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FINAL FISCAL NOTE

Drafting Number: LLS 18-1238 Date: June 12, 2018
Prime Sponsors: Rep. Buckner; Exum Bill Status: Postponed Indefinitely
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Bill Topic: HIGHER ED STUDENT EMERGENCY ASSISTANCE GRANTS

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill creates the emergency completion and assistance grant program in the Department of Higher Education. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: The bill requires an appropriation of \$1.5 million to the Department of Higher Education.

Fiscal Note Status: The fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Table 1 State Fiscal Impacts Under HB 18-1414

Table with 4 columns: Category, Sub-category, FY 2018-19, FY 2019-20. Rows include Revenue, Expenditures (General Fund), Transfers, and TABOR Refund (General Fund).

## Summary of Legislation

The bill creates the emergency completion and retention grant program in the Department of Higher Education (DHE) to assist eligible students with qualifying financial emergencies. Qualifying financial emergencies are defined as unplanned costs that may require a student to withdraw from postsecondary education and may include unexpected medical, family, vehicle repair, or other expenses, or as determined by institutions of higher education. To be eligible, students must:

- qualify for in-state tuition;
- be pursuing their first postsecondary credential;
- meet state financial aid eligibility criteria; and
- have completed more than 60 percent of course credits required and be expected to graduate in the following semester or school year.

DHE must distribute the funds to state institutions of higher education and the financial aid director for each institution must determine the process for distributing the grants to students and the amount of each grant. Eligible students may not receive more than \$1,500 while enrolled at a single state institution. Institutions must prioritize eligible low-income students, first generation students, and students who lack other identifiable financial resources.

As of June 1 of each year, if an institution has not distributed the entire amount allocated to them for grants, the remaining funds may be used as emergency assistance grants in the next fiscal year, or may be distributed as need-based financial aid.

In addition, DHE must adopt guidelines for institutions related to the grants, establish reporting criteria, and act as a clearinghouse for eligibility criteria, example materials, and other related information. DHE must include in their annual financial aid allocation proposal to the Joint Budget Committee information on the distribution and use of the grant funds and an evaluation of the program. After the program has operated for three years, the annual report must include the return on investment of the program.

## State Expenditures

The bill increases state General Fund expenditures in the DHE by \$1,500,000 annually, beginning in FY 2018-19. The funds will be distributed by DHE to state institutions of higher education, for use as emergency assistance grants. The specific distribution of funds to institutions of higher education will be determined by the DHE.

The bill also increases the workload for DHE to distribute the funds, provide guidelines and reporting criteria, and act as a clearinghouse for information related to the program. The increase in workload can be accomplished within current appropriations.

## Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 2, 2018.

## **State Appropriations**

For FY 2018-19, the bill requires a General Fund appropriation of \$1,500,000 to the Department of Higher Education.

## **State and Local Government Contacts**

Higher Education