



The State Chamber of Commerce

The Voice of Colorado Business

**Colorado's Higher Educational System:
Key to Our Economic Competitiveness**

**By
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NOTE: The following is an edited version of remarks made to the CACI Business Day at the Legislature Luncheon, January 22, 2004, at the Adam's Mark Hotel, Denver

The Colorado Association of Commerce and Industry strongly supports our state's public higher educational system. But that system needs your help, you of the Colorado legislature.

The long-term economic vitality of Colorado depends upon an excellent higher educational system.

We at CACI and in business recognize the strong relationship between Colorado's public universities and colleges and the companies that employ the majority of Colorado's skilled workers.

Colorado's universities and colleges are the training grounds for the high-skills that our companies require to produce high-tech products and services.

Higher education develops the knowledge and research that businesses rely to produce products and services that improve everyone's quality of life—that of constituents and of business.

Higher education, however, is facing severe fiscal challenges.

In recent months, many have written and many have spoken about the issue of higher education funding and the reductions in the state's general fund support.

Blame has been placed on TABOR and Amendment 23, in particular.

We should remember that, prior to the economic recession of 2001, higher education fared moderately well in terms of general fund support from the state.

But, the double whammy of the recession and the resulting generally weak state economy of 2001-2003, plus Amendment 23, hit higher education funding with a vengeance.



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Moreover, the so-called “ratchet-down mechanism” of TABOR will restrain state revenues for years to come, unless the voters approve a change to this constitutional provision.

At our CACI Board’s Annual Retreat last fall, CU President Betsy Hoffman outlined the critical challenges that face our higher educational system.

Dr. Hoffman said that--if nothing is done to the state’s tax system—then, in a decade, there will be virtually no state general fund money for higher education.

CACI sees this as a major problem affecting the business environment in Colorado.

Consequently, the CACI Board chose as one of its three major initiatives this year to support higher education through a “business partnership with higher education.”

Specifically, CACI decided to support legislation that would give “enterprise status” to any qualifying university and college to give it more flexibility to operate its educational programs. At the moment, only CU qualifies, but others will follow.

Enterprise status will allow these qualified institutions to be free of TABOR restrictions and be less of a drag on the state’s general-fund spending base.

I should point out at this juncture that Chuck Berry, the CACI President & CEO, participated in a press conference in mid-December with the presidents of four major public universities: University of Colorado, Colorado State University, University of Northern Colorado and Western State College.

At the press conference, Chuck stressed that the General Assembly should send a clear message to the business community that the legislature is committed to supporting higher education with long-term investments.

This message needs to be heard by businesses already located in Colorado that may consider expanding or--we hope not—even leaving. It also needs to go to businesses outside Colorado that may consider moving here.

Many of us volunteer hours of our personal and corporate time to help our public institutions of higher education. I certainly know that I do. We see the value of these institutions as true assets of the state.

CACI’s business members in Colorado need, deserve and, indeed, expect a strong system of public higher education in our state—a strong system of which no one will be ashamed. I hope that you will stand with us on this issue.