



**Colorado
Legislative
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Staff**

Room 029 State Capitol, Denver, CO 80203-1784
 (303) 866-3521 • FAX: 866-3855 • TDD: 866-3472
www.colorado.gov/lcs
 E-mail: lcs.ga@state.co.us

MEMORANDUM

December 15, 2015

TO: Capital Development Committee

FROM: Kori Donaldson, Principal Research Analyst, 303-866-4976

SUBJECT: Student Fees and Capital Construction

Summary

This memorandum responds to your request for information about how student fees are administered by institutions of higher education and the role of students in reviewing and approving new or modified student fees. It also details information related to the use of student fees to maintain or construct capital assets. Fee policies are guided by state law and outlined in institutional fee plans. Table 1 shows information about the review process for mandatory student fees, and Table 2 provides information about the capital fees charged at each institution.

The administration of student fees is guided by Section 23-5-119.5, C.R.S., which was enacted in law after the passage of House Bill 11-1301. Fees are charged in addition to tuition, and fee revenue may be used for academic or nonacademic purposes. The Department of Higher Education (DHE) compiles and reports annually about the mandatory campus-wide fees charged by each institution of higher education. Attachment A is the most recent annual report published by DHE.

Under current law, each governing board is authorized to require students to pay fees to offset costs that are specific to certain courses or programs or that otherwise exceed or are in addition to normal overhead and operating costs that are paid by tuition revenues. Some mandatory fees are fees that all students pay, regardless of their course of study, such as technology fees, capital fees, and student activity fees. Other mandatory fees are specific to certain courses or programs, such as a laboratory fee paid by a student enrolled in a chemistry course. In addition to mandatory fees, institutions may also charge user and service fees. Nonmandatory fees are not addressed in this memo.

Open records requirements: Pursuant to Section 24-72-202 (6.5)(b), C.R.S., research memoranda and other final products of Legislative Council Staff are considered public records and subject to public inspection unless: a) the research is related to proposed or pending legislation; and b) the legislator requesting the research specifically asks that the research be permanently considered "work product" and not subject to public inspection. If you would like to designate this memorandum to be permanently considered "work product" not subject to public inspection, or if you think additional research is required and this is not a final product, please contact the Legislative Council Librarian at (303) 866-4011 within seven days of the date of the memorandum.

The costs for which a governing board may impose mandatory fees can be generally divided into four categories, as described below:

- **academic purpose fees** to pay for course- or program-specific costs;
- **administrative purpose fees** to pay costs incurred by an institution that are in addition to the cost of direct delivery of instruction;
- **capital fees** to pay costs related to the construction, maintenance, furnishing, and equipping of a facility. Capital fees are not always separately itemized; some institutions categorize capital fees as student purpose fees; and
- **student purpose fees** to pay costs for student-centered activities, programs, and services. Student purpose fees are generally subcategorized as permanent or nonpermanent student purpose fees.

Student fee plans. After the passage of HB 11-1301, each higher education institution developed a student fee plan with the involvement of student government representatives. These plans are published on the DHE website: <http://higher.ed.colorado.gov/Finance/Fees/>. The student fee plans detail the process for establishing, reviewing, and changing student fees, including the level of student involvement in each process. At a minimum, existing law directs that students shall be consulted whenever possible prior to the establishment of a new fee or the noninflationary increase of an existing fee. Nothing in law requires a student referendum to approve new fees. Based on the published fee plans, when a student vote is required, the outcome is determined by a simple majority of the votes cast.

Other standard statutory requirements related to student fees — and reflected in the student fee plans — include a 30-day notification period of new or amended fees, a 30-day protest period to challenge a new or amended fee (after the date of implementation), and a requirement to itemize any fee or portion of a fee used to repay bonds or other debt obligations on student billing statements.

Typically, governing boards meet annually in the late spring or early summer to approve new or modified student fees — before the beginning of the next fiscal and academic year — and the notification of the new or amended fees is made within 30 days of the meeting. The notification and protest process varies slightly from institution to institution. However, most institutions require that information about new or modified student fees be posted in popular student meeting areas.

