



**Legislative Council Staff**

*Nonpartisan Services for Colorado's Legislature*

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**Final Fiscal Note**

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<b>Drafting Number:</b>	LLS 24-0660	<b>Date:</b>	June 3, 2024
<b>Prime Sponsors:</b>	Sen. Buckner; Lundeen Rep. McCluskie; Pugliese	<b>Bill Status:</b>	Signed into Law
		<b>Fiscal Analyst:</b>	John Armstrong   303-866-6289 john.armstrong@coleg.gov

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**Bill Topic:**                    **INSITUTIONS OF HIGHER EDUCATION TRANSPARENCY REQUIREMENTS**

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<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill modifies processes regarding credit transfers between institutions of higher education and requires students to receive certain cost information. The bill will increase expenditures for the state and institutions of higher education beginning in FY 2024-25.

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

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**Fiscal Note Status:**                    The final fiscal note reflects the enacted bill.

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**Summary of Legislation**

The bill makes changes to state law related to transfer of college credit between institutions of higher education.

**Student rights.** The bill adds certain rights to students enrolled in postsecondary institutions, including:

- transparency of the cost of postsecondary education;
- seamless transfer of courses in the guaranteed transfer pathway matrix, which are introductory courses with equivalent learning outcomes between institutions;
- transparency regarding if credits are accepted or rejected from an institution;
- the ability to appeal an institution’s decision not to accept transfer credits; and
- the right to know which work-related and prior learning experiences are awarded credit.

The Department of Higher Education (CDHE) must adopt implementation policies for public institutions of higher education by April 1, 2025.

**Council of Higher Education Representatives.** The bill requires the Council of Higher Education Representatives (council) to add representatives to ensure equal representation of institutions by December 31, 2024, and to review the list of courses in the guaranteed transfer pathway matrix by October 1, 2025, and annually thereafter. As part of this review, the council will identify courses that have the most transfer enrollment, which courses are less likely to receive credit upon transferring and where misalignment occurs between courses in the state's guaranteed transfer pathways matrix.

The bill clarifies that students who have completed a guaranteed transfer pathway matrix course must receive credit from the institutions receiving the transfer. Institutions may not require students to take the same or similar courses as those in the matrix that the student has completed. Courses that cannot be applied to a major or program's requirements must be used to fulfill general elective course requirements. Students who change majors must have their transfer credits re-evaluated.

**Data reporting.** Beginning January 2026, and annually thereafter, CDHE must include as part of its annual SMART Act hearing certain information regarding credit transfers.

**Violations of transfer policy.** The bill grants CDHE the authority to enforce violations of transfer policies against institutions and overturn a course transfer decision made by an institution.

**Appeals process.** CDHE must develop an appeal process for students who are denied transfer of credits in consultation with institutions of higher education, and may adopt rules as necessary to implement this process.

**Acceptance of transfer credits.** Institutions must provide notice to students regarding the acceptance or denial of transfer credits within 30 days after the date the student's official transcript and admission application materials are received by the institution. Institutions must post their process and timeline for reviewing transfer requests on their website.

## Background

The Council of Higher Education Representatives, established in 2001, consists of representatives from institutions of higher education and staff from the CDHE. The council meets periodically to establish common course numberings, classify certain courses as general education courses, and jointly develop the statewide transfer pathways matrix, which allows institutions to map which courses can be accepted for credit when students transfer.

## State Expenditures

CDHE will have increased workload to convene members of the council to update transfer policies, adopt rules for institutional violations of transfer policy, and develop an appeal process for students who have been denied transfer credits. Staff from CDHE will have increased workload to accomplish these activities and review student appeals of denied credit and issue rulings to institutions. Current staff are expected to be able to accomplish these activities within existing resources.

Initially, the number of appeals of denied credit transfers is expected to be minimal. As knowledge of the appeals process grows among institutions and students, appeals may increase in following years. If CDHE requires more staff to handle these appeals, they will be requested through the annual budget process.

## **Institutions of Higher Education**

Institutions will have increased costs beginning in FY 2024-25 to implement the new requirements for transfer students and participate in any appeals to CDHE. The fiscal note assumes these costs will be funded through adjustments to institutional tuition, fees, and other revenue sources. The General Assembly may also consider a General Fund appropriation for these costs in initial years. Annual costs will vary depending on the institution.

Institutional costs include:

- staff to make decisions on accepting transfer credits in a condensed 30-day time frame;
- including additional information in financial aid disclosures to students;
- training on new requirements; and
- additional documentation of transfer credit decisions.

Staffing costs will vary considerably based on the size of the institution and the number of transfer students they accept.

## **Technical Note**

The bill's safety clause will require CDHE and the institutions to immediately develop the appeal process for denied credit transfer. Because the council will need to meet to standardize this process, the appeal process is likely to be available beginning January 1, 2025, to allow the required time to refine the appeal process for students and institutions.

## **Effective Date**

The bill was signed by the Governor and took effect on May 18, 2024.

## **Departmental Difference**

Several institutions of higher education indicated the need for a General Fund appropriation in order to implement the bill. These costs ranged from \$305,000 and 3.5 FTE to \$3.6 million and 16.0 FTE in FY 2024-25. The fiscal note assumes that these additional requirements can be met using institutional revenue. Ultimately, this funding decision is at the discretion of the General Assembly.

## **State and Local Government Contacts**

### Higher Education

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).