



*Colorado Legislative Council Staff*  
**STATE**  
**FISCAL IMPACT**

**Drafting Number:** LLS 06-0371  
**Prime Sponsor(s):** Rep. Frangas  
 Sen. Tapia

**Date:** January 26, 2006  
**Bill Status:** House Education  
**Fiscal Analyst:** Marc Carey (303-866-4102)

**TITLE:** CONCERNING UNDERSERVED STUDENTS AT INSTITUTIONS OF HIGHER EDUCATION.

<b>Fiscal Impact Summary</b>	<b>FY 2006/07</b>	<b>FY 2007/08</b>
<b>State Revenues</b>		
<b>State Expenditures</b>		
General Fund - Fee for Service Contracts	\$5,583,404	\$5,583,404
General Fund - CO. Comm. on Higher Education	28,717	27,214
Cash Funds Exempt*	5,583,404	5,583,404
<b>FTE Position Change</b>	0.5 FTE	0.5 FTE
<b>Effective Date:</b> Upon signature of the Governor.		
<b>Appropriation Summary for FY 2006/07:</b> Department of Higher Education: \$5,612,121 GF and 0.5 FTE, \$5,583,404 CFE.		
<b>Local Government Impact:</b> None		

*\*This spending authority is contained in the General Fund fee-for-service contract expenditures noted above.*

**Summary of Legislation**

This bill requires that the performance contract of each institution of higher education include an addendum demonstrating the institution's commitment to support services for underserved students. The bill defines support services as services including but not limited to:

- individual cognitive and social diagnostic assessment tools for underserved students or students in need of basic skills instruction;
- institutional mechanisms designed to identify students at risk of not achieving satisfactory academic progress; and
- faculty mentoring programs for underserved students.

The bill authorizes the governing board of a state institution of higher education and the Department of Higher Education to negotiate annually a fee-for-service contract that includes such support services for underserved students.

The bill also requires the Colorado Commission on Higher Education to adopt a policy that requires institutions of higher education to make work-study participants a priority for financial aid awards. Finally, the Commission is required to develop an on-line textbook pilot program that

allows the institution to create and utilize on-line textbook libraries so that students may purchase only those materials needed for the applicable course work. The pilot program is repealed on July 1, 2010.

**State Expenditures**

*Support Services for Underserved Students.* The bill requires that state institutions of higher education provide underserved students or students in need of basic skills instruction with specified support services. The actual costs for institutions to comply with this bill will depend upon the number of underserved students and students taking basic skills courses. Underserved students are specified in statute to include: low-income students, minority students, and males where underserved. Estimates of per-student costs vary widely, depending upon the assumptions used. This fiscal note assumes a minimum per-student FTE cost of \$100 to provide the required support services, based on the range of estimates received from institutions. Table 1 presents student FTE for each category of qualifying student, by governing board for the 2003-04 academic year along with the minimum estimated total cost of the required support services.

<b>Table 1: Total Underserved and Basic Skills Student FTE and Cost of Support Services (assuming \$100/Student FTE)*</b>				
<b>Governing Board</b>	<b>Low-Income**</b>	<b>Minority</b>	<b>Basic Skills</b>	<b>Minimum Cost***</b>
University of Colorado System	6,143	7,827		\$1,151,300
Colorado State University System	4,632	3,896		\$667,563
Fort Lewis College	638	907		\$128,982
University of Northern Colorado	1,770	1,554		\$261,575
Colorado School of Mines	443	437		\$70,275
Adams State College	820	697	41	\$121,353
Mesa State College	1,805	634	130	\$179,432
Western State College	427	165		\$42,146
Metropolitan State College	4,416	3,679		\$632,887
Community Colleges	12,938	12,233	5,970	\$2,327,891
<b>Total</b>	<b>34,032</b>	<b>32,029</b>	<b>6,141</b>	<b>\$5,583,404</b>

\* The number of "males where underserved" is not included in the above as the concept refers to males not enrolled in college.

\*\* Low income student FTE totals are estimated from Pell Grant recipients in FY 2004-05.

\*\*\*Reported cost totals have been discounted to avoid double counting.

*On-Line Textbook Pilot Program.* The commission will incur additional costs in the amount of \$28,717 and 0.5 FTE in FY 2006-07 and \$27,214 and 0.5 FTE each year beginning in FY 2007-08 associated with developing the required on-line textbook pilot program. The staff person would act as a liaison between the vendor, CCHE and the 1 or 2 institutions in the pilot program, as well as work with institutions to develop fee structures and monitor program results. Table 2 summarizes these costs:

<b>Table 2. Costs Associated with Pilot Program Development</b>		
	<b>FY 2006/07</b>	<b>FY 2007/08</b>
Personal Services	0.5 FTE - \$26,964	0.5 FTE - \$26,964
Operating Expenses	\$250	\$250
Capital Outlay	\$1,503	\$0
<b>Total Expenses</b>	<b>0.5 FTE - \$28,717</b>	<b>0.5 FTE - 27,214</b>

There would be no additional costs for institutions to participate in this program.

### **State Appropriations**

In FY 2006-07, the Department of Higher Education will require the following General Fund appropriations: (1) \$28,717 and 0.5 FTE for the On-line Textbook Pilot Program and (2) \$5,583,404 for fee-for-service contracts. Additionally, each governing board of state institutions of higher education will require cash funds exempt spending authority in the amount shown in Table 1.

### **Departments Contacted**

Higher Education