

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF THE COLLEGE KICKSTARTER ACCOUNT PROGRAM TO INCENTIVIZE THE CREATION OF A COLLEGE SAVINGS ACCOUNT FOR EVERY CHILD BORN IN COLORADO.

Prime Sponsors: Reps. Herod and Becker
Senator Fenberg

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/11/19.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.004	Bill Sponsor amendment - does not change fiscal impact

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2019-20.

Description of Amendments in This Packet

L.004 Bill Sponsor amendment **L.004** (attached): (1) authorizes money in the College Kickstarter Account Program Fund (which derives from gifts, grants, and donations) to be spent without an annual appropriation from the General Assembly; and (2) specifies that appropriations are only required from the Kickstarter Program Master Account for expenses other than kickstarter funding for money in the account that is not custodial money obtained through gifts, grants or donations only.

Points to Consider

Future Budget Processes

As indicated in the Legislative Council Staff Revised Fiscal Note dated April 11, 2019, (p. 7) CollegeInvest and the Department of the Treasury would require cash funds spending authority for

expenditures from the College Kickstarter Account Program Fund, and CollegeInvest would require spending authority for expenditures from the Kickstarter Program Master Account for purposes other than providing kickstarter funding; however, these amounts are not estimated, and supplemental appropriations could be required for FY 2019-20 or future years. Sponsor amendment L.004 reduces the likelihood that such action will be required by eliminating provisions requiring gifts, grants, and donations deposited to the two accounts be appropriated.

Other Potential or Unquantifiable Fiscal Impacts

The bill is silent on how CollegeInvest will fund this program if gifts, grants, and donations and reserves in the Colorado CollegeInvest Scholarship Trust Fund are insufficient to cover the costs of the bill.

- As amended by the Finance Committee, the bill requires CollegeInvest, without reducing existing levels of scholarship or matching grant funding, to annually deposit to the Master Account the amount needed to ensure that there is sufficient money in the Account to make all transfers to accounts that name an eligible child as a beneficiary.
- The Legislative Council Staff Revised Fiscal Note, dated April 11, 2019, (p. 5) indicates that to the extent CollegeInvest is unable to raise sufficient gifts, grants, and donations to support the kickstarter program, transfers from the Colorado CollegeInvest Scholarship Trust Fund (Scholarship Trust Fund) to the College Kickstarter Master Account will increase. The amount of transfers is estimated at up to \$1.7 million in FY 2019-20 and up to \$3.4 million in FY 2020-21.
- The Revised Fiscal Note (p. 3) also indicates that the Scholarship Trust Fund is estimated to have base resources of \$9.9 million entering FY 2019-20, and the existing level of scholarship and matching grant funding from this fund averages \$1.9 million annually. Under current law, the Scholarship Trust Fund consists of money deposited in the Fund by CollegeInvest, appropriations by the General Assembly, and gifts, grants, and donations; however, the base resources currently in the Scholarship Trust Fund derive from historic CollegeInvest Loan Program revenue. No new revenue was received in the Scholarship Trust Fund in FY 2016-17 or FY 2017-18.