Table 1 shows the review process for each institution for each of the fee categories outlined above, as described in each institution of higher education's published fee plan. It divides the fee review process into four categories, including: (1) administrative review; (2) fee review committee (typically any committee comprised of both students and faculty or staff and charged with proposing or assessing new or increased fees); (3) student government review; (4) student vote; and (5) governing board review. With few exceptions, the administration is always involved in the review of new student fees. Student involvement is typical either through a fee review committee or student government, with the most notable exception for some institutions being the review of administrative fees. Whether students vote to approve new or increased fees varies widely from institution to institution and is discussed more fully in the "Notes about Student Participation in Fee Approval Process" column of Table 1. Every mandatory fee at a state institution of higher education is approved by the governing board of the institution.

Table 1. Review of Mandatory Student Fees as Reported in Student Fee Plans

Fee Category by Institution	Required Reviews/Approvals for New or Increased Fees					Notes about Student Participation in Fee Approval Process
	Administration	Fee Review Committee	Student Government	Student Vote	Governing Board	
Adams State University						
Academic Purpose Fee	x	x			x	A vote is required for nonpermanent student purpose fees and auxiliary facility construction. The Associated Student and Faculty Senate serves as a fee review board.
Administrative Purpose Fee	x	x			x	
Capital Fee	x	x		x	x	
Student Purpose Fee	x	x		x	x	
Colorado Community College System						
Arapahoe Community College						
Academic Purpose Fee	x		x		x	A vote is required for administrative fees, academic or auxiliary facility construction or renovation, and nonpermanent student purpose fees.
Administrative Purpose Fee	x		x	x	x	
Capital Fee	x		x	x	x	
Student Purpose Fee	x		x	x	x	
Colorado Northwestern Community College						
Academic Purpose Fee	x				x	A vote is required for administrative fees, academic or auxiliary facility construction or renovation, and nonpermanent student purpose fees. Any student taking at least one credit hour may vote.
Administrative Purpose Fee	x			x	x	
Capital Fee	x			x	x	
Student Purpose Fee	x			x	x	
Community College of Aurora						
Academic Purpose Fee	x	x	x		x	A vote is required for administrative fees, academic facility construction or renovation, and nonpermanent student purpose fees. A referendum on a capital fee must be initiated by the student government.
Administrative Purpose Fee	x	x	x	x	x	
Capital Fee	x	x	x	x	x	
Student Purpose Fee	x	x	x	x	x	
Community College of Denver (also subject to AHEC fees)						
Academic Purpose Fee	x		x		x	A vote is required if the fee will be used to repay bonds for the construction or renovation of a facility. Any student taking at least one credit hour may vote.
Administrative Purpose Fee	x		x		x	
Capital Fee	x		x	x	x	
Student Purpose Fee	x		x	x	x	

Table 1. Review of Mandatory Student Fees as Reported in Student Fee Plans (Cont.)

Fee Category by Institution	Required Reviews/Approvals for New or Increased Fees					Notes about Student Participation in Fee Approval Process
	Administration	Fee Review Committee	Student Government	Student Vote	Governing Board	
Colorado Community College System (Cont.)						
Front Range Community College						
Academic Purpose Fee	x				x	A vote is required for student purpose fees and for a capital fee if it will be used to repay bonds for the construction or renovation of a facility. Any student taking at least one credit hour may vote.
Administrative Purpose Fee	x				x	
Capital Fee	x			x	x	
Student Purpose Fee	x			x	x	
Lamar Community College						
Academic Purpose Fee	x		x		x	A vote is required for student purpose fees and for a capital fee if it will be used to repay bonds for the construction or renovation of a facility. Any student taking at least one credit hour may vote.
Administrative Purpose Fee	x		x		x	
Capital Fee	x		x	x	x	
Student Purpose Fee	x		x	x	x	
Morgan Community College						
Academic Purpose Fee	x		x		x	A vote is required for student purpose fees and for a capital fee if it will be used to repay bonds for the construction or renovation of a facility.
Administrative Purpose Fee	x		x		x	
Capital Fee	x		x	x	x	
Student Purpose Fee	x		x	x	x	
Northeastern Junior College						
Academic Purpose Fee	x		x		x	A vote is required for student purpose fees and for a capital fee if it will be used to repay bonds for the construction or renovation of a facility.
Administrative Purpose Fee	x		x		x	
Capital Fee	x		x	x	x	
Student Purpose Fee	x		x	x	x	
Otero Junior College						
Academic Purpose Fee	x		x		x	A vote is required for student purpose fees and for a capital fee if it will be used to repay bonds for the construction or renovation of a facility.
Administrative Purpose Fee	x		x		x	
Capital Fee	x		x	x	x	
Student Purpose Fee	x		x	x	x	

Table 1. Review of Mandatory Student Fees as Reported in Student Fee Plans (Cont.)

