JANUARY 2026

POTENTIAL SAVINGS IN COLORADO'S HIGHER EDUCATION SYSTEM:

A BRIEF ANALYSIS

AUTHOR: ERIK GAMM

ABOUT THE AUTHOR

Erik Gamm is a Senior Research Analyst with CSI. Erik joined CSI in 2019 and has led research for CSI reports covering the topics of taxation, education, workforce and healthcare. He graduated from the University of Michigan in 2020 with a Bachelor of Arts in Economics, and has experience from Washington, D.C., where he was an intern for the natural resources lobbying firm American Capitol Group.

SPECIAL CONTRIBUTORS

Special thanks to Tim Foster who provided important subject matter expertise.

Tim Foster was Mesa State College's 10th president, joining MSC in March of 2004. Foster earned his Juris Doctorate in 1984 from the University of Denver College of Law. His graduate coursework was completed at the Colorado School of Mines from 1982 – 1984 for a Master's in Mineral Economics. His Bachelor of Arts in Economics with Honors was granted from Kenyon College in Gambier, Ohio back in 1980. Prior to his position at MSC, Foster was appointed by Governor Bill Owens in January 1999, and re-appointed in January 2003, to serve as the Executive Director of the Colorado Department of Higher Education.

He also served as head of the Colorado Commission on Higher Education Department of Higher Education, which includes the Colorado Historical Society, the Colorado Student Loan Program, the Colorado Student Obligation Bond Authority and the Colorado Council on the Arts. Prior to serving in the Governor's Cabinet, Tim was a partner in the general practice law firm of Foster, Larson, Laiche and Griff in Grand Junction. Foster was elected to the Colorado House of Representatives in 1988 and served as Majority Leader from 1993 to 1996. He currently serves on the Western Interstate Commission for Higher Education, and as a board member of the Colorado Institute of Technology, the Colorado Space Science Committee, the Denver Chamber of Commerce and its Committee on Science and Technology.

ABOUT COMMON SENSE INSTITUTE

Common Sense Institute is a non-partisan research organization dedicated to the protection and promotion of Colorado's economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Coloradans. CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the economy and individual opportunity.

TEAMS & FELLOWS STATEMENT

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team's work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

TABLE OF CONTENTS

INTRODUCTION

Postsecondary schools across the country, especially research universities, are facing large federal funding cuts. Meanwhile, to help relieve its tightening budget, Colorado's government is expected to diminish the share of state spending it allocates to higher education. These circumstances will force schools to either raise revenue from other sources, like tuition, or cut costs; diminished state support, however, alongside negligible enrollment growth over the last two decades, renders the former mostly impractical.

Fortunately, there is evidence that at least some of Colorado's schools can overcome these threats by cutting administrative costs or duplicative services. Dual-mission institutions, which combine the functions of a four-year university and a community college, are growing in number in other states and have proven effective at managing costs by avoiding redundant spending. Simpler solutions may also be available in cases like that of the Auraria Campus, whose central administrative body has raised its spending far faster than its tenant institutions have raised their spending on education.

KEY FINDINGS

- Only three schools in Colorado, Colorado Mesa University, Adams State University, and Colorado Mountain College, are currently authorized to operate as dual-mission institutions.
- This report estimates potential cost savings for dual-mission institutions in Colorado based on experiences in Utah, which has robust and representative data.
    - Dual-mission institutions in Utah require 30% less funding from taxes than two-year schools and 31% less than four-year schools.
- By creating two new dual-mission institutions out of existing schools in Denver and Pueblo, Colorado could save $25 million in state funds per year.
    - This is more than double the amount cut from higher education to balance the FY26 state budget ($12 million) and enough to cover years' worth of federal cuts to CSU-Pueblo and community colleges.
- The Auraria Campus initially hosted a community college (CCD), a four-year open-access university (MSU), and a graduate school (UCD). Over ensuing years, those institutions broadened their scopes, duplicating some of their functions and raising costs.
- AHEC, the non-educational administrative arm of the Auraria Campus, spent $68 million in FY25, up from just $42 million in FY21. Spending growth by the three schools that share the Auraria Campus was slower and, in the case of CU Denver, negative.
    - If overlapping functions of AHEC were devolved to the schools, cutting out inefficiencies inherent in the Auraria Campus' administrative structure, more than $1 million in savings could be found.

