

Colorado Legislative Council Staff Fiscal Note

**FINAL
FISCAL NOTE**

Drafting Number: LLS 15-0508 **Date:** June 24, 2015
Prime Sponsor(s): Rep. Pettersen; Garnett **Bill Status:** Postponed Indefinitely
 Sen. Todd **Fiscal Analyst:** Josh Abram (303-866-3561)

BILL TOPIC: EARLY CHILDHOOD EDUCATOR DEVELOPMENT SCHOLARSHIPS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue	Potential increase from Gifts, Grants, and Donations.	
State Expenditures	\$125,000	\$125,000
General Fund	125,000	125,000
FTE Position Change	0.2 FTE	0.2 FTE
Appropriation Required: \$125,000 - Colorado Department of Human Services (FY 2015-16)		

* This summary shows changes from current law under the bill for each fiscal year.
 ** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

The bill creates a scholarship grant program within the Colorado Department of Human Services (CDHS) to provide assistance to individuals who are obtaining a postsecondary credential in early childhood education. Scholarships are awarded by the DHS to qualifying entities, which includes tax-exempt non-profit organizations and institutions of higher education. To be eligible, a qualifying entity must have an operating scholarship program in place that awards scholarships to individuals seeking a postsecondary credential in early childhood education. Scholarship awards made by the DHS are made to each qualifying entity and not to students directly.

The bill requires the State Board of Human Services (state board) to create rules for the new scholarship program. The CDHS will review scholarship applications and make recommendations to the state board, as well as annually submit a report to the state board, the General Assembly, and the Governor. The CDHS may enter into a contract or interagency agreement with an entity, including another state agency, to accomplish the administrative duties assigned to the CDHS.

Finally, the bill repeals the Early Childhood Educator Development Scholarship program that currently exists within the Colorado Department of Education (CDE).

Background

The Early Childhood Educator Development Scholarship Program was established in the CDE through House Bill 10-1030 to provide stipends to assist persons working in early childhood education with the costs of obtaining an Associate's degree. The program, which is funded solely through the receipt of federal moneys, or other gifts, grants, and donations, never became operational because it did not receive funds. Therefore, the repeal of this program from the CDE has no fiscal impact to the CDE.

State Revenue

The bill allows the CDHS to accept gifts, grants, and donations for the scholarship program. To the extent that the CDHS receives funds for the program, an increase in state revenue will increase; however, at this time, no sources of gifts, grants, or donations have been identified.

State Expenditures

The bill increases state expenditures by \$125,000 and 0.2 FTE in both FY 2015-16 and FY 2016-17. Costs are summarized in Table 1 and explained below. Personnel costs for FY 2015-16 have been adjusted to reflect the bill's August 5, 2015, effective date.

Table 1. Expenditures Under HB 15-1001		
Cost Components	FY 2015-16	FY 2016-17
Personal Services	\$12,760	\$12,760
FTE	0.2 FTE	0.2 FTE
Scholarship Grant Awards	112,240	112,240
TOTAL	\$125,000	\$125,000

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

Program administration. Beginning in FY 2015-16, the CDHS will require additional personnel at the General Professional III level to establish program rules, create application procedures, develop award criteria, provide technical assistance, disseminate materials, conduct outreach and recruitment presentations, and manage, track, and report scholarship applications and awards. In addition, the CDHS is required to prepare an annual report to the state board, the General Assembly, and the Governor concerning the use of the moneys in the fund.

The state board is required to promulgate rules for the program, which may increase the workload impact to the Department of Law from legal services associated with this rulemaking. However, this workload impact is expected to be minimal and does not require additional appropriations.

Scholarship awards. The CDHS will have approximately \$112,240 available for scholarship awards. Providing scholarship awards will comprise the largest cost component of the bill. Grant monies are distributed to qualified entities, which in turn distribute scholarships through the qualified entity's existing scholarship program to students attending the institution.

Effective Date

The bill was postponed indefinitely by the Senate Education Committee on April 30, 2015.

State and Local Government Contacts

Education
Higher Education
Office of Information Technology
Counties
Law

Human Services
Personnel and Administration
Municipalities
Corrections