



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 22-0118
Prime Sponsors:

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Bill Status: Bill Request
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Bill Topic: HIGHER EDUCATION SUPPORT FOR FOSTER YOUTH

- Summary of Fiscal Impact:
[X] State Revenue
[X] State Expenditure
[X] State Transfer
[] TABOR Refund
[] Local Government
[X] School Districts

The bill waives tuition and fees at state institutions of higher education for students who were placed in foster care. Starting in FY 2022-23, the bill will decrease state revenue and increase state expenditures.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the bill draft requested by the Colorado Youth Advisory Council Review Committee.

Table 1
State Fiscal Impacts Under Bill 2

Table with 4 columns: Category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures, Transfers, and TABOR Refund.

Summary of Legislation

Starting in the 2022-23 academic year, each institution of higher education in the state must waive all tuition costs and mandatory fees for students who have been:

- placed in foster care in Colorado before their 13th birthday;
- placed in non-kinship care after their 13th birthday; or
- adjudicated neglected or dependent at any time.

Costs are waived for up to 132 semester credit hours or 198 quarter credit hours. In order to qualify for a waiver, a student must complete an application for the free application for federal student aid (FAFSA); work towards a bachelor's, postgraduate, or an associate's degree, or a certificate; and remain in satisfactory academic standing.

In addition, each higher education institution must designate one employee as a liaison to assist qualified students with receiving a waiver. The liaison must work with public school districts and other schools to identify prospective qualifying students and to provide information regarding application assistance, tuition waivers, support services, and other resources available to students, local education providers, and child welfare liaisons. School district child welfare liaisons must provide information on the waiver to eligible students.

Assumptions

The fiscal note assumes that there will be 4,500 eligible students per year and that 15 percent of eligible students will attend an institution of higher education. The fiscal note also assumes that 64 percent of eligible students attending an institution of higher education will attend a two-year college, 27 percent will attend a four-year college, and the remaining will attend a private college.

State Revenue

The bill reduces revenue from tuition and fees for state institutions of higher education by approximately \$4.1 million beginning with the 2022-23 academic year. For the current 2021-22 academic year, the average tuition and fees paid by a full-time resident student is \$4,755 at a two-year college and \$11,165 at a four-year school. If 432 eligible students attend a two-year college and 182 eligible students attend a four-year college, the loss in tuition and fee revenue is \$4,086,190 across all state institutions. The impact on individual institutions has not been calculated. Tuition and fee revenue is not subject to the state's TABOR revenue limit.

State Expenditures

The bill increases state expenditures in institutions of higher education and increases workload in the Department of Human Services, as described below.

Institutions of higher education. Starting in FY 2022-23, workload in institutions of higher education will increase to assist eligible students in receiving a tuition waiver. The amount of work required will depend on the institution and how many eligible students choose to attend the institution. In addition, to the extent additional students attend institutions of higher education that would not otherwise attend an institution under current law, expenditures in higher education institutions will increase. It is assumed that any increase in costs to teach additional students will be accomplished within current appropriations and revenue streams to institutions of higher education.

Department of Human Services. Starting in FY 2022-23, workload in the Department of Human Services will increase to coordinate with institutions of higher education to provide information about tuition waiver to eligible students. The fiscal note assumes this work can be accomplished within existing appropriations.

School Districts

Starting in FY 2022-23, workload to local school districts will increase to work with appointed higher education liaisons to identify prospective qualifying students and to provide information regarding application assistance, tuition waivers, support services, and other resources. This increase in workload is assumed to be minimal.

Effective Date

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

State and Local Government Contacts

Education	Higher Education
Human Services	Information Technology