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FISCAL NOTE

Drafting Number: LLS 20-0409	Date: January 13, 2020
Prime Sponsors: Rep. McLachlan; Baisley	Bill Status: House Education
Sen. Zenzinger	Fiscal Analyst: Josh Abram 303-866-3561 Josh.Abram@state.co.us

Bill Topic: COLLEGE CREDIT FOR WORK EXPERIENCE

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 type="checkbox"/> Statutory Public Entity

The bill requires that the Guaranteed Transfer Council in the Department of Higher Education create, adopt, and implement a plan to award postsecondary credit for work-related experience and a statewide system for the guaranteed transfer of that credit between institutions of higher education. The bill increases ongoing state expenditures beginning in FY 2020-21.

Appropriation Summary: For FY 2020-21, the bill requires an appropriation of \$156,828 to the Department of Higher Education.

Fiscal Note Status: This fiscal note reflects the bill introduced bill. The bill is recommended by the Making Higher Education Attainable Interim Study Committee.

Table 1
State Fiscal Impacts Under HB 20-1002

	FY 2020-21	FY 2021-22
Revenue	-	-
Expenditures		
General Fund	\$156,828	\$98,744
Centrally Appropriated	\$13,376	\$14,699
Total	\$170,204	\$113,443
Total FTE	0.9 FTE	1.0 FTE
Transfers	-	-
TABOR Refund	-	-

Summary of Legislation

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. This bill requires that the Guaranteed Transfer Council (council) adopt and implement a plan for awarding credit for postsecondary education acquired through work-related experience.

The council must create and implement a plan to assess and align work-related experience and professional certifications or licenses with the knowledge and competencies required for awarding postsecondary academic credit with guaranteed transfer designation. The plan must also determine how postsecondary academic credit will transfer from career and technical education programs to public institutions of higher education. The council must prioritize those career and technical education programs associated with the fastest-growing industries identified in the Colorado talent pipeline, or identified in consultation with the Colorado Workforce Development Council in the Colorado Department of Labor and Employment.

In creating and adopting the plan, the council must confer with representatives of the Colorado Workforce Development Council as well as representatives from institutions of higher education, student organizations and from industries with high workforce demand. The plan must require that each institution of higher education evaluate, accept, and transfer academic credit awarded for work-related experience. During the 2022 regular legislative session, the Department of Higher Education (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 plan. The bill is repealed July 1, 2029.

State Expenditures

The bill increases state General Fund expenditures in the Department of Higher Education by \$170,204 and 0.9 FTE in FY 2020-21, and by \$111,443 and 1.0 FTE in FY 2021-22. New expenditures are displayed in Table 2 and described below.

Table 2
Expenditures Under HB 20-1002

	FY 2020-21	FY 2021-22
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	-
Centrally Appropriated Costs*	\$13,376	\$14,699
Total Cost	\$170,204	\$113,443
Total FTE	0.9 FTE	1.0 FTE

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

Department of Higher Education. The DHE requires new staff to coordinate the work of the council, industry partners, and the institutions of higher education to create, adopt, and implement a plan for determining work-related credit and a guaranteed credit transfer between schools. The DHE will also enter a one-time contract in FY 2020-21 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. Personal services costs in FY 2020-21 are prorated to reflect the General Fund pay date shift.

Institutions of higher education. Starting in FY 2023-24, institutions of higher education will have increased workload and costs to evaluate work-related credit requests and facilitate credit transfer between schools. Increased acceptance of work-related credit will correspondingly decrease tuition revenue for institutions. 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 DHE, and actual future usage of work-related credit by students.

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 \$13,376 in FY 2020-21 and \$14,699 in FY 2021-22.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, the bill requires a General Fund appropriation of \$156,828 to the Department of Higher Education and an allocation of 0.9 FTE.

State and Local Government Contacts

Higher Education