



Legislative
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HB 20-1002

FINAL FISCAL NOTE

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|-------------------------|--|------------------------|---|
| Drafting Number: | LLS 20-0409 | Date: | July 28, 2020 |
| Prime Sponsors: | Rep. McLachlan; Baisley Sen. Zenzinger; Story | Bill Status: | Signed into Law |
| | | Fiscal Analyst: | Josh Abram 303-866-3561 Josh.Abram@state.co.us |

Bill Topic: COLLEGE CREDIT FOR WORK EXPERIENCE

Summary of Fiscal Impact:

| | |
|--|--|
| <input checked="" type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure <i>(Conditional)</i> | <input type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

The bill requires that the Department of Higher Education (DHE) create, adopt, and implement a plan to award postsecondary academic credit for work-related experience, and a statewide system for the guaranteed transfer of that credit between institutions of higher education. The bill conditionally increases state expenditures beginning in FY 2021-22.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under HB 20-1002**

| | | FY 2020-21 | FY 2021-22 | FY 2022-23 |
|----------------------|------------|------------|------------|------------|
| Revenue* | | - | \$170,204 | \$113,443 |
| Expenditures* | Cash Funds | - | \$170,204 | \$113,443 |
| Transfers | | - | - | - |
| TABOR Refund | | - | - | - |

* All state revenue and expenditures are conditional, contingent on receipt of sufficient funding from gifts, grants, and private donations.

Summary of Legislation

No later than September 1, 2021, the bill requires that the Department of Higher Education, in consultation with institutions of higher education, conduct a study concerning awarding credit for prior learning experiences at state institutions of higher education. The study must examine the processes by which an institution may assess, and a student may receive tuition-free undergraduate credit for prior learning.

Under current law, the Colorado Commission on Higher Education convenes a council of representatives from institutions of higher education to recommend policies and procedures for credit transfers between institutions, articulation agreements, common course numbering, and related topics concerning the state's guaranteed transfer framework. No later than January 1, 2022, this bill requires that the Guaranteed Transfer Council (council), in consultation with the Colorado Workforce Development Council, create and implement a statewide plan to assess and align work-related experience and professional certifications or licenses with the knowledge and competencies required for awarding academic credit with guaranteed transfer designation.

The bill permits the DHE to accept and spend private donations in order for the council to create, adopt, and implement the statewide plan. The plan shall not be created, adopted, or implemented unless sufficient money is available from gifts, grants, or donations to cover the department's costs.

Institutions of higher education must evaluate, accept, and transfer academic credit awarded for work-related experience no later than the 2022-23 academic year. During the 2022 regular legislative session, the DHE must report the council's plan to the General Assembly. Beginning March 1, 2024, and annually thereafter, the council must report to the education committees details concerning the implementation of the statewide plan.

State Revenue

The bill authorizes the DHE to accept and spend funds raised from gifts, grants, and private donations in order to fund the creation and implementation of the statewide plan created by the council. No amount or source of private funding has been identified. For FY 2021-22 and FY 2022-23 combined, the DHE must receive at least a \$283,647 from private sources to implement the bill. State revenue from private sources are exempt from the state revenue limitations in TABOR.

State Expenditures

For FY 2020-21, the bill increases workload in the DHE to study the issue. Beginning with FY 2021-22, the bill conditionally increases state expenditures in the department to assist the council to create, adopt and implement a statewide plan. This fiscal note assumes that the department must secure at least \$283,647 for FY 2021-22 and FY 2022-23 from private gifts, grants, or donations in order to implement the bill, and that state expenditures will align with the amounts and fiscal years displayed in Table 2, and described below.

Table 2
Conditional Expenditures Under HB 20-1002

| | FY 2020-21 | FY 2021-22 | FY 2022-23 |
|---------------------------------------|------------|------------------|------------------|
| Department of Higher Education | | | |
| Personal Services | - | \$89,278 | \$97,394 |
| Operating Expenses | - | \$1,350 | \$1,350 |
| Capital Outlay | - | \$6,200 | - |
| Subject Matter Expert Contract | - | \$60,000 | - |
| Indirect Costs | - | \$13,376 | \$14,699 |
| Total Cost | - | \$170,204 | \$113,443 |
| FTE | - | 0.9 FTE | 1.0 FTE |

Department of Higher Education. If DHE secures sufficient private funding to implement the statewide plan, the department will require new staff to coordinate the work of the council, industry partners, and the institutions of higher education. The DHE will also enter a one-time contract to obtain subject matter expertise from a national policy organization to advise the department on best practices in work-related learning, and to help provide technical assistance to the schools on the portfolio review process and assessment of the institution's work-related credit programs.

Institutions of higher education. If DHE secures sufficient private funding to implement the statewide plan, institutions of higher education will have increased workloads and costs to evaluate work-related credit requests and facilitate credit transfer between schools. Some institutions will need additional FTE to evaluate student work experience and to provide advising and other services. The impact to institutions has not been estimated and will depend on the details of the plan developed and implemented by the council and the DHE, and the actual future usage of work-related credit by students.

Effective Date

The bill was signed into law by the Governor and took effect on July 8, 2020.

State and Local Government Contacts

Higher Education