Fee Category by Institution	Required Reviews/Approvals for New or Increased Fees					Notes about Student Participation in Fee Approval Process
	Administration	Fee Review Committee	Student Government	Student Vote	Governing Board	
Colorado Community College System (Cont.)						
Pikes Peak Community College						
Academic Purpose Fee	x		x			x
Administrative Purpose Fee	x		x			x
Capital Fee	x		x	x		x
Student Purpose Fee	x		x	x		x
Pueblo Community College						
Academic Purpose Fee	x		x			x
Administrative Purpose Fee	x		x	x		x
Capital Fee	x		x	x		x
Student Purpose Fee	x		x	x		x
Red Rocks Community College						
Academic Purpose Fee	x					x
Administrative Purpose Fee	x					x
Capital Fee	x			x		x
Student Purpose Fee	x			x		x
Trinidad State Junior College						
Academic Purpose Fee	x		x			x
Administrative Purpose Fee	x		x	x		x
Capital Fee	x		x			x
Student Purpose Fee	x		x	x		x
Colorado Mesa University						
Academic Purpose Fee	x		x			x
Administrative Purpose Fee	x					x
Capital Fee	x		x	x		x
Student Purpose Fee	x		x	x		x

Table 1. Review of Mandatory Student Fees as Reported in Student Fee Plans (Cont.)

Fee Category by Institution	Required Reviews/Approvals for New or Increased Fees					Notes about Student Participation in Fee Approval Process
	Administration	Fee Review Committee	Student Government	Student Vote	Governing Board	
Colorado School of Mines						
Academic Purpose Fee	x	x	x		x	A vote is required for student purpose fees and auxiliary facility construction, so long as there is no associated bonding commitment. A vote or student government approval is required for academic facility construction.
Administrative Purpose Fee	x	x	x		x	
Capital Fee	x	x	x	x	x	
Student Purpose Fee	x	x	x	x	x	
Colorado State University System						
CSU Fort Collins						
Academic Purpose Fee	x	x	x		x	Student Fee Review Board members serve as liaisons to fee-funded programs and activities and make fee recommendations related to their assigned program or activity to the student government.
Administrative Purpose Fee	x	x	x		x	
Capital Fee	x	x	x		x	
Student Purpose Fee	x	x	x		x	
CSU Pueblo						
Academic Purpose Fee	x				x	The involvement of the Fee Review Committee and student government is discretionary for some fee categories.
Administrative Purpose Fee					x	
Capital Fee	x	x			x	
Student Purpose Fee	x	x			x	
Fort Lewis College						
Academic Purpose Fee	x	x	x		x	The use of student fees for academic facility construction is prohibited.
Administrative Purpose Fee	x				x	
Capital Fee						
Student Purpose Fee		x	x		x	
Metropolitan State University of Denver (also subject to AHEC fees)						
Academic Purpose Fee	x	x	x		x	A vote is required for permanent and nonpermanent student purpose fees.
Administrative Purpose Fee	x	x	x		x	
Capital Fee	x	x	x		x	
Student Purpose Fee	x	x	x	x	x	

Table 1. Review of Mandatory Student Fees as Reported in Student Fee Plans (Cont.)

