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Fiscal Note

Drafting Number:	LLS 24-1104	Date:	March 27, 2024
Prime Sponsors:	Rep. Bird; Sirota Sen. Zenzinger; Bridges	Bill Status:	House Appropriations
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Bill Topic: HIGHER EDUCATION SUPPORT HOMELESS YOUTH

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

Budget package bill. The bill creates a financial aid program for students who have experienced homelessness. The bill increases state expenditures beginning FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill includes appropriations totaling about \$1.7 million to two agencies. See State Appropriations section.

Fiscal Note Status: The fiscal note reflects the introduced bill. The bill is recommended by the Joint Budget Committee as part of its FY 2024-25 budget package.

Table 1
State Fiscal Impacts Under HB 24-1403

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	\$1,694,436	\$1,681,674
	Centrally Appropriated	\$36,794	\$36,794
	Total Expenditures	\$1,731,230	\$1,718,468
	Total FTE	2.0 FTE	2.2 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$254,165	\$252,251

Summary of Legislation

The bill creates the Financial Assistance Program for Students Experiencing Homelessness in the Department of Higher Education (DHE). Beginning in the 2024-25 academic year, public institutions of higher education must provide financial assistance to qualifying students for the remaining balance of the student's total cost of attendance, minus financial aid received for the student's first 132 semester hours (198 quarter hours).

Eligibility. A qualifying student is a resident of Colorado between 17 and 26 years old, who has been accepted to an institution and has been identified by school personnel as a homeless child while having resided in the state at any time during high school.

Funding. The General Assembly is required to appropriate money to the Colorado Commission on Higher Education (CCHE) to cover 50 percent of the cost of providing the remaining balance of financial assistance. The CCHE must allocate the assistance to the schools. For FY 2024-25, the bill appropriates about \$1.7 million to the DHE and about \$26,000 to the CDE for the program.

Liaisons. Each public institution of higher education is required to designate one employee as a liaison for qualifying students to provide information regarding application assistance, financial aid, and other support services. The DHE is required to employ at least one employee as a financial aid and application navigator for qualifying students, prospective qualifying students, and school district staff.

Data. The DHE and the Colorado Department of Education (CDE) must enter a data-sharing agreement to identify and support prospective qualifying students. By December 1, 2024, and each December thereafter, school districts must provide the CDE with data identifying prospective qualifying students. By January 2, 2025, and each January 2 thereafter CDE must provide the school district data to DHE.

State Expenditures

The bill increases state expenditures in the DHE by about \$1.7 million, and in the CDE by about \$31,000, in both FY 2024-25 and FY 2025-26. All expenses are from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 24-1403

	FY 2024-25	FY 2025-26
Department of Higher Education		
Personal Services	\$152,481	\$152,481
Operating Expenses	\$2,560	\$2,560
Capital Outlay Costs	\$13,340	-
Financial Aid	\$1,500,000	\$1,500,000
Centrally Appropriated Costs ¹	\$32,114	\$32,114
FTE – Personal Services	1.8 FTE	2.0 FTE
DHE Subtotal	\$1,700,495	\$1,687,155
Colorado Department of Education		
Personal Services	\$26,055	\$26,632
Centrally Appropriated Costs ¹	\$4,680	\$4,680
FTE – Personal Services	0.2 FTE	0.2 FTE
CDE Subtotal	\$30,735	\$31,313
Total	\$1,731,230	\$1,718,468
Total FTE	2.0 FTE	2.2 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Higher Education. DHE will incur costs for staff and financial aid to institutions of higher education.

- **Staff.** The DHE will add 2.0 FTE as a financial aid and application navigators to assist qualifying students and to coordinate with counselors in public school districts and at institutions of higher education. Personal services include standard operating expenses and capital outlay costs.
- **Financial aid.** The DHE will allocate \$1.5 million annually to institutions of higher education to pay the 50 percent of qualifying student's remaining financial assistance. The fiscal note assumes that institutions will cover the other 50 percent through existing financial aid allocations.

Colorado Department of Education. CDE will have an increase in costs to work with DHE to execute the necessary data sharing agreements and to assist local education providers with protocols for identifying prospective qualifying students, and safely reporting personally identifying information. CDE will add 0.2 FTE to the Office of Dropout Prevention and Student Reengagement to execute data sharing with DHE and manage data collection with school districts and distribution to DHE.

Institutions of higher education. All institutions of higher education will have an increased cost to hire or designate liaisons for homeless students and to provide application and financial aid assistance to qualifying students.

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.

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. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

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

State Appropriations

For FY 2024-25, the bill includes the following General Fund appropriations:

- \$1,668,381 to the Department of Higher Education, and 1.8 FTE; and
- \$26,055 to the Colorado Department of Education, and 0.2 FTE.

State and Local Government Contacts

Education

Higher Education

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).