SAVINGS

Dual-mission Institutions

Currently, Colorado has three dual-mission institutions: Adams State University, Colorado Mesa University, and Colorado Mountain College. Colorado Mountain College, the largest of these, is a network of 11 disparate campuses scattered across the Rockies; as a result, the combined experience of these three institutions offers little in the way of example for traditional schools.[i] Utah, however, has three dual-mission universities which, along with Adams State and Colorado Mesa, offer a solid basis for evaluating the prospects of potential new dual-mission schools in Colorado. A 2018 report by one of these, Weber State University, found that, by spending more efficiently than their peers, the three schools required 15% less state funding per FTE (full-time equivalent) enrollee than Utah's community colleges and 36% less than its selective universities.[ii] State funding per degree awarded at those schools, likewise, was much lower. CSI's analysis found similar results in data collected by the Utah System of Higher Education from 2023, when dual-mission institutions required 30% less funding from taxes than two-year schools and 31% less than four-year schools.[iii]

The dual-mission model's financial advantage is that of scale—a single body can perform administrative functions that would otherwise be devolved to multiple schools. Two single-mission institutions need two presidents, for example, where a dual-mission institution needs only one. If pairs of neighboring Colorado schools with complementary missions, like Community College of Denver with Metropolitan State University and Community College of Pueblo with CSU-Pueblo, consolidated, they could save millions of dollars on executive salaries alone.

TABLE 1.

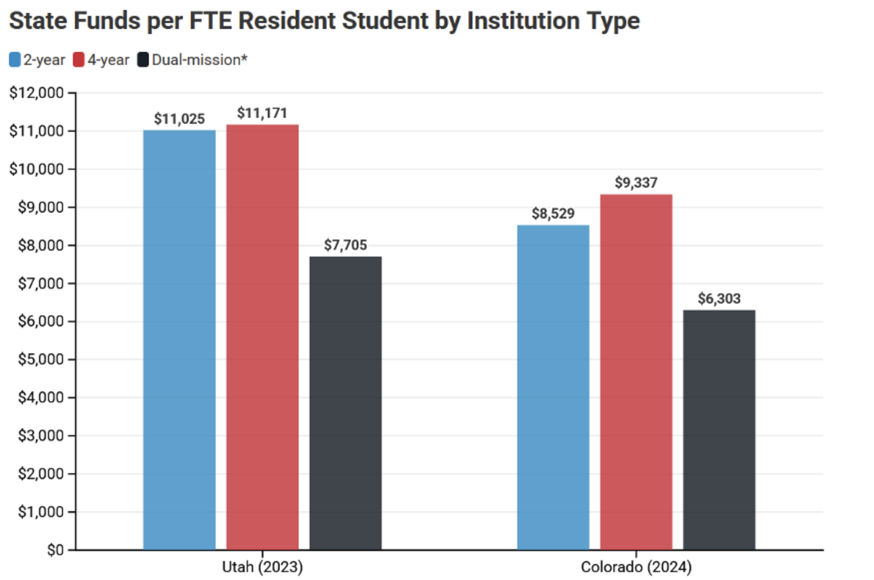
Total Executive Staff Salaries	
Community College of Denver	$1,008,882
Metropolitan State University	$2,251,379
Community College of Pueblo	$735,333
CSU-Pueblo	$1,298,959
Potential savings:	**$1,744,215**

According to data CSI received from the Joint Budget Committee, these four schools spend a total of $5.3 million on executive salaries. If they were to consolidate into two dual-mission institutions, retaining the larger school's executive staff, they would be able to spend $1.7 million less. Through just this means, they would accommodate much of the anticipated reduction in state funding without cutting services to students or raising tuition.

Executive salaries represent only some of the money that dual-mission schools save. If Colorado could achieve results like Utah's, its higher-education system would have the potential to save tens of millions of dollars without degrading student experiences. The rest of this report considers the same two pairings as above of community college and four-year university in Colorado that could operate more efficiently united as dual-mission institutions, commenting neither on the practicality, complexity, nor likelihood of such.