Fee Category by Institution	Required Reviews/Approvals for New or Increased Fees					Notes about Student Participation in Fee Approval Process
	Administration	Fee Review Committee	Student Government	Student Vote	Governing Board	
University of Colorado System						
CU Boulder						
Academic Purpose Fee	x	x			x	A student advisory committee is created to review each proposed academic fee. A vote is required for administrative fees, academic or athletic facility construction, and nonpermanent student purpose fees.
Administrative Purpose Fee	x	x		x	x	
Capital Fee	x	x		x	x	
Student Purpose Fee	x	x	x	x	x	
UCCS						
Academic Purpose Fee	x	x			x	A vote is required for administrative fees, construction of academic or administrative facilities, and student purpose fees. Fees collected in excess of a set amount may be used to increase need-based financial aid.
Administrative Purpose Fee	x	x		x	x	
Capital Fee	x	x		x	x	
Student Purpose Fee	x	x		x	x	
CU Denver (Downtown Campus also subject to AHEC fees)						
Academic Purpose Fee	x	x			x	Either the student government or a student advisory committee reviews proposed academic purpose fees. A vote of student government is required for academic facility construction.
Administrative Purpose Fee	x	x			x	
Capital Fee	x	x	x	x	x	
Student Purpose Fee	x	x			x	
University of Northern Colorado						
Academic Purpose Fee	x	x			x	The student fee plan indicates a student vote may be required to approve certain new student fees; however, it does not specify how this requirement applies to the various fee categories.
Administrative Purpose Fee	x	x			x	
Capital Fee	x	x			x	
Student Purpose Fee	x	x			x	
Western State Colorado University						
Academic Purpose Fee	x		x	x	x	All newly proposed campus-wide fees, regardless of fee category, require a student vote.
Administrative Purpose Fee	x		x	x	x	
Capital Fee	x		x	x	x	
Student Purpose Fee	x		x	x	x	

Table 2 provides details about the capital fees assessed at each institution of higher education. Unless otherwise noted, the total mandatory fee amount is the amount reported in the FY 2014-15 Tuition and Fees Report published by DHE in the Five-Year History of Undergraduate Mandatory Fees [30 Credit Hours per Academic Year] table (Attachment A, Page A7). The remaining information in Table 2 was self-reported by each institution of higher education in 2015. Fees are described as either nonpermanent — indicating the fee is scheduled to sunset — or permanent — indicating a fee is not scheduled to sunset. Many permanent fees pay for costs associated with bonded indebtedness and will be recalculated to pay only operating and maintenance costs once the associated debt is retired. The schools were asked to indicate whether the reported use of the capital fees is interchangeable; in every instance the response was that the fees could only be used for the stated purpose.

Table 2. Capital Fees Assessed at Public Institutions of Higher Education, as of FY 2014-15

Institution Name	Total Mandatory Fee Amount	Amount Attributable to Capital	Capital Fee Percent of Total	Number of Capital Fees
Adams State University (ASU)	\$2,855	\$1,464	51.3%	1
ASU has one permanent capital fee. It may be used for capital outlay, debt service, or controlled maintenance costs associated with both academic and auxiliary facilities. The fee was enacted through a student referendum in FY 2007-08.				
Colorado Community College System				
Arapahoe Community College (ACC)	\$178	\$66	36.9%	1
ACC has one nonpermanent capital fee used to repay bonds issued in 2002 to finance the acquisition of a classroom building. The bond fee was approved through a student referendum and sunsets in 2033.				
Colorado Northwestern Community College (CNCC)	\$288	\$0	0.0%	0
CNCC does not use fees for capital expenses.				
Community College of Aurora (CCA)	\$194	\$65	33.6%	1
CCA has one permanent capital fee used to repay bonds issued in 1997 to finance the construction of a new student center. The bond fee was approved through a student referendum. After the bonds are retired in 2023, the fee will be recalculated to pay for the maintenance and operation of the building.				
Community College of Denver (CCD)	\$833	\$396	47.6%	3
CCD has one nonpermanent capital fee it uses to repay bonds issued to finance the construction of the Confluence Building. The fee sunsets no later than 2035. CCD students also pay two Auraria Higher Education Center permanent capital fees. The first fee pays for debt service, operation, and deferred maintenance of various auxiliary facilities. The second fee is used to fund the development and ongoing maintenance of the Tivoli Student Center and Quad. The student fees were all approved through a student referendum.				
Front Range Community College (FRCC), Larimer Campus	\$422	\$247	58.6%	2
FRCC, Larimer Campus has one nonpermanent capital fee it uses to repay academic facility construction. The fee will sunset no later than FY 2038-39. FRCC, Larimer Campus also has one permanent capital fee it uses to pay costs associated with the Student Center. Both fees were approved through a student referendum in 2013.				

