



**Colorado  
Legislative  
Council  
Staff**

**HB16-1222**

**FINAL  
FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 16-0947 **Date:** August 9, 2016  
**Prime Sponsor(s):** Rep. Rankin; Tyler **Bill Status:** Signed into Law  
 Sen. Todd; Hill **Fiscal Analyst:** Josh Abram (303-866-3561)

**BILL TOPIC:** SUPPLEMENTAL ONLINE EDUCATION & BLENDED LEARNING RESOURCES

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
<b>State Revenue</b>		
<b>State Expenditures</b>	<b><u>\$480,000</u></b>	<b><u>\$480,000</u></b>
General Fund		
State Public School Fund	\$480,000	\$480,000
<b>Appropriation Required:</b> \$480,000 - Colorado Department of Education (FY 2016-17)		
<b>Future Year Impacts:</b> Ongoing expenditure impact.		

**Summary of Legislation**

Under current law, the state designates a Board of Cooperative Educational Services (BOCES) to contract with one or more nonprofit providers of supplemental online education resources, who in turn provide those services to schools and districts. This bill creates the Supplemental Online and Blended Learning Program and requires that the Colorado Department of Education (CDE) designate a BOCES to design and articulate a statewide plan for supplemental online and blended learning, and to lead, manage, and administer that statewide program. The bill identifies some minimum goals for the program, and authorizes funding from the State Education Fund, in addition to any other funding source the General Assembly may choose.

The administering BOCES is required to ensure that all schools in the state have access to supplemental online and blended learning resources, professional development for teachers, and consulting assistance. The BOCES is also required to actively market the program, and may enter into an agreement with the Statewide Internet Portal Authority (SIPPA) to provide a platform for accessing services.

Under current law, the designated BOCES issues a request for proposals to select nonprofit providers for supplemental online education. Proposals are reviewed by a committee convened by the BOCES to help select and award contracts. This bill modifies the composition of that review committee. Finally, the bill authorizes the designated BOCES to use up to ten percent of the annual appropriation for administrative expenses and to design and lead a statewide program to promote supplemental online learning.

## Background

Supplemental online programs offer one or more computer-based courses to K-12 students to augment an educational program provided by a school district, charter school, or BOCES. Supplemental online programs are not a full-time "cyberschool." Rather, these programs add to, or supplement, the course offerings of a local school.

Under current law, the Mountain BOCES has the exclusive authority to contract with a supplemental online education provider, track performance, and report to the General Assembly. The principal vendor providing supplemental online programs is Colorado Digital Learning Solutions (CDLS). CDLS charges schools and districts \$200 per course, which helps cover the cost to provide licensed teachers to deliver the digital curricula. CDLS also partners with Colorado Digital BOCES and eLearn Collaborative to provide professional development and training for educators.

For the past several fiscal years, the General Assembly has annually appropriated \$480,000 of federal mineral lease (FML) revenue to support supplemental online education. At current funding levels, CDLS provides the physical and digital infrastructure necessary to purchase or lease access to about 200 online courses. The program enrolls between 300 and 500 students per semester. Additionally, schools may purchase other professional development, training, coaching, and consulting services, which are partially subsidized by the state's appropriation for the program.

## State Expenditures

***Beginning with FY 2016-17, this bill increases state expenditures by at least \$100,000 and up to \$480,000.*** The bill requires that the designated BOCES design, implement, and manage a statewide supplemental online and blended learning program. The administering BOCES is required to:

- expand the availability of online courses;
- increase the number of students who enroll;
- work with districts to create online and blended learning options;
- increase the capacity of educators to deliver high quality online learning;
- market the program; and
- document and share best practices.

A full time coordinator is required at the designated BOCES to implement these requirements at a salary and benefits cost of about \$94,850. The BOCES will also need funds for administrative overhead and travel totaling \$5,150, for a combined minimum annual cost of \$100,000.

The bill also state's an intention to increase the state's financial investment in supplemental online education courses and blended learning support for public schools, districts, and BOCES; however, no specific amount is identified. The General Assembly can choose to increase the appropriation by any amount over the required \$100,000 described above.

If