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BILL TOPIC: EMPOWERING STUDENTS IN HIGHER EDUCATION FUNDING

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures		
General Fund	\$5,008,790	
FTE Position Change		
Appropriation Required: \$5,000,000 General Fund - Department of Higher Education (FY 2015-16) \$8,790 General Fund - Colorado Department of Education (FY 2015-16)		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill modifies state academic standards for kindergarten through twelfth grade public education (K12). The standards related to financial literacy are expanded to include knowledge and skills relating to financing higher education or other career-related postsecondary education. Financial literacy must include:

- understanding student loan programs and types of student loans;
- interest and debt limits;
- repayment of student loans and the consequences of default;
- potential career earnings; and
- the requirement to repay student loans even if the student does not complete the educational program.

For FY 2015-16, the bill appropriates \$5.0 million from the General Fund to the Department of Higher Education for use by the institutions of higher education to provide merit-based aid for students demonstrating significant academic achievement.

Background

For FY 2014-15, the General Assembly appropriated about \$79.3 million for financial aid. The financial aid appropriation is allocated to the institutions of higher education for use in each school's financial aid programs. The financial aid appropriation is not specifically intended for merit-based allocations and institutions of higher education have broad flexibility in using state money in their financial aid programs for students.

Page 2 February 6, 2015

State Expenditures

For FY 2015-16, this bill increases state expenditures by \$5,008,970 General Fund. Increased costs are for student financial aid and for adopting additional academic content standards.

Department of Higher Education. The bill increases state expenditures for student financial aid by \$5.0 million for FY 2015-16.

Colorado Department of Education (CDE). The bill requires that the academic content standards for financial literacy be expanded to include managing student loan debt, and student financing options for higher education. Based on protocols established when adopting content standards under Colorado's Achievement Plan for Kids (CAP4K), the CDE will engage contractors to facilitate stakeholder meetings, provide staff support to the standards development committee, and oversee translation of printed materials and family guides. The CDE will have travel expenses to conduct multiple stakeholder engagement meetings involving staff, contractors, and committee members, and incurring travel and *per diem* expenses. Stakeholder meetings will also require facility rental and printing expenses. These combined costs are estimated at \$8,970.

Effective Date

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

State Appropriations

For FY 2015-16, the bill includes an appropriation of \$5.0 million General Fund to the Department of Higher Education.

For FY 2015-16. the bill requires an appropriation of \$8,790 General Fund to the Colorado Department of Education.

State and Local Government Contacts

Education Higher Education