

**STATE
FISCAL IMPACT**

Drafting Number: LLS 10-1040
Prime Sponsor(s): Rep. Pommer
 Sen. White

Date: March 29, 2010
Bill Status: House Appropriations
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING FUNDING FOR STUDENT FINANCIAL AID FOR HIGHER EDUCATION, AND MAKING AN APPROPRIATION THEREFOR.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Transfers or Diversions Transfer from the Colorado CollegeInvest Scholarship Trust Fund to the General Fund	(\$29.8 million)	
State Expenditures General Fund Cash Funds Colorado CollegeInvest Scholarship Trust Fund	(\$15.4 million) \$15.4 million	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

Budget Package Bill. This bill expands the allowable uses of the CollegeInvest Scholarship Trust Fund (Trust Fund) to permit funding of need-based financial aid. Additionally, this bill:

- ▶ transfers \$29.8 million from the Trust Fund to the General Fund;
- ▶ refinances \$15.4 million General Fund for need-based financial aid with an appropriation from the Trust Fund to the Department of Higher Education; and
- ▶ provides a one-year exemption in FY 2010-11 from a statutory maintenance of effort requirement for financial aid programs.

State Transfers and Diversions

The bill transfers \$29.8 million from the Colorado CollegeInvest Scholarship Trust Fund to the state General Fund.

State Expenditures

The bill refinances \$15.4 million General Fund with a Trust Fund expenditure in FY 2010-11 for financial aid.

Under current law, the annual percentage increase in General Fund appropriations for financial aid must be at least as great as the aggregate annual percentage increase in General Fund appropriations for the institutions of higher education. To comply with the American Recovery and Reinvestment Act of 2009, Colorado must increase General Fund appropriations to higher education in FY 2010-11 by 71.4 percent. HB10-1383 exempts the state from the requirement that General Fund appropriations for financial aid also increase by at least this amount in FY 2010-11, therefore avoiding the need for a \$75.6 million increase.

State Appropriations

For FY 2010-11, the bill includes an appropriation of \$15,400,000 from the Colorado CollegeInvest Scholarship Trust Fund to the Department of Higher Education (DHE). Additionally, the General Fund appropriation to the DHE is reduced by \$15,400,000.

Departments Contacted

Higher Education