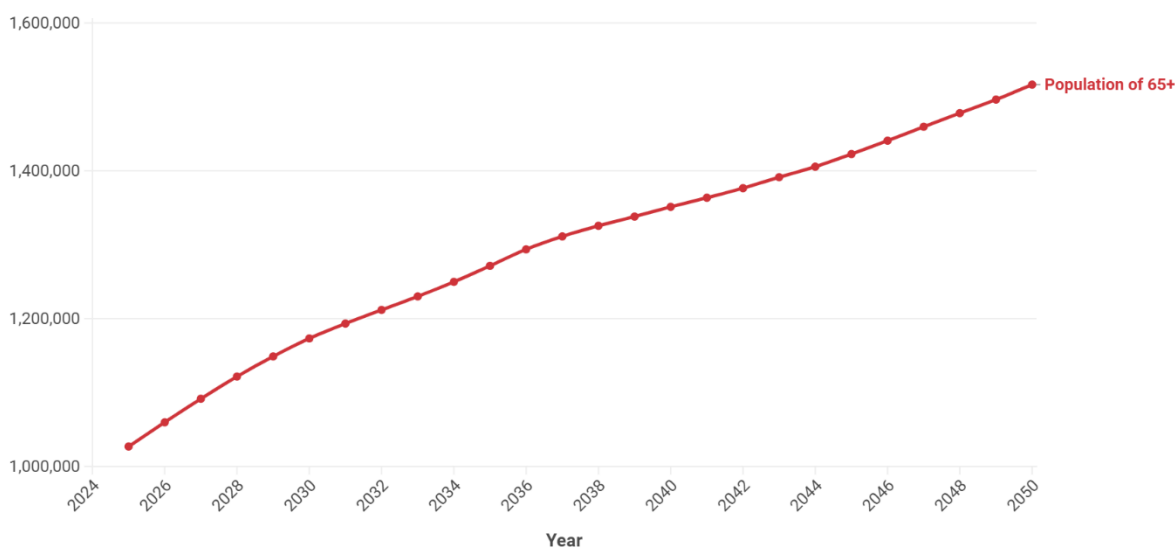


Figure 16. Expected Growth of Coloradans Aged 65+⁸⁷

This presents a problem— by 2031, an estimated 73% of all job openings in Colorado will be for workers with some type of postsecondary credential.⁸⁸ Today, only 66.5% of the state’s adult population born in Colorado meets that standard—over 79,000 people short of that 73%.⁸⁹ Also

⁸⁶ Cole Anderson and Caitlin McKennie, “Fewer Movers, Bigger Problems: Migration Declines in Colorado,” Common Sense Institute, July 10, 2025, <https://www.common senseinstituteus.org/colorado/research/housing-and-our-community/fewer-movers-bigger-problems-migration-declines-in-colorado--its-biggest-cities>.

⁸⁷ Caitlin McKennie, “Aging into the Future: Economic Implications of Colorado’s Aging Demographics,” Common Sense Institute, July 1, 2025, <https://www.common senseinstituteus.org/colorado/research/housing-and-our-community/aging-into-the-future-economic-implications-of-colorados-aging-demographics->.

⁸⁸ Gamm, Erik, and Jason Gaulden. “Diagnosing Colorado’s Skills and Attainment Gap.” Common Sense Institute, February 13, 2024. <https://www.common senseinstituteus.org/colorado/research/education/diagnosing-colorados-skills-and-attainment-gap>.

⁸⁹ Ibid

by 2031, Colorado will be the second-highest state in the nation for percentage of jobs requiring a bachelor's degree.⁹⁰

Simply put, Colorado's higher education funding trends put the state's economy at serious risk by increasing the state's reliance on a decreasing influx of out-of-state educated workers to maintain a prosperous economy. That, coupled with an aging population and an increase in jobs requiring a postsecondary degree that Colorado's workforce will be unable to fill should raise red flags for Colorado elected officials, economists, policymakers, and higher education leaders. All of this can be summarized clearly through Figure 1 below (see appendix A for a full version with a key).

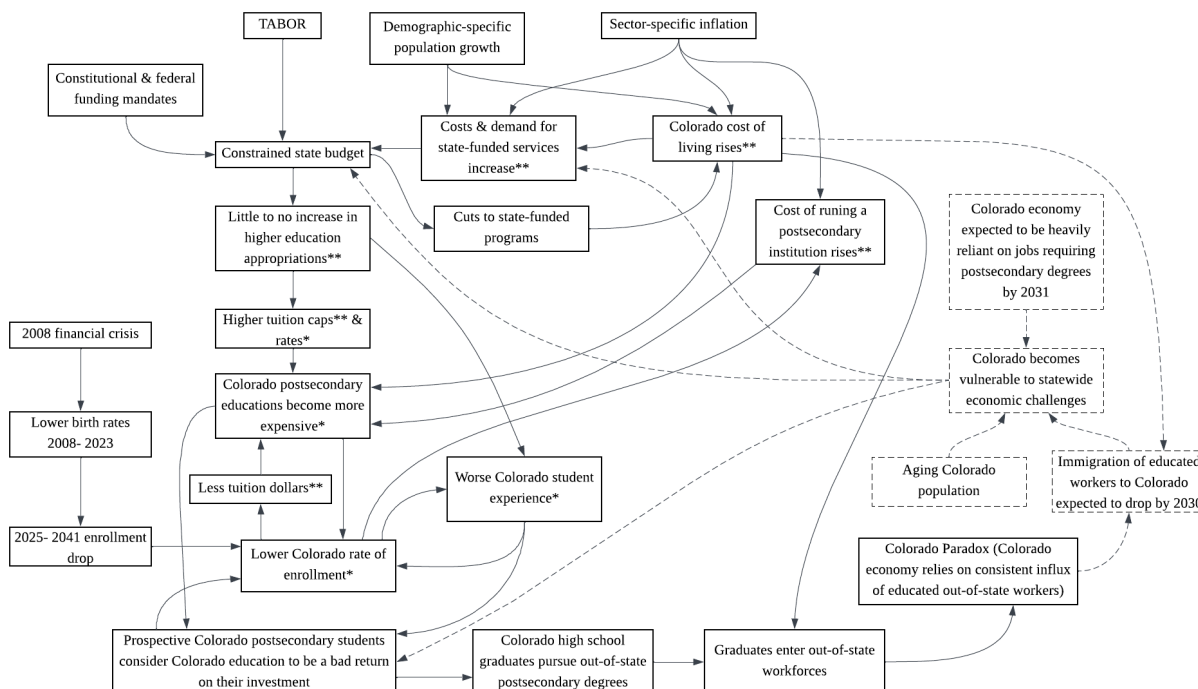


Figure 1. Drivers of Colorado Higher Education Funding & Economic Outcomes (see Appendix A for full version)

⁹⁰ "After Everything: Projections of Jobs, Education, and Training Requirements through 2031," Georgetown University McCourt School of Public Policy Center on Education and the Workforce, accessed May 1, 2026, https://cew.georgetown.edu/wp-content/uploads/Projections_2031-State-Report.pdf.

Part 2: The Solution

Introduction

As established in Part 1, the problem is clear: demographic-specific population growth and sector-specific inflation in Colorado is raising the state's costs in ways that TABOR cannot account for. Because 56% of Colorado's budget is tied up in constitutionally or otherwise obligated costs, the state has little to no room to save for the future, much less adequately fund departments like higher education. In response to this, the JBC allows institutions to continually raise tuition, but even this is not enough for Colorado public institutions to meet the modern requirements of a competitive public college or university. Thus, students become disenchanted with Colorado public institutions and begin either pursuing other avenues after high school or going to other states to attain their postsecondary degrees. This, coupled with the rising cost of living, causes less graduates to remain in Colorado, making the state's economy more dependent on a consistent influx of out-of-state educated workers. Should this trend continue, it will surely leave the state's economy vulnerable to risk, as Colorado's economy is predicted to be incredibly reliant on jobs requiring a postsecondary degree by 2031. Unless trends change, these jobs will likely go unfilled due to a shrinking educated Colorado workforce because of slowing immigration of out-of-state educated workers and a rapidly aging population.

This solution will aim to mitigate these downstream economic effects by restructuring Colorado's model for funding higher education to include funds earmarked for programs that feed into high-skill high-wage in-demand industries—industries that the state deems as valuable to the state's future workforce and economy (phase 2). In order to provide for those funds and to solve the issues created by TABOR, phase 1 of this solution calls for a regularly recurring statutorily required referendum to partially de-Bruce higher education. This solution is meant to be used by state policymakers and Colorado's postsecondary public institutions to adjust course and protect the future prosperity of the state. It is clear that, if Colorado is to remain economically and educationally competitive with other states, policymakers and university administrators must take action. The following sections outline a proposed course of action in two phases to mitigate the problems and reverse the concerning trends outlined in previous sections.

Phase 1: De-Brucing Higher Education

Of the three root causes of the issue at hand— TABOR, demographic shifts, and sector-specific inflation— the only one able to be materially changed is TABOR; population growth of any kind is largely based on factors outside of the control of elected officials and policymakers,⁹¹

⁹¹ Shannon Gray, "Colorado's State Demography Office Summarizes the U.S. Census Data Released Today," Colorado Department of Local Affairs, January 27, 2026, <https://cdola.colorado.gov/press-release/colorados-state-demography-office-summarizes-the-us-census-data-released-today>.

as is inflation.⁹² However, because TABOR is very difficult to change without voter approval, and voters are incredibly hesitant to vote in any way that could conceivably raise their taxes,⁹³ this is a daunting task. That being said, amending TABOR is not entirely impossible and has already been accomplished in a few instances.

The most significant of these was the passage of Referendum C, a statutory referendum referred to the ballot by the General Assembly in 2005 in response to a constricted state budget not unlike today's. Referendum C allowed the state government a five-year reprieve from the TABOR spending limit but retained the TABOR limit on the amount the state government was permitted to keep and save.⁹⁴ It also permanently eliminated the “ratchet-down effect”—a conundrum in which periods of tax revenue decreases caused permanent spending limits in the following years, even when the economy had rebounded—by allowing the TABOR limit to be adjusted for inflation and population growth each year.⁹⁵ Referendum C funds were used for public K-12 education, higher education, health care, and transportation, and allowed the state to raise revenue by \$5.7 billion.⁹⁶ After much controversy, Referendum C narrowly passed in a 52% to 48% win.⁹⁷

TABOR has also been avoided through the “de-Brucing” process in local municipalities, counties, and school districts. De-Brucing refers to TABOR author Douglas Bruce, and allows local levels of government to remove all TABOR constraints on government spending and saving and the requirement to refund excess revenue via voter approval. De-Brucing does not remove the requirement for voters to approve new taxes and tax increases. In recent years, de-Brucing at the local level has become the norm: over 50 of Colorado's 64 counties, over 230 of around 270 municipalities, and all but one school district have de-Bruced. This is largely because, as previously demonstrated, the TABOR formula is flawed, and becomes increasingly more flawed when applied to smaller levels of government that deal in more niche issues with smaller amounts of tax revenue.⁹⁸

Two notable attempts to amend TABOR on a large scale have failed: Referendum D and Proposition CC. Referendum D was referred to the ballot in 2005 alongside Referendum C, but narrowly failed in a 50.62% to 49.38% loss. If passed, Referendum D would have paused TABOR rebates for a five-year period to remove the TABOR limit on the amount of tax revenue

⁹² Zachary Milne, “Colorado's Inflation Hangover,” Common Sense Institute, March 17, 2026, <https://www.commonsenseinstituteus.org/colorado/research/jobs-and-our-economy/the-inflation-hangover-how-the-post-pandemic-price-surge-reshaped-affordability-in-america>.

