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FISCAL NOTE

Drafting Number: LLS 20-0469
Prime Sponsors: Sen. Story, Rep. Young

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Bill Status: Senate Education
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Bill Topic: FUNDING HIGHER ED STUDENT TRANSITION PROGRAMS

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill creates the Student Transitions Grant Program in the Department of Higher Education and increases expenditures for six years, through FY 2025-26.

Appropriation Summary: For FY 2020-21, the bill requires an appropriation of \$817,879 to the Department of Higher Education.

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

Table 1
State Fiscal Impacts Under SB 20-143

Table with 4 columns: Category, Sub-category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total), Total FTE, Transfers, and TABOR Refund.

Summary of Legislation

The bill creates the Higher Education Student Transition Pilot Program in the Department of Higher Education (DHE) to provide grant funding to partnering two-year and four-year institutions that establish a student transition program. A transition program allows students to enroll in courses and access student services at both of the partnering institutions. DHE is required to create a grant application process and award grants no later than March 31, 2021. The department must also review grantees annually and renew the grant of each eligible partnership.

In order to qualify for a grant, a two-year and four-year institution must enter into a memorandum of understanding to establish a transition program, and detail the roles and responsibilities of each institution in the partnership. The bill sets minimum conditions for an eligible student transition program, and the minimum application requirements for partnering institutions. Grant awards are capped at \$150,000 annually, and each grant has an initial term of one year. The DHE must renew grants for an additional four years so long as the partnering institutions continue to operate a student transition program.

Each grantee is required to report specified information to the DHE. In its annual report to the Education Committees, the DHE must include information reported by the grantees. The bill is repealed June 30, 2026

State Expenditures

For FY 2020-21, the bill increases state expenditures by \$832,103 and 0.7 FTE. For FY 2021-22, new costs are \$1,567,042 and 0.6 FTE. The bill's expenditures are displayed in Table 2 and described below.

Table 2
Expenditures Under SB 20-143

	FY 2020-21	FY 2021-22
Department of Higher Education		
Personal Services	\$60,599	\$53,866
Operating Expenses	\$1,080	\$810
Capital Outlay Costs	\$6,200	-
Student Transition Program Grants	\$750,000	\$1,500,000
Centrally Appropriated Costs*	\$14,224	\$12,366
FTE – Personal Services	0.7 FTE	0.6 FTE
Total Cost	\$832,103	\$1,567,042
Total FTE	0.7 FTE	0.6 FTE

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

Personal services. DHE requires new staff to create the program, adopt rules, engage stakeholders, set up an application and review process, provide technical assistance, and compile reports. Personal services are higher in FY 2020-21 to account for start-up expenses and decrease to 0.6 FTE beginning FY 2021-22. Personal service costs in Table 2 for FY 2020-21 are prorated for the General Fund pay date shift and the August 5 effective date.

Student transition program grants. Currently, there is one known partnership between a two-year and a four-year institution that meet the requirements for a grant award. It is unknown how many additional partnerships and transition programs will apply. Assuming that five partnerships apply and receive the grant in FY 2020-21, funding for grants is \$750,000. For FY 2021-22, five new grants and five renewed grants requires \$1.5 million.

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, supplemental employee retirement payments, and leased space are estimated to be \$14,224 in FY 2020-21 and \$12,366 in FY 2021-22.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, the bill requires a General Fund appropriation of \$817,879 to the Department of Higher Education, and 0.7 FTE.

State and Local Government Contacts

Higher Education