



Legislative
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FINAL FISCAL NOTE

Drafting Number:	LLS 19-0204	Date:	July 30, 2019
Prime Sponsors:	Sen. Lundeen; Bridges Rep. McCluskie; Geitner	Bill Status:	Signed into Law
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Bill Topic: EXPANDING CONCURRENT ENROLLMENT OPPORTUNITIES

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> School District
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill makes changes to state law related to concurrent enrollment programs. The bill increases state expenditures, may impact tuition revenue, and increases school district revenue and expenditures on an ongoing basis.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$1.5 million to the Colorado Department of Education and \$105,000 to the Colorado Community College System.

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

**Table 1
State Fiscal Impacts Under SB 19-176**

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures	General Fund	\$149,916	\$114,032
	Marijuana Tax Cash Fund	\$1,500,000	\$1,500,000
	Centrally Appropriated	\$11,366	\$5,878
	Total	\$1,661,282	\$1,619,910
	Total FTE	0.8 FTE	0.4 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill makes changes to state law related to concurrent enrollment. The bill requires that concurrent enrollment be offered at no tuition cost to qualified students, and students who complete a concurrent enrollment course must receive credit that applies to high school graduation requirements and that applies to a postsecondary degree, certificate, or developmental education course, or is transferrable among state institutions of higher education.

The bill further clarifies that concurrent enrollment does not include simultaneous enrollment in a high school course and Advanced Placement course, International Baccalaureate course, or a postsecondary course that does not fall under the definition of concurrent enrollment. It also does not include simultaneous enrollment in a postsecondary course and an early college or p-tech school.

By July 1, 2020, the State Board of Education must adopt rules to specify the number of postsecondary credits in which a qualified student must be concurrently enrolled in order to be counted as a full-time pupil for the purposes of school finance. In addition, a student may concurrently enroll in a developmental education course, as long as the institution does not exceed their limitation on the number of students that can be enrolled in developmental education.

Local education providers. Beginning in FY 2020-21, local education providers (LEPs) that enroll high school students must offer concurrent enrollment, including enrollment in academic and career and technical courses. A superintendent or chief school administrator may not unreasonably deny a student's request for permission to concurrently enroll, and an LEP may not limit the number of postsecondary courses in which a student may enroll, unless the LEP is unable to provide access for reasons related to technological capacity.

A LEP that offers concurrent enrollment courses taught by school employees may contract with another LEP to allow students at the contracting school to participate in the courses. A school district that authorizes a charter school may not prohibit the charter school from allowing students to concurrently enroll. Charter schools must provide specified evidence of pupil's concurrent enrollment.

Concurrent enrollment website. By July 1, 2020, the Colorado Department of Education (CDE) and the Department of Higher Education (DHE), with input from the Concurrent Enrollment Advisory Board, must make available a website providing information on concurrent enrollment options and requirements. The bill specifies what must be included on the website.

Grant program. The bill creates the Concurrent Enrollment Expansion and Innovation Grant Program in CDE to provide grants to partnerships between LEPs and institutions of higher education that begin to offer or expand concurrent enrollment opportunities, beginning in with the 2019-20 school year. The program may be funded with Marijuana Tax Cash Fund or State Education Fund, and grants may be used to:

- assist teachers with the costs of obtaining a graduate degree that allows the teacher to teach a postsecondary course;
- cover the cost of books, supplies, fees, and transportation;
- purchase technology to share data and streamline the enrollment process; or
- provide services, support, and coordination resources for LEPs and institutions.

The bill specifies what must be included in a grant application and the criteria that must be considered in awarding grants. CDE must submit a program report that contains specified information to the General Assembly by February 1, 2021 and each year thereafter. The Department of Higher Education must coordinate with CDE to review applications, make award recommendations, and compile the report.

Additional changes. In addition, the bill:

- specifies that cooperative agreements between an institution and an LEP must align with the bill's requirements, and may allow for the sharing of student contact and academic information to facilitate the student's concurrent enrollment;
- adds a parent representative and a high school student representative to the Concurrent Enrollment Advisory Board;
- specifies certain information that an LEP must provide to students and parents; and
- requires that institutions notify the LEP of all course costs and the transferability of course credit.

Community college system. The bill requires that the Colorado Community College System (CCCS) manage and coordinate concurrent enrollment within the system, including eliminating administrative barriers, implementing efforts to increase participation, and sharing best practices. CCCS may enter into a fee-for-service contract with the Department of Higher Education for this purpose.

Background

Current law. Under current law, concurrent enrollment allows a qualified student to enroll in a course that simultaneously provides credit that satisfies high school graduation requirements and applies as postsecondary credit. Postsecondary courses may include academic and career and technical education courses, as well as apprenticeship or internship programs. LEPs and institutions of higher education enter into a cooperative agreement that includes the credit granted for course work, the tuition rate paid by the LEP, and the application of credit to basic skills or degree requirements, among other things.

