



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 22-0490 **Date:** February 8, 2022
Prime Sponsors: Rep. Young; Bradfield **Bill Status:** House Education
 Sen. Cooke; Bridges **Fiscal Analyst:** Josh Abram | 303-866-3561
 Josh.Abram@state.co.us

Bill Topic: **INCLUSIVE HIGHER EDUCATION OPPORTUNITIES**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates a grant program in the Department of Higher Education to assist institutions to create inclusive programs for students with intellectual and developmental disabilities. The bill increases state expenditures through FY 2026-27.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$450,000 to the Inclusive Higher Education Opportunities Cash Fund in the DHE.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB22-1107

		Budget Year FY 2022-23	Out Year FY 2023-24	Out Year FY 2026-27
Revenue		-	-	-
Expenditures	Cash Funds	\$450,000	\$450,000	\$450,000
	Centrally Appropriated	\$1,532	-	-
	Total Expenditures	\$451,532	\$450,000	\$450,000
	Total FTE	0.1 FTE	-	-
Transfers¹	General Fund	(\$450,000)	(\$450,000)	(\$450,000)
	Cash Funds	\$450,000	\$450,000	\$450,000
	Net Transfer	\$0	\$0	\$0
Other Budget Impacts	General Fund Reserve	\$67,500	\$67,500	\$67,500

¹Funding will be transferred to the program cash fund each year via an appropriation from the General Fund.

Summary of Legislation

The bill creates the Inclusive Higher Education Grant Program in the Department of Higher Education (DHE) to support institutions of higher education to create or expand programs for students with intellectual and developmental disabilities. Schools may use grants to:

- assess existing capacity and to
- determine the training and technical assistance needed to establish an inclusive education program; or
- other programs and supports allowing students a comprehensive higher education experience that results in a meaningful credential.

By September 30, 2022, the DHE must issue a request for proposals for an outside organization to administer the grant program. The DHE must select the administering entity and enter into a contract no later than December 30, 2022. The Colorado Commission on Higher Education (CCHE) must establish certain rules to implement the grant program, including the form of the grant application, time frames for applying for grants and distribution of funds.

The administering agency is required to manage the application and awards process, notify DHE when institutions have been selected for grants, conduct annual grant performance evaluations, and conduct comprehensive surveys of program participants and stakeholders. The agency must report specific outcomes annually to the DHE and to the education committees of the General Assembly.

The bill creates the Inclusive Higher Education Opportunities Cash Fund (cash fund) which is continuously appropriated to the DHE. For FY 2022-23 through FY 2026-27, the General Assembly must appropriate \$450,000 from the General Fund to the cash fund. Of the money annually appropriated to the cash fund, the DHE may use up to 20 percent to contract with and compensate the administering agency.

State Transfers

For FY 2022-23 through FY 2026-27, the bill requires General Fund appropriations of \$450,000 in order to transfer money to the Inclusive Higher Education Opportunities Cash Fund.

State Expenditures

The bill increases cash fund expenditures in the DHE by \$450,000 annually. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under HB22-1107**

	FY 2022-23	FY 2023-24
Department of Higher Education		
Personal Services	\$5,923	-
Administering Entity	\$90,000	\$90,000
Grants to Institutions	\$354,077	\$360,000
Centrally Appropriated Costs ¹	\$1,532	-
Total Cost	\$451,532	\$450,000
Total FTE	0.1 FTE	-

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Higher Education. For FY 2022-23, the DHE will have a small administrative expense to create program rules and issue a request for proposals. This one-time cost is estimated at about \$5,923 and 0.1 FTE. Once an administering agency is selected, the DHE may spend up to \$90,000 annually to contract with the administering agency. Assuming that the DHE spends the full amount annually to contract with a third party administrator, about \$360,000 is available each year to be awarded in grants to institutions of higher education.

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 include employee insurance and supplemental employee retirement payments, are listed in Table 2 in FY 2022-23 only.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on the required appropriation to the cash fund, the bill is expected to increase the amount of General Fund held in reserve by \$67,500 in both FY 2022-23 and FY 2023-24, which will decrease the amount of General Fund available for other purposes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2022-23, the bill requires a General Fund appropriation of \$450,000 to the Inclusive Higher Education Opportunities Cash Fund. The cash fund is continuously appropriated to the DHE.

State and Local Government Contacts

Higher Education