

NOTE: The governor signed this measure on 5/1/2014.

An Act

SENATE BILL 14-001

BY SENATOR(S) Jahn and Kerr, Aguilar, Crowder, Guzman, Heath, Herpin, Hodge, Johnston, Jones, Kefalas, Newell, Nicholson, Rivera, Schwartz, Steadman, Tochtrop, Todd, Ulibarri, Zenzinger, Carroll; also REPRESENTATIVE(S) Garcia and McLachlan, Becker, Buckner, Court, Duran, Exum, Fields, Fischer, Foote, Ginal, Hamner, Hullinghorst, Lebsack, Lee, May, McCann, Melton, Mitsch Bush, Moreno, Pabon, Peniston, Pettersen, Primavera, Rosenthal, Ryden, Salazar, Schafer, Singer, Tyler, Williams, Young, Ferrandino.

CONCERNING MAKING COLLEGE EDUCATION MORE AFFORDABLE BY IMPOSING FURTHER RESTRICTIONS ON TUITION INCREASES, INCREASING FINANCIAL AID, AND INCREASING OPERATING SUPPORT FOR EACH GOVERNING BOARD OF A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION BY ELEVEN PERCENT, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Short title. This act shall be known and may be cited as the "College Affordability Act".

SECTION 2. Legislative declaration. (1) The general assembly hereby finds and declares that:

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(a) An exceptional, high-quality state higher education system that is both accessible and affordable is fundamental to ensuring that all Coloradans will succeed in a highly competitive global economy and is crucial to Colorado's future economic development;

(b) An educated workforce is associated with higher wages, lower unemployment, and a decreased dependence on public resources;

(c) Recent studies show that more than 70 percent of all jobs in Colorado will require some form of postsecondary credential from a college or trade school by the end of the decade;

(d) In order to meet anticipated workforce demands in Colorado, public institutions of higher education must increase the number of postsecondary credentials held by Coloradans;

(e) Recent data indicates that college graduates earn nearly twice as much as those who complete high school, and furthermore, high school graduates without a college education have unemployment rates of 7.3 percent while persons with bachelor's degrees or higher have an unemployment rate of 3.4 percent--less than half;

(f) The recent recession forced drastic cuts in many areas of the state budget, including almost one-third of state funding for higher education;

(g) To accommodate these reductions in state funding, since the 2008-09 fiscal year, resident students at state institutions of higher education have on average experienced an annual tuition rate increase of 10 percent;

(h) Colorado's state institutions of higher education have done what they could throughout the recession to become more efficient and to provide added funding from institutional sources, but despite these efforts, the cost of attending state institutions of higher education has continued to rise;

(i) While Colorado institutions of higher education are currently enrolling increased numbers of students from low-income families and

increased numbers of students who are the first in their families to go to college, increases in tuition and fees limit access to higher education, especially for underrepresented students;

(j) Colorado's changing demographics make it a statewide priority to serve more low-income and first-generation college students at Colorado's institutions of higher education;

(k) In order to ensure access to higher education for all students, it is in the best interest of Coloradans that the general assembly use this opportunity to reinvest in state institutions of higher education at increased levels; and

(l) Colorado's state institutions of higher education continue to provide an exceptional and high-value educational experience to students. They are worth this investment, and we will continue to hold them to this high standard.

(2) Therefore, the general assembly finds that, in order to better serve all students in Colorado, especially those who are currently underrepresented in institutions of higher education across the state, and to meet anticipated workforce demands, it is in the best interest of the state to make an historic increase in funding of an additional \$100 million to support institution operations and financial aid programs for students. Further, in light of this investment, it is in the best interest of students and the institutions to implement a 6 percent cap on tuition rate increases to help ensure the affordable, quality education that is fundamental to Colorado's economic development.

SECTION 3. In Colorado Revised Statutes, 23-5-130.5, **amend** (2); and **add** (2.5) as follows:

23-5-130.5. Governing boards - tuition-setting - repeal.

(2) (a) FOR THE 2011-12 THROUGH 2013-14 FISCAL YEARS, in setting the amount of tuition pursuant to this section, a governing board shall not increase the tuition rate for undergraduate students with in-state classification by more than nine percent per student or nine percent per credit hour over the tuition rate for the preceding fiscal year; except that a governing board may increase said tuition rate by more than nine percent per student or nine percent per credit hour over the tuition rate for the

preceding fiscal year if the governing board complies with the requirements specified in subsection (3) of this section and the Colorado commission on higher education, referred to in this section as the "commission", approves the increase.

(b) Notwithstanding any provision of paragraph (a) of this subsection (2) to the contrary, FOR THE 2011-12 THROUGH 2013-14 FISCAL YEARS, the board of trustees of the Colorado school of mines shall not increase the tuition rate for undergraduate students with in-state classification by more than nine percent per student or nine percent per credit hour over the tuition rate for the preceding fiscal year or by more than a percentage equal to two times the rate of the percentage change in the consumer price index for the Denver metropolitan area, whichever is greater; except that the board of trustees may increase said tuition rate by more than either of said percentages if the board of trustees complies with the requirements specified in subsection (3) of this section and the commission approves the increase.

(2.5) FOR THE 2014-15 AND 2015-16 FISCAL YEARS:

(a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (2.5), A GOVERNING BOARD SHALL NOT INCREASE THE TUITION RATE FOR UNDERGRADUATE STUDENTS WITH IN-STATE CLASSIFICATION BY MORE THAN SIX PERCENT PER STUDENT OR SIX PERCENT PER CREDIT HOUR OVER THE TUITION RATE FOR THE PRECEDING FISCAL YEAR REGARDLESS OF WHETHER THE COMMISSION HAS APPROVED OR RENEWED A FINANCIAL AND ACCOUNTABILITY PLAN IN ACCORDANCE WITH THIS SECTION.

