

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

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.

Prime Sponsors: Sens. Jahn and Kerr
Reps. Garcia and McLachlan

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/02/14.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

During figure setting for the Department of Higher Education, March 7, 2014, the Joint Budget Committee voted to:

1. Set aside an appropriation for S.B. 14-001 consistent with the appropriation in the bill as passed out of the Senate Education Committee (\$100,162,480 General Fund).
2. Modify the appropriations in S.B. 14-001 to update appropriations for student stipends consistent with the enrollment forecast used for the Long Bill (the Legislative Council Staff February 2014 higher education enrollment and tuition forecast).
3. Increase the assumed per-student stipend amount to \$75 per credit hour (\$2,250 per student FTE) through the S.B. 14-001 appropriation.
4. Ensure that the above adjustments are neutral in terms of total and per institution funding in SB. 14-001 (i.e., each institution still receives an 11% increase--only the mix of stipend and fee-for-service revenue changes).

As a result, technical adjustments to the appropriation clause are required, although the total appropriation required does not change. Legislative Council Staff concurs with this analysis.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.002	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill includes an appropriation clause that appropriates \$100,162,480 General Fund to the Department of Higher Education for FY 2014-15. This includes the following appropriations:

- \$40,000,000 General Fund for student financial aid, including \$30,000,000 for need-based grants, \$5,000,000 for work study, and \$5,000,000 for merit-based grants.
- \$60,000,000 General Fund for the College Opportunity Fund (COF) program and allocations to higher education governing boards, including \$57,713,885 for COF student stipends and fee-for-service contracts with the governing boards of state institutions, \$1,394,266 for local district junior colleges, and \$891,849 for area vocational schools. The COF student stipend and fee-for-service contract funds (\$57,713,885) are reappropriated to the governing boards of state higher education institutions so as to provide an 11.0 percent increase to each governing board over the FY 2013-14 appropriation.
- \$162,480 for COF student stipends for students attending private institutions.

While total amounts are consistent with the bill's current fiscal note, the break-down between COF stipend and fee-for-service amounts in the bill as passed by the Senate Education Committee is based on outdated enrollment and per-student COF stipend amounts.

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to change the existing clause to appropriate the \$100,162,480 General Fund in the bill as described above, but with the following adjustments to COF fee-for-service and stipend amounts. These adjustments *do not* change the total reappropriated funds allocated to each governing board from the amounts in the introduced bill and the Senate Education Committee report.

	Stipends	Fee-for-service	Total Reappropriated
Adams State University	\$361,769	\$912,458	\$1,274,227
Colorado Mesa University	1,753,128	432,872	2,186,000
Metropolitan State University	3,793,568	530,202	4,323,770
Western State Colorado University	332,714	717,964	1,050,678
Colorado State University System	5,281,816	6,825,105	12,106,921
Fort Lewis College	545,498	505,996	1,051,494
University of Colorado System	7,336,152	9,224,399	16,560,551
Colorado School of Mines	754,991	1,098,128	1,853,119
University of Northern Colorado	2,061,305	1,646,362	3,707,667

	Stipends	Fee-for-service	Total Reappropriated
Community College System	13,128,904	470,554	13,599,458
Total	\$35,349,845	\$22,364,040	\$57,713,885

The appropriation clause in this amendment *also* includes the following statements, recommended by the Joint Budget Committee:

- An expression of legislative intent that moneys appropriated from the General Fund for need-based aid and work study should be used to supplement, rather than supplant, institutional need-based financial aid for resident students.
- An explanation that stipend amounts are based on the assumption that 130,925 student FTE attending state institutions will receive COF stipends in FY 2014-15 and that the per-student stipend amount will be increased from the amount included in the general appropriations act (H.B. 14-1336) of \$1,980 per 30 credit hours to \$2,250 per 30 credit hours.

Points to Consider

General Fund Impact

The Joint Budget Committee (JBC) has proposed a budget package for FY 2014-15 based on the March 2014 Office of State Planning and Budgeting revenue forecast. The budget package allocates all but approximately \$7.5 million of General Fund revenues projected to be available. The JBC has included as part of its FY 2014-15 budget package a \$100,162,480 General Fund appropriation for implementation of this bill.