



Legislative  
Council Staff

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**SB 19-095**

# FISCAL NOTE

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<b>Drafting Number:</b>	LLS 19-0774	<b>Date:</b>	January 30, 2019
<b>Prime Sponsors:</b>	Sen. Todd; Holbert Rep. Hansen	<b>Bill Status:</b>	Senate Education
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**Bill Topic:** FIVE-YEAR REVIEW OF HIGHER ED FUNDING FORMULA

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**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure ( <i>minimal</i> )	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires that the Colorado Commission on Higher Education conduct a review of the higher education funding formula every five years. The bill increases state workload on an ongoing basis.

**Appropriation Summary:** No appropriation is required.

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

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## Summary of Legislation

The bill requires that the Colorado Commission on Higher Education (CCHE) conduct a review of the higher education funding formula by November 1, 2019 and every five years thereafter, and submit the review report to the Governor, Joint Budget Committee, and the education committees of the General Assembly. To complete the review, CCHE must:

- convene at least one meeting with interested parties;
- analyze the issues identified by interested parties and the possible solutions;
- engage directly with the institution of higher education and strive for consensus on proposed changes; and
- if applicable, develop a set of recommended changes.

## Background

**CCHE.** CCHE serves as the central policy and coordinating board for state supported institutions of higher education. Among other things, CCHE is charged with implementing and adopting higher education policy, including but not limited to tuition and admissions standards, financial reporting, master planning, course credit, capital construction, and technology transfers.

**Higher education funding.** House Bill 14-1319 created a formula for allocating state funds among governing boards of state institutions of higher education. The formula includes three components:

- College Opportunity Fund student stipends;
- role and mission funding, which is based on each institution's mission, graduate students, remediation services, and support services for Pell-eligible, first generation, and underserved students; and
- performance funding, which is based on student retention and the completion of degrees or certificates.

In addition to funding through the formula, local district colleges, area technical schools, and institutions offering specialty education programs receive additional funding. The General Assembly may establish tuition spending authority for all institutions except for the Colorado School of Mines through footnotes in the Long Bill.

### **State Expenditures**

Beginning in the current FY 2018-19, the bill increases workload for the CCHE to conduct the review of the funding formula. Currently, CCHE is required to submit an annual report on the status of the formula and recommend any changes to the General Assembly by July 1 of each year; this reporting requirement ends in 2020. Existing staff that maintain the model will conduct the review as required by the bill. In addition, there will be workload increases for state institutions of higher education to participate in the review process. No change in appropriations is required.

### **Effective Date**

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

### **State and Local Government Contacts**

Higher Education