

youSecond Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 14-0591.02 Brita Darling x2241

SENATE BILL 14-001

SENATE SPONSORSHIP

Jahn and Kerr,

HOUSE SPONSORSHIP

Garcia and McLachlan,

Senate Committees

Education
Appropriations

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.

SENATE
3rd Reading Unamended
April 15, 2014

SENATE
Amended 2nd Reading
April 14, 2014

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); and add (2.5) as follows:**

17 **23-5-130.5. Governing boards - tuition-setting - repeal.**
18 **(2) (a) FOR THE 2011-12 THROUGH 2013-14 FISCAL YEARS, in setting the**
19 **amount of tuition pursuant to this section, a governing board shall not**
20 **increase the tuition rate for undergraduate students with in-state**
21 **classification by more than nine percent per student or nine percent per**
22 **credit hour over the tuition rate for the preceding fiscal year; except that**
23 **a governing board may increase said tuition rate by more than nine**
24 **percent per student or nine percent per credit hour over the tuition rate for**
25 **the preceding fiscal year if the governing board complies with the**
26 **requirements specified in subsection (3) of this section and the Colorado**
27 **commission on higher education, referred to in this section as the**

1 "commission", approves the increase.

2 (b) Notwithstanding any provision of paragraph (a) of this
3 subsection (2) to the contrary, FOR THE 2011-12 THROUGH 2013-14 FISCAL
4 YEARS, the board of trustees of the Colorado school of mines shall not
5 increase the tuition rate for undergraduate students with in-state
6 classification by more than nine percent per student or nine percent per
7 credit hour over the tuition rate for the preceding fiscal year or by more
8 than a percentage equal to two times the rate of the percentage change in
9 the consumer price index for the Denver metropolitan area, whichever is
10 greater; except that the board of trustees may increase said tuition rate by
11 more than either of said percentages if the board of trustees complies with
12 the requirements specified in subsection (3) of this section and the
13 commission approves the increase.

14 (2.5) FOR THE 2014-15 AND 2015-16 FISCAL YEARS:

15 (a) EXCEPT AS PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION
16 (2.5), A GOVERNING BOARD SHALL NOT INCREASE THE TUITION RATE FOR
17 UNDERGRADUATE STUDENTS WITH IN-STATE CLASSIFICATION BY MORE
18 THAN SIX PERCENT PER STUDENT OR SIX PERCENT PER CREDIT HOUR OVER
19 THE TUITION RATE FOR THE PRECEDING FISCAL YEAR REGARDLESS OF
20 WHETHER THE COMMISSION HAS APPROVED OR RENEWED A FINANCIAL AND
21 ACCOUNTABILITY PLAN IN ACCORDANCE WITH THIS SECTION.

22 (b) THE BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES
23 SHALL NOT INCREASE THE TUITION RATE FOR UNDERGRADUATE STUDENTS
24 WITH IN-STATE CLASSIFICATION BY MORE THAN SIX PERCENT PER STUDENT
25 OR SIX PERCENT PER CREDIT HOUR OVER THE PRECEDING FISCAL YEAR OR
26 BY MORE THAN A PERCENTAGE EQUAL TO TWO TIMES THE RATE OF THE
27 PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX FOR THE DENVER

1 METROPOLITAN AREA, WHICHEVER IS GREATER, REGARDLESS OF WHETHER
2 THE COMMISSION HAS APPROVED OR RENEWED A FINANCIAL AND
3 ACCOUNTABILITY PLAN IN ACCORDANCE WITH THIS SECTION.

