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FISCAL NOTE

Drafting Number: LLS 20-0413
Prime Sponsors: Sen. Story; Zenzinger, Rep. Kipp

Date: January 13, 2020
Bill Status: Senate Education
Fiscal Analyst: Josh Abram | 303-866-3561, Josh.Abram@state.co.us

Bill Topic: IMPROVE STUDENT SUCCESS INNOVATION PILOT

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

The bill creates a pilot grant program to improve student graduation rates at institutions of higher education. The bill increases state expenditures annually through FY 2022-23.

Appropriation Summary: For FY 2020-21, the bill requires an appropriation of \$20.0 million to the Department of Higher Education.

Fiscal Note Status: This fiscal note reflects the introduced bill. The bill is recommended by the Making Higher Education Attainable Interim Study Committee.

Table 1
State Fiscal Impacts Under SB 20-031

Table with 5 columns: Category, FY 2020-21, FY 2021-22, FY 2022-23. Rows include Revenue, Expenditures (General Fund), Transfers, and TABOR Refund.

Summary of Legislation

The bill creates the Improve Student Success Innovation Pilot Program in the Department of Higher Education (DHE). The DHE is required to develop a process and facilitate collaboration between institutions of higher education to create programs that increase the number of students who successfully graduate. Collaborating institutions may submit a program proposal to the DHE for consideration. Proposals must include a research phase of up to one year, and an implementation phase of up to two years.

No later than September 1, 2020, the DHE must review proposals and recommend a program or programs to be selected by the Colorado Commission on Higher Education (CCHE) for grant awards. The bill details some selection criteria for the DHE to use when evaluating the program plans of collaborating institutions. No later than December 1, 2021, and annually thereafter, the DHE and CCHE must report outcomes, costs, student participation and satisfaction, and other evaluative data to the education committees and the Joint Budget Committee of the General Assembly. The program is repealed July 1, 2024.

The bill requires that the General Assembly annually appropriate \$20.0 million for the program for three fiscal years, FY 2020-21 through FY 2022-23.

State Expenditures

The bill increases state General Fund expenditures in the DHE by \$20.0 million per year for three years to administer and award pilot program grants.

The DHE has an existing scoring framework for the evaluation of capital construction projects which can be modified and used for the new grant program. A working group of DHE staff representing multiple divisions including Student Success and Academic Affairs; Budget and Finance; Data, Research, and Policy will establish the application process and the specific criteria for evaluating program proposals. The working group will also provide feedback and technical assistance to program applicants. Workload will also increase for data collection and reporting. This increased workload can be accomplished within existing appropriations.

This analysis assumes that each governing board is limited to submitting one major proposal, such that the maximum number of proposals is fifteen or fewer if governing boards collaborate and combine proposals, which is encouraged by the bill. If the grant program is structured to allow each institution, rather than each governing board, to submit one or more proposals, the workload impact for the department will increase, likely necessitating additional administrative overhead and personnel. Once the program has been established, the department may request additional administrative spending authority and FTE 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

For FY 2020-21, the bill requires a General Fund appropriation of \$20.0 million to the Department of Higher Education.

State and Local Government Contacts

Higher Education