**Table 2. Capital Fees Assessed at Public Institutions of Higher Education,
as of FY 2014-15 (Cont.)**

Institution Name	Total Mandatory Fee Amount	Amount Attributable to Capital	Capital Fee Percent of Total	Number of Capital Fees
Colorado Community College System (Cont.)				
FRCC, Westminster Campus	\$335	\$161	48.0%	2
FRCC, Westminster Campus has one nonpermanent capital fee it uses to repay bonds issued to finance the construction of the Student Center and student parking. The fee will sunset no later than FY 2038-39. FRCC, Westminster Campus also one permanent capital fee it uses to pay costs associated with the operation of the Student Center and to maintain parking lots. Both fees were approved through a student referendum in 2013.				
Lamar Community College (LCC)	\$409	\$65	15.8%	1
LCC has one permanent capital fee it uses to pay costs associated with the Student Center. The fee was approved through a student referendum in 2000.				
Morgan Community College (MCC)	\$182	\$72	39.6%	1
MCC has one nonpermanent capital fee it uses to pay costs associated with the Student Center. It was approved through a student referendum in 1998 and sunsets in 2018.				
Northeastern Junior College (NJC)	\$599	\$120	20.0%	1
NJC has one permanent capital fee it uses to repay bonds issued in 1997 to finance the ongoing cost of parking lot renewal and replacement.				
Otero Junior College (OJC)	\$299	\$0	0.0%	0
OJC does not use fees for capital expenses.				
Pikes Peak Community College (PPCC)	\$296	\$199	67.1%	3
PPCC has three permanent capital fees it uses to repay bonds and for other costs associated with the operation of the Student Center, the parking lots, and the Child Development Center. The Student Center and parking lots fees were approved through a student referendum in 1976; the Child Development Center fee was approved through a student referendum in 2002.				
Pueblo Community College (PCC), Main Campus	\$550	\$178	32.4%	2
The PCC Main Campus has two nonpermanent capital fees it uses to repay bonds issued to finance renovations to the College (Student) Center. Both fees were approved by students; the first in 1992 and the second in 2012. The first fee sunsets in 2016 and the second fee sunsets in 2033.				
PCC, Fremont Campus	\$550	\$79	14.4%	1
The PCC Fremont Campus has one nonpermanent capital fee it uses to repay bonds issued to finance an addition to the Student Commons. The fee was approved by students in 2013 and sunsets in 2018.				
Red Rocks Community College	\$292	\$114	39.0%	2
RRCC has two nonpermanent capital fees it uses to repay bonds issued to finance the Student Center and the Student Recreation Center. Both fees were approved through a student referendum. The first fee sunsets in 2020 and the second fee sunsets in 2046.				
Trinidad State Junior College (TSJC), Main Campus	\$445	\$151	33.9%	2
TSJC has two permanent capital fees it uses for costs associated with the Student Center.				

