



Legislative
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FISCAL NOTE

Drafting Number: LLS 19-1010
Prime Sponsors: Sen. Moreno

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Bill Status: Senate Education
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Bill Topic: COLORADO SECOND CHANCE SCHOLARSHIP

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 type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates the second chance scholarship program in the Department of Higher Education. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$305,145 to the Department of Higher Education.

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

Table 1
State Fiscal Impacts Under SB 19-231

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures	General Fund	\$305,145	\$309,933
	Centrally Appropriated	\$8,546	\$10,469
	Total	\$313,691	\$320,402
	Total FTE	0.8 FTE	1.0 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill creates the second chance scholarship program in the Department of Higher Education (DHE) to assist persons who were previously committed to the Division of Youth Services and are pursuing a postsecondary credential. The Executive Director of the Colorado Commission on Higher Education (CCHE) must appoint a program coordinator to regularly meet with and support scholarship recipients to set employment and education goals, and to connect students with wraparound services.

The bill creates a five-member advisory board to review grant applications and make awards based on specified criteria. The board includes representatives from the Division of Youth Services, CCHE, the Department of Human Services, the program coordinator, and an individual previously committed to the Division of Youth Services. The board must meet at least four times per year, and establish application procedures and deadlines for the scholarship program.

The advisory board must award scholarships of up to \$10,000, with the specific amount based on the applicant's financial need, the cost of attendance, the available funding, and the number of applicants. The program is repealed September 1, 2022, following a sunset review.

State Expenditures

The bill increases state expenditures in the Department of Higher Education by \$313,691 in FY 2019-20 and \$320,402 in FY 2020-21. Costs are listed in Table 1 and discussed below.

**Table 2
Expenditures Under SB 19-231**

	FY 2019-20	FY 2020-21
Department of Higher Education		
Personal Services	\$46,977	\$56,373
Operating Expenses and Capital Outlay Costs	\$5,558	\$950
Travel	\$2,610	\$2,610
Scholarships	\$250,000	\$250,000
Centrally Appropriated Costs*	\$8,546	\$10,469
Total Cost	\$313,691	\$320,402
Total FTE	0.8 FTE	1.0 FTE

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

Personal services. The bill requires that DHE hire a program coordinator to support persons previously committed to the Division of Youth Services and serve on the advisory council. The fiscal note assumes that the program coordinator will also serve as the point of contact for the scholarship program. In FY 2019-20, the cost for the 1.0 FTE program coordinator is prorated for the General Fund payday shift and an August, 2019 start date. The bill also increases the workload for a representative of the CCHE to serve on the advisory board.

Travel. The program coordinator also incurs travel costs to meet with students around the state to set education and employment goals, and to connect them with services. The fiscal note estimates this cost at \$2,610 per year.

Scholarships. Funding for scholarships is at the discretion of the General Assembly. The fiscal note estimates that 25 scholarships of the maximum \$10,000 will be awarded per year. Actual scholarship amounts will be determined by the advisory committee. For informational purposes, about 200 people per year are discharged from the Division of Youth Services and hold a high school diploma or GED, including those that are enrolled in school when they are discharged.

CDHS. The bill increases workload for CDHS to have two employees serving on the advisory board: one designated by the Executive Director of CDHS, and one representing the Division of Youth Services. The workload is expected to be accomplished within current appropriations.

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 estimated to be \$8,546 in FY 2019-20 and \$10,469 in FY 2020-21.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation of \$305,145 and an allocation of 0.8 FTE to the Department of Higher Education.

State and Local Government Contacts

Higher Education

Human Services