



Legislative  
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**FISCAL NOTE**

<b>Drafting Number:</b> LLS 20-0373	<b>Date:</b> February 5, 2020
<b>Prime Sponsors:</b> Sen. Foote; Holbert	<b>Bill Status:</b> Senate Education
Rep. Mullica; Soper	<b>Fiscal Analyst:</b> Anna Gerstle   303-866-4375 Anna.Gerstle@state.co.us

**Bill Topic:** REIMBURSEMENT TO P-TECH SCHOOLS FOR COLLEGE COSTS

**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 Districts
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill provides reimbursement to p-tech schools for college tuition, fees, books, and materials. The bill increases state expenditures on an ongoing basis.

**Appropriation Summary:** For FY 2020-21, the bill requires an appropriation of \$2.0 million to the Colorado Department of Education.

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

**Table 1**  
**State Fiscal Impacts Under SB 20-131**

		FY 2020-21	FY 2021-22
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$2,000,000	\$2,000,000
	Centrally Appropriated	\$4,106	\$4,617
	<b>Total</b>	<b>\$2,004,106</b>	<b>\$2,004,617</b>
	<b>Total FTE</b>	<b>0.3 FTE</b>	<b>0.3 FTE</b>
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## Summary of Legislation

Beginning in FY 2020-21, a local education provider (LEP) that operates a Pathways in Technology Early College High School (p-tech) may apply to the Colorado Department of Education (CDE) for reimbursement of the amount the LEP pays for tuition, fees, and materials for college courses successfully completed by students. The reimbursement amount is the average of the in-state tuition cost per credit hour at local district colleges or in the community college system, whichever provided the course. The State Board of Education must promulgate rules to implement the reimbursements.

Beginning in FY 2020-21, the bill requires the General Assembly to appropriate at least \$2.0 million for reimbursements. If that amount is insufficient to cover reimbursement requests, CDE may submit a supplemental budget request for the remaining amount. If the supplemental request is not approved, CDE must reduce the reimbursement amounts.

As part of the budget process for FY 2021-22, CDE must submit to the Joint Budget Committee an estimate of expected reimbursement amounts for FY 2020-21 and FY 2021-22. For the FY 2022-23 budget year, CDE must submit the actual amount reimbursed and an estimate of reimbursements for the current and subsequent years.

## Background

A p-tech school is a public school that is created through a partnership between a school district, community college, and high growth industry employers. Schools serve students in grades 9 through 14, and are designed to prepare students for careers in science, technology, engineering, and math. A p-tech school enables students to graduate simultaneously with both a high school diploma and an associate degree. There are currently 7 p-tech schools serving 507 students in Colorado.

## State Expenditures

The bill increases state General Fund expenditures in CDE by \$2.0 million per year, beginning in FY 2020-21. Expenditures are listed in Table 2 and discussed below.

**Table 2**  
**Expenditures Under SB 20-131**

	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Department of Education</b>		
Personal Services	\$16,974	\$22,630
Amount Available for Reimbursement	\$1,983,026	\$1,977,370
Centrally Appropriated Costs*	\$4,106	\$4,617
<b>Total Cost</b>	<b>\$2,004,106</b>	<b>\$2,004,617</b>
<b>Total FTE</b>	<b>0.3 FTE</b>	<b>0.3 FTE</b>

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

**CDE.** CDE requires 0.3 FTE to administer reimbursements, split between the Grants Fiscal Division and Office of Postsecondary Workforce Readiness. The Grants Fiscal division processes payments and tracks reimbursement amounts, and the workforce readiness office will develop data collection processes, provide assistance to and work with LEPs on data submission, and compile data for the Joint Budget Committee, including possible supplemental requests. The fiscal note assumes that one reimbursement per year will be required, and that administrative costs will come out of the amount appropriated for the program. Personal costs are prorated for the General Fund paydate shift and a September start date.

**Reimbursement.** After administrative expenses, about \$1.98 million will be available each year for reimbursement to p-tech schools. The cost of tuition, fees, books, and materials incurred by p-tech schools is not known; actual reimbursements to p-tech schools will be determined by CDE. For informational purposes, the resident cost per credit hour was about \$149 for community college courses and \$72 for local district colleges in FY 2018-19.

**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 \$4,106 in FY 2020-21 and \$4,617 in FY 2021-22.

### **School District**

The bill increases revenue to school districts that operate a p-tech school and apply for reimbursement beginning in FY 2020-21. Districts operating a p-tech school include Canon City, Adams 12, St. Vrain, Falcon, Douglas County, and Mesa Valley. Reimbursement will depend on the costs incurred for courses that students successfully complete.

### **Technical Note**

The bill allows LEPs to apply for reimbursement at the end of the each semester, and states that State Board of Education rules must allow LEPs to apply at the end of the school year. The fiscal note assumes that CDE will reimburse LEPs once per year.

### **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 \$2,000,000 to the Colorado Department of Education, and 0.3 FTE.

**State and Local Government Contacts**

Education

Law

School Districts