4 **SECTION 4.** In Colorado Revised Statutes, 23-41-104.6, **amend**
5 **(5) (c) (I) (B) as follows:**

6 **23-41-104.6. Performance contract - authorization -**
7 **operations.** (5) While operating pursuant to the performance contract
8 negotiated pursuant to this section, the board of trustees of the Colorado
9 school of mines:

10 (c) (I) (B) Notwithstanding any provision of sub-subparagraph (A)
11 of this subparagraph (I) to the contrary, for fiscal years 2011-12 through
12 2015-16, the board of trustees shall have sole authority to establish
13 resident and nonresident tuition rates for the Colorado school of mines;
14 except that the annual percentage increase in resident tuition rates shall
15 not exceed THE GREATER OF a percentage equal to two times the rate of
16 the percentage change in the consumer price index for the Denver
17 metropolitan area or, FOR FISCAL YEARS 2011-12 THROUGH 2013-14, nine
18 percent, whichever is greater, unless OR, FOR FISCAL YEARS 2014-15 AND
19 2015-16, SIX PERCENT. FOR FISCAL YEARS 2011-12 THROUGH 2013-14, the
20 Colorado commission on higher education approves MAY APPROVE a
21 greater tuition increase pursuant to section 23-5-130.5.

22

23 **SECTION 5. Appropriation - legislative intent - assumptions.**

24 (1) In addition to any other appropriation, there is hereby appropriated,
25 out of any moneys in the general fund, not otherwise appropriated, to the
26 department of higher education, for the fiscal year beginning July 1, 2014,
27 the sum of \$100,162,480, to be allocated as follows:

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

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

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

7 (d) \$35,349,845 to the college opportunity fund program for
8 stipends for students attending state institutions;

9 (e) \$162,480 to the college opportunity fund program for stipends
10 for students attending participating private institutions;

11 (f) \$22,364,040 to the college opportunity fund program for
12 fee-for-service contracts with state institutions;

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

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

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

23 (a) \$1,274,227 for the trustees of Adams state university,
24 including \$361,769 from student stipend payments and \$912,458 from
25 fee-for-service contracts;

26 (b) \$2,186,000 for the trustees of Colorado Mesa university,
27 including \$1,753,128 from student stipend payments and \$432,872 from

- 1 fee-for-service contracts;
- 2 (c) \$4,323,770 for the trustees of Metropolitan state university of
3 Denver, including \$3,793,568 from student stipend payments and
4 \$530,202 from fee-for-service contracts;
- 5 (d) \$1,050,678 for the trustees of Western state Colorado
6 university, including \$332,714 from student stipend payments and
7 \$717,964 from fee-for-service contracts;
- 8 (e) \$12,106,921 for the board of governors of the Colorado state
9 university system, including \$5,281,816 from student stipend payments
10 and \$6,825,105 from fee-for-service contracts;
- 11 (f) \$1,051,494 for the trustees of Fort Lewis college, including
12 \$545,498 from student stipend payments and \$505,996 from
13 fee-for-service contracts;
- 14 (g) \$16,560,551 for the regents of the university of Colorado,
15 including \$7,336,152 from student stipend payments and \$9,224,399 from
16 fee-for-service contracts;
- 17 (h) \$1,853,119 for the trustees of the Colorado school of mines,
18 including \$754,991 from student stipend payments and \$1,098,128 from
19 fee-for-service contracts;
- 20 (i) \$3,707,667 for the university of northern Colorado, including
21 \$2,061,305 from student stipend payments and \$1,646,362 from
22 fee-for-service contracts; and
- 23 (j) \$13,599,458 for the state board for community colleges and
24 occupational education state system community colleges, including
25 \$13,128,904 from student stipend payments and \$470,554 from
26 fee-for-service contracts.
- 27 (3) It is the intent of the General Assembly in making this

1 appropriation that additional moneys appropriated from the general fund
2 in paragraphs (a) and (b) of subsection (1) of this section be used to
3 supplement, rather than supplant, institutional need-based financial aid
4 for resident students.

5 (4) The amount appropriated in paragraph (d) of subsection (1) of
6 this section is calculated based on the assumption that 130,925 student
7 FTE attending state institutions will receive college opportunity fund
8 stipends in fiscal year 2014-15 and that the per-student stipend amount
9 will be increased from the amount included in the general appropriations
10 act (H.B. 14-1336) of \$1,980.00 per 30 credit hours to \$2,250.00 per 30
11 credit hours.

12 **SECTION 6. Safety clause.** The general assembly hereby finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, and safety.