

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee  
FROM Amanda Bickel, JBC Staff  
DATE May 4, 2020  
SUBJECT Addendum to Department of Higher Education Budget Balancing Packet

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### ADJUSTMENT TO FY 2020-21 STAFF BUDGET BALANCING RECOMMENDATION

#### → FLEXIBILITY FOR FINANCIAL AID LINE ITEMS

*REVISED RECOMMENDATION:* In the Staff Budget Balancing packet dated 4/21/20 (Page 10-11), staff recommended a footnote that would provide flexibility between the Need Based Grants and the Work Study line item. Based on further communication with the Department, *staff recommends modifying the language as follows (pending further refinement by OLLS)*. Note that the leader for the footnote would be modified if some line items are not included in the FY 2020-21 Long Bill.

- N Colorado Department of Higher Education, Colorado Commission on Higher Education Financial Aid, Need Based Grants; Work Study; Special Purpose, Veterans'/Law Enforcement/POS Tuition Assistance, and Tuition Assistance for Career and Technical Education Certificate Programs -- In addition to the transfer authority included in Section 23-3.3-102 (7), C.R.S., the Department may transfer appropriations among these line items, so long as the final amount for any line item is not increased by more than twenty percent. The intent of this provision, when combined Section 23-3.3-102 (7), C.R.S., is to allow for transfers among the specified line items so long as the final amount for a line item is not increased by more than thirty percent.

*ANALYSIS:* Given the tremendous uncertainty about how higher education programs will operate during FY 2020-21, potential impacts on enrollment, and questions about whether all activities could be on line, the specific need for funding for any given financial aid program is uncertain. In light of this, staff supports the Department's informal proposal for additional flexibility among line items. Because the Work Study line item is far smaller than the Need Based Grants line item, this provision would allow the entire Work Study line item to be used for Need Based Grants, if deemed necessary due to campus closures.

### ADJUSTMENT TO FY 2019-20 STAFF BUDGET BALANCING RECOMMENDATION

#### → FY 2019-20 SUPPLEMENTAL ADJUSTMENT RECOMMENDED V. EXECUTIVE ORDER FOR SECOND CHANCE SCHOLARSHIP PROGRAM

*REVISED RECOMMENDATION:* Staff is not yet certain how differences between the Governor's Executive Order to restrict FY 2019-20 expenditures and staff recommendations to eliminate FY 2019-20 appropriations will be reconciled. In most cases, the staff recommendation for Higher Education programs are aligned with or lower than the reduction in the Executive Order. However,

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staff notes that, in the Department of Higher Education, the staff recommendation reduced the appropriation for the Second Chance Scholarship Program by \$50,000 more than the Executive Order. Staff understands that Governor's Office authorized the program to proceed with \$50,000 in grants that were already in process, while staff had assumed no grants.

In light of this, staff recommends reducing the Second Chance Scholarship Program in FY 2019-20 by \$200,000, rather than the \$250,000 shown on p. 4 of the Budget Balancing packet. This change affects FY 2019-20 only.

#### ADDITIONAL BALANCING OPTIONS

The following options were omitted from the staff budget balancing packet dated April 21, 2020. The alternatives below are options for the Committee's consideration, as opposed to recommendations, and staff believes they should be considered if the Committee seeks budget reductions *exceeding* 10.0 percent, i.e., they are in the "cut last" category.

#### → TUITION ASSISTANCE FOR CAREER AND TECHNICAL EDUCATION CERTIFICATE PROGRAMS

*JBC ACTION AS OF 3/16/20:* The JBC authorized an appropriation of \$450,000 General Fund in the Long Bill for Career and Technical Education (CTE) Grants.

*OPTION:* The Committee could consider suspending funding entirely for the program, reflecting a Colorado Commission on Higher Education (CCHE) position.

#### *ANALYSIS:*

*Key Considerations:* On March 27, 2020, CCHE approved a position, recommended by its staff, that, in the event of a 5.0 percent funding reduction, Merit Based Grants and funding for CTE Grants should be eliminated prior to reductions to any of the other financial aid program. The grounds were that this is a small program serving a relatively small number of students. JBC staff notes that even at the Area Technical Colleges (where this program is more heavily used than elsewhere), funding under this program represents just 2.4 percent of all financial aid funding allocated.

*Additional Background:* House Bill 15-1275 (Winter/Heath, Marble) directed the Colorado Commission on Higher Education to create a tuition assistance program for students enrolled in career and technical education certificate programs, subject to available appropriations. The program (Section 23-3.3-1101, C.R.S.) is for students who meet the income eligibility requirements for the federal Pell grant but do not qualify for the grant because the certificate program in which they are enrolled does not meet minimum credit hour requirements. The bill included a General Fund appropriation of \$450,000 for tuition assistance for such students attending community colleges, Colorado Mesa University, area vocational schools, and local district junior colleges.

## → PROSECUTION FELLOWSHIP PROGRAM

*JBC ACTION AS OF 3/16/20:* The JBC authorized an appropriation of \$356,496 General Fund in the Long Bill for the Prosecution Fellowship Program.

