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Fiscal Note

Drafting Number: LLS 24-0529 Date: March 6, 2024
Prime Sponsors: Rep. Bradfield; Kipp Bill Status: House Education
Sen. Zenzinger Fiscal Analyst: Anna Gerstle | 303-866-4375
anna.gerstle@coleg.gov

Bill Topic: STUDENT EDUCATOR STIPEND PROGRAM

Summary of Fiscal Impact:
State Revenue [] State Transfer [] Local Government []
State Expenditure [x] TABOR Refund [] Statutory Public Entity []

The bill requires the General Assembly to appropriate money from the State Education Fund for the Student Educator Stipend Program. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$12.0 million to the Department of Higher Education.

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

Table 1
State Fiscal Impacts Under HB 24-1290

Table with 4 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26, and Total FTE. Rows include Revenue, Expenditures (State Education Fund, Centrally Appropriated, Total Expenditures), Transfers, and Other Budget Impacts.

Summary of Legislation

The bill specifies that, subject to available funds, the General Assembly must appropriate money from the State Education Fund to the Colorado Department of Higher Education (CDHE) for the Student Educator Stipend Program.

Background

The Student Educator Stipend Program was created in [House Bill 22-1220](#) to award stipends to eligible students while placed as a student teacher. Student teachers may receive \$11,000 for a 16-week program or \$22,000 for a 32-week program, adjusted by inflation. The program received a \$39 million appropriation from the Economic Recovery and Relief Cash Fund, to be spent in FY 2022-23, FY 2023-24, and through December 30, 2024.

In FY 2022-23, 831 stipends were awarded, totaling \$11.1 million. In FY 2023-24, preliminary estimates are that 1,323 students will receive stipends, totaling \$21.3 million. Approximately \$6.0 million is expected to be spent by December 30, 2024.

State Expenditures

Funding for the student educator stipend program is provided at the discretion of the General Assembly. The fiscal note assumes that the bill increases state expenditures by \$12.0 million annually, beginning in FY 2024-25 and paid from the State Education Fund. Costs are listed in Table 2 and discussed below.

Table 2
Expenditures Under HB 24-1290

	FY 2024-25	FY 2025-26
Department of Higher Education		
Personal Services	\$93,702	\$187,404
Operating Expenses	\$1,280	\$2,560
Capital Outlay Costs	\$6,670	-
Student Educator Stipends	\$11,448,348	\$11,360,036
Institution Administrative Costs	\$450,000	\$450,000
Centrally Appropriated Costs ¹	\$17,694	\$35,388
Total Cost	\$12,017,694	\$12,035,388
Total FTE	1.0 FTE	2.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Colorado Department of Higher Education. The bill requires funding for student educator stipends, as well as for institution and CDHE administrative costs, to implement the program.

- **Assumptions.** The program will be scaled to the level of funding provided by the General Assembly. The fiscal note assumes \$12.0 million per year for the program. In FY 2024-25, this represents a similar funding level as the FY 2023-24 program, when combined with the existing federal funding for the program that is available through December 30, 2024. In FY 2025-26, this amount reflects a program about half the size of the fully implemented FY 2023-24 program. For informational purposes, if the program were to be funded at its current level, costs would be about \$24.7 million per year, including both administrative costs and stipends.
- **Staff.** CDHE requires 2.0 FTE to administer the program, based on the continuation of the current workload to implement the existing program. Staff includes a program manager and accountant. First year staffing costs are prorated for a January 2025 start date, as the program is funded through December under current law. Standard capital outlay and operating expenses are included.
- **Stipends.** After administrative expenses, the fiscal note assumes that \$11.4 million beginning in FY 2024-25 is required to provide stipends. This estimate assumes about 660 participants per year, split between the two stipend levels, and that the stipend amounts will increase by inflation annually. The actual number of stipends will depend on how many applicants receive a 32-week stipend and how many receive a 16-week stipend. For FY 2024-25, stipend amounts are estimated at \$25,042 for the 32-week program and \$12,521 for the 16-week program.
- **Institutions of higher education.** The stipend program requires that CDHE distribute funds to institutions to cover the costs of implementation. Under the current program, costs are estimated at \$900,000 per year. The fiscal note assumes half that amount, \$450,000, is required in each year beginning in FY 2024-25.
- **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 shown in Table 2.

Effective Date

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

State Appropriations

For FY 2024-25, the bill requires an appropriation of \$12.0 million from State Education Fund to the Department of Higher Education, and 1.0 FTE.

State and Local Government Contacts

Education

Higher Education

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 the [General Assembly website](#).