



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number: LLS 20-0072 **Date:** July 16, 2020
Prime Sponsors: Rep. McCluskie; Will **Bill Status:** Deemed Lost
 Sen. Donovan; Rankin **Fiscal Analyst:** Anna Gerstle | 303-866-4375
 Anna.Gerstle@state.co.us

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 would have created a task force, expanded a grant program, and made other changes related to programs for high school students enrolling in postsecondary courses. The bill would have increased state and school district expenditures on an ongoing basis.

Appropriation Summary: For FY 2020-21, the bill would have required appropriations totaling \$352,354 to the Colorado Department of Education and the General Assembly.

Fiscal Note Status: This fiscal note reflects the introduced bill, as amended by the House Education Committee. The bill was not enacted into law; therefore, the impacts identified in this fiscal note do not take effect.

Table 1
State Fiscal Impacts Under HB 20-1240

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	General Fund	\$352,354	\$315,579
	Centrally Appropriated	\$3,096	\$1,611
	Total	\$355,450	\$317,190
	Total FTE	0.2 FTE	0.1 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

Early college task force. No later than July 1, 2020, the bill requires that the Commissioner of Education convene the Early College Policy Development Task Force, consisting of representatives from the Colorado Department of Education (CDE), the Department of Higher Education (DHE), the Education Leadership Council (ELC), school district administrators, and teachers. Members serve without compensation but may be reimbursed for expenses. The task force must meet four times between July and December 2020, and at least four times from May through December 2021. In coordination with the ELC, the task force is required to:

- recommend policies enabling all high schools to provide four-, five-, and six-year early college programs;
- design a funding mechanism for early college and p-tech schools;
- recommend standards for measuring performance of early college programs;
- solicit input from stakeholders; and
- prepare an interim report by December 1, 2020, and a final report by December 1, 2021.

The bill also establishes a four-member legislative advisory council to support the early colleges task force and serve as liaisons with the General Assembly. The task force and advisory council are repealed January 1, 2022.

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, or those early colleges that were designated as such on or before June 8, 2018 and subject to SBE review. Beginning in FY 2020-21, the bill requires that the General Assembly appropriate at least \$300,000 to distribute as grants for these purposes.

Early college funding. In FY 2020-21 and through January 1, 2022, local education providers (LEPs) may only enroll a student in a fifth year of an early college program if the LEP, in conjunction with an institution of higher education, receives sufficient funding from private donations or state financial aid to pay tuition and associated costs. During this same period, LEPs may not include fifth year students in an early college program in their annual pupil count for school finance. This funding requirement for early colleges does not apply to students participating in ASCENT or in P-Tech school.

Financial aid. The bill authorizes the distribution of state financial assistance, including payments from the College Opportunity Fund, to students who enroll in postsecondary courses while in high school. Institutions that intend to award financial aid to those students must submit an affirmation of intent to DHE that states that financial aid will only be awarded to students who are eligible for free and reduced price lunch, or who are eligible based on the student's federal student aid application.

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.

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.

State Expenditures

The bill increases state expenditures in CDE by \$355,450 and 0.2 FTE in FY 2020-21, and by \$317,190 and 0.1 FTE in 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	-
Task Force Travel, Reimbursement, and Meeting Costs	\$9,625	\$5,775
Grants	\$300,000	\$300,000
Centrally Appropriated Costs*	\$3,096	\$1,611
FTE – Personal Services	0.2 FTE	0.1 FTE
CDE Subtotal	\$352,998	\$315,719
Legislative Department		
Legislative Advisory Group Per Diem & Benefits	\$2,452	\$1,471
Legislative Department Subtotal	\$2,452	\$1,471
Total	\$355,450	\$317,190
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 task force and compile the required reports; support the development of the plans specified in the bill; and administer the additional expanded grant program. Personal services costs are prorated for the General Fund paydate shift. CDE will also hire a facilitator for the advisory group, at a one-time cost of \$25,000. This estimate does not include the costs of implementing the policies that the task force is required to design or recommend.

Task force. CDE will incur costs to reimburse members for participation on the advisory group. Assuming 11 members and average reimbursement of \$125 per meeting, CDE requires total \$9,625 in FY 2020-21 for five meetings and \$5,775 in FY 2021-22 for three meetings. These costs also include meeting costs and substitute teachers for the teachers serving on the task force. In addition, \$2,452 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.

The bill also increases the workload for a representative from DHE to serve on the task force. That workload can be accomplished within current appropriations.

Grant program. The bill provides an additional \$300,000 for grants under the expanded concurrent enrollment expansion and innovation grant program.

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 task force, and increases workload and revenue to school districts who apply for the expanded grant program in partnership with an institutions of higher education. To the extent school districts receive gifts, grants, or donations for the cost of fifth year students, revenue will increase for those districts.

Effective Date

The bill was deemed lost on June 16, 2020.

State Appropriations

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

- \$2,452 to the General Assembly in the Legislative Department; and
- \$349,902 to Colorado Department of Education, and 0.2 FTE.

State and Local Government Contacts

Education	Governor
Higher Education	School Districts