(b) THE BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES SHALL NOT INCREASE THE TUITION RATE FOR UNDERGRADUATE STUDENTS WITH IN-STATE CLASSIFICATION BY MORE THAN SIX PERCENT PER STUDENT OR SIX PERCENT PER CREDIT HOUR OVER THE PRECEDING FISCAL YEAR OR BY MORE THAN A PERCENTAGE EQUAL TO TWO TIMES THE RATE OF THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX FOR THE DENVER METROPOLITAN AREA, WHICHEVER IS GREATER, REGARDLESS OF WHETHER THE COMMISSION HAS APPROVED OR RENEWED A FINANCIAL AND ACCOUNTABILITY PLAN IN ACCORDANCE WITH THIS SECTION.

SECTION 4. In Colorado Revised Statutes, 23-41-104.6, **amend** (5) (c) (I) (B) as follows:

23-41-104.6. Performance contract - authorization - operations.

(5) While operating pursuant to the performance contract negotiated pursuant to this section, the board of trustees of the Colorado school of mines:

(c) (I) (B) Notwithstanding any provision of sub-subparagraph (A) of this subparagraph (I) to the contrary, for fiscal years 2011-12 through 2015-16, the board of trustees shall have sole authority to establish resident and nonresident tuition rates for the Colorado school of mines; except that the annual percentage increase in resident tuition rates shall not exceed THE GREATER OF a percentage equal to two times the rate of the percentage change in the consumer price index for the Denver metropolitan area or, FOR FISCAL YEARS 2011-12 THROUGH 2013-14, nine percent, ~~whichever is greater, unless~~ OR, FOR FISCAL YEARS 2014-15 AND 2015-16, SIX PERCENT. FOR FISCAL YEARS 2011-12 THROUGH 2013-14, the Colorado commission on higher education ~~approves~~ MAY APPROVE a greater tuition increase pursuant to section 23-5-130.5.

SECTION 5. Appropriation - legislative intent - assumptions.

(1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund, not otherwise appropriated, to the department of higher education, for the fiscal year beginning July 1, 2014, the sum of \$100,162,480, to be allocated as follows:

(a) \$30,000,000 to the Colorado commission on higher education financial aid for need-based grants;

(b) \$5,000,000 to the Colorado commission on higher education financial aid for work study;

(c) \$5,000,000 to the Colorado commission on higher education financial aid for merit-based grants;

(d) \$35,349,845 to the college opportunity fund program for stipends for students attending state institutions;

(e) \$162,480 to the college opportunity fund program for stipends for students attending participating private institutions;

(f) \$22,364,040 to the college opportunity fund program for

fee-for-service contracts with state institutions;

(g) \$1,394,266 for local district junior college grants pursuant to section 23-71-301, Colorado Revised Statutes; and

(h) \$891,849 to the division of occupational education for area vocational school support.

(2) In addition to any other appropriation, there is hereby appropriated to the department of higher education, for the fiscal year beginning July 1, 2014, the sum of \$57,713,885. Said sum is from reappropriated funds that are appropriated to the college opportunity fund program in paragraphs (d) and (f) of subsection (1) of this section and shall be allocated to the governing boards as follows:

(a) \$1,274,227 for the trustees of Adams state university, including \$361,769 from student stipend payments and \$912,458 from fee-for-service contracts;

(b) \$2,186,000 for the trustees of Colorado Mesa university, including \$1,753,128 from student stipend payments and \$432,872 from fee-for-service contracts;

(c) \$4,323,770 for the trustees of Metropolitan state university of Denver, including \$3,793,568 from student stipend payments and \$530,202 from fee-for-service contracts;

(d) \$1,050,678 for the trustees of Western state Colorado university, including \$332,714 from student stipend payments and \$717,964 from fee-for-service contracts;

(e) \$12,106,921 for the board of governors of the Colorado state university system, including \$5,281,816 from student stipend payments and \$6,825,105 from fee-for-service contracts;

(f) \$1,051,494 for the trustees of Fort Lewis college, including \$545,498 from student stipend payments and \$505,996 from fee-for-service contracts;

(g) \$16,560,551 for the regents of the university of Colorado,

including \$7,336,152 from student stipend payments and \$9,224,399 from fee-for-service contracts;

(h) \$1,853,119 for the trustees of the Colorado school of mines, including \$754,991 from student stipend payments and \$1,098,128 from fee-for-service contracts;

(i) \$3,707,667 for the university of northern Colorado, including \$2,061,305 from student stipend payments and \$1,646,362 from fee-for-service contracts; and

(j) \$13,599,458 for the state board for community colleges and occupational education state system community colleges, including \$13,128,904 from student stipend payments and \$470,554 from fee-for-service contracts.

(3) It is the intent of the general assembly in making this appropriation that additional moneys appropriated from the general fund in paragraphs (a) and (b) of subsection (1) of this section be used to supplement, rather than supplant, institutional need-based financial aid for resident students.

(4) The amount appropriated in paragraph (d) of subsection (1) of this section is calculated based on the assumption that 130,925 student FTE attending state institutions will receive college opportunity fund stipends in fiscal year 2014-15 and that the per-student stipend amount will be increased from the amount included in the general appropriations act (House Bill 14-1336) of \$1,980.00 per 30 credit hours to \$2,250.00 per 30 credit hours.

SECTION 6. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Morgan Carroll
PRESIDENT OF
THE SENATE

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO