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Fiscal Note

Drafting Number: LLS 23-0399
Prime Sponsors: Rep. Soper, Sen. Rich

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Bill Status: House Education
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Bill Topic: INDIVIDUALIZED LEARNING SCHOOLS & PROGRAMS

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, School District, Statutory Public Entity

The bill allows a public school to offer an individualized learning program or become an individualized learning school and establishes requirements for individualized learning. The bill increases state expenditures in FY 2023-24 only, and school district workload on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$43,700 to the Colorado Department of Education.

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

Table 1
State Fiscal Impacts Under HB 23-1188

Table with 3 columns: Category, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund), Transfers, and Other Budget Impacts (General Fund Reserve).

## Summary of Legislation

The bill allows a public school to offer an individualized learning program or become an individualized learning school. An individualized learning program or school is course work that is provided independently from a regular classroom setting, must offer in-person direct instruction, and is supervised, monitored, and evaluated by a teacher employed by the school.

**Individualized learning entities.** Individualized learning programs and schools (entities) are subject to the state assessment and accountability requirements, and are not considered online programs as defined elsewhere in state law. Individualized learning entities must:

- develop a written learning plan for each student that includes information on the student's courses, instructional materials, and time spent on courses and working with other students, a teacher, and a student mentor;
- evaluate the student's progress monthly and develop an intervention plan if the student is not making satisfactory progress;
- require a student to attend in-person instruction if the student does not make satisfactory progress;
- be open to any student within a reasonable distance to the student's residence, including students with disabilities;

The bill also includes requirements for the following:

- new and existing charter school to offer individualized learning with approval from their authorizer;
- in-person instruction and oversight of a student's work by a teacher;
- a chief academic officer to oversee any contracted entities and teacher evaluation;
- required information provided to parents on the nature of individualized learning; and
- students transferring into and out of an individualized learning entity.

A school or charter school authorizer must notify the Colorado Department of Education (CDE) and provide certain information when an individualized learning program or school is opened.

**Funding.** The bill requires that CDE count and audit individualized learning entities for the purposes of student enrollment, documenting the hours required and countable towards a sufficient schedule for full-time or part-time enrollment. For FY 2023-24 and FY 2024-25, individualized learning entities are funded for students who were already enrolled in individualized learning programs, were enrolled in a public school, or are enrolling for the first time as a kindergartner or new student to Colorado. Beginning in FY 2025-26, students in individualized learning entities are funded through the school finance formula in the same way they would be as an in-person student.

## State Expenditures

The bill increases state expenditures in CDE by \$43,700 in FY 2023-24 only to update data systems to allow for a school district or charter school to submit enrollment data for students enrolled in an individualized learning program or school. The work requires approximately 400 hours at a rate of \$125 per hour. Expenditures are paid from the General Fund. CDE will also have increased workload

to update school finance rules and that school count audit guide; the fiscal note assumes this workload can be accomplished within current appropriations.

**School finance.** To the extent students currently in home-based education or private schools enroll in individualized learning programs or schools, the bill increases the state share of school finance to fund those students through the school finance formula beginning in FY 2025-26. Private school students are not currently counted in the formula, and students in home-based education are counted as 0.5 student FTE if they participate in home-school enrichment programs offered by a school or district. The impact will depend on the number and type of students, and the districts that operate individualized learning programs.

## Other Budget Impacts

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

## School District

The bill increases workload and potentially costs for school districts that choose to start an individualized learning program or school, or who are the authorizer for a charter school pursuing individualized learning. The impacts will vary by school district, as some may already operate programs similar to individualized learning programs, and some may choose not to pursue this option.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

For FY 2023-24, the bill requires a General Fund appropriation of \$43,700 to the Colorado Department of Education.

## State and Local Government Contacts

Education

Law

School Districts

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: [leg.colorado.gov/fiscalnotes](http://leg.colorado.gov/fiscalnotes).