



Colorado *Legislative Council Staff Fiscal Note*  
**STATE**  
**FISCAL IMPACT**

*This fiscal note is provided pursuant to Joint Rule 22(b)(2). It is based on amendment SB039\_L.002, which strikes everything below the enacting clause of the introduced bill.*

**Drafting Number:** LLS 10-0457 **Date:** February 19, 2010  
**Prime Sponsor(s):** Sen. Carroll M. **Bill Status:** Senate Education  
Rep. Gagliardi **Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING SCHOLARSHIPS FOR JOB TRAINING, AND MAKING AN APPROPRIATION THEREFOR.

<b>Fiscal Impact Summary</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>
<b>State Revenue</b>			
<b>State Transfers or Diversions*</b> Transfer from the Colorado CollegeInvest Scholarship Trust Fund to the Teach Colorado Grant Initiative Fund			
<b>State Expenditures</b> Cash Funds Colorado CollegeInvest Scholarship Trust Fund	\$1.0 million	\$1.0 million	\$1.0 million
<b>FTE Position Change</b>			
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.			
<b>Appropriation Summary for FY 2010-11:</b> None required.			
<b>Local Government Impact:</b> None			

\* Any portion of the \$1.0 million left uncommitted at the end of the fiscal year is transferred to the Teach Colorado Grant Initiative Fund. See State Transfers section.

**Summary of Legislation**

With Amendment L.002, this bill creates the Colorado Job Retraining Scholarship Program in the Department of Higher Education (DHE). The student loan division, known as CollegeInvest, will implement and administer the program. Scholarships are intended to provide job training opportunities and increased access to higher education for persons receiving unemployment insurance benefits as of July 1, 2008.

The division is required to award \$1.0 million annually through FY 2012-13. Any portion of the \$1.0 million that remains uncommitted at the end of each fiscal year is transferred to the Teach Colorado Grant Initiative Fund. Money transferred to the fund is continuously appropriated. In each year of the job program, CollegeInvest must provide a status report to the Senate and House Education Committees. The program is repealed effective July 1, 2013.

## **Background**

***CollegeInvest.*** CollegeInvest, a division of the Department of Higher Education, was established by the General Assembly to increase students' access to higher education by:

- ▶ issuing bonds, whose proceeds are used for originating and/or purchasing student loans;
- ▶ administering the state's federal College Savings Plans (529 plans); and
- ▶ administering various scholarship and loan forgiveness programs.

CollegeInvest does not receive appropriations from the General Assembly; it pays for its operations through profits earned on its student loans, administrative fees received for managing 529 plans, and investment income. At the end of FY 2008-09, CollegeInvest's net assets in all funds totaled about \$3.0 billion. The fund balance in the Colorado CollegeInvest Scholarship Trust Fund is about \$60 million.

***Teach Colorado Grant Initiative.*** This grant program in the DHE provides scholarships to students in teacher preparation programs who excel academically in high-need content areas. The DHE and the Colorado Department of Education collaborate yearly to identify such content areas. Current examples include mathematics, science, special education, and English language acquisition.

## **State Transfers or Diversions**

This bill requires that CollegeInvest award \$1.0 million each year, but allows that if any amount is uncommitted at the end of each fiscal year, that money shall be transferred to the Teach Colorado Grant Initiative Fund. The transferred funds are continuously appropriated to the DHE for the provision of scholarships to students preparing to teach in high-needs areas.

## **State Expenditures**

***This bill will result in total expenditures of \$1.0 million in each year from FY 2010-11 through FY 2012-13.*** In 2009, there were approximately 238,000 persons receiving unemployment insurance payments. Of this population, there were approximately 700 instances of some type of training coded in the Department of Labor and Employment's records. As an illustration, if 700 eligible individuals qualify for assistance, each might receive \$1,400 per fiscal year. Actual qualifying criteria and award amounts will be determined administratively by the division.

At the end of each fiscal year, any uncommitted money is transferred to a separate grant program and available in the following fiscal year for scholarships. This fiscal note assumes that between both programs, the full amount of money will be distributed in all three years.

## **Departments Contacted**

Higher Education