⁹³ “2024-03: March Statewide Poll.” Colorado Polling Institute, March 2025. <https://copollinginstitute.org/poll/2024-03-march-statewide-poll/>.

⁹⁴ Bell Policy Center Staff. “Understanding Referendum C.” The Bell Policy Center, November 3, 2025. <https://bellpolicy.org/referendum-c/>.

⁹⁵ Ibid

⁹⁶ Ibid

⁹⁷ “Colorado Referendum C, Excess Spending Measure (2005).” Ballotpedia. Accessed March 3, 2026. [https://ballotpedia.org/Colorado_State_Spending_Referendum_C_\(2005\)](https://ballotpedia.org/Colorado_State_Spending_Referendum_C_(2005)).

⁹⁸ Bell Policy Center Staff, “What Does ‘Debrucing’ Mean?,” The Bell Policy Center, February 12, 2026, <https://bellpolicy.org/what-is-debrucing/>.

the state was allowed to retain. Taxpayers would have still received tax refunds when their state withholding was higher than their owed income tax. Referendum D would have also allowed the state to issue bonds, then use 10% of the Referendum C funds to pay off those bonds. For this reason, the enactment of Referendum D depended on the passage of Referendum C. The passage of Referendum C and the failure of Referendum D shows that voters are extremely hesitant to give up their TABOR rebates.⁹⁹

Proposition CC, on the other hand, was an aptly named double-down on the original Referendum C. This proposition sought to permanently remove the TABOR retainment limit on the state, thereby abolishing TABOR refunds. Specifically, the proposition earmarked funds saved to be used for infrastructure, transportation, and preschool-12 education, and higher education. Referred by the General Assembly and heavily backed by Democratic politicians across the state, including Governor Polis, Proposition CC failed (53.66% to 46.34%). In retrospect, Proposition CC failed for several reasons. The first and most obvious is that Colorado voters love their TABOR refunds, and many felt that the money they would have surrendered to government spending through Proposition CC was unlikely to benefit them as much as it would in their own hands. Proposition CC was referred to the ballot by the legislature in April of 2019 and would have taken effect in the 2020-2021 fiscal year. However, a June budget forecast showed better than expected revenue for 2019, so some Democrats began voicing support for an extraordinary legislative session to be called to amend the proposition to take effect in the 2019-2020 fiscal year. Governor Polis agreed to call an extraordinary session, but only with support from General Assembly Republicans. This caused negotiations to stretch into August, and delayed the rollout of the “Yes on CC” campaign until October. Once the campaign finally began, the messaging was complex and disorganized. Because TABOR makes Colorado taxpayers the dictators of state tax policy, changes to tax policy must be clear, simple, and concise so that the average voter can confidently vote and know what their vote means. Proposition CC was anything but clear; the “Yes on CC” campaign focused more on what Proposition CC was not—a tax increase—than what it was—an opportunity for the state to better fund important programs and services.^{100; 101}

In order to provide funds for phase 2 of this solution, phase 1 advocates for the de-Brucing of higher education through legislative statute requiring that a referendum be placed on the ballot every ten years. This referendum provides a “timeout” for higher education from the constraints of TABOR by referring the following question to Colorado voters: “Without raising taxes, can the State of Colorado allocate funds X% over the TABOR limit to higher education,

⁹⁹ “2024-03: March Statewide Poll.” Colorado Polling Institute, March 2025.

<https://copollinginstitute.org/poll/2024-03-march-statewide-poll/>.

¹⁰⁰ “Colorado Proposition CC, Retain Revenue for Transportation and Education TABOR Measure (2019),”

Ballotpedia, accessed March 3, 2026,

[https://ballotpedia.org/Colorado_Proposition_CC,_Retain_Revenue_for_Transportation_and_Education_TABOR_Measure_\(2019\).](https://ballotpedia.org/Colorado_Proposition_CC,_Retain_Revenue_for_Transportation_and_Education_TABOR_Measure_(2019).)

¹⁰¹ Chase Woodruff, “What the Hell Went Wrong for Proposition CC?,” Westword, November 7, 2019,

<https://www.westword.com/news/what-went-wrong-for-proposition-cc-11543182/>.

earmarked specifically for educational fields, trade programs, professional licensing programs, and/or apprentice programs deemed integral to Colorado’s future workforce and economy by the Colorado Office of Economic and Regulatory Trade for the next ten years?” The “X%” value should be determined by policymakers each time the measure is referred based on the needs of Colorado’s postsecondary institutions.

This phase of the proposal has several strengths and a few potential weaknesses. The first of these strengths is that the statute is incredibly politically feasible. This statute is valuable, as it retains the recurrence of this referendum every ten years regardless of political climate. It is also incredibly likely to pass the legislature, as it does not implement any actual policy, but instead outlines important policy to refer to Colorado voters. In all likelihood, many—but not all—Republican legislators would vote no, as a large platform of the Colorado GOP is the preservation of TABOR.¹⁰² This is not a problem, as enough Democrats would likely vote in support of the legislation to make passage feasible.¹⁰³

History has shown that any successful attempts to modify TABOR should (1) have a clear, simple, concise, and narrow purpose, (2) have a clear and demonstrated benefit for voters, (3) avoid abolishing TABOR refunds, (4) be as temporary as possible, and (5) avoid raising new taxes.¹⁰⁴ Thus, the referendum is also politically feasible, as it outlines the tangible value of exceeding the TABOR limit narrowly, clearly, and concisely. Past attempts to broadly weaken TABOR, like Proposition CC, have failed in large part because of the complex nature that accompanies such a broad policy change. Such a referendum is focused solely on the future of Colorado’s economy and workforce through the avenue of higher education.

The benefit for voters is also clearly demonstrated, as it focuses on promoting and preserving the prosperity of the Colorado economy and workforce through higher education; it does not focus only on benefiting higher education—an area that most voters do not care passionately about.¹⁰⁵ Instead, this referendum accurately frames higher education as an avenue for a better economy and workforce, and a better economy and workforce is enticing to workers and consumers across the state.

Because this referendum is only in effect for ten years, voters will be more apt to approve it as opposed to a permanent change in state tax and budget policy. The Colorado Healthy School Meals for All Program is an excellent example of this. The legislature referred the creation of the

¹⁰² Robert Tann, “Colorado Democrats, Republicans Are Headed for Another Fight over Tabor,” Post Independent, March 9, 2026, <https://www.postindependent.com/news/colorado-democrats-republicans-tabor/>.

¹⁰³ Jennifer Rane Hancock, Kevin Javier Benitez, and Matthew Scott Logan, “Colorado Democratic Party 2026 Platform,” Colorado Democrats, March 18, 2026, 14, 37, <https://static1.squarespace.com/static/6786ce9adcbf17334733e05a/t/69cea972176543110ee92c78/1775151474188/COLORADO+DEMOCRATIC+PARTY+2026+PLATFORM.pdf>.

¹⁰⁴ Bell Policy Center Staff, “What Does ‘Debrucing’ Mean?,” The Bell Policy Center, February 12, 2026, <https://bellpolicy.org/what-is-debrucing/>.

¹⁰⁵ David Flaherty and Courtney Sievers, “Colorado 2025 Public Education Survey,” Magellan Strategies, January 19, 2026, <https://magellanstrategies.com/colorado-2025-public-education-survey/>.

program and short-term funding to the ballot in 2022 through Proposition FF. Subsequently, the legislature has increased funding through Propositions MM and LL, both in 2025. This shows that voters will continually vote to approve short-term funding for narrow issues that have a clear and demonstrated public good.¹⁰⁶

Finally, this referendum would require the raising of no new taxes. Instead, this referendum uses funds that would otherwise go back to the taxpayer through TABOR refunds. So, while this proposal would reduce taxpayers' TABOR refunds, it would do so minimally without seeking to remove TABOR refunds. In the 2022-2023 fiscal year, Colorado collected \$3.6 billion in revenue above the TABOR limit.¹⁰⁷ If this proposal were in effect during that fiscal year, and voters approved a 10% increase for higher education appropriations above the TABOR limit, the JBC would have been able to write an additional \$360 million into the Long Bill in earmarked higher education appropriations. During the 2022-2023 fiscal year, single filers received refunds of \$800 and joint filers received refunds of \$1,600.¹⁰⁸ This proposal would have only reduced those refunds to \$720 and \$1,440, respectively.

Although polling in support of higher education is not robustly favorable, Magellan Strategies' Colorado 2025 Public Education Poll shows that it is still positive enough to make the passage of this referendum feasible, if framed in the correct manner. While 34% of Coloradoans believe that earning a postsecondary degree is either not very or not at all important, most Coloradoans believe it is important to some degree (19% consider it very important and 43% consider it important). Additionally, 68% of Coloradoans view higher education in the state as unaffordable. Demographically, 83% of Democrats, 66% of urban residents, 70% of college graduates, 47% of rural residents, and 44% of Republicans expressed support for higher education. This data breaks down favorably for this referendum, as the majority of Coloradoans lean left on state-wide ballot measures, and, as previously established, there is currently a robust number of college graduates living and working in the state.¹⁰⁹

When it comes to the economy and workforce, in a 2025 survey by the Colorado Health Foundation, 89% of Coloradoans view the cost of living as a serious issue and 79% felt they were financially the same or worse off compared to the previous year.¹¹⁰

¹⁰⁶ Colorado Proposition MM, "Increase State Taxes for the Healthy School Meals for All Program," 2025 general election.

¹⁰⁷ Bell Policy Center Staff, "What Does 'Debrucing' Mean?," The Bell Policy Center, February 12, 2026, <https://bellpolicy.org/what-is-debrucing/>.

¹⁰⁸ Andrea Kuwik, "Tabor Rebate History," The Bell Policy Center, April 2, 2026, <https://bellpolicy.org/tabor-rebate-history/>.

¹⁰⁹ David Flaherty and Courtney Sievers, "Colorado 2025 Public Education Survey," Magellan Strategies, January 19, 2026, <https://magellanstrategies.com/colorado-2025-public-education-survey/>.

¹¹⁰ Virginia Garcia Ovejero Pivik et al., "Pulse Poll," The Colorado Health Foundation Poll, September 10, 2025, <https://www.copulsepoll.org/> (data view: Cost of Living & Housing, page 1).

