



## Legislative Council Staff

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# Fiscal Note

<b>Drafting Number:</b>	LLS 21-0568	<b>Date:</b>	March 17, 2021
<b>Prime Sponsors:</b>	Rep. Snyder; Bradfield Sen. Lee	<b>Bill Status:</b>	House Education
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**Bill Topic:** SCHOOL DISTRICT SCHOLARSHIP PROGRAMS

<b>Summary of Fiscal Impact:</b>	<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 checked="" type="checkbox"/> School District

The bill allows school districts to establish scholarship programs for its graduates. The bill increases state expenditures and workload, and workload and costs for districts that choose to implement a program.

**Appropriation Summary:** In FY 2021-22, the bill requires an appropriation of \$25,826 to the Colorado Department of Education.

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

**Table 1  
State Fiscal Impacts Under HB 21-1112**

		Budget Year FY 2021-22	Out Year FY 2022-23
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$25,826	\$6,355
	Centrally Appropriated	\$1,527	\$1,575
	<b>Total Expenditures</b>	<b>\$27,354</b>	<b>\$7,931</b>
	<b>Total FTE</b>	<b>0.1 FTE</b>	<b>0.1 FTE</b>
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## Summary of Legislation

The bill allows school districts to establish scholarship programs for students who receive a high school diploma or high school equivalency exam to pursue postsecondary credential. The scholarships must be funded from mill levy override revenue, and/or from gifts, grants, and donations.

The bill encourages districts to prioritize students who are eligible for free or reduced price meals and whose parents do not have a postsecondary credential, to limit the tuition rate to the average rate charged by community colleges in the area, and to limit the use of scholarship money to tuition, books, supplies, and transportation.

A school district that implements a scholarship program must submit certain information to the Colorado Department of Education (CDE) each year. CDE must compile and submit the information to the State Board of Education and the General Assembly.

## State Expenditures

The bill increases expenditures in CDE by \$27,354 and 0.1 FTE in FY 2021-22 and \$7,931 and 0.1 FTE in FY 2022-23 to modify the year-end data collection that districts submit to CDE.

**Table 2**  
**Expenditures Under HB 21-1112**

	FY 2021-22	FY 2022-23
<b>Department of Education</b>		
Personal Services	\$5,826	\$6,355
Computer Programming	\$20,000	-
Centrally Appropriated Costs <sup>1</sup>	\$1,527	\$1,575
<b>Total Cost</b>	<b>\$27,354</b>	<b>\$7,931</b>
<b>Total FTE</b>	<b>0.1 FTE</b>	<b>0.1 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Colorado Department of Education.** CDE must modify the data management system that allows districts to report data to the state. To add additional data fields to the year-end data collection, CDE requires 160 hours of computer programming in FY 2021-22 only at a rate of \$125 per hour. In addition, 0.1 FTE is required to develop the reporting, coordinate with districts, and synthesize data into the required report. The fiscal note assumes that no more than 10 districts will administer scholarship programs initially; however, if more districts decide to administer scholarship programs, workload may increase.

**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 \$1,527 in FY 2021-22 and \$1,575 in FY 2022-23.

## School District

For any school district that chooses to create a scholarship program, costs and workload will increase to administer the program and submit the required information to CDE. Scholarships must be funded by mill levy override revenue or gifts, grants, and donations to the district.

## Effective Date

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

## State Appropriations

In FY 2021-22, the bill requires a General Fund appropriation of \$25,826 to the Colorado Department of Education, and 0.1 FTE.

## State and Local Government Contacts

Education                      School Districts