



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated March 30, 2023)

Drafting Number: LLS 23-0943 Date: April 6, 2023
Prime Sponsors: Sen. Bridges; Lundeen Bill Status: Senate Appropriations
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Bill Topic: UNIVERSAL HIGH SCHOOL SCHOLARSHIP PROGRAM

- Summary of Fiscal Impact:
State Revenue (checkbox)
State Expenditure (checked)
State Transfer (checked)
TABOR Refund (checkbox)
Local Government (checkbox)
Statutory Public Entity (checkbox)

The bill creates the Universal High School Scholarship Program to provide scholarships to students for postsecondary education, apprenticeships, or training related to an in-demand, high-priority postsecondary pathway. The bill makes a one-time transfer from the General Fund and increases state expenditures through FY 2024-25.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$25.0 million to the Office of Economic Development and International Trade.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended by the Senate Education Committee.

Table 1
State Fiscal Impacts Under SB 23-205

Table with 4 columns: Category, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), and Transfers (General Fund, Cash Fund, Total Transfer).

Other Budget Impacts

1 The \$25.0 million transferred in FY 2023-24 may be spent over two fiscal years, through FY 2024-25.

## **Summary of Legislation**

The bill creates the Universal High School Scholarship program in the Office of Economic Development and International Trade (OEDIT) to provide scholarships to students for postsecondary education, apprenticeships, or training related to an in-demand, high-priority postsecondary pathway. Scholarships are up to \$1,500 per student and may be used for tuition, fees, books, and equipment.

**Administration.** OEDIT must manage the application and award process, beginning for the FY 2024-25, and may contract with vendors to administer the program. OEDIT must also:

- manage a statewide campaign to publicize the program;
- contract with a vendor to provide career advising at schools;
- approve eligible providers who are not institutions of higher education; and
- establish lists of eligible providers and in-demand and high-priority higher postsecondary pathways.

**Eligibility.** To be eligible, a student must have graduated from a Colorado high school or received a GED during the 2023-24 school year, have completed the federal or state application for financial aid, and not received a grant or scholarship through the Colorado Opportunity Scholarship Initiative. Scholarships are distributed to eligible service providers on behalf of the student.

Eligible service providers include training providers identified by the Colorado Department of Labor of Employment (CDLE), an apprenticeship included in the Colorado State Apprenticeship Directory, a public or private institution of higher education, or another entity approved by OEDIT.

**Funding.** In FY 2023-24, the bill requires that \$25.0 million be transferred from the General Fund to the newly created Universal High School Scholarship Cash Fund for the program. Unexpended money is available for FY 2024-25. Of the funding, \$2.5 million must be used for postsecondary and career advising and up to 6 percent may be used for administrative expenses. Scholarships must be expended by July 31, 2025.

**Reporting.** By July 31, 2025, a provider that receives scholarship funds on behalf of a student must report certain information, and OEDIT must include data on the program in their SMART Act hearing.

The program is repealed December 31, 2026.

## **State Transfer**

The bill transfers \$25.0 million from the General Fund to the Universal High School Scholarship Cash Fund on September 1, 2023.

**State Expenditures**

Based on the required appropriation of \$25 million in FY 2023-24, the bill is estimated to increase state expenditures in OEDIT by up to \$24.9 million in FY 2023-24 and at least \$162,746 in FY 2024-25, paid from the Universal High School Scholarship Cash Fund. Expenditures are shown in Table 2 and detailed below. The timing of some expenditures may vary from this estimate, as discussed below.

**Table 2  
Expenditures Under SB 23-205**

	FY 2023-24	FY 2024-25
<b>Office of Economic Development and International Trade</b>		
Personal Services	\$111,752	\$134,102
Operating Expenses	\$1,485	\$1,755
Capital Outlay Costs	\$6,670	-
Vendor Contracts <sup>1</sup>	up to \$3,744,236	
Scholarships <sup>1</sup>	at least \$21,000,000	-
Centrally Appropriated Costs <sup>2</sup>	\$22,591	\$26,889
<b>Total Cost</b>	<b>\$24,886,734</b>	<b>\$162,746</b>
<b>Total FTE</b>	<b>1.1 FTE</b>	<b>1.3 FTE</b>

<sup>1</sup> Contracting and scholarship costs are shown in FY 2023-24, but may be spent over two fiscal years.

<sup>2</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Office of Economic Development and International Trade.** OEDIT will incur costs to implement the program, including staffing, vendor contract, and scholarships.

- **Personal services.** OEDIT requires 1.3 FTE in FY 2023-24 and FY 2024-25 to implement the program, including establish program details and parameters, contracting with vendors for administration of the scholarship program, and establishing the career advising program and vendor contract. Staffing costs in FY 2023-24 are prorated for a September 1 effective date and include standard capital outlay and operating costs.
- **Vendor contracts.** OEDIT will contract with a vendor to administer the program and conduct the final program evaluation, at an estimated cost of \$1.2 million, and will spend \$2.5 million for a vendor contract to provide career advising services, as specified by the bill. Both contract amounts are shown in FY 2023-24 in Table 2 and are assumed to cover the duration of the program.
- **Scholarships.** After the costs for the career advising costs and administrative expenses, \$21.0 million is estimated to be available for scholarships. This covers approximately 14,000 scholarships, based on the maximum \$1,500 per student. Scholarships are assumed to be distributed through FY 2024-25. If the contract for vendor administration costs less than estimated, more money may be available for scholarships.

**Institutions of higher education.** Institutions of higher education will receive scholarship funds from OEDIT on behalf of participating students to cover student costs. The bill increases workload for institutions to coordinate with OEDIT to receive the scholarship funds and to report required information. No change in appropriations is required.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

For FY 2023-24, the bill requires an appropriation of \$25,000,000 from the Universal High School Scholarship Program Cash Fund to the Office of Economic Development and International Trade, and 1.1 FTE. This amount is further appropriated for FY 2024-25.

## State and Local Government Contacts

Higher Education  
Law

Information Technology  
Office of Economic Development

Labor