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FISCAL NOTE

Drafting Number:	LLS 20-0072	Date:	February 24, 2020
Prime Sponsors:	Rep. McCluskie; Will Sen. Donovan; Rankin	Bill Status:	House Education
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Bill Topic: EARLY COLLEGE PROGRAM AND P-TECH SCHOOL EXPANSION

Summary of Fiscal Impact:

<input 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 creates an advisory committee, expands a grant program, and makes other changes related to programs for high school students enrolling in postsecondary courses. The bill increases state and school district expenditures on an ongoing basis.

Appropriation Summary: For FY 2020-21, the bill requires an appropriation of \$1.4 million to the Colorado Department of Education.

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

**Table 1
State Fiscal Impacts Under HB 20-1240**

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	General Fund	\$1,365,998	\$1,351,076
	Centrally Appropriated	\$3,096	\$1,611
	Total	\$1,369,093	\$1,352,687
	Total FTE	0.2 FTE	0.1 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

Advisory group. The bill creates the Early College Policy Development Advisory Group in the Colorado Department of Education (CDE). The group is made up of at least 17 members, who serve without compensation, but may be reimbursed for expenses. The group must be appointed by July 1, 2020 and must meet four times between July and December 2020, and at least four times from May through December 2021. The advisory group must:

- coordinate with the Education Leadership Council;
- recommend comprehensive policies that enable all high schools to provide early college programs that are four, five, and six year programs;
- design a funding mechanism for early college and p-tech schools;
- design plans to phase out the ASCENT program by July 1, 2024, and to the extent practicable, transition participating high schools to early colleges; and
- recommend standards for early college programs in order to measure performance, with flexibility for the duration and size of the program.

The advisory group must prepare an interim report by December 1, 2020, and a final report by December 1, 2021. The bill also establishes a legislative advisory council to provide advice to the group and serve as liaisons with the General Assembly. The legislative advisory council is made up of four legislators, appointed by the Speaker and Minority Leader of the House of Representatives and the President and Minority Leader of the Senate.

Grant program expansion. The bill expands the Concurrent Enrollment Expansion and Innovation Grant Program to include grants to partnerships of local education providers and institutions of higher education to offset costs incurred offering early college programs and concurrent enrollment programs. Grants may be used for:

- reimbursing expenses to provide dual enrollment programs, including tuition, fees, books, and materials, and costs for providing an early college, p-tech, or summer concurrent enrollment program;
- expanding the availability of early college programs, p-tech schools, and work-based learning opportunities; and
- other uses related to providing opportunities for high school students to enroll in postsecondary courses, as specified by the State Board of Education and Colorado Commission on Higher Education.

In awarding the new grants, CDE must prioritize the partnerships with the greatest financial need. Beginning in FY 2020-21, the General Assembly must appropriate at least \$200,000 to distribute as grants for these purposes.

Early college funding. Current law allows school districts to include in their pupil enrollment count students who were enrolled in a school designated as an early college prior to June 6, 2018, and who enrolled in postsecondary courses in 2018-19 and 2019-20 school year after completing four years of high school. The bill extends this authority to include students who enroll in postsecondary courses for up to two consecutive years through FY 2021-22.

Financial aid. The bill authorizes the distribution of state financial assistance, including the College Opportunity Fund, to students who enroll in postsecondary courses while in high school.

Background

Early colleges. Students enrolled in an early college complete a high school diploma and either an associate's degree, other postsecondary credential or at least 60 sixty credits toward a postsecondary credential within four years. Early colleges receive per pupil funding through the K-12 school finance system, at the district's per pupil funding amount. A portion of the per pupil funding is used to pay a negotiated tuition rate to partnering institutions of higher education.

Senate Bill 18-225. SB18-225 specified that the curriculum provided by early colleges must be designed to be completed within four years and allowed school districts to receive per pupil funding for students who would be enrolled in a fifth or subsequent year at an early college in FY 2018-19 and FY 2019-20 only.

P-tech schools. A p-tech school is a public school created through a partnership between a school district, community college, and high growth industry employer. Schools serve students in grades 9 through 14, and enables students to graduate simultaneously with both a high school diploma and an associate degree.

ASCENT program. The ASCENT program is a fifth year high school program in which students remain enrolled in their local education provider and participate in concurrent enrollment in their fifth year. The local education provider receives program-specific per pupil funding to pay the student's tuition at the resident community college rate.

