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Final Fiscal Note

Drafting Number:	LLS 21-0103	Date:	July 12, 2021
Prime Sponsors:	Rep. Kipp; Rich Sen. Bridges; Lundeen	Bill Status:	Signed into Law
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Bill Topic: **REVISE STUDENT FINANCIAL LITERACY STANDARDS**

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> School District

The bill requires that certain information be included in state financial literacy standards and school district financial literacy curricula. The bill increases state expenditures in FY 2021-22 only.

Appropriation Summary: In FY 2021-22, the bill requires and includes an appropriation of \$4,888 to the Colorado Department of Education.

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

Table 1
State Fiscal Impacts Under HB 21-1200

	Budget Year FY 2021-22	Out Year FY 2022-23
Revenue	-	-
Expenditures		
General Fund	\$4,888	-
Centrally Appropriated	\$1,442	-
Total Expenditures	\$6,330	-
Total FTE	0.1 FTE	-
Transfers	-	-
TABOR Refund	-	-

Summary of Legislation

The bill requires the State Board of Education, as part of its next scheduled review of standards, to ensure that the ninth through twelfth grade financial literacy standards include costs associated with obtaining a postsecondary degree or credential, common methods for saving for retirement, managing credit card debt, and homeownership. Standards related to postsecondary education must include assessing ways to pay for higher education, the purpose of and ways to access federal and state financial aid applications, certain information on student loans, potential career earnings, and available programs to manage student debt.

Financial literacy curricula adopted by school districts must reflect the content identified in the standards. As part of the process of creating a student's individual career and academic plan, districts and charter schools must inform students and parents of the Colorado and federal applications for financial aid and provide assistance if requested.

In addition, the Colorado Department of Education (CDE) must include materials related to planning for postsecondary expenses, state and federal for financial aid applications, and the home buying process to the existing financial literacy resource bank.

Background

Based on the review cycle established in House Bill 20-1032, the financial literacy standards are set to be reviewed in the 2021-22 school year, with adoption of revisions by July 1, 2022. The bill's requirements for financial literacy standards will be included in that revision.

State Expenditures

In FY 2021-22 only, the bill increases state expenditures by \$6,330 in CDE. Costs from the General Fund, and are listed in Table 1 and discussed below.

Table 2
Expenditures Under HB 21-1200

	FY 2021-22	FY 2022-23
Department of Education		
Personal Services	\$4,888	-
Centrally Appropriated Costs ¹	\$1,442	-
Total Cost	\$6,330	-
Total FTE	0.1 FTE	-

¹ Centrally appropriated costs are not included in the bill's appropriation.

CDE. The department requires 0.1 FTE in FY 2021-22 to update the resource bank and provide support for school districts in implementing the requirements for individual career and academic plans. Costs are prorated for an October 1 start date and the General Fund paydate shift. In subsequent years, CDE will incur workload to support district implementation of the new financial literacy standards and maintain the new materials in the resource bank. The fiscal note assumes that this work will be accomplished within the course of CDE's current duties.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$1,442 in FY 2021-22.

School District

The bill increases school district workload to provide information and assistance related to state and federal financial aid applications. Additionally, school districts incorporate changes to state academic standards into their curricula after each regularly scheduled review; as a result, modifying curricula to include changes specified in the bill will occur as part of the routine process.

Effective Date

The bill was signed into law by the Governor on June 22, 2021 and takes effect on September 7, 2021, assuming no referendum petition is filed.

State Appropriations

In FY 2021-22, the bill requires and includes an appropriation of \$4,888 to the Colorado Department of Education, and 0.1 FTE.

State and Local Government Contacts

Education School Districts