**Table 2. Capital Fees Assessed at Public Institutions of Higher Education,
as of FY 2014-15 (Cont.)**

Institution Name	Total Mandatory Fee Amount	Amount Attributable to Capital	Capital Fee Percent of Total	Number of Capital Fees
Colorado Mesa University (CMU)	\$813	\$195	24.0%	2
CMU has two nonpermanent capital fees it uses to repay bonds issued to finance the construction of the University Center and the Maverick Recreation Center. The University Center bond fee was approved by the student government in 2007 and sunsets in 2042. The Maverick Recreation Center fee sunsets in 2022.				
Colorado School of Mines (CSM)	\$2,128	\$550	25.8%	1
CSM has one permanent capital fee used to finance the construction and maintenance of classroom and laboratory space. The fee was approved through a student referendum in 2007. A portion of the fee associated with a bond issuance will sunset in 2041. Fee expenditures must be approved by a committee that includes a majority student membership comprised of undergraduate students, graduate students, or recently graduated alumni.				
Colorado State University (CSU) System				
CSU Fort Collins	\$2,029	\$727	35.8%	5
CSU has five nonpermanent capital fees it uses to repay bonds issued to finance various auxiliary and academic projects. The auxiliary projects include various athletics facilities, the Campus Recreation Center expansion, and the Lory Student Center renovation. The academic facility fee pays for bond payments for academic construction. It also pays the cost of small capital construction projects (less than \$2.0 million). The fees were approved by the Student Fee Review Board and the student government and sunset between 2017 and 2044..				
CSU Pueblo	\$2,010	\$690	34.3%	1
CSU Pueblo has one permanent capital fee it uses to plan new projects, fund small construction projects, and repay debt issued for various auxiliary or academic facility construction. The fee was approved by the student government in 2005. New projects to be funded through the fee are approved by the Student Facility Fee Committee. The fee primarily supports auxiliary functions.				
Fort Lewis College (FLC)	\$1,708	\$798	46.7%	2
FLC has one nonpermanent capital fee it uses to repay bonds issued in FY 1999-2000 to finance the construction of the Student Life Center. The fee was approved through a student referendum and sunsets in FY 2018-19. FLC also has one permanent capital fee it uses to repay bonds issued in FY 2007-08 to finance the renovation of the Student Union. The fee was approved by the student government.				
Metropolitan State University of Denver¹ (MSUD)	\$1,097	\$649	59.2%	4
MSUD has two permanent capital fees. One fee is used to repay debt service for the construction of academic buildings. It is also used to support need-based scholarships. Another fee is used to maintain equipment and facilities for campus recreation programs. MSUD students also pay two Auraria Higher Education Center permanent capital fees. The first fee pays for debt service, operation, and deferred maintenance of various auxiliary facilities. The second fee is used to fund the development and ongoing maintenance of the Tivoli Student Center and Quad. The student fees were all approved through a student referendum.				

¹ Two of the MSUD fees described are not included in the listed totals because they were implemented after the FY 2014-15 report was compiled by DHE.

**Table 2. Capital Fees Assessed at Public Institutions of Higher Education,
as of FY 2014-15 (Cont.)**

Institution Name	Total Mandatory Fee Amount	Amount Attributable to Capital	Capital Fee Percent of Total	Number of Capital Fees
University of Colorado (CU) System				
CU Boulder	\$1,741	\$655	37.6%	5
CU Boulder has five nonpermanent capital fees. The capital construction fee is used to pay for critical campus infrastructure projects and for need-based financial aid. The fee sunsets in 2034. The other four fees support auxiliary functions, including improvements to outdoor recreation fields, the expansion of the Student Center, the expansion of the Recreation Center, and the renovation of food services at the Student Center. The auxiliary fees sunset between 2015 and 2038. The Recreation Center expansion was approved through student referendum in 2001. The remaining fees were approved by the student government.				
UCCS	\$1,433	\$282	19.7%	4
UCCS has four capital fees. Three permanent fees repay bonds issued to construct the Student Health Center, the University Center, and the Campus Recreation Center. These fees also pay for the ongoing operation and maintenance of the facilities. A nonpermanent fee repays bonds issued to construct the Family Development Center and sunsets in 2016. The student fees were all approved through a student referendum.				
CU Denver, Downtown Campus²	\$1,299	\$255	19.6%	3
CU Denver has one permanent capital fee to repay bonds issued to construct a Wellness Center. The fee will be restructured after the bonds are retired to pay the operating costs of the facility. CU Denver students also pay two Auraria Higher Education Center permanent capital fees. The first fee pays for debt service, operation, and deferred maintenance of various auxiliary facilities. The second fee is used to fund the development and ongoing maintenance of the Tivoli Student Center and Quad. The student fees were all approved through a student referendum.				
University of Northern Colorado (UNC)	\$1,709	\$450	26.3%	1
UNC has one permanent capital fee. The fee is used to pay for capital projects, deferred maintenance, and debt service. Several capital fees were consolidated into a single capital fee before academic year 2014-15. Many of the individual capital fees were approved through a student referendum. The existing capital fee is scheduled to increase to \$910 per 30 credit hours by FY 2018-19.				
Western State Colorado University (WSCU)	\$2,335	\$1,545	66.2%	1
WSCU has one permanent capital fee. The fee is used to repay bonds issued to construct the University Center, student apartments, and the Recreation Center and Field House. It is also used for need-based scholarships, campus development, and to maintain buildings. The fee was approved through a student referendum.				

² CU Denver provided updated fee information totals for academic year 2015-16.