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Fiscal Note

Drafting Number: LLS 22-0118 Date: January 24, 2022
Prime Sponsors: Sen. Zenzinger; Priola Bill Status: Senate Education
Rep. McLachlan; McKean Fiscal Analyst: Aaron Carpenter | 303-866-4918
Aaron.Carpenter@state.co.us

Bill Topic: HIGHER EDUCATION SUPPORT FOR FOSTER YOUTH

- Summary of Fiscal Impact:
[X] State Revenue [] TABOR Refund
[X] State Expenditure [] Local Government
[] State Transfer [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 workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Colorado Youth Advisory Council Review Committee.

Table 1
State Fiscal Impacts Under SB 22-008

Table with 4 columns: Category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue (Institutional Revenue: -\$693,966), 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 in excess of any financial aid 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 the free application for federal student aid (FAFSA) and an application for the Chafee Education and Training Voucher (ETV) grant; 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 makes the following assumptions on the eligible population and financial aid.

Eligible population. 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.

Financial aid. The bill requires qualified students to apply for the Chafee ETV Grant, which can award up to \$5,000 per student for qualified expenses. The fiscal note assumes that qualified students will receive close to upper limit of the grant amount, covering the full cost, on average, of two-year institutions. For four-year institutions, the fiscal note assumes that two-thirds of the cost will be covered by federal or state financial aid, and the remaining one-third will be waived.

State Revenue

The bill reduces revenue from tuition and fees for state institutions of higher education by \$693,966 beginning with the 2022-23 academic year. For the 2021-22 academic year, the average annual tuition and fees paid by a full-time resident student is \$4,760 at a two-year college and \$11,439 at a four-year school. If 432 eligible students attend a two-year college, where costs are assumed to be covered by the Chafee ETV Grant, and 182 eligible students attend a four-year college, the loss in tuition and fee revenue is \$693,966 across all four-year state institutions, after subtracting the assumed amount of

financial aid. 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 assign a liaison 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 for 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