



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

### HB 26-1006: THRIVING INSTITUTION DESIGNATIONS FOR HIGHER ED

**Prime Sponsors:**

Rep. Velasco; Martinez  
Sen. Roberts

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**Fiscal note status:** The fiscal note reflects the introduced bill.

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#### Summary Information

**Overview.** The bill creates an advisory committee in the Department of Education to develop criteria for a new thriving institution designation for institutions of higher education.

**Types of impacts.** The bill is projected to affect the following areas beginning in FY 2026-27:

- State Expenditures
- State Revenue (Gifts, Grants and Donations)
- Institutions of Higher Education

**Appropriations.** For FY 2026-27, the bill requires an appropriation of \$161,188 to the Department of Higher Education.

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**Table 1**  
**State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$195,892	\$181,892
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	1.5 FTE	1.5 FTE

**Table 1A**  
**State Expenditures**

<b>Fund Source</b>	<b>Budget Year</b> <b>FY 2026-27</b>	<b>Out Year</b> <b>FY 2027-28</b>
General Fund	\$161,188	\$147,188
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$34,704	\$34,704
<b>Total Expenditures</b>	<b>\$195,892</b>	<b>\$181,892</b>
<b>Total FTE</b>	<b>1.5 FTE</b>	<b>1.5 FTE</b>

## **Summary of Legislation**

The bill creates a new thriving institution designation for institutions of higher education (IHEs). The Department of Higher Education (CDHE) is required to convene an advisory committee to establish the outcome standards and criteria for an institution to receive the designation. The advisory committee consists of 10 members and must have its first meeting by September 1, 2026. The bill specifies that designation criteria must:

- rely on existing state and federal data collections by IHEs;
- ensure statistical validity and compliance with privacy laws;
- promote degree attainment and workforce development; and
- include graduation, degree completion, adult learner reentry, and labor market outcomes, among others.

CDHE must recognize public IHEs in the state that meet this thriving institution designation by posting the awards on their website. Any information that is used to determine thriving IHEs must be aggregated to prevent disclosure of personally identifiable information.

The advisory committee must annually submit a report to the CDHE which contains standards for thriving institutions, best practices and recommendations to support the state's attainment and workforce goals. CDHE must include this report in its annual SMART Act.

Finally, CDHE may seek gifts, grants and donations to support the work the bill requires.

## **State Revenue**

The bill may increase revenue to the CDHE in the form of gifts, grants, and donations. At the time of writing, no source of revenue has been identified. Gifts, grants and donations are not subject to the state's revenue limit.

## **State Expenditures**

The bill increases state expenditures in the Department of Higher Education by about \$196,000 in FY 2026-27 and about \$182,000 in FY 2027-28 and ongoing. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill will also minimally increase workload for institutions of higher education.

**Table 2**  
**State Expenditures**  
**Department of Higher Education**

<b>Cost Component</b>	<b>Budget Year</b> <b>FY 2026-27</b>	<b>Out Year</b> <b>FY 2027-28</b>
Personal Services	\$139,268	\$139,268
Operating Expenses	\$1,920	\$1,920
Capital Outlay Costs	\$14,000	\$0
Committee Expenses	\$6,000	\$6,000
Centrally Appropriated Costs	\$34,704	\$34,704
<b>Total Costs</b>	<b>\$195,892</b>	<b>\$181,892</b>
<b>Total FTE</b>	<b>1.5 FTE</b>	<b>1.5 FTE</b>

## **Department of Higher Education**

### **Staff**

The CDHE will require 1.5 FTE, which includes 0.8 FTE Data Management and 0.7 FTE Administrator, beginning in FY 2026-27 to implement the bill. The Administrator will convene and support the advisory committee, summarize recommendations, issue guidance to IHEs and write the required report. The Data Management FTE will support data for developing criteria for IHEs, ensure data privacy and feasibility with existing data collections, standardize data submissions and publish data on CDHE's website. Standard operating and capital outlays costs are included.

The estimated staff time assumes that the advisory committee will utilize both state data already collected by CDHE and data submitted by IHEs to the federal government or other state agencies to which the CDHE does not currently have access. The latter data will require additional staff time to process and maintain. To the extent the advisory committee adopts metrics requiring less data generally or only data already in possession by the CDHE, then costs may be lower than estimated.

## Meeting Reimbursement

CDHE will reimburse the 10 advisory committee members for meeting and travel expenses on an ongoing basis, estimated to cost \$6,000 annually.

## Institutions of Higher Education

Institutions of higher education will have workload to participate in the advisory committee, and handle any changes to data collection procedures based on the decisions of the advisory committee. This workload is expected to be absorbable. If additional expenses are needed to complete this work, the fiscal note assumes that institutional revenue sources will be used.

## Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 2 above.

## Effective Date

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

## State Appropriations

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For FY 2026-27, the bill requires a General Fund appropriation of \$161,188 to the Department of Higher Education, and 1.5 FTE.

## Departmental Difference

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The Department of Higher Education estimates that the bill requires \$433,490 and 3.0 FTE in FY 2026-27 and \$405,490 and 3.0 FTE in FY 2027-28 and ongoing. This estimate includes an additional 1.0 FTE for a Statistical Analyst to conduct quality assurance for the data collection, 1.0 FTE Project Planner to staff the advisory committee, as well as 0.5 FTE Data Management and 0.5 FTE Administrator. Additionally, the CDHE's estimate includes \$75,000 for legal support to ensure compliance with state and federal privacy laws, \$25,000 in rulemaking contract assistance, \$15,000 to ensure accessibility on their website to post the new institutional designations, and an additional \$9,000 in meeting reimbursement expenses.

The fiscal note assumes that 1.5 FTE for Data Management and Administrator positions can accomplish the required work completing the data collection and staffing of the advisory committee on an annual basis. Additionally, the fiscal note assumes that additional legal support and accessibility expenses will be minimal and do not require an appropriation for this bill. Finally, the fiscal note estimates meeting reimbursement expenses will total \$6,000 annually instead of \$15,000.

## **State and Local Government Contacts**

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### Higher Education