

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0591.02 Brita Darling x2241

SENATE BILL 14-001

SENATE SPONSORSHIP

Jahn and Kerr,

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Garcia and McLachlan,

Senate Committees
Education

House Committees

A BILL FOR AN ACT

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

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

For fiscal years 2014-15 through 2015-16, the bill reduces from 9% to 6% the amount by which a governing board of a state institution of higher education may increase undergraduate, resident tuition; except that the Colorado school of mines may increase its tuition by the greater of 6% or twice the inflation rate. If a governing board wants to increase tuition by more than 6%, it must first receive authorization from the Colorado commission on higher education by submitting a financial and accountability plan.

The bill appropriates additional moneys to the department of higher education for financial aid, the college opportunity fund program, and the state institutions of higher education.

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

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

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

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

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

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

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

18 (e) Recent data indicates that college graduates earn nearly twice
19 as much as those who complete high school, and furthermore, high school

1 graduates without a college education have unemployment rates of 7.3
2 percent while persons with bachelor's degrees or higher have an
3 unemployment rate of 3.4 percent--less than half;

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

7 (g) To accommodate these reductions in state funding, since the
8 2008-09 fiscal year, resident students at state institutions of higher
9 education have on average experienced an annual tuition rate increase of
10 10 percent;

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

16 (i) While Colorado institutions of higher education are currently
17 enrolling increased numbers of students from low-income families and
18 increased numbers of students who are the first in their families to go to
19 college, increases in tuition and fees limit access to higher education,
20 especially for underrepresented students;

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

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

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

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

15 **SECTION 3.** In Colorado Revised Statutes, 23-5-130.5, **amend**
16 (2) as follows:

17 **23-5-130.5. Governing boards - tuition-setting - repeal.**

18 (2) (a) In setting the amount of tuition pursuant to this section, a
19 governing board shall not increase the tuition rate for undergraduate
20 students with in-state classification by more than ~~nine~~ SIX percent per
21 student or ~~nine~~ SIX percent per credit hour over the tuition rate for the
22 preceding fiscal year; except that a governing board may increase said
23 tuition rate by more than ~~nine~~ SIX percent per student or ~~nine~~ SIX percent
24 per credit hour over the tuition rate for the preceding fiscal year if the
25 governing board complies with the requirements specified in subsection
26 (3) of this section and the Colorado commission on higher education,
27 referred to in this section as the "commission", approves the increase.

1 (b) Notwithstanding any provision of paragraph (a) of this
2 subsection (2) to the contrary, the board of trustees of the Colorado
3 school of mines shall not increase the tuition rate for undergraduate
4 students with in-state classification by more than ~~nine~~ SIX percent per
5 student or ~~nine~~ SIX percent per credit hour over the tuition rate for the
6 preceding fiscal year or by more than a percentage equal to two times the
7 rate of the percentage change in the consumer price index for the Denver
8 metropolitan area, whichever is greater; except that the board of trustees
9 may increase said tuition rate by more than either of said percentages if
10 the board of trustees complies with the requirements specified in
11 subsection (3) of this section and the commission approves the increase.

12 **SECTION 4. Appropriation.** (1) In addition to any other
13 appropriation, there is hereby appropriated, out of any moneys in the
14 general fund, not otherwise appropriated, to the department of higher
15 education, for the fiscal year beginning July 1, 2014, the sum of
16 \$100,051,510, to be allocated as follows:

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

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

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

23 (d) \$8,331,960 to the college opportunity fund program for
24 stipends for students attending state institutions;

25 (e) \$51,510 to the college opportunity fund program for stipends
26 for students attending participating private institutions;

27 (f) \$49,381,925 to the college opportunity fund program for

1 fee-for-service contracts with state institutions;

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

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

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

12 (a) \$1,274,227 for the trustees of Adams state university,
13 including \$91,920 from student stipend payments and \$1,182,307 from
14 fee-for-service contracts;

15 (b) \$2,186,000 for the trustees of Colorado Mesa university,
16 including \$413,580 from student stipend payments and \$1,772,420 from
17 fee-for-service contracts;

18 (c) \$4,323,770 for the trustees of Metropolitan state university of
19 Denver, including \$979,980 from student stipend payments and
20 \$3,343,790 from fee-for-service contracts;

21 (d) \$1,050,678 for the trustees of Western state Colorado
22 university, including \$74,640 from student stipend payments and
23 \$976,038 from fee-for-service contracts;

24 (e) \$12,106,921 for the board of governors of the Colorado state
25 university system, including \$1,255,380 from student stipend payments
26 and \$10,851,541 from fee-for-service contracts;

27 (f) \$1,051,494 for the trustees of Fort Lewis college, including

1 \$129,000 from student stipend payments and \$922,494 from
2 fee-for-service contracts;

3 (g) \$16,560,551 for the regents of the university of Colorado,
4 including \$1,643,040 from student stipend payments and \$14,917,511
5 from fee-for-service contracts;

6 (h) \$1,853,119 for the trustees of the Colorado school of mines,
7 including \$161,100 from student stipend payments and \$1,692,019 from
8 fee-for-service contracts;

9 (i) \$3,707,667 for the university of northern Colorado, including
10 \$474,360 from student stipend payments and \$3,233,307 from
11 fee-for-service contracts; and

12 (j) \$13,599,458 for the state board for community colleges and
13 occupational education state system community colleges, including
14 \$3,108,960 from student stipend payments and \$10,490,498 from
15 fee-for-service contracts.

16 **SECTION 5. Safety clause.** The general assembly hereby finds,
17 determines, and declares that this act is necessary for the immediate
18 preservation of the public peace, health, and safety.