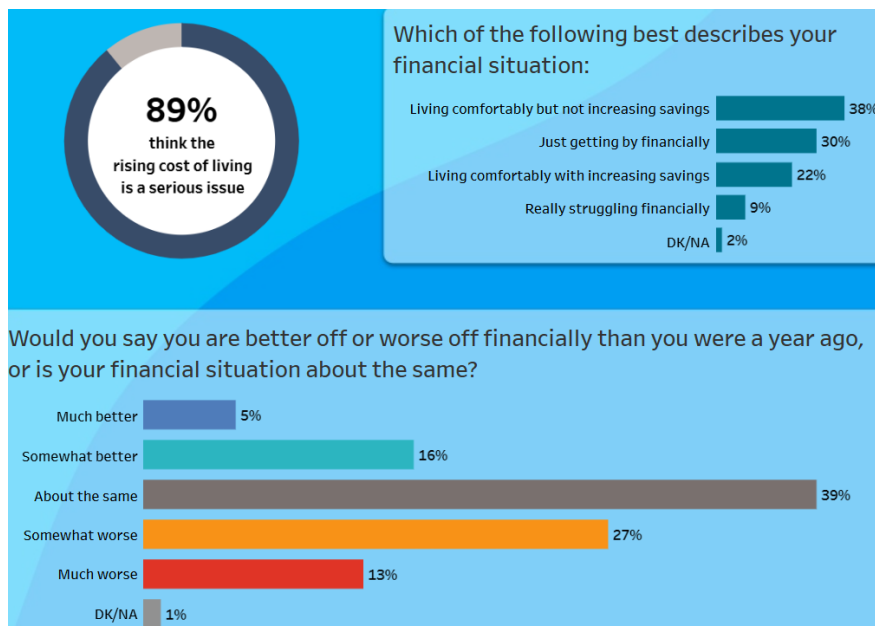


Figure 17. Colorado Cost of Living and Housing Polling Page 1¹¹¹

To varying degrees, 60% were worried about losing their homes, and 70% were worried about their ability to be able to afford to continue living in Colorado.¹¹²

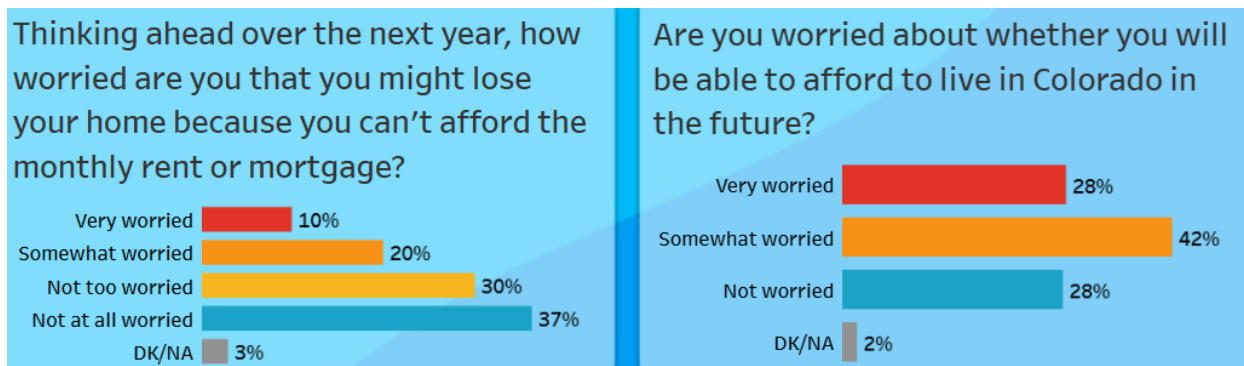


Figure 18. Colorado Cost of Living and Housing Polling Page 3¹¹³

Among the top issues facing Colorado, Coloradoans rank the costs of living and housing first and second, respectively, and jobs and the economy 7th. To varying degrees, 86% of Coloradoans view Colorado jobs and the economy as a serious issue.¹¹⁴

¹¹¹ Ibid

¹¹² Ibid (data view: Cost of Living & Housing, page 3).

¹¹³ Ibid

¹¹⁴ Ibid (data view: Challenges Facing Colorado).

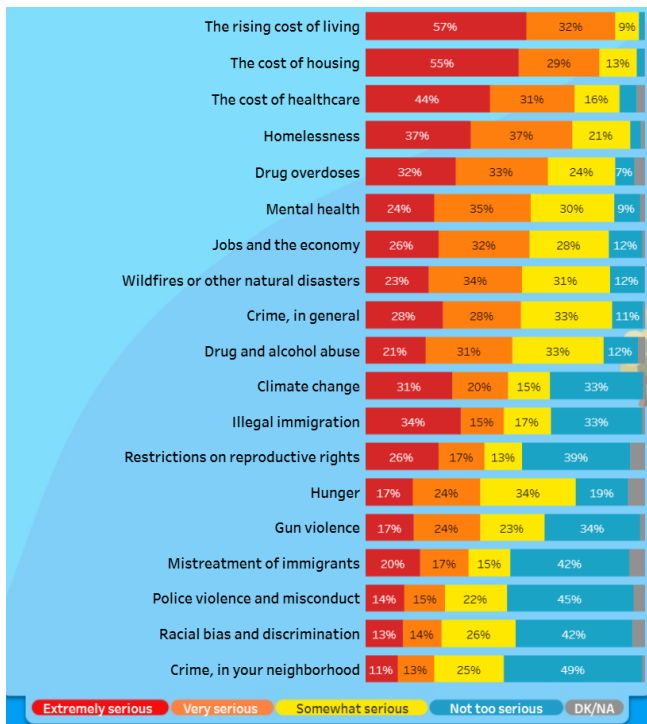


Figure 19.: Top Issues Facing Colorado Polling

Only 3% of those surveyed valued good jobs and professional opportunities most out of all aspects of living in Colorado.¹¹⁵

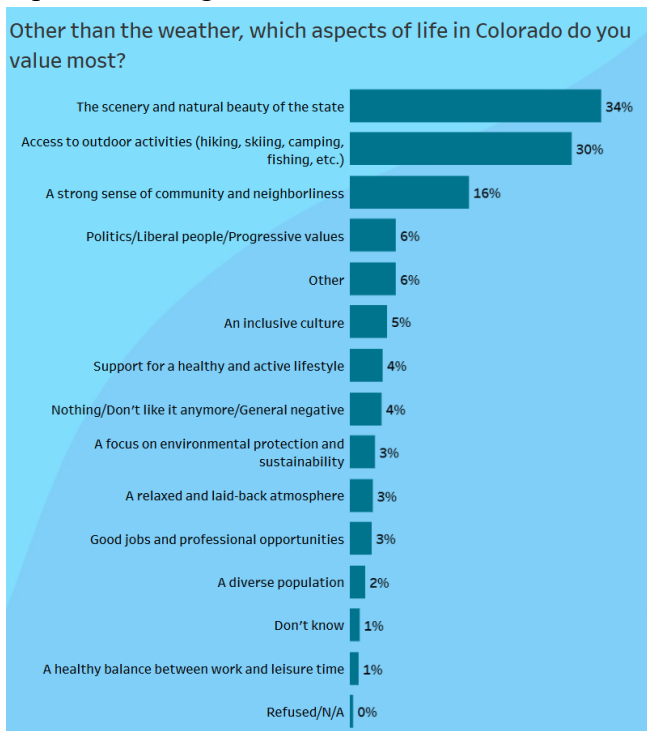


Figure 20. Most Valued Aspects of Colorado Polling

¹¹⁵ Ibid (data view: Value of Living in Colorado).

This data shows that passage of this referendum is feasible, but only if framed as a benefit to Colorado workers and consumers through the avenue of higher education. However, if policymakers are concerned about the referendums' performance on the ballot, they can reduce the timeline to three, five, or seven years without adversely changing the referendums' intended effects.

That being said, this phase of this proposal could encounter pushback on three fronts. The first is the statutorily mandated reoccurring referendum. At no point in Colorado history has the legislature dictated that a referendum indefinitely be referred periodically. Navigating this uncharted territory could cause unease for some legislators. However, navigating uncharted territory is exactly what the democratic process is designed to accomplish. The legislature can and should pursue novel policies and rely on the judiciary to ensure those policies remain constitutional and legally feasible. Furthermore, should this new model of funding higher education fail in the future, the legislature reserves the power to statutorily end the periodical requirement for this referendum.

Secondly, higher education administrators may be wary about the potential budget instability caused by the need for funding to be consistently re-approved every ten years (or less, if policymakers are concerned about ballot success with a ten-year referendum). This is a valid concern, as funding allocated to certain academic programs may not be approved again ten years later. However, currently, Colorado postsecondary institutions are forced to play a guessing game each year as they prepare for the final version of the Long Bill to pass. This generally results in the need to frantically raise tuition while cutting internal funding to university programs. Because the state will continue to appropriate general-use funds in its current manner, this proposal will not completely relieve higher education institutions from this guessing game. However, it will reduce the stakes. Providing ten years' worth of dedicated and dependable funds will allow postsecondary institutions the ability to plan more strategically for their long-term futures.

Finally, while almost all counties, municipalities, and school boards across the state have de-Bruced to some extent, there have been no previous attempts to de-Bruce departments or industries in the way that this solution proposes. As with any novel policy, there is bound to be hesitation on the part of legislators and other policymakers. However, if successful, this solution would serve as a roadmap for future attempts to de-Bruce other departments or sectors of the state. Because amending or abolishing broad parts of TABOR almost always fails, focusing on one narrow de-Brucing effort at a time will eventually yield the same results as a "one-size-fits-all" solution. This referendum is also incredibly similar to one currently being drafted by Colorado State Senator Jeff Bridges through Colorado Senate Bill 26-135: State Public K-12 Education Funding. This bill refers a question to the ballot that, if passed, will essentially de-Bruce K-12 education for the next ten years. It allows the state to increase appropriations to K-12 education up to 2% above the current TABOR limit. This bill is currently under consideration in

the State Senate, and should it and the referendum pass, will likely serve as a blueprint for future sector-specific de-Brucing efforts similar to the one proposed in this solution.¹¹⁶

Phase 2: Earmarked Higher Education Funding

As established, the current system of funding Colorado’s postsecondary institutions does not allow them to materially compete with other states’ universities and colleges. As of 2024, Colorado was already the top state in the nation for aerospace employment per capita.¹¹⁷ Because it has been established that Colorado schools could achieve greater financial stability by pursuing a profitable niche, and it is important that the state reduces its economic reliance on out-of-state educated workers, it follows that the state should take measures to attract students to Colorado STEM and aerospace education programs and retain them in the Colorado workforce after graduation. This could be accomplished by restructuring the Colorado system for funding higher education. In this solution, each year, the Long Bill would allocate dollars to higher education earmarked for specific fields that the state aims to promote in the future workforce. These dollars would be allocated in addition to general dollars allocated to higher education.

