


Colorado Legislative Council Staff Fiscal Note
FINAL
FISCAL NOTE

Drafting Number: LLS 10-0715
Prime Sponsor(s): Rep. Frangas

Date: June 2, 2010
Bill Status: Postponed Indefinitely
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING SCHOLARSHIP PROGRAMS FOR PERSONS IN INDUSTRIES IN HIGH NEED OF TRAINED WORKFORCES.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue	Potential Gifts, Grants and Donations	
State Transfers or Diversions Transfer from the Colorado CollegeInvest Scholarship Trust Fund to the Green Jobs Scholarship Program Fund to the Medical Services Scholarship Program Fund	\$0.5 million 1.0 million	
State Expenditures Cash Funds Green Jobs Scholarship Program Fund Medical Services Scholarship Program Fund	\$125,000 250,000	\$125,000 250,000
FTE Position Change		
Effective Date: The bill was postponed indefinitely by the House Appropriations Committee on April 9, 2010.		
Appropriation Summary for FY 2010-2011: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill creates two new scholarship programs to be administered by CollegeInvest, the student loan division of the Department of Higher Education (DHE): the Colorado Green Jobs Scholarship Program and the Colorado Medical Services Job Training Program. The Green Jobs Scholarship Program will provide scholarships for postsecondary education to persons seeking jobs in environmentally friendly growth industries. The Governor's Energy Office will assist by creating a list of industries the division may reference when awarding green job scholarships. The Medical Services Job Training Program will provide scholarships to persons seeking jobs in medical service fields. The scholarship programs are repealed on July 1, 2014.

The division is required to award at least \$0.5 million in scholarships for the green jobs program and at least \$1.0 million for the medical job training program over the next four years. In each fiscal year the division must report details of the grant programs to the education committees

of the General Assembly. The bill creates two new funds in the state treasury and transfers enough money from the division's trust fund to provide the minimum scholarships. The transfer is made one time in FY 2010-11. The division may seek and accept gifts, grants, and donations for the funds. All money in the funds is subject to annual appropriations by the General Assembly.

Background

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.

State Revenue

The division is authorized to seek and accept private or public gifts, grants, or donations to help fund the scholarship programs. No estimate of donations has been identified.

State Transfers

In FY 2010-11, this bill transfers \$1.5 million from the Colorado College Invest Scholarship Trust Fund and places \$0.5 million in the Green Jobs Scholarship Program Fund and \$1.0 million in the Medical Services Scholarship Program Fund.

State Expenditures

This bill will result in total expenditures of at least \$375,000 in both FY 2010-11 and FY 2011-12. CollegeInvest is required to expend at least \$1.5 million for the scholarship programs over the next four years. It is estimated that the programs will award scholarships in roughly equal amounts over each fiscal year. The qualifying criteria for scholarships, including determining financial need of applicants and actual award amounts, will be determined administratively by the division.

State Appropriations

In FY 2010-11, this bill requires an appropriation of \$125,000 from the Green Jobs Scholarship Program Fund to the Department of Higher Education and an appropriation of \$250,000 from the Medical Services Scholarship Program Fund to the Department of Higher Education.

Departments Contacted

Higher Education

Governor's Office