Concurrent enrollment expansion grant program. Senate Bill 19-176 created the Concurrent Enrollment Expansion and Innovation Grant Program in CDE to provide grants to partnerships between local education providers and institutions of higher education that begin to offer or expand concurrent enrollment opportunities. Grants may be used to purchase data sharing and enrollment technologies to streamline concurrent enrollment, assist teachers with obtaining further education to teach postsecondary courses, and provide services, support, and coordination resources. The grant program was appropriated \$1.5 million in FY 2019-20 from the Marijuana Tax Cash Fund.

Assumptions

The bill charges the advisory group with designing plans to phase out the ASCENT program, designing a funding mechanism for ptech and early colleges, and recommending policies that enable all high schools to provide four, five, or six-year early college programs, among other things. This fiscal note does not include any impacts related to the implementation of these potential future policy changes.

State Expenditures

The bill increases state expenditures in CDE by \$1.4 million in FY 2020-21 and FY 2021-22. Expenditures are listed in Table 2 and discussed below.

**Table 2
Expenditures Under HB 20-1240**

Cost Components	FY 2020-21	FY 2021-22
Department of Education		
Personal Services	\$15,277	\$8,333
Facilitator Costs	\$25,000	-
Advisory Group Travel & Reimbursement	\$10,625	\$6,375
Grants	\$200,000	\$200,000
State Aid for School Finance - Early Colleges	\$1,112,644	\$1,134,897
Centrally Appropriated Costs*	\$3,096	\$1,611
FTE – Personal Services	0.2 FTE	0.1 FTE
CDE Subtotal	\$1,366,642	\$1,351,216
Legislative Department		
Legislative Advisory Group Per Diem & Benefits	\$2,451	\$1,471
Legislative Department Subtotal	\$2,451	\$1,471
Total	\$1,369,093	\$1,352,687
Total FTE	0.2 FTE	0.1 FTE

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

Administration. CDE requires 0.2 FTE in FY 2020-21 and 0.1 FTE in FY 2021-22 to support the advisory group and compile the required reports; support the development of a plan to phase out the ASCENT program; and administer the additional expanded grant program. Personal services costs are prorated for the General Fund payday shift. CDE will also hire a facilitator for the advisory group, at a one-time cost of \$25,000.

Advisory group. CDE will incur costs to reimburse members for participation on the advisory group. Assuming 17 members and average reimbursement of \$125 per meeting, CDE requires total \$10,625 in FY 2020-21 for five meetings and \$6,375 in FY 2021-22 for three meetings. In addition, \$2,451 in FY 2020-21 and \$1,451 in FY 2021-22 in costs will be incurred for the legislative advisory members to receive per diem, benefits, and travel to the meetings, assuming that two legislative members will attend each meeting.

Grant program. The bill provides an additional \$200,000 for grants under the expanded concurrent enrollment expansion and innovation grant program.

Early college. The state currently provides per pupil revenue for students who enroll in a fifth or subsequent year at an eligible early college in FY 2018-19 and FY 2019-20. The bill extends this provision through FY 2021-22. The fiscal note estimates that state aid for school finance will increase by up to \$1,112,644 in FY 2020-21 and \$1,134,897 in FY 2021-22. This estimate is based on current enrollment at eligible early colleges and per pupil revenue for impacted districts, and the most recent data available on the percentage of students who remain at an eligible school for a fifth or subsequent year. State aid for school finance is paid from the General Fund, State Education Fund, and State Public School Fund.

Financial aid. The fiscal note assumes that the bill does not change the amount appropriated for state financial aid, but may impact how aid is awarded. State financial aid is distributed by individual institutions of higher education; as a result, decisions to award financial aid to students in concurrent enrollment are up to the institutions.

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 \$3,096 in FY 2020-21 and \$1,611 in FY 2021-22.

School District

The bill impacts school districts who have representatives serving on the advisory committee, and increases workload and revenue to school districts who apply for the expanded grant program in partnership with an institutions of higher education. In addition, in FY 2020-21 and FY 2021-22, the bill increases revenue to school districts with an early college designated as such prior to June 6, 2018, and who enroll in postsecondary courses in their fifth or subsequent year at an early college. The fiscal note estimates that state aid for school finance will increase by up to \$1.1 million in FY 2020-21 and FY 2021-22. The districts with impacted early colleges include Denver, Eagle, Colorado Springs, Lake, and Greeley, as well as the State Charter School Institute.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2020-21, the bill requires the following General Fund appropriations:

- \$2,451 to the General Assembly in the Legislative Department; and
- \$1,363,547 to Colorado Department of Education, of which \$1,112,644 is for the state share of school finance.

State and Local Government Contacts

Education Governor Higher Education School Districts