This phase is contingent upon the passage of the statute and referendum proposed in Phase 1. The “phase 1 referendum” would free up dollars for these earmarked funds in years in which the state’s tax revenue exceeds the TABOR limit. While state tax revenue may not exceed the TABOR limit in every year over the ten-year period in which the phase 1 referendum is approved, it is predicted to do so often enough and to a great enough degree to balance out years in which it does. As of current, the state has only forecasted state tax revenue through FY28, but state tax revenue is expected to break the TABOR limit in two of the three years forecasted (by \$705 million in FY27 and by \$965 million in FY28).¹¹⁸ In years in which state tax revenue falls below the TABOR limit, the state would only allocate general funds to higher education, but no extra earmarked funds.

¹¹⁶ Colorado General Assembly, *State Public K-12 Education Funding*, SB 26-135.
https://leg.colorado.gov/bill_files/115312/download

¹¹⁷ “Five Ways Colorado’s Aerospace Industry Is Out of This World.” Colorado Office of Economic Development and International Trade, November 22, 2024. <https://oedit.colorado.gov/blog-post/five-ways-colorados-aerospace-industry-is-out-of-this-world>.

¹¹⁸ Greg Sobetski et al., “Economic & Revenue Forecast,” Colorado General Assembly, September 2025, <https://content.leg.colorado.gov/sites/default/files/images/sept2025forecast-accessible.pdf>.

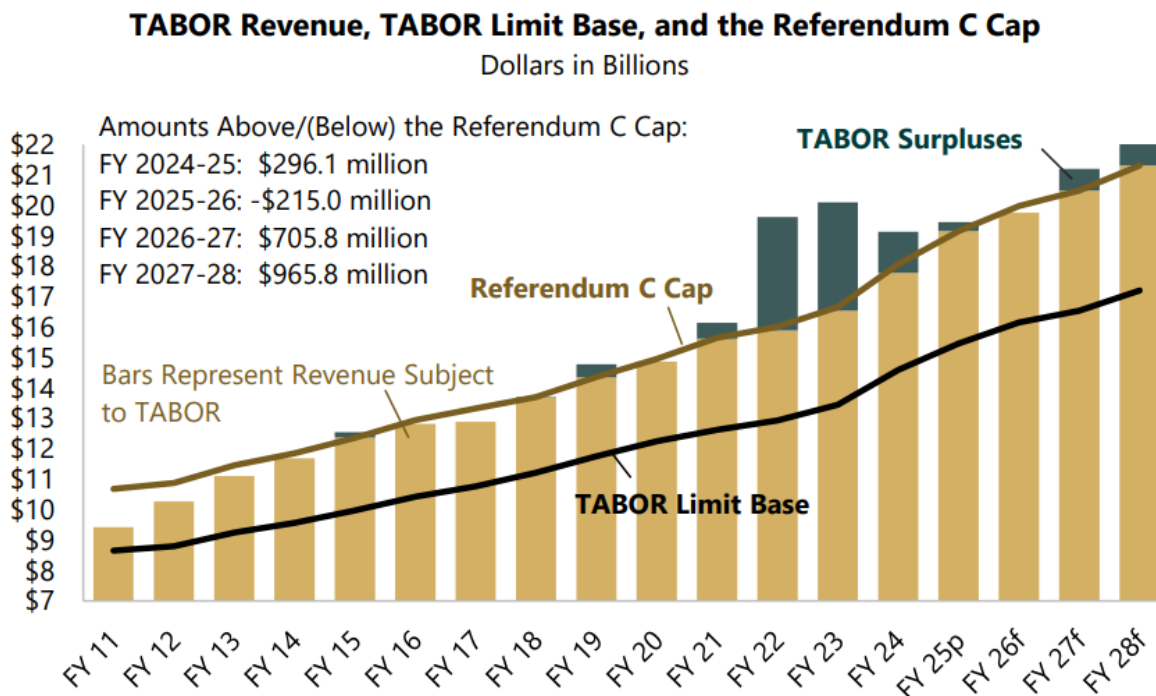


Figure 21. Future TABOR Surplus Forecasts

In 2014, Florida adopted a performance-based funding system that tied state allocations to various metrics including degree completion rates and employment outcomes. Several other states follow that model successfully, including Tennessee, Texas, Ohio, Indiana, and Missouri. However, Florida has found more success than other states by tying state allocations to the state's workforce and economic trends, as is proposed in this paper, in addition to allocating funds based on performance metrics. Prior to implementing these funding models in the early 2000s, Florida consistently ranked nationally mediocre for quality of postsecondary degrees, student experience, affordable tuition, and other higher education metrics. Now, it consistently ranks at the top or near the top of the nation in the same metrics.¹¹⁹

Providing earmarked funds would fundamentally change the state of higher education in Colorado in the same way that it altered higher education in Florida. If the phase 1 statute had passed in the spring of 2014, and the referendum approved allowing the state to spend 10% over the TABOR limit for ten years in years in which state tax revenue exceeded the TABOR limit in November of 2014, the state would have been able to add approximately \$1.02 billion in earmarked allocations to higher education by the end of the current legislative session. This number was found by taking 10% of the total amount of state tax revenue above the TABOR limit since FY15 (\$153 million in FY15, \$428 million in FY19, \$454 million in FY21, \$3.87 billion in FY22, \$3.6 billion in FY23, \$1.4 billion in FY24, and a predicted \$300 million in

¹¹⁹ Dana Godek, "Performance-Based Funding: One State Is Setting the Gold Standard," University Business, May 19, 2025, https://universitybusiness.com/performance-based-funding-one-state-is-setting-the-gold-standard/?utm_source=chatgpt.com.

FY25).¹²⁰ This is only after one cycle of the phase 1 referendum. If that \$1.02 billion were distributed equally across all 28 of Colorado’s postsecondary institutions, each institution would have received \$36.5 million in additional funding since 2015. In reality, however, funds would be distributed in a much more complex method based on program size, enrollment, and other factors to match actual institutional need with dollars allocated.

For additional context, in FY23, the state allocated \$203.7 million and \$279.3 million to the Colorado State University and University of Colorado Systems, respectively.¹²¹ In 2023, the CSU System accounted for 44,844 students (25.5%) and the CU System accounted for 66,696 (37.9%) of the 175,969 total enrolled in public postsecondary institutions in Colorado.¹²² If this proposal were in effect in 2023 with an approved 10% extension over the TABOR spending limit, it would have yielded an additional \$360 million for earmarked higher education allocations in that year alone. If that \$360 million were allocated to institutions simply based on enrollment figures, the CSU system would have received an increase of \$91.8 million, bringing the total state allocation for FY23 to \$295.5 million (a 36.8% increase). The CU system would have received an increase of \$136.4 million, bringing the total state allocation for FY23 to \$415.7 million (a 39.3% increase). While these examples are helpful to provide context for the magnitude of this funding method change, in reality, these proposed earmarked funds would best allocated to specific academic programs that support specific Colorado industries.

To provide a more contextual example, in 2023, the Walter Scott Jr. College of Engineering at Colorado State University reported an operating budget of \$32.6 million.¹²³ If the proposed referenda were in place, the additional \$91.8 million would have been capable of funding the full operations of CSU’s College of Engineering for nearly three years at the same operational cost rate. Funds that otherwise would have provided for the operation of the College of Engineering could be used to enhance the general CSU student experience, making CSU more competitive with its out-of-state peers. The extra \$91.8 million could also have been used to expand specialty programs within the College of Engineering that feed into important Colorado industries.

The success of this proposal would require the willing collaboration of several state offices and departments. The Office of the State Controller and Legislative Council Staff would

¹²⁰ Andrea Kuwik, “Tabor Rebate History,” The Bell Policy Center, April 2, 2026, <https://bellpolicy.org/tabor-rebate-history/>

¹²¹ Amanda Bickel, “Joint Budget Committee Staff Budget Briefing FY 2023-24: Department of Higher Education,” Colorado General Assembly, December 13, 2022, https://leg.colorado.gov/sites/default/files/fy2023-24_hedbrf_0.pdf.

¹²² “Search and Download Data,” Colorado Department of Higher Education, accessed April 13, 2026, <https://highered.colorado.gov/Data/Search.aspx> (data view: institutions: Colorado State Univ., Colorado State Univ. – Pueblo, CSU-Global Campus, Univ. of Colorado – Boulder, Univ. of Colorado - Colo Springs, Univ. of Colorado Denver; data source: enrollment; year: 2023).

¹²³ “Operating Budget Summary Fiscal Year 2022-23,” Colorado State University Office of Budgets, September 19, 2022, https://www.budgets.colostate.edu/Forms/OperatingBudgetSummaries/FY23_Operating_Budget_Summary.pdf.

need to provide at least ten years' worth of forecasts for TABOR surpluses prior to referring the phase 1 referendum to the ballot. The Department of Higher Education (CDHE) would use these forecasts in conjunction with ten-year expense forecasts gathered from Colorado's 28 public postsecondary institutions to propose a percentage value to the JBC to write into each phase 1 referendum. If approved, this percentage value will be the amount the state will be able to spend above the TABOR limit on earmarked funds for higher education each year for the following 10 years after the approval of a phase 1 referendum. Upon voter approval of a phase 1 referendum, the Colorado Office of Economic and Regulatory Trade will, in partnership with CDHE, identify industries integral to the future prosperity of Colorado's workforce and economy and any academic, professional licensing, trade, and/or other programs to earmark funds for. Undoubtedly, lobbyists and interest groups for various industries and postsecondary institutions can be expected to lobby for earmarked funds that favor their constituencies.

Once allocated to specific programs and institutions, recipients of the funds will be permitted to spend or save as much of the funds as they deem necessary to the operation of their program or institution. However, any earmarked money allocated to postsecondary institutions not spent for the earmarked purpose or saved for a clear and specific purpose that aligns with the earmarked purpose by the end of the fiscal year in which it is allocated shall be returned to the state to be refunded to the taxpayer via TABOR refunds. For example, if funds are allocated to an institution earmarked to be used specifically for academic programs relating to aerospace engineering, the institution may spend half of those funds on actual costs and save the remainder for the construction of a new state-of-the-art laboratory with a set date of operation. However, the institution may not save more than half of each year's earmarked funds for general future use. This prevents buildup of unused taxpayer dollars.

This phase of this proposal could encounter pushback on two fronts. The first and most prominent is a concern for governmental overreach into the operations of higher education institutions. This is a valid concern, as institutions' leaders often have a vision for the direction of their college or university and a strong plan to achieve it. If not an overreach into higher education, critics may claim that this presents an overreach into Colorado's free market by manipulating future workforce and economic trends. This is also a valid concern, as a free market is important to maintain in order to preserve a healthy economy. However, framing this proposal as government overreach is not accurate. Instead, it is an opportunity for institutions, industries, and the state government to work collaboratively to ensure the future prosperity of the state. Institutions are already incredibly dependent upon the state and federal governments, as they are products of the state government and depend on both for funding and grants. Furthermore, institutions already maintain close connections with industries to ensure high employment rates amongst their graduates. Thus, this only strengthens an existing partnership between the state, institutions, and industries and allows that partnership to function in a fashion that benefits Colorado workers and consumers.