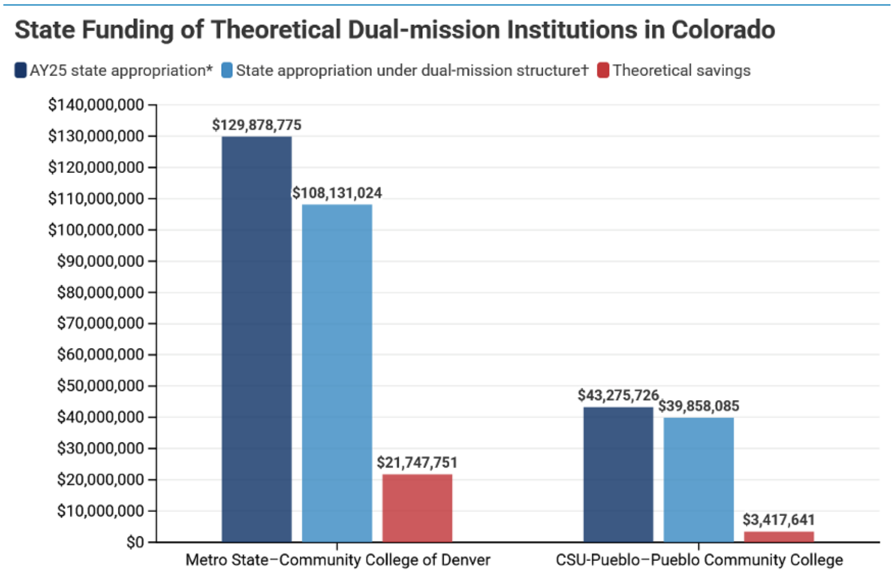
As a united dual-mission institution, Metropolitan State University of Denver and Community College of Denver could save a combined $21.7 million per year ($1,268 per FTE student) in state funds if Utah's example holds. This amount would come from consolidating executive positions, administrative functions, student-support services, facilities, and other operations. CSU-Pueblo

FIGURE 1.



Sources: SHEEO SHEF. USHE 2024 Data Book. CDHE. CSI Calculations • * For Colorado, a theoretical value based on Utah's data

FIGURE 2.



Sources: SHEEO SHEF, USHE 2024 Data Book, Colorado Community College System, CDHE, JBC Staff, CSI Calculations •
* Combination of actuals and CSI estimates
† Theoretical and based on Utah findings

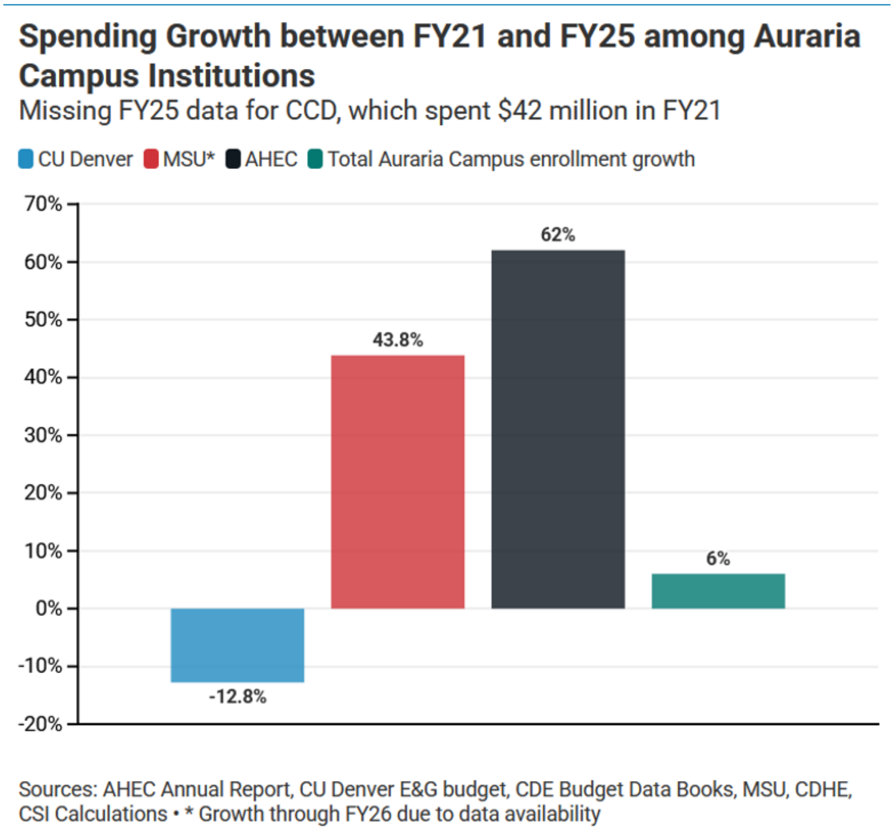
and Community College of Pueblo, though smaller than their analogues in Denver by a combined 11,000 FTE students, could still save $3.4 million in total—itself nearly enough to cover three years' worth of forthcoming federal cuts to CSU-Pueblo.[iv v] The total state savings achieved by just these two hypothetical institutions, $25 million per year, is more than double the amount cut from higher education to balance the FY26 state budget.[vi]

