

REVISED

STATEMENT OF PURPOSE

RS31925 / H0079

This legislation increases the annual tuition cap and limits annual tuition increases at Idaho's community colleges. The Legislature has not raised the community college tuition cap since 2008. As a result, artificially low tuition rates have had a distorting effect on the higher education marketplace. Demand for community college education has never been greater. Yet colleges are artificially constrained in their ability to meet that demand. They cannot pay faculty competitive salaries, especially in the fields most sought after by prospective students. They cannot acquire the necessary equipment to help students compete in high technology fields or resources to provide and maintain facilities to meet soaring demand.

This bill updates the community college tuition cap to meet the realities of 2026. It raises the cap to \$3,250 while continuing to limit annual tuition increases to no more than 10%. This will produce modest revenue increases for the colleges while minimizing the impact on students and their families. This legislation balances the pressing needs of community colleges with the Legislature's desire to keep tuition rates reasonable.

FISCAL NOTE

This bill would not impact the State General Fund. However, it could relieve pressure on Community College Property Tax dependency. While the bill allows for an annual increase of tuition of up to 10%, it is expected that the Community Colleges would average closer to 5% in the first year and closely mirror the Consumer Price Index in the future. If the community colleges – collectively – raised tuition 5% in the first year, it increases a student's annual tuition by \$125 and collectively raise approximately \$1.5 million dollars for the community colleges of Idaho.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).