

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING FINANCIAL SUPPORT FOR MERITORIOUS COLORADO STUDENTS AT STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION.

Prime Sponsors: Reps. Waller and Hullinghorst
Senator Heath

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/24/13.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill*
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

*As reflected in the "Points to Consider" JBC staff believes this bill could have a fiscal impact if it reduces or increases the number of students who qualify for a College Opportunity Fund student stipend; however, the nature of this impact is too uncertain to quantify based on information currently available.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill neither requires nor contains an appropriation clause for FY 2013-14.

Description of Amendments in This Packet

J.001 Bill Sponsor amendment **J.001** (attached) provides an appropriation of \$3,000,000 General Fund for FY 2013-14 to the Department of Higher Education for allocation to Colorado Commission on Higher Education Financial Aid for merit based aid. The amendment makes this appropriation contingent upon the enactment of H.B. 13-1144 with a Final Legislative Council Staff Fiscal Note that indicates that H.B. 13-1144 will increase General Fund revenue by at least \$3,000,000.

Points to Consider*General Fund Impact*

Sponsor amendment J.001 provides a General Fund appropriation of \$3,000,000 for FY 2013-14 contingent upon the enactment of H.B. 13-1144 (Concerning the elimination of the state sales and use tax exemption for cigarettes) with a Final Legislative Council Staff Fiscal Note that indicates that H.B. 13-1144 will increase General Fund revenue by at least \$3,000,000. The most recent Legislative Council Staff Revised Fiscal Note for H.B. 13-1144, dated February 28, 2013, indicates that this bill will increase General Fund revenue by \$28.0 million for FY 2013-14.

If H.B. 13-1144 is enacted and provides for a General Fund revenue increase and sponsor amendment J.001 is *not* adopted, all General Fund revenue resulting from H.B. 13-1144 would be available to meet other state needs.

Unquantifiable Fiscal Impacts/Future Budget Processes

This bill could potentially result in a reduction in the number of resident students attending Colorado institutions if an increase in the number of out-of-state students "crowds out" in-state students. Conversely, this bill could result in an increase in the number of resident students who choose to attend state institutions, due to an increase in available merit-based aid. Either change would affect the number of students receiving a state College Opportunity Fund (COF) student stipend (\$1,920 General Fund per full-time student for FY 2013-14). However, the impact of this bill on the number of resident students is too uncertain to quantify at this time.

The General Assembly typically adjusts appropriations to the Department of Higher Education through the supplemental budget process to reflect the number of students who actually receive COF stipends. Whether an increase for COF stipends results in a *net* increase in General Fund appropriated for higher education institutions is at the discretion of the General Assembly. When the total number of students receiving COF stipends has exceeded the estimates reflected in the Long Bill, the General Assembly has typically adopted a supplemental budget amendment to increase funding for student stipends and decrease funding for higher education fee-for-service contracts, with a net result of no fiscal impact to the institutions or the General Fund.