



Legislative
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FISCAL NOTE

Drafting Number: LLS 20-0660
Prime Sponsors: Rep. McLachlan; Exum
Date: January 24, 2020
Bill Status: House Education
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Bill Topic: HIGHER ED STUDENT EMERGENCY ASSISTANCE GRANTS

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 Emergency Completion and Retention Grant Program in the Department of Higher Education. The bill increase state expenditures on an ongoing basis.

Appropriation Summary: In FY 2020-21, the bill requires an appropriation of \$500,000 to the Department of Higher Education.

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

Table 1
State Fiscal Impacts Under HB 20-1110

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	General Fund	\$500,000	\$500,000
Transfers		-	-
TABOR Refund		-	-

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 a qualifying financial emergency. 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 qualifying expenses determined by the institutions of higher education. To be eligible, students must:

- qualify for in-state tuition;
- be pursuing their first postsecondary credential in an eligible course of study;
- 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.

The Colorado Commission on Higher Education (CCHE) must distribute the funds to state institutions of higher education and each institution must determine the grant amount and process for distribution to students. Students may not receive more than \$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 information in their financial aid allocation proposal to the Joint Budget Committee on the distribution and use of grant funds and an evaluation of the program. After the program has operated for three fiscal years, the annual report must include the return on the investment of the program.

State Expenditures

The bill increases state General Fund expenditures in the DHE by an amount determined by the General Assembly. This fiscal note assumes an appropriation of \$500,000 annually, beginning in FY 2020-21. This amount would provide emergency assistance for up to 1,000 students. The funds will be distributed to state institutions of higher education for use as emergency assistance grants. Actual distribution to institutions will be determined by the DHE and distribution of grants to students will be determined by each institution. Workload will increase for institutions to develop the process for distributing grants.

The bill also increases the workload for the DHE to distribute the funds, provide guidelines and reporting criteria, and act as a clearinghouse for program information. The increase in workload can be accomplished within current appropriations. In future years, workload will also increase to provide a return on investment analysis of the program. Any additional resources necessary for such analyses will be requested through the annual budget process.

Effective Date

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

State Appropriations

In FY 2020-21, the bill requires a General Fund appropriation of \$500,000 to the Department of Higher Education.

State and Local Government Contacts

Higher Education