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Fiscal Note

Drafting Number: LLS 22-0624
Prime Sponsors: Sen. Liston

Date: February 8, 2022
Bill Status: Senate Education
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Bill Topic: **TUITION ASSISTANCE FOR BUILDING TRADE CERTIFICATES**

Summary of Fiscal Impact:

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill requires that the career and technical education tuition assistance program prioritize students enrolled in building and construction trade certificate programs, and provides additional funding for the program. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$200,000 to the Department of Higher Education.

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

**Table 1
State Fiscal Impacts Under SB 22-088**

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	General Fund	\$200,000	\$200,000
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$30,000	\$30,000

Summary of Legislation

The bill requires that the career and technical education tuition assistance program give preference to students in a building and construction trade certificate program, and that the first \$200,000 must be distributed to students in those programs. The bill also requires that the General Assembly appropriate \$650,000 for the program.

Background

Created by House Bill 15-1275, the career and technical education tuition assistance program in the Colorado Commission on Higher Education distributes money to community colleges, Colorado Mesa University, area technical colleges, and local district colleges to provide tuition assistance to eligible students who do not qualify for a Pell grant due to minimum credit hour requirements. Since the program's inception, it has received \$450,000 per year in state funding. In the last five school years, the program has funded an average of 256 awards, at an average of \$1,422 each.

State Expenditures

The bill increases state expenditures in the Department of Higher Education by \$200,000 from the General Fund, beginning in FY 2023-24. The bill requires that the General Assembly appropriate at least \$650,000 for the program, a \$200,000 increase over current funding levels. The fiscal note assumes that this amount will be distributed as tuition assistance for students in building and construction programs, and that the distributions currently made will not be impacted, except to the extent that current funding is distributed for students in building and construction trade programs and is freed up for students in other trades.

Department of Higher Education. The bill increases workload for the department to modify programs and procedures to give preference to students in building and construction programs, and to adjust the current allocation model to distribute the additional \$200,000 in funding.

Institutions of higher education. Institutions that receive allocations through the program may see an increase in funding for tuition assistance for students in the building and construction programs. Participating institutions include the community colleges, Colorado Mesa University, area technical colleges, and local district colleges, although not all institutions currently have enrollment in construction programs.

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 this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$30,000 beginning in FY 2022-23, 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

In FY 2022-23, the bill requires a General Fund appropriation of \$200,000 to the Department of Higher Education.

State and Local Government Contacts

Higher Education