

Colorado Legislative Council Staff

**STATE
FISCAL IMPACT**

Drafting Number: LLS 02-1031
Prime Sponsor(s): Rep. Larson
 Sen. Isgar

Date: April 12, 2002
Bill Status: House Education
Fiscal Analyst: Geoff Barsch (303-866-4102)

TITLE: CONCERNING FORT LEWIS COLLEGE.

Fiscal Impact Summary	FY 2002/2003	FY 2003/2004
State Revenues		
Cash Fund		
-State Board of Agriculture-Transfer	(\$12.6 million)	
-Board of Trustees for Fort Lewis College	12.6 million	\$0
State Expenditures		
General Fund		
-State Board of Agriculture-Transfer	(\$10.0 million)	
-Board of Trustees for Fort Lewis College	\$10.0 million	\$0
FTE Position Change	0.0 FTE	0.0 FTE
Other State Impact: See Other State Impact section		
Effective Date: July 1, 2002		
Appropriation Summary for FY 2002/2003: The bill requires a supplemental appropriation of \$10.0 million for transfer of spending authority - see State Appropriations section.		
Local Government Impact: None		

Summary of Legislation

The bill transfers governance of Fort Lewis College from the State Board of Agriculture to a newly-created independent governing board. Provisions of the bill include:

- Establishes the 9-member Board of Trustees for Fort Lewis College (board) as the governing authority for the college, specifies appointment of board members, the duties, authority, and obligations of the board, and transfers all powers, duties, and functions formerly performed by the State Board of Agriculture with respect to Fort Lewis College to the new board.
- Restates the role and mission of Fort Lewis College from a general baccalaureate institution to a public liberal arts college with moderately selective admission standards and a historic and continuing commitment to Native American education.

- Allows the college to offer professional programs, a limited number of graduate programs to serve regional needs, and two-year programs in collaboration with community colleges and area vocational schools. The bill also specifies that the college shall be a regional education provider, as designated by the Colorado Commission on Higher Education (CCHE).
- Specifies that the State Board of Agriculture will transfer Fort Lewis College's standard allocation of General Fund and cash funds to the new board effective September 1, 2002.
- Allows Adams State College, Fort Lewis College, Mesa State College, and Western State College to admit additional nonresident students after all qualified resident students are admitted.

State Revenues

This bill creates the Board of Trustees for Fort Lewis College Fund and credits Fort Lewis College appropriations and revenues to the fund, but does not increase nor decrease state revenues.

State Expenditures

The bill states that the State Board of Agriculture will transfer Fort Lewis College's standard allocation of General Fund and cash funds to the new board effective September 1, 2002. The FY 2002-03 Long Bill currently includes a General Fund appropriation of \$158.2 million for institutional operations, an increase of 4.2 percent over the FY 2001-02 Long Bill. The State Board of Agriculture has not yet determined institutional allocations for FY 2002-03. For FY 2001-02, Fort Lewis College is allocated \$9.7 million for institutional operations and \$330,000 for the college's share of State Board of Agriculture costs. Fort Lewis College's share of cash fund spending authority is estimated to be \$12.6 million.

The bill will impact governing board costs for both the State Board of Agriculture and the new Board of Trustees for Fort Lewis College. The State Board of Agriculture will need to reduce its board expenditures by \$330,000. The reductions would come through savings to centralized functions — such as legal counsel, internal auditing, and academic and financial coordination with state offices — that would no longer serve Fort Lewis College, as well as reduced travel expenses. Conversely, the Board of Trustees for Fort Lewis College will require services previously provided by the State Board of Agriculture. Costs incurred by the new board will include:

- institutional share of statewide indirect cost charges;
- board support and expenses;
- legal counsel, internal audit, and state accounting coordination;
- third party review of Capital Construction costs; and
- attendance at CCHE, legislative, and state office meetings.

These expenses may exceed the current allocation of \$330,000. Because the General Assembly appropriates funds to governing boards as lump sums, the increased costs would be absorbed by Fort Lewis College.

Other State Impacts

The bill authorizes Fort Lewis College to offer limited graduate programs and two-year programs. Because the bill does not require Fort Lewis College to offer additional courses, no appropriation is needed for FY 2002-03. However, additional graduate and two-year programs offered in future years may increase resident enrollment, and therefore, require additional enrollment funding.

State Appropriations

No additional resources are required, although a supplemental appropriation adjustment of \$10.0 million will be required to transfer appropriations from the State Board of Agriculture to the Board of Trustees for Fort Lewis College.

Departments Contacted

Higher Education