Participation. In FY 2016-17, 28 state institutions of higher education had cooperative agreements in place with 174 school districts and 3 boards of cooperative educational services to provide concurrent enrollment. Based on the most recent data available, 41,857 students participated in programs allowing them to receive high school and postsecondary credit in FY 2016-17. Of these students, 69.8 percent participated in concurrent enrollment, 1.1 percent participated in the ASCENT program, and 29.1 percent participated in other dual enrollment programs.

State Revenue

Tuition revenue. Beginning in FY 2019-20, the bill may impact tuition revenue to institutions of higher education that provide concurrent enrollment courses. To the extent that students currently pay tuition, institutional revenue may decrease. To the extent that institutions negotiate new

cooperative agreements with school districts that result in additional revenue, tuition revenue may increase. In most cases, LEPs pay a negotiated tuition rate to institutions for concurrent enrollment courses. The specific amount of the impact has not been estimated and will vary among institutions. Tuition revenue is not currently subject to TABOR.

State Expenditures

The bill increases state expenditures by \$1.7 million and 0.8 FTE in FY 2019-20 and by \$1.6 million and 0.4 FTE in FY 2020-21. Of these amounts, \$1.5 million is from the Marijuana Tax Cash Fund, and the remainder is from the General Fund. In addition, the bill increases workload for DHE and costs for institutions of higher education.

**Table 2
 Expenditures Under SB 19-176**

Cost Components	FY 2019-20	FY 2020-21
Department of Education		
Personal Services	\$59,229	\$31,756
Operating Expenses and Capital Outlay Costs	\$4,988	\$380
Grants	\$1,480,699	\$1,476,896
Centrally Appropriated Costs*	\$11,366	\$5,878
FTE – Personal Services	0.8 FTE	0.4 FTE
CDE Subtotal	\$1,556,282	\$1,514,910
Colorado Community College System		
Salary Costs (1.0 FTE)	\$80,000	\$80,000
Benefit Costs (1.0 FTE)	\$25,000	\$25,000
CCCS Subtotal	\$105,000	\$105,000
Total	\$1,661,282	\$1,619,910

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

CDE - website development and district support. In FY 2019-20, CDE requires 0.5 FTE to support to LEPs as concurrent enrollment programs are modified, and for website development, including working with DHE, school districts, and other boards and organization to compile the required information. The costs in FY 2019-20 are prorated to reflect the General Fund paydate shift and a September, 2019, start date. Beginning in FY 2020-21, 0.1 FTE will be required to maintain the website and provide support to districts.

CDE - grants. Beginning in FY 2019-20, \$1.5 million will be available for the grant program. CDE requires 0.3 FTE to create and administer the program, leaving approximately \$1.48 million available for grants. Assuming grants of \$50,000 each, approximately 30 grants will be awarded. Actual grant amounts will be determined by CDE.

Community college system. The community college system office requires 1.0 FTE to coordinate concurrent enrollment within the system, streamline administration, and collaborate with system colleges on best practices. Salary and benefits are estimated at \$105,000, based on the salary and benefits for a current, temporary position with similar duties.

Department of Higher Education. The bill increases the workload for DHE to collaborate with CDE to build the concurrent enrollment website and review grant applications, and to coordinate with institutions to ensure that concurrent enrollment agreements meet the bill's requirements. No change in appropriations is required; however, depending on the size of the grant program in future years, additional resources may be required. Any additional resources will be requested through the annual budget process.

Institutions of higher education. The bill increases costs and workload for institutions of higher education to modify cooperative agreements with LEPs to ensure that concurrent enrollment courses are offered tuition free to students, develop grant applications with LEP partners, and to provide additional course information to LEPs. No change in appropriations is required. The specific impact on institutions will be updated as more information becomes available.

School finance. In future years, the bill may impact school finance funding. To the extent that rules adopted by CDE change the funded pupil count, funding for school finance will change. Any change will depend on rules adopted and is expected to be minimal.

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 \$11,366 in FY 2019-20 and \$5,878 in FY 2020-21.

School District

The bill increases costs for LEPs to provide concurrent enrollment opportunities, and modify existing concurrent enrollment agreements and notification procedures to align with the bill's requirements. Costs to provide concurrent enrollment may include hiring trained staff or providing training opportunities for current staff, contracting with an institution of higher education, or expanding technology to access concurrent enrollment opportunities. In FY 2016-17, four school districts and four BOCES did offer concurrent enrollment. In addition, the bill increases workload and revenue for LEPs who partner with institutions of higher education, and apply for and receive a grant through CDE in FY 2020-21 or subsequent years.

Effective Date

The bill was signed into law by the Governor on May 20, 2019, and takes effect August 2, 2019, assuming no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires and includes the following appropriations:

- \$44,916 and 0.5 FTE from the General Fund to the Colorado Department of Education;
- \$1,500,000 and 0.3 FTE from the Marijuana Tax Cash Fund to the Colorado Department of Education; and
- \$105,000 from the General Fund to Board for Community Colleges and Occupational Education.

State and Local Government Contacts

Education Higher Education