Secondly, it is possible that the state predicts that state revenue collected in any given year exceeds the TABOR limit too minimally to allow earmarked funds to provide any material support. Similarly, it is possible that the state will not collect revenue in excess of the TABOR limit in some years. However, current trends indicate that several successive years in which either of those cases occur are unlikely. That being said, should that become the case, the phase 1 referendum can be amended to add a tax dedicated to earmarked funds similar to that of the Colorado Healthy School Meals for All Program. This would likely be successful if the passage of the first phase 1 referendum saw the successful results predicted by this proposal.

Further Findings: Interviews

Introduction

As part of the research process for this paper, I interviewed two experts on the topic: Colorado State Senator Jeff Bridges and Former Director of the Colorado Department of Higher Education, Dr. Angie Paccione. Both interviews were framed by the following four questions, and further questions unique to each interview were asked for elaboration and clarification:

1. In your opinion, what is the biggest challenge facing Colorado's workforce and economy in the next 15- 30 years?
2. In your opinion, what is the biggest impediment to Colorado funding higher education at the same rate as other states?
3. Is it feasible for the state to de-Bruce higher education in the same fashion as is currently being attempted for K-12 education by Colorado Senate Bill 26-135?
4. Could the additional earmarked funding structure proposed in phase 2 provide adequate relief to the state's public postsecondary institutions?

State Senator Jeff Bridges

Note: See Appendix C for a full transcript of Senator Bridges's interview.

Senator Bridges has served in the Colorado General Assembly for nearly ten years. He was first elected to the Colorado House of Representatives in 2017, where he served until 2019. Since 2019, he has served in the State Senate and has Chaired the Joint Budget Committee, Senate Appropriations Committee, Senate Finance Committee, and Senate Education Committee and served as the Majority Whip for both chambers. He has also chaired the Aerospace & Defense Caucus and Colorado Sportsmen's Caucus, and sat on the Sales and Use Tax Simplification Task Force and Joint Technology Committee. A champion of bettering state education and finances, he has sponsored several pieces of legislation to promote and protect K-12, return on investment in higher education, affordability, workforce development, and small businesses.¹²⁴

In his interview, Senator Bridges made it clear that the most significant challenge facing Colorado's workforce and economy in the next 15- 30 years is the state's lack of affordable housing and the overall cost of living. He expressed concern that, if this issue is not solved by policymakers, it could be solved by a slowing of immigration to Colorado, which would create less demand and better costs for consumers, but otherwise adversely affect the state's economy. To prevent this, Senator Bridges called for policymakers and industry leaders to safeguard the economy by retaining good-paying jobs up and down the economic spectrum. However, he

¹²⁴ "Expertise." Jeff Bridges for Colorado Treasurer. Accessed May 1, 2026. <https://bridgesforcolorado.com/home#expertise>.

warned that this will be difficult, as Colorado voters tend to hold an anti-growth sentiment, and any pro-growth sentiment is generally blocked by TABOR.

To elaborate on this point, I asked the Senator about his opinion on ways to mitigate the Colorado Paradox and the threat to the state's economy from a predicted decrease in immigration of out-of-state educated workers. He responded that part of the issue is a restriction on K-12 education imposed by TABOR and the increase in the portion of the state's budget dedicated to Medicaid. He argued that less investment in K-12 education results in less high school graduates pursuing postsecondary degrees, which makes the state reliant on out-of-state educated workers.

When it came to discussing the biggest impediment to Colorado's ability to fund higher education at the same rate as other states, the Senator responded as expected: "obviously it's TABOR." He elaborated that it is partially because of the TABOR limit, but also because it is nearly impossible to levy additional taxes in Colorado to bring new revenue to fund higher education and other state departments. Furthermore, he explained that the legislators find it nearly impossible to find places to cut the budget in order to better fund higher education or other departments without adversely affecting the lives of Coloradans who depend on state programs.

When asked about the feasibility of pursuing a similar de-Brucing effort to Colorado Senate Bill 26-135 for higher education, Senator Bridges was initially pessimistic. He stated that he was confident that the SB 26-135 referendum would pass, as research and polling shows that Colorado voters care about supporting K-12 education. His pessimism stemmed from the fact that polling shows that Colorado voters tend not to care equally about supporting higher education, as many voters see their tax dollars allocated to higher education being used in seemingly frivolous manners. However, when presented with phase 2 of my proposed solution, he became more optimistic, as it frames the measure in a manner that benefits Colorado workers and consumers through the avenue of higher education, instead of only benefiting higher education. He caveated that optimism that he would want to see that polling supported the measure before pursuing it.

Much of Senator Bridge's interview aligned with the findings of this paper. His concern for the state's unaffordability driving a decrease in immigration of educated workers to Colorado and worsening the Colorado Paradox is exactly what this paper aims to solve. Furthermore, his initial pessimism about the feasibility of phase 1 of this paper's proposed solution was not unexpected. However, his optimism about its feasibility when coupled with phase 2 shows the viability of the solution as a whole.

Dr. Angie Paccione

Note: See Appendix D for a full transcript of Dr. Paccione's interview.

Dr. Paccione has long been an advocate for higher education and young adults in Colorado. She was elected to the state House of Representatives in 2002, where she served as the Chair of the House Majority Caucus and championed several bills favoring higher education, working families, and young professionals. She also spent some time in the private sector aiding businesses in focusing on the human imperative in workplace relations. In 2019, Dr. Paccione joined Governor Polis's cabinet as the Director of the Colorado Department of Higher Education. In that role, Dr. Paccione pushed Colorado forward higher education by leaps and bounds, taking measures to promote the affordability and accessibility of postsecondary degrees. Recently, she received the 2026 9NEWS Public Sector Leader of the Year award.¹²⁵

In her interview, Dr. Paccione argued that the biggest challenge facing Colorado's future workforce is artificial intelligence's threat to access to good jobs and the simultaneous lack of a specialized workforce in the state. Unsurprisingly, she claimed that the biggest impediment to Colorado's funding of higher education is TABOR. Dr. Paccione was part of the legislative force behind passing Referendum C, and advocated that the state needs a similar measure reoccurring every three to five years in order to mitigate the effects of TABOR on the state budget. I then asked her if she was concerned about postsecondary institutions' ability to predict revenue if such a measure went to the ballot every five years. She expounded on her proposal by explaining that it would be more beneficial to place a referendum on the ballot every 30 to 50 years that creates a three to five-year TABOR timeout every ten years for that 30 or 50 year period.

When it came to discussing the state of higher education, Dr. Paccione expressed the same concern over Colorado institutions' competitiveness with other states' public institutions that is outlined in this paper. She remained supportive of my solution, but hesitant because of voters' general hesitancy to support higher education through their tax dollars. Instead, she held that a general periodical timeout from TABOR would be more effective. She acknowledged that my proposed solution would work well, but caveated that it would take a near impossible fundraising effort to ensure its electoral feasibility. In her opinion, the campaign to support my proposed phase 1 resolution would need to be focused on framing higher education as a public good—something that she acknowledged that the state and its institutions have thus far failed to do. She remained adamant that any change to TABOR would prove to be incredibly difficult to pass, and thus a timeout from TABOR was the only feasible course of action.

Dr. Paccione and I shared the same concerns about the issues facing higher education in Colorado, although our proposed methods for solving them varied. In my view, if the solution proposed in this paper is found to be electorally infeasible through polling research, Dr.

¹²⁵ Victoria Billings, "2026 9NEWS Public Sector Leader of the Year Finalist Dr. Angie Paccione," Denver Metro Chamber of Commerce, February 11, 2026, <https://denverchamber.org/2026-9news-public-sector-leader-of-the-year-finalist-dr-angie-paccione/>.

Paccione's proposed TABOR timeout is the next best course of action. For the purposes of this paper, I did not propose a TABOR timeout, as I sought to keep a narrower scope focused solely on solving the issues facing higher education in Colorado.

Conclusion: Call to Action

This research stresses the importance of higher education to Colorado's future workforce and economy, and the consequences for Colorado workers and consumers should current trends remain unaltered. The convergence of TABOR-imposed fiscal constraints, demographic shifts, and sector-specific inflation has constrained higher education funding, threatening to render institutions uncompetitive with their peers in the near future. This creates a higher education model that is increasingly misaligned with the needs of the state. The Colorado economy is heavily reliant on out-of-state educated workers. However, the state is expected to see a decrease in workers eligible to fill a growing share of jobs requiring postsecondary degrees. Thus, Colorado must reduce its reliance on other states to educate its workforce; the state must create a self-sufficient degree-workforce pipeline to support its economy.

Much of the current state of higher education in Colorado is due to structural policy choices, and can thus be adapted through structural policy changes that reflect a more sustainable fiscal model. The solution proposed in this paper can serve as a major step towards a more competitive higher education landscape and, by extension, a further self-sufficient Colorado economy. Policymakers must move beyond reactive budgeting and begin to view higher education as a core component of the state's economic infrastructure. University leaders must work to align institutional priorities with workforce projections. Finally, voters must be presented with a clear, feasible, and narrowly tailored policy option that demonstrates the direct connection between higher education investment and economic benefits for Colorado workers and consumers.