Auraria Campus

In addition to the large and permanent savings that would occur by converting existing universities into dual-mission institutions, it may also be possible to draw substantial savings out of higher-education systems' administrative budgets. If the financial problems currently facing Colorado's postsecondary system are expected to pass quickly, reducing administrative waste may be the most prudent means that schools have of managing funding cuts, especially at the Auraria Campus in Denver. The Auraria Campus is a model unique in Colorado: it consists of three schools, University of Colorado Denver, Metropolitan State University of Denver, and Community College of Denver, sharing a campus under the administration of an independent body (AHEC) that collects usage fees from each. **Notably, spending by AHEC has risen much more quickly over the last five years than has spending by the three schools.**

AHEC, which provides no direct educational services to Auraria's students, spent 62% more in FY25 than it did in FY21. This represents an increase of $26.1 million to its current level of $68.3 million, $28.4 million of which comes from state funds passed through the schools.[vii] Major capital-construction projects financed by legislative appropriations, like $40 million for the new Auraria Campus Police Public Safety Facility, are not included in these spending data, but there may still be some one-time capital spending reflected in the increase; still, the data show rapid and steady growth throughout all of AHEC's last five annual reports, which make no further distinction between capital construction and ongoing spending.

FIGURE 3.



Although AHEC has not yet published its FY26 budget, its share of state appropriations is set to increase again to $31.4 million.[viii] There already appears to be some unease within the state government at this growth: during the 2025 legislative session, a bill was enacted that, effectively, launches an audit of AHEC's spending practices with intent to reduce waste.[ix]

This level of administrative expansion does not reflect the growth of the Auraria Campus itself, neither in terms of educational spending, which has grown at a slower rate, nor enrollment, which has fallen outright. If AHEC's appropriation were reduced to its FY21 level, plus inflation, Colorado's higher-education system would save $2.5 million without reducing spending on classrooms by a single cent. If the functions of AHEC were devolved to the schools, cutting out inefficiencies inherent in the Auraria Campus' administrative structure, the savings could be higher still, for example by eliminating duplicative executive roles as in the examples presented earlier in this report.

TABLE 2.

AHEC Executive Staff Salaries	
Chief Executive Officer	$362,358
Chief Financial Officer	$246,332
Chief Administrative Officer/GC	$208,362
Chief Operations Officer	$174,204
Chief Activation Officer	$166,283
Chief of Police	$148,436
Chief of Staff	$142,020
Deputy Chief of Campus Planning	$144,648
Total:	**$1,592,643**

CONCLUSION

Colorado's colleges and universities are being squeezed by both federal funding cuts and shrinking state support. Schools cannot simply rely on tuition to bridge this new gap, since enrollment growth has been stagnant for two decades. Instead, they could create savings by becoming more efficient.

Two-year and four-year schools, in the right geographical contexts, might consider what can be gained from consolidating—not just to serve more students, but to free-up spending. Dual-mission institutions are cost-saving by nature because they can operate at scale and guarantee close cooperation between their functions. The state has only three of these now, but the creation of just two more could save $25 million in state funds per year.

Colleges and universities can also pay close attention to their payroll items to see where non-educational spending may be too large. The Auraria Campus, which hosts three schools, is a possible example of duplication and administrative overspending. Its managerial authority increased its spending by $26 million in the last four years, far faster than any of Auraria's schools increased their educational spending.

Tight budgetary times are painful, but they also present opportunities for organizations to realign with their missions and serve the public better. In the case of Colorado's higher-education system, improving operations can create a pathway to real savings.

SOURCES

i. https://coloradomtn.edu/news/cmc-news/cmc-is-a-college-on-a-dual-mission/

ii. https://continue.weber.edu/dualmission/img/Dual-mission_state_model_legislative_handout_Aug_12_2019.pdf

iii. https://ushe.edu/wp-content/uploads/pdf/databook/2024/2024_data_book.pdf

iv. https://cdhe.colorado.gov/sites/highered/files/Resident_Non_Resident_2022.pdf

v. https://www.cpr.org/2025/09/29/colorado-colleges-serving-students-of-color-will-lose-millions-from-trump-cuts/

vi. https://www.cpr.org/2025/08/28/polis-budget-cuts-announced-medicaid-higher-education/

vii. https://aurariacampus.edu/wp-content/uploads/25-AHEC-Annual-Report-LR.pdf

viii. https://leg.colorado.gov/sites/default/files/documents/2025A/bills/fn/2025a_sb316_f1.pdf

ix. https://leg.colorado.gov/bills/sb25-316