



**STATE
REVISED FISCAL IMPACT**

(replaces fiscal impact dated January 26, 2006)

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

Date: February 1, 2006
Bill Status: House Education
Fiscal Analyst: Marc Carey (303 866-4102)

TITLE: CONCERNING UNDERSERVED STUDENTS AT INSTITUTIONS OF HIGHER EDUCATION.

Fiscal Impact Summary	FY 2006/07	FY 2007/08
State Revenues		
State Expenditures		
General Fund - Fee for Service Contracts	\$1,395,856	\$1,395,856
General Fund - CO. Comm. on Higher Education	\$28,717	27,214
Cash Funds Exempt*	1,395,856	1,395,856
FTE Position Change	0.5 FTE	0.5 FTE
Effective Date: Upon signature of the Governor.		
Appropriation Summary for FY 2006/07: Department of Higher Education: \$1,424,573 GF and 0.5 FTE and \$1,395,856 CFE.		
Local Government Impact: None		

* *In the absence of quantitative information, this fiscal note is revised to provide additional information regarding its underlying assumptions. New language is noted in bold text in the State Expenditures section of the fiscal note.*

***This spending authority is contained in the GF 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 The pilot program is repealed on July 1, 2010.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 as part of their negotiated fee-for-service contracts. 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. **In the absence of more precise information, this fiscal note assumes that 25 % of students eligible for support services would require them. In addition, estimates of per-student costs vary widely, depending upon the assumptions used. This fiscal note assumes that a per-student FTE cost could range between \$100 to \$200 to provide the required support services, based on the range of estimates received from institutions. Table 1 presents the estimated maximum student FTE for each category of eligible student, by governing board for the 2003-04 academic year along with the estimated total cost of the required support services, beginning in FY 2007-08. The fiscal note is based on a per-student FTE cost of \$100.**

Table 1: Total Underserved and Basic Skills Student FTE and Estimated Cost of Support Services (assuming \$100/Student FTE)*				
Governing Board	Low-Income**	Minority	Basic Skills	Estimated Cost***
University of Colorado System	6,143	7,827		\$287,825
Colorado State University System	4,632	3,896		\$166,891
Fort Lewis College	638	907		\$32,246
University of Northern Colorado	1,770	1,554		\$65,394
Colorado School of Mines	443	437		\$17,569
Adams State College	820	697	41	\$30,338
Mesa State College	1,805	634	130	\$44,858
Western State College	427	165		\$10,537
Metropolitan State College	4,416	3,679		\$158,222
Community Colleges	12,938	12,233	5,970	\$581,976
Total	34,032	32,029	6,141	\$1,395,856

* *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, and assume that 25 % of the eligible students will require support services costing \$100 per student FTE.*

It should be noted that the particular services to be provided will be negotiated on an individual basis in performance and fee-for-service contracts with the institutions. Many institutions already provide support services and mentoring services that may satisfy the types of services contemplated in this bill.

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

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

State Appropriations

In FY 2006-07, the Department of Higher Education will require a General Fund appropriations of \$28,717 and 0.5 FTE for the On-line Textbook Pilot Program.

Departments Contacted

Higher Education