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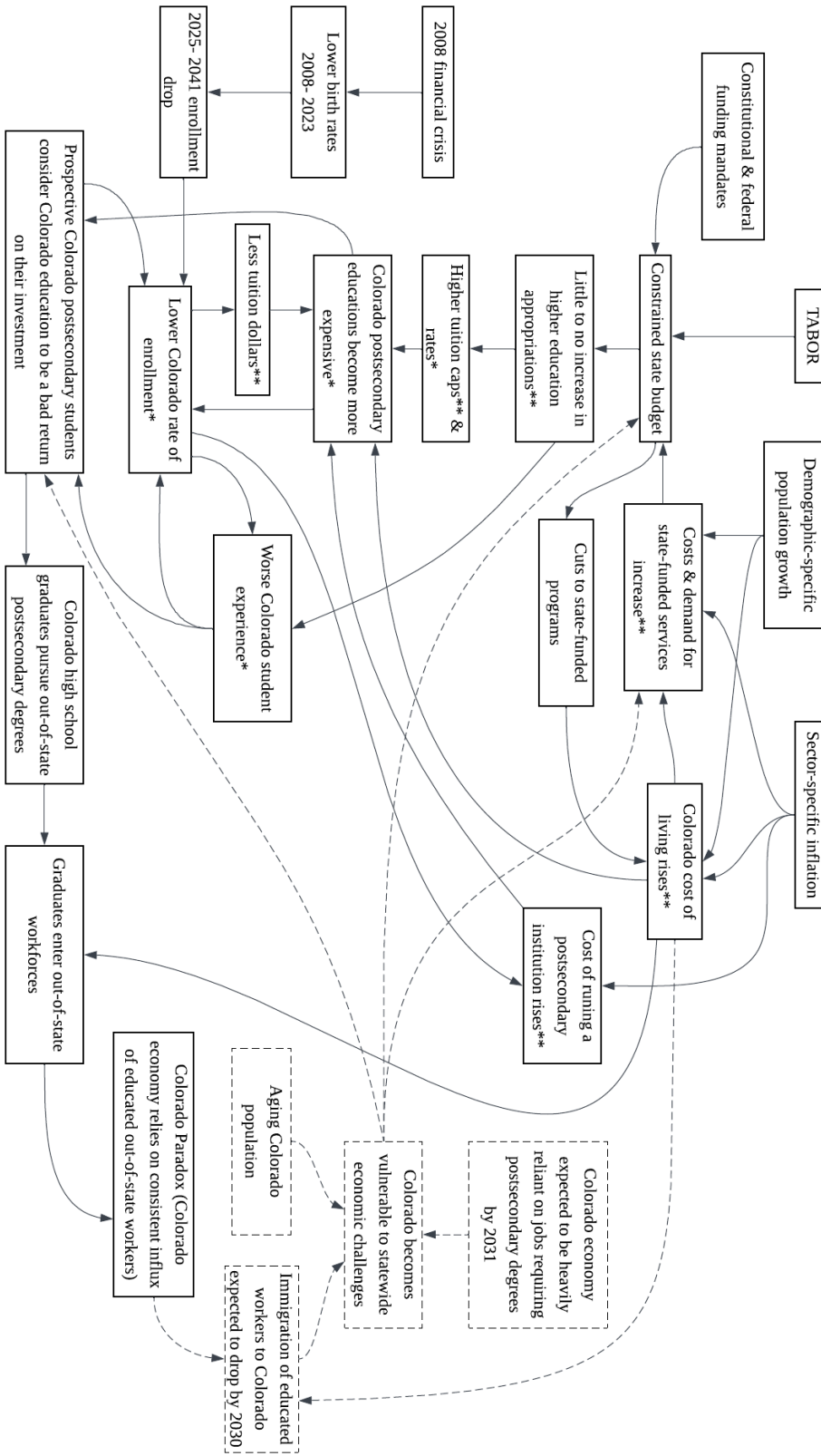
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Appendix A: Drivers of Colorado Higher Education Funding & Economic Outcomes



Key:

*Compared to peer states

**Compared to previous years in Colorado

Solid lines: Current trends

Dotted lines: Future trends

Appendix B: Average WICHE Public Postsecondary School National Ranking for Student Experience

Note: Data Gathered from Niche 2026 College Rankings

Alaska		
School	Ranking	Undergraduate Enrollment
University of Alaska- Fairbanks	1000	5,827
University of Alaska- Anchorage	1000	11,947
University of Alaska- Southeast	1000	1,768
Average	1000	
Average of Schools Larger than 10,000 students	1000	

Arizona		
School	Ranking	Undergraduate Enrollment
Arizona State University	59	65,450
University of Arizona	76	44,848
Arizona State University - Downtown Phoenix Campus	181	8,513
Northern Arizona University	412	22,990
Arizona State University - West Campus	635	4,601
Arizona State University - Polytechnic Campus	917	4,611
Dine College	1000	1,423
Average	468.5714286	
Average of Schools Larger than 10,000 students	67.5	

California		
School	Ranking	Undergraduate Enrollment
University of California - Los Angeles	3	33,475
University of California - Santa Barbara	20	23,181
San Diego State University	44	35,782
University of California - Davis	85	32,273
California State University - Long Beach	105	36,082
University of California - Berkeley	115	33,070
California State University, Chico	155	14,823
Cal Poly	159	22,033
California State University - Sacramento	166	28,820
University of California - Irvine	185	30,204
California State University, Fullerton	206	38,760
California State University - Northridge	219	32,499
California State University - Fresno	337	21,954
California State University, San Bernardino	484	15,365
University of California - Riverside	488	22,600
San José State University	520	28,008
California State University - Bakersfield	568	8,865
University of California - San Diego	577	34,955
California State University - Stanislaus	655	8,455
California State University - San Marcos	735	14,977
California State University - Dominguez Hills	766	12,632
San Francisco State University	777	19,444
California State University - Monterey Bay	789	6,907
California State Polytechnic University - Pomona	815	25,255
Sonoma State University	932	5,272
California State University - East Bay	1000	9,909
University of California - Santa Cruz	1000	17,940
California State Polytechnic University - Humboldt	1000	5,661
California State University - Los Angeles	1000	19,586
California State University - Channel Islands	1000	5,118
University of California - Merced	1000	8,372
California State University - Maritime Academy	1000	804
Average.	528.28125	

Average of Schools Larger than 10,000 students	11.5
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Colorado		
School	Ranking	Undergraduate Enrollment
University of Colorado	57	31,939
Colorado State University	157	33,268
Metropolitan State University of Denver	393	17,274
Fort Lewis College	566	3,320
Colorado Mesa University	675	9,473
Western Colorado University	738	3,148
Colorado State University- Pueblo	753	5,086
Colorado School of Mines	929	6,155
University of Colorado- Denver	1000	13,921
Colorado Mountain College	1000	5,494
University of Northern Colorado	1000	6,480
University of Colorado- Colorado Springs	1000	9,302
United States Air Force Academy	1000	4,114
Adams State Universtiy	1000	1,605
Average	733.4286	
Average of Schools Larger than 10,000 students	107	

Hawaii		
School	Ranking	Undergraduate Enrollment
University of Hawaii- West Oahu	418	2,814
University of Hawaii- Manoa	694	15,375
University of Hawaii- Hilo	1000	2,292
Average	704	
Average of Schools Larger than 10,000 students	556	

Idaho		
School	Ranking	Undergraduate Enrollment
Boise State University	101	23,983
University of Idaho	161	9,574
Lewis-Clark State College	723	3,793
Idaho State University	1000	10,834
Average	496.25	
Average of Schools Larger than 10,000 students	131	

Montana		
School	Ranking	Undergraduate Enrollment
Montana State University	272	15,046
Montana Technological University	310	2,134
University of Montana	600	7,891
University of Montana Western	629	1,335
Montana State University - Northern	919	
Montana State University - Billings	1000	3,881
Salish Kootenai College	1000	636
Stone Child College	1000	292
Average	716.25	
Average of Schools Larger than 10,000 students	291	

Nevada		
School	Ranking	Undergraduate Enrollment
University of Nevada, Reno	316	19,117
Nevada State University	595	7,464
University of Nevada, Las Vegas	626	27,082
Great Basin College	1000	3,320
Average	634.25	
Average of Schools Larger than 10,000 students	455.5	

New Mexico		
School	Ranking	Undergraduate Enrollment
New Mexico State University	200	12,507
Eastern New Mexico University	444	4,239
Western New Mexico University	767	2,629
New Mexico Tech	1000	1,066
Navajo Technical University	1000	1,678
University of New Mexico	1000	16,242
New Mexico Highlands University	1000	1,603
Institute of American Indian Arts	1000	877
Northern New Mexico College	1000	1,425
Average	823.4444444	
Average of Schools Larger than 10,000 students	322	

North Dakota		
School	Ranking	Undergraduate Enrollment
North Dakota State University	114	9,762
University of North Dakota	179	11,837
Valley City State University	550	1,651
Minot State University	927	2,499
Dickinson State University	1000	1,339
Sitting Bull College	1000	280
Mayville State University	1000	1,067
Average	681.4285714	
Average of Schools Larger than 10,000 students	293	

Oregon		
School	Ranking	Undergraduate Enrollment
Oregon State University	93	31,253
University of Oregon	170	20,622
Portland State University	562	13,144
Eastern Oregon University	1000	2,502
Southern Oregon University	1000	4,235
Oregon State University - Cascades	1000	1,049
Western Oregon University	1000	3,167
Oregon Institute of Technology	1000	5,302
Oregon Health & Science University	1000	836
Average	758.3333333	
Average of Schools Larger than 10,000 students	131.5	

South Dakota		
School	Ranking	Undergraduate Enrollment
University of South Dakota	318	7,619
South Dakota State University	340	10,719
Northern State University	692	3,169
Black Hills State University	764	3,198
South Dakota School of Mines and Technology	786	2,216
Oglala Lakota College	1000	1,139
Dakota State University	1000	3,066
Sinte Gleska University	1000	515
Sisseton Wahpeton College	1000	206
Average	766.6666667	
Average of Schools Larger than 10,000 students	329	

Utah		
School	Ranking	Undergraduate Enrollment
Utah State University	143	25,706
University of Utah	184	28,064
Utah Valley University	232	45,810
Southern Utah University	304	13,126
Utah Tech University	543	13,006
Weber State University	713	31,672
Average	353.1666667	
Average of Schools Larger than 10,000 students	163.5	

Washington		
School	Ranking	Undergraduate Enrollment
Washington State University	120	21,455
University of Washington	125	40,684
Eastern Washington University	633	7,117
North Seattle College	666	5,569
Western Washington University	864	13,840
Lake Washington Institute of Technology	895	3,564
Centralia College	1000	2,244
University of Washington - Tacoma	1000	4,207
Columbia Basin College	1000	7,510
University of Washington - Bothell	1000	5,472
Bellevue College	1000	12,485
Central Washington University	1000	10,317
The Evergreen State Colleg	1000	2,276
Green River College	1000	7,967
Northwest Indian College	1000	636
Average	820.2	
Average of Schools Larger than 10,000 students	122.5	

Wyoming		
School	Ranking	Undergraduate Enrollment
University of Wyoming	433	8130
Average	433	
Average of Schools Larger than 10,000 students	-	

Appendix C: Interview Transcript- State Senator Jeff Bridges

Note: The following transcript includes only the substantive portions of the interview relevant to this analysis. Non-substantive conversation (e.g., greetings and informal discussion) has been omitted for clarity. The transcript has been lightly edited to remove verbal pauses, filler words, and minor grammatical inconsistencies. However, no substantive content or meaning has been altered.

Dietz • 00:00

The first question I've got for you is, in your opinion, what's the biggest challenge facing Colorado's workforce and economy in the next fifteen to thirty years?

Senator Bridges • 00:54

Housing.

Dietz • 00:55

Okay.