*OPTION:* The Committee could consider suspending funding entirely for the program, or reducing funding.

*ANALYSIS:*

*Key Considerations:* The program benefits a small number of new law school graduates and select rural areas.

*Additional Background:* Senate Bill 14-174, amended by S.B. 15-043, created the Prosecution Fellowship Program (Section 23-19.3-101 and 102, C.R.S.). Through state funding appropriated to the Department of Higher Education, the Colorado District Attorney's Council (CDAC) oversees and facilitate the placement of six recent graduates from the state's two major law schools, the University of Colorado at Boulder and the University of Denver, into one year prosecution fellowships in rural jurisdictions around the state. Fellows receive an intensive trial advocacy course from CDAC over the summer before placement in the community in September. Participating law schools are required to contribute twenty percent to the cost of fellowship salaries.

The Colorado District Attorney's Council was required to submit a report by January 1, 2019 with data on the program's impact. There is no record of the report being received in the General Assembly's Reports database, and staff has received no response from the Colorado District Attorney's Council in response to a request for the report. Thus, *staff has no information on the impact of the program.*

## → HC1 FINANCIAL SUSTAINABILITY FOR HISTORY COLORADO

*JBC ACTION AS OF 3/16/20 AND 4/21/20 RECOMMENDATION:* As outlined in the Higher Education Budget Balancing packet of 4/21/20, during figure setting the Committee added \$3.0 million General Fund for this request. In the 4/21 budget balancing package, staff recommended removing \$2.0 million of the total, but retaining \$1.0 million given the financial challenges facing History Colorado. Staff also recommended various other changes sought by History Colorado, including redirecting funds planned for painting the Capitol Dome, providing History Colorado flexibility to transfer funds from Preservation Grants funds, and addressing the "ratchet effect" in the existing limited gaming statute that would limit History Colorado's recovery of gaming revenues after this decline.

*OPTION:* While staff continues to recommend \$1.0 million General Fund be retained for History Colorado in FY 2020-21, the Committee could consider not providing this funding in FY 2020-21 if revenue constraints are too great. Staff anticipates that General Fund assistance at this level would still be required beginning in FY 2021-22.

*ANALYSIS:*

Please see the analysis in the staff Budget Balancing packet beginning on page 25 and particularly the forecast on page 32 for FY 2020-21. As shown, History Colorado has sufficient reserves that, with the other assistance shown, it could make it through FY 2020-21 without the \$1.0 million General Fund. However, this would push out greater need for assistance to subsequent years.

→ MEDICATION ASSISTED TREATMENT PROGRAM

*JBC ACTION AS OF 3/16/20:* As required by statute, the Committee's action on the FY 2020-21 Long Bill included and appropriation of \$2,500,000 Marijuana Tax Cash Funds for the Medication Assisted Treatment Expansion Pilot Program operated by the University of Colorado's Center for Research into Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies.

*OPTION:* The Committee could repeal the provision at Section 23-21-808, C.R.S. that requires this level of funding in FY 2020-21 and could then reduce program funding, allowing these funds to be redirected to the General Fund. *While this option is feasible, staff would instead recommend that the General Assembly allow the FY 2020-21 funding level to remain in place but place the program on notice that funding could be reduced after FY 2020-21 due to state budget constraints.*

*ANALYSIS:*

*Key Considerations:* This program serves a vulnerable population--individuals with opioid addiction--in underserved parts of the state. The program was funded at the \$500,000 level through FY 2017-18 and was increased to a required appropriation level of \$2.5 million for FY 2019-20 and FY 2020-21. Although current law requires an appropriation of \$2.5 million in FY 2020-21, specific amounts are not required after FY 2020-21. OSPB staff has identified this as a potential area for reduction, so staff wished the JBC to have additional background on the program.

*Additional Background:* The Medication Assisted Treatment (MAT) program was authorized in S.B. 17-074. Funding was significantly expanded and the statute amended in S.B. 19-001. The program provides grants to community based agencies, office-based practices, behavioral health organizations, and substance abuse treatment organizations to: (a) enable nurse practitioners and physician assistants working in those settings to obtain the training necessary to prescribe buprenorphine and other medications and therapies approved as part of treatment for individuals with an opioid use disorder; and (b) fund those agencies and practices to provide behavioral therapies and supports in conjunction with medication assisted treatment. The program operates in Pueblo and Routt counties and the San Luis Valley (Alamosa, Conejos, Costilla, Custer, Huerfano, Mineral, Rio Grande, and Saguache) and up to an additional two counties with demonstrated need. The fiscal note for S.B. 19-001 indicated that this included an estimated \$500,000 per year for personnel, training, evaluation and travel, and \$2.0 million for grants. The annual report due in June 2019 (reflecting program results at the \$500,000 funding level) indicated that from December 2017 to May 2019 851 individuals received services in Pueblo County and 96 in Routt County. At the time of the report, 39 percent of individuals had been retained in the program, which it indicated compared favorably to results of a meta-analysis of other primary care buprenorphine treatment programs.