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FISCAL NOTE

Drafting Number: LLS 18-1211 Date: April 20, 2018
Prime Sponsors: Sen. Gardner Bill Status: Senate Finance
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Bill Topic: HIGHER ED TARGETED MASTER PLAN FUNDING

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

This bill funds programs at the state's public higher education institutions to achieve Colorado Commission on Higher Education (CCH) master plan goals. The bill increases state expenditures in FY 2018-19 and beyond.

Appropriation Summary: The bill includes an appropriation of \$16,821,178 General Fund to the Department of Higher Education.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 18-262

Table with 3 columns: Category, FY 2018-19, FY 2019-20. Rows include Revenue, Expenditures (General Fund), and Transfers.

Summary of Legislation

For FY 2018-19, the bill appropriates \$16.8 million to implement specific CCHE master plan program and policy goals at the state's public higher education institutions, local district colleges, and area technical colleges. For FY 2019-20 and beyond, the bill requires funding for this purpose of at least \$18 million a year and includes a formula to allocate this funding. No later than July 1, 2018, the bill requires the funding recipients to submit a plan to the Department of Higher Education (department) and CCHE identifying how funds will be spent. The department is required to report annually on or before December 15 to the Joint Budget Committee about how the funding recipients plan to use the money allocated in the current fiscal year.

State Expenditures

There will be an ongoing increase in expenditures and workload at higher education institutions to implement the requirements of the bill. For FY 2018-19, the total increase in expenditures is \$16.8 million. Table 2 shows the funding distribution for FY 2018-19 and FY 2019-20. There will also be a minimal increase in workload at the department to provide feedback and reporting on the implementation of CCHE master plan program and policy goals by higher education institutions. Any increase in workload can be accomplished within existing appropriations.

**Table 2
 Funding Distribution Under SB 18-262**

		FY 2018-19	FY 2019-20
Public Research Institutions (27.78% of total)	Colorado School of Mines	\$679,491	<i>Distribution based on STEM degrees awarded.</i>
	Colorado State University System	\$1,254,862	
	University of Colorado System	\$2,465,807	
	University of Northern Colorado	\$272,389	
	Subtotal	\$4,672,549	
Public Two-Year Institutions (27.78% of total)	Aims Community College	\$218,585	<i>Distribution based on share of long term certificates awarded.</i>
	Area Technical Colleges	\$427,769	
	Colorado Community Colleges	\$3,936,881	
	Colorado Mountain College	\$89,314	
	Subtotal	\$4,672,549	
Rural Four-Year Institutions (22.22% of total)	Adams State University	\$1,246,014	\$1,333,200
	Fort Lewis College	\$1,246,012	\$1,333,200
	Western State Colorado University	\$1,246,014	\$1,333,200
	Subtotal	\$3,738,040	at least \$3,999,600
Other (22.22% of total)	Colorado Mesa University	\$1,167,073	<i>Distribution based on Pell credit hours.</i>
	Metropolitan State University of Denver	\$2,570,967	
	Subtotal	\$3,738,040	
Total		\$16,821,178	at least \$18,000,000

Technical Note

Senate Bill 18-262 increases General Fund appropriations to institutions of higher education. This fiscal note assumes a corresponding increase of \$2,743,494 General Fund may be required for student financial aid. This is assumed to be an unintended consequence. The appropriation included in the bill does not address this requirement and this fiscal note does not include these costs. If the financial aid requirement is not addressed through an amendment to the bill, a revised fiscal note will be prepared to include a \$2.7 million General Fund increase in FY 2018-19 for student financial aid.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

The bill includes a \$16,821,178 appropriation from the General Fund to the Department of Higher Education. Of this amount, \$16,085,510 will be reappropriated from the department to various higher education institution governing boards as identified in the bill.

State and Local Government Contacts

Higher Education Joint Budget Committee