Senator Bridges • 00:57

Yeah. And the cost of living more broadly, but specifically housing. And you know, this is one of those challenges that hopefully doesn't get solved by people deciding that Colorado is unaffordable and they leave and then we have all sorts of housing that's available because no one lives here. We need to figure out how to make housing affordable by just building more units and making sure that the great jobs that we have, that those are good paying jobs up and down the economic spectrum. Politicians like to talk a lot about creating good jobs. Jobs need a place to sleep at night. Jobs have kids. And those kids need to need a place to go to school. They need childcare. And so, there seems to be this disconnect, I think, in the political discourse between this anti-growth notion and this good jobs thing. We want a growing, strong and growing economy, but we don't want any new people. Well, if we want a stronger growing economy, then that means there's going to be more people. And so, the challenge really, and part of why I think Colorado is so anti-growth is because we haven't kept up on the infrastructure side. And a big part of the reason we haven't kept up on the infrastructure side is TABOR. And so, I think there's a real case to be made that TABOR has created a lot of the anti-growth sentiment in Colorado because of course you hate growth if you know your commute has gone from fifteen minutes to thirty minutes because we can't build the infrastructure we need to keep up. So there's an argument to be made that TABOR is maybe the biggest challenge we face. But I'm working on that, so hopefully it won't be. And I'm working on the housing thing, too. So, hopefully we'll have some answers there. But a growing economy requires a continual investment in infrastructure, and I haven't seen a willingness in Coloradans to invest [in infrastructure]. If you look at the polls, the voters have consistently said no to investments in infrastructure. Since I've been in the legislature, we asked, 'can we increase taxes and put it towards roads?' People said no. [So we asked], well, 'how about we not increase taxes and we just put it towards roads?' And they said no. [So then we say], 'well what do you want us to do?' And [people say], 'fix our roads.' And you're going to see that actually on the ballot this year. There's a measure that the contractors are pushing that would just require the state to spend more on roads. But [I ask],

‘from what.’ And then again, higher education is definitely a place that gets cut in that kind of situation.

Dietz • 04:05

Right, because everybody wants the problem to be solved, but nobody wants to pay for the problem to be solved?

Senator Bridges • 04:12

Yeah. Roads cost money, a lot of money. And, you look at [Governor] Polis’s abandonment of an expansion of the central I-25 corridor between Broadway and 120th [street], or at least Broadway and [I-70]. And, part of that is driven by environmentalists saying they don't want more roads. Part of that's driven by communities saying no construction in our area. I'm sure you're familiar with the book, *Abundance*?¹²⁶

Dietz • 04:51

Yeah.

Senator Bridges • 04:53

I think that book nails a lot of the challenges we have. Through very good intentions, we have really restricted our ability to address the challenges that we face in today's world.

Dietz • 05:07

That makes sense. What are your thoughts on, right now, Colorado consistently depends on an influx of educated workers from out of state.

Senator Bridges • 05:20

Yes, the Colorado Paradox.

Dietz • 05:22

Right, exactly. I've read some studies and some predictions that [net migration to Colorado] is expected to go down in part because of the cost of housing and the cost of living. People are from out of state are just not seeing Colorado as valuable anymore. What are your thoughts on that and how can we mitigate that?

Senator Bridges • 05:42

I think you have statistically seen a decrease in the number of folks moving into Colorado. I think that's a provable, verifiable statistic. For a long time this has been what's called the Colorado Paradox. When elected officials talk about it, when people in education talk about it, that's what we're talking about. We have one of the most educated populations in the country. It used to be we had the most college grads per capita. I think now we're maybe number two. And yet, we have one of the lowest high school graduation rates in the country. Denver Public Schools has one of the largest achievement gaps in the country. An achievement gap is the difference in outcome between wealthy kids and low-income kids. If you look at the line between Sheridan [Public Schools] and Littleton Public Schools, it's one of the top ten income divides in the entire country. So, you know, we have the sort K-shaped economy. I think that

¹²⁶ Ezra Klein and Derek Thompson, *Abundance* (New York: Simon & Schuster, 2025).

Covid sort of popularized that term. I think that you [also] have a sort of K-shaped educational outcomes here in Colorado, in large part driven again by our lack of investment in K-12 public education. And that, over the last ten years, has been driven in large part by TABOR. But, for many years we weren't up against the TABOR cap, and we just didn't invest as much in education. Medicaid has really come in and eaten our budget. Medicaid just became the single largest part of our budget last year. K-12 had been the largest part essentially forever. And that's a story you see across the country— Medicaid is becoming an ever increasing part of states' budgets. It's becoming more and more expensive because healthcare is becoming more expensive. But, other states get to grow with revenue, and we have to grow with TABOR. And that's a challenge as well. That's unique challenge that we face, but we aren't unique in the challenge that we face with Medicaid eating our budget; that's something that folks across the country are dealing with.

Dietz • 08:12

We're just unique in the constraints on how we can solve it?

Senator Bridges • 08:18

Yeah, exactly. We're not special, but we are unique.

Dietz • 08:21

That makes sense. What, and I might be able to guess the answer on this one, but in your opinion, what's the biggest impediment to the state funding higher education at the same rate as other states?

Senator Bridges • 08:34

Yeah, obviously it's TABOR. And it's a combination of a lot of other things. So, for infrastructure, for example, the Republican legislature in Utah has voted numerous times to increase taxes to increase the gas tax over the last couple decades while Colorado has not increased the gas tax since John Elway, since before John Elway had won a Super Bowl. [Colorado is] a very anti-tax state. TABOR means that we have to go to the ballot [for tax increases], and voters are, as we have seen, extraordinarily unlikely to say yes to a tax increase right now. Now, maybe that changes this year with a graduated income tax. Maybe we can do something about TABOR. I'm working on that. But it's not just the TABOR cap that has kept us from keeping up. It's also that inability to bring new revenue into the state. And you know, the Republicans will say, 'it's a matter of priorities— you need to prioritize what you put money towards.' And I ask them, 'well, what would you cut?' And I have never received a clear answer. They say things like 'two percent across the board,' but that's not an answer. That's pushing it off onto the departments to trim. If you're going to put a billion dollars more into K-12, you're going to put a billion dollars more to higher ed in a 17-billion-dollar budget, then you have to tell me what you're going to cut. It's not just across the board. What service that the people of Colorado are currently receiving from their state government will you eliminate? What reimbursement that we give to counties will you eliminate? Where are you going to cut? What will the people of Colorado not have so that they can have greater investment in higher education or K-12? And that's not an answer that they are willing to give.

Dietz • 10:41

That's frustrating.

Senator Bridges • 10:45

Yeah.

Dietz • 10:47

So, I've been looking into a bill you're running: 26-135, the one that, and I've got this wrong, correct me, but it almost de-Bruces K-12, is that right?

Senator Bridges • 11:01

It does de-Bruce K-12. That's essentially what it does. It raises the TABOR rationing limit, which is different from de-Brucing. But it's the same thing that Rep. C did two decades ago that Republican Governor Bill Owens actually led the charge on.

Dietz • 11:37

So, in one of my solutions, I proposed doing essentially what you're doing for K-12, but for higher education. So, I wanted to hear your thoughts on is that feasible? On [SB 26-135] and on the referendum that that bill is going to create, how are you going to get that to pass when voters hate the idea of anything affecting their taxes in Colorado?

Senator Bridges • 12:08

We have polled extensively on [SB 26-135] and are confident that it will pass.

Dietz • 12:15

Okay, good, good.

Senator Bridges • 12:17

And so, my answer on your higher education one is that that would not pass because if you just poll and ask voters, 'what do you care about?' Higher education and funding for higher education is not something that will move them to give up their TABOR refunds, or even a portion of their taper refunds.

Dietz • 12:41

So, the second part of my solution, some states give general dollars to higher education just like Colorado does, and then they give earmarked dollars on top of that to programs— whether that be educational programs, licensing programs at community colleges, you name it— that feed into industries that the state deems as valuable to the future economy and workforce.

Senator Bridges • 13:16

High-skill, high-wage, in-demand industries. Yes.

Dietz • 13:18

Yeah. So, the second part of my solution is, assuming that [the higher education version of SB 26-135] could pass, using the extra funds from that to provide earmarked dollars for higher education. Do you think that that would have a better chance of passing if you frame it to the voters as, look, this isn't just going to the universities and stopping, this is going through the

universities into making Colorado have a better workforce, more jobs available, which will benefit you— the Colorado residents living and voting on this.

Senator Bridges • 14:05

I think it's really interesting. I want to look at polling. These dollars will go to expanding Colorado's high-skill, high-wage, in-demand workforce?

Dietz • 14:19

Yes.

Senator Bridges • 14:19

Yeah, I think that that is probably a more appealing message than we're going to give it to college students or colleges. In part because, like CU has a buffalo shaped swimming pool. So, I think there is a sense among the populace that is not wrong that our higher education institutions do not spend their money well. They spend too much on admin. They spend too much on dorm rooms. They spend too much on swimming pools shaped like their mascot. And they're not spending those dollars on professors. I mean, the objectification of higher education is tragic and bad for America. And yet, the cost of education has gone up so much faster than inflation over the last twenty years. And, at least at K-12, they can point to all sorts of new regulations and rules and testing and requirements. They [can say], 'look we have to have more admin, we have to pay more, [because] look at what your [policies] are doing to us.' But we haven't done that in higher ed. It's simply a market response to eighteen year olds who make decisions based on something other than the quality of the education.

Dietz • 15:44

That's absolutely right. You could get me on my soapbox for hours about that. But yeah, you're right about that. Because you know, now if a student is not going to a university for their educational experience— if they're not going to the Ivies or something close to the Ivies and they're going to a state school— they're looking at student experience over education usually. And now you're comparing Colorado schools up to these Texas A&M's and these University of Tennessee's that have huge concerts and huge athletic budgets and going to school there is essentially like going to a 24/7 party. And like you said, that's appealing to an eighteen year old.

Senator Bridges • 16:30

So I mean, I think also on that, right. Whenever I talk to high school students, I always tell them, 'go to the school that will lead to the least amount of debt. Unless you're going to an Ivy League school or some really marquee brand that's going to help you as you're applying [to jobs], go to the school that will end with the lowest amount of debt.' And frankly, part of this is, again, a really well-intentioned effort to ensure that the opportunity to improve one's station in life. And, I do think that a four year college degree, even if it doesn't give you more money, the way that you class jump in America is that four year college degree. You can get a certificate and make just as much money as you can a four year degree, but the class change— and we never talk about class in America because we like to pretend that it doesn't exist here, but it does— the class change that you can get from a four year degree is real. But, we don't talk about that.

Dietz • 17:47

Sweet. Well, that's all the questions I have. Is there anything else you want to add on top of that? Directions you think my paper should go?

Senator Bridges • 18:00

Yeah, in a very well-intentioned effort to make college [and] higher education more accessible, we offered these extremely low-interest loans, we essentially let students put off the cost. Which made it so that as they're deciding, I mean, I think that's part of why you've seen the cost of higher education go up so much is the cost is essentially meaningless for an eighteen year old heading into this. [The way they look at it is], 'I'm going to end up paying two hundred and ten dollars every month for the rest of my life as opposed to one hundred and eighty dollars. every month for the rest of my life, I just don't see the difference in price.' When you make a decision just from an economics perspective, cost is definitely part of your decision making process. But if that cost is delayed, the net present value of that, it just changes. Eighteen year olds who we see make the kinds of mistakes they do with credit cards, to assume that they are making the most rational choice possible for their long-term economic return on college [is ridiculous]. We don't teach people financial literacy in high schools— no wonder they think that \$50,000 a year for a degree feels the same as twenty thousand dollars a year for a degree. Like obviously. And that allows the schools continue ratchet up and like they have to keep ratcheting up because their competition is going to ratchet it up and build that pool, and build that dorm, and build that concert venue, and like they gotta keep up or they're not gonna see the same student count. Higher education is a business. They operate like a business. Their consumers are spending other people's money: their future selves (the other people being the person that they will become). They're not spending their money, they're spending tomorrow's money, and they don't know that person. And they make poor decisions because we haven't taught them what the consequences of those decisions will be.

Dietz • 20:33

Yeah it's really unfortunate to see that happen. And then, like you said, folks come out with \$50,000+ in debt and then have a hard time finding a job and are shocked that they're having a hard time finding a job because they say, 'well I just spent \$100,000 on the promise that I would not have a hard time finding a job.'

Senator Bridges • 21:00

Right, exactly. And then they do because, welcome to today's economy.

Appendix D: Interview Transcript- Dr. Angie Paccione

Note: The following transcript includes only the substantive portions of the interview relevant to this analysis. Non-substantive conversation (e.g., greetings and informal discussion) has been omitted for clarity. The transcript has been lightly edited to remove verbal pauses, filler words, and minor grammatical inconsistencies. However, no substantive content or meaning has been altered.

Dietz • 00:00

My first question is what is the biggest factor affecting Colorado's workforce in the next fifteen to thirty years?

Dr. Paccione • 00:10

Wow. So, the biggest issue or problem facing the Colorado workforce over the next decade or so. I think there's two ends of this, I'll say, issue or problem. The top end is really around staying, staying ahead of AI and continuing to attract the excellent kinds of quality that we have been. Which of course Colorado itself, because of the natural resources, if you will, of the state we attract. We're an importer state, people move here and stay here. But we still need, like in quantum, we need physicists. So we still need the top-level kinds of research scientists for aerospace, for quantum. The governor wants us to be the quantum hub of the world. And so, for those things, we still need to stay ahead. But on the other end of the spectrum, we're losing a lot of jobs to AI, like coding, if you will, or even some marketing stuff, things like that. And we have a real need for, going back to kind of, I want to say, manual kind of labor. So, the blue collar workers, we don't have enough of them to fill our pipelines. And so not just the trade skills, but also just the, you know, carpentry. The folks in the middle, I think they're just going to keep their head down and keep working and keep going.

Dietz • 01:51

Would you say the same thing for the economy for the next fifteen to thirty years? Do you think it kind of bleeds in as the same or is there a different factor?

Dr. Paccione • 02:05

I think it does, but with the magnitude of the people. You know, Colorado only has six million people. So, there's still things that we can do as a state— the state legislature and things like that. There's still some places where we can help to either supplement or to heighten awareness of particular industries. But, on a national scale, I think there. I think there may need to be some serious consideration of a basic minimum income and that maybe, if we don't have the workforce for the jobs that are open, if AI really does fulfill its potential to eliminate a lot of jobs, then there won't be the jobs for people who don't have either a college degree or manual labor opportunities. And so those folks in the middle are really going to be squeezed and we may have to start considering what does a basic minimum income that the government then provides?

Dietz • 03:13

Yeah. So, on higher education, I can probably predict your answer on this, but it'll be good to have it anyways. What do you think the biggest impediment to the state funding higher education at the same rate of other states is?

Dr. Paccione • 03:30

Yeah, of course. You know, I'm going to mention TABOR because it does limit the amount of revenue that a state can take in. And so, when I was in the legislature in 2003 to 2007, we passed Referendum C, it was called. And that gave us a TABOR timeout. And I think we may need to have one like every ten years. And if we build it into the policy, then everybody knows every ten years we're going to have a three year timeout or some, some measure of time, but a timeout from this so that we can catch up. And so, in 2003, when I was elected, we were just coming out of a recession, and at that time, you could only bring in six percent of what you did the year before. So, there was no way for us to recover, because even if we had a great economic year, we could still only keep that six percent. We've now tweaked that a little bit. We can keep more, but we're still not quite enough. And so, TABOR is a fiscal constraint. That sounds good on paper—the Taxpayer Bill of Rights— but it does handcuff what the legislature can actually spend on. And so, we elect people to make good decisions, and we should let them have the ability to do that. And then the other thing that, as consequence, we let the institutions raise tuition. Well, there's got to be a tipping point. And I feel like we're way beyond the tipping point in terms of how much will it cost for students to actually go to college. It becomes then only accessible to people who can afford it. There's a fundamental value proposition here that we're going to have to consider.

Dietz • 05:22

Yeah, I totally agree. Part of what I argue with that is it creates a cyclical effect where, most high school seniors, if they're not going to an Ivy school or an Ivy adjacent school, they're looking at state universities, big state universities, pretty much the same. Whether you go to a CU or CSU, or a UT or a Texas A&M, you're going to get kind of the same regional competitiveness with your degree going into the workforce. But all of those schools in other states, unlike Colorado, are unable to fund higher education better. And so, their school student experience is better, their degree is more valuable. And so, you know, tuition keeps raising, fewer students come to Colorado schools and then, you know, the degree becomes less valuable or doesn't keep up with the value of peer states and the student experience doesn't keep up with the student experience of other states as well.

Dr. Paccione • 06:37

Yeah, absolutely. I'm worried about that for Colorado.

Dietz • 06:44

So, you mentioned having a reoccurring Referendum C essentially.

Dr. Paccione • 06:53

Yeah, TABOR timeout.

Dietz • 07:01

So I have a section about solutions and originally I had written something in there about that, but I was worried that it would be too volatile if the voters had to approve it, let's say, every ten years, a five year timeout referendum goes to the ballot and institutions couldn't predict what voters were going to do in any given year. What do you think about that?

Dr. Paccione • 07:24

Yeah, I wouldn't do a five year. If I was able to get it passed, every ten years, we would take a three year timeout, or even a two year. I would say a three year timeout so that it's predictable. And this ballot measure would have to be maybe for thirty years or fifty years or something like that. If we did it for the next fifty years, every decade we'll take a three year time out. So what is that? That's fifteen years of timeout out of fifty years that we will be able to have a timeout. And maybe we put in a clause that says if it's needed. There's got to be maybe a way to say this year we don't need the three years, we only need two. It could be negotiated. So I think, I think it's. I think it's possible. I think people see that both at the city government level and the state government level, that there's a lot of deficiencies. They complain about them, but we just don't have any money to fix the potholes. We don't have any money to, you know, to do these things. So hopefully the pain will get so bad that they'll look for another avenue.

Dietz • 09:25

That makes sense. So, I mentioned my solution section. Senator Bridges is currently running Senate Bill 26-135 right now that essentially puts a referendum on the ballot that would de-Bruce K-12 up to a certain point. I think it allows the state to spend two percent above the TABOR cap on K-12 specifically. And it's obviously a little bit more complex than that, but that's kind of the gist of it. And so my solution for higher ed is essentially the same thing. It would be a referendum that would go to the ballot every so often. So, let's say we did it for five years, then would go every five years that would allow the state to spend above a certain percentage cap on higher education. But what I ran into was, I looked at polling data and most voters don't see higher education as valuable, especially when, you've got CU building a buffalo shaped pool and things like that. But, instead all of that money that was saved from that, that ballot measure would be dedicated specifically to earmarked funds for higher education. A few other states do this, where the state will say, like you mentioned Governor Polis saying, we want to be the leader in quantum. So they'll say, we want to be the leader in quantum, so they'll earmark those so saved dollars from this referendum to programs in community college and four year colleges that feed into the quantum field. So, then you can pitch it to voters as we're helping your economy and your workforce and your job opportunities just through the avenue of higher education. So, I wanted your thoughts on that— the good, the bad and the ugly.

Dr. Paccione • 11:51

Yeah, I think, you know, what needs to happen is we need to clarify as almost like a public campaign, the difference between higher ed being a public good or a private benefit. And that is a struggle that has always been for, for decades. And it's not really seen as a public good. And so one of the things that I know with the [university] Presidents that I tried to do was to make sure that when they did their kind of their economic impact study (what's the contribution that that college makes to its community) they've got to get that more broadly spread than just the chambers of commerce. You know, like somehow they have to be able to make the case to their local community, first of all, and subsequently to the entire state that higher ed is truly a public good. Not just for the research and the jobs, but also I think just in terms of what does an educated population do for a state? What does it mean that Colorado was either first or tied for first with the most postsecondary credentials and certifications and degrees? What does that mean for our state? It doesn't mean anything for our state, because a lot of those, as you

remember, a lot of that was imported. A lot of people come here with a degree in hand. But what does it mean for us that to be at that level? We never had any money for PR kinds of stuff for marketing. So, we don't do a good job advertising the benefit of higher ed. Therefore, it's very difficult to get anybody to vote for it. In 2019, I think it was, we tried to put on the ballot a savings measure that would fund early childhood and K-12, higher ed, and transportation. And it was those three things. We were going to split the money in thirds. So it was pre-K to K, K-12, higher ed, and transportation. And it didn't pass. And so, with higher ed on that measure, I think it's kind of a poison pill, unfortunately.

Dietz • 15:04

Yeah. You don't think voters would go for it quite yet?

Dr. Paccione • 15:09

Boy, the campaign would have to be such an education campaign that I don't know that we could even raise the money to do it.

Dietz • 15:19

Interesting.

Dr. Paccione • 15:20

So the only thing I can think of is doing a TABOR timeout. And maybe it's every five years, we do one year or something like that. It has to be palatable. And it has to have a lot of polling data on that. Figure out what that time frame that's palatable to people. But a TABOR timeout works, or has worked once. And I think the notion of it, which says, we're not getting rid of TABOR, we're not even really changing it, we're just taking the time out to recover financially for the state. I think that's the best way to go.

Dietz • 15:58

I've read a lot about why Proposition CC didn't work and Referendum C in 2005 did work, and I think a lot of it had to do with that [framing]. I think there's a lot of factors that went into why Proposition CC didn't work.

Dr. Paccione • 16:16

Well, and [Referendum C] was ridiculously bipartisan. In fact, statistically, it was the most bipartisan referendum ever in the history of the state. We had a former Republican governor. We had former Democrat governors. We had, both sides of the legislature. It was the most bipartisan. And I think that's why. I think that's the biggest reason why.

Dietz • 16:37

And also, like you said, Referendum C took a little time out from [TABOR]. And I don't know entirely everything about Proposition CC, but you're right, the more you attack TABOR, the less likely anything gets passed.

Dr. Paccione • 16:58

That's so right. Especially if you attack it. In a sense, attacking it to the proponents means changing it. They don't want to change it at all.

Dr. Paccione • 17:09

And so that's why I think the timeout could work, but not changing it fundamentally.