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Revised Fiscal Note

(replaces fiscal note dated January 24, 2022)

Drafting Number: LLS 22-0118 Date: March 15, 2022
Prime Sponsors: Sen. Zenzinger; Priola Bill Status: Senate Appropriations
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:
State Revenue
State Expenditure
State Transfer
TABOR Refund
Local Government
School Districts

The bill provides financial assistance to foster students to cover the cost of attendance at state institutions of higher education. Starting in FY 2022-23, the bill will increase state expenditures on an ongoing basis.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$2.7 million to the Department of Higher Education.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended by the Senate Education Committee. The bill was recommended by the Colorado Youth Advisory Council Review Committee.

Table 1
State Fiscal Impacts Under SB 22-008

Table with 4 columns: Category, Sub-category, Budget Year FY 2022-23, and Out Year FY 2023-24. Rows include Revenue, Expenditures (General Fund, Institutional Expenditures, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

1 These funds are not appropriated in the bill and are shown for informational purposes.

Summary of Legislation

Starting in the 2022-23 academic year, the state must provide financial assistance in excess of any financial aid to cover the total cost of attendance at a higher education institution 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.

The bill requires the General Assembly to appropriate an amount to the Colorado Commission on Higher Education (CCHE) within the Department of Higher Education (DHE) that covers half the cost of providing financial assistance to foster children, with institutions of higher education covering the other half from financial aid allotments. Foster students are eligible for aid for the first 132 semester credit hours or 198 quarter credit hours. In order to qualify for assistance, 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.

Foster Care Student Navigator Office and liaisons. The bill establishes the Foster Care Student Navigator Office to assist foster students in applying for and enrolling in institutions of higher education. The bill requires that CCHE appoint a director of the office, and for the director of the office to assign four regional navigators to four regions of the state to assist foster students wanting to enroll in higher education. In addition, each higher education institutions must designate one employee as a liaison to assist qualified students with receiving assistance. The liaison must work with the assigned regional navigator and provide information regarding application assistance, financial assistance, support services, and other resources available to students, local education providers, and child welfare liaisons. Finally, 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 the state and institutions of higher education to cover the cost of attendance minus any financial aid received by a student. Based data provided by the DHE, the fiscal note makes the following assumptions:

- the average COA is \$22,500 a year for a two-year institution and \$26,500 a year for a four-year institution;
- foster students will receive a full Chafee ETV grant at \$5,000 per year;

- foster students will receive a max Pell Award at \$6,495 per year;
- foster students who attend a 2-year institution will receive an additional \$4,400 from other federal, state, and private sources; and
- foster students who attend a four-year institution will receive an additional \$5,100 from other federal, state, and private sources.

State Expenditures

The bill increases state expenditures in the DHE and institutions of higher education by \$5.1 million per year, as shown in Table 2, and increases workload in the Department of Human Services, as described below.

Table 2
Expenditures Under SB 22-008

Cost Components	FY 2022-23	FY 2023-24
Department of Higher Education		
Personal Services	\$301,567	\$328,983
Operating Expenses	\$6,750	\$6,750
Capital Outlay Costs	\$31,000	-
Aid to Foster Children	\$2,328,035	\$2,328,035
Travel Costs	\$20,160	\$20,160
Outreach Materials	\$15,000	\$15,000
Centrally Appropriated Costs ¹	\$73,126	\$79,592
FTE – Personal Services	4.6 FTE	5.0 FTE
DHE Subtotal	\$2,775,638	\$2,778,520
Institutions of Higher Education		
Aid to Foster Children	\$2,328,035	\$2,328,035
Institutions of Higher Education Subtotal²	\$2,328,035	\$2,328,035
Total	\$5,103,673	\$5,106,555
Total FTE	4.6 FTE	5.0 FTE

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

² Costs to institutions of higher education are not included in the bill's appropriation and are shown for informational purposes.

Department of Higher Education. Starting in FY 2022-23, the DHE will require 5.0 FTE to staff the new Foster Care Student Navigator Office. This includes 1.0 FTE director and 4.0 FTE regional navigators as outlined in the bill. Staffing costs include personal services, operating expenses, and capital outlay costs, and FY 2022-23 costs are prorated for the General Fund paydate shift. In addition, the department requires \$20,160 to cover travel costs for the four navigators to travel around their assigned region. This includes costs for mileage reimbursement, lodging, and per diem. Finally, the department will require \$15,000 to create outreach materials.

Aid to foster students. Starting in FY 2022-23, state expenditures will increase by \$4.7 million per year to cover the cost of attendance for foster children attending two-year and four-year institutions, after accounting for financial aid. Half of these costs will be paid from the General Fund and the other half will come from institution of higher education funds. Table 3 outlines the estimated cost after taking into account financial aid.

**Table 3
State Aid for Foster Students**

Institution	Average Cost of Attendance	Financial Aid	Remaining Cost	Assumed Students	Total Cost
2-year	\$22,500	\$15,895	\$6,605	432	\$2,853,360
4-year	\$26,500	\$16,595	\$9,905	182	\$1,802,710
				Total	\$4,656,070
				<i>General Fund</i>	\$2,328,035
				<i>Institutions of higher education</i>	\$2,328,035

Institutions of higher education – liaisons. Starting in FY 2022-23, workload in institutions of higher education will increase to assign a liaison to assist eligible students in receiving assistance. 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 financial assistance to eligible students. The fiscal note assumes this work can be accomplished within existing appropriations.

Effective Date

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

State Appropriations

For FY 2022-23, the bill requires an appropriation of \$2,698,928 General Fund to the Department of Higher Education and 4.6 FTE.

State and Local Government Contacts

Education
Human Services

Higher Education
Information Technology