

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0591 **Date:** January 8, 2014
Prime Sponsor(s): Sen. Jahn; Kerr **Bill Status:** Senate Education
 Rep. Garcia; McLachlan **Fiscal Analyst:** Josh Abram (303-866-3561)

SHORT TITLE: COLLEGE AFFORDABILITY ACT

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures		
General Fund	\$100,051,510	
Appropriation Required: \$100,051,510 General Fund. FY 2014-15. Department of Higher Education		

* This summary shows changes from current law under the bill for each fiscal year. .

Summary of Legislation

This bill caps the annual increase in the rate of undergraduate resident tuition at state supported institutions of higher education and makes an appropriation.

Under current law, governing boards of the institutions of higher education may increase resident undergraduate tuition by up to 9.0 percent annually, and may be permitted to increase tuition by more than 9.0 percent with approval from the Colorado Commission on Higher Education (CCHE). This bill limits tuition increases for undergraduate residents to 6.0 percent. The institutions may increase the tuition rate more than 6.0 percent with approval from CCHE.

The bill appropriates \$100.05 million General Fund to the Department of Higher Education. Of this amount, about \$40.0 million is for various financial aid programs, and the remaining \$60.0 million is appropriated to institutions of higher education via the College Opportunity Fund and fee-for-service contracts with the schools.

Background

In 2010, the General Assembly passed Senate Bill 10-003, *Concerning Higher Education Flexibility to Improve the Financial Position of State Institutions of Higher Education*. That legislation created a five year window of tuition-setting flexibility for public higher education governing boards.

Under current law, governing boards are given the authority to raise tuition rates for resident undergraduate students by up to 9.0 percent from FY 2011-12 to FY 2015-16. The governing boards may increase tuition above 9.0 percent if a financial accountability plan is approved by the CCHE. Nine of the ten governing boards currently have approved plans, and may increase rates above 9.0 percent. The Colorado School of Mines did not seek approval of a plan and has been limited to tuition increases of no more than 9.0 percent.

State Expenditures

The bill increases state expenditures for higher education by \$100.05 million. This appropriation is in addition to any other appropriations for the system of higher education contained in the annual appropriations act (the Long Bill).

Effective Date

Upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2014-15, this bill appropriates \$100,051,510 General Fund to the Department of Higher Education for allocation to financial aid programs and to institutions of higher education.

State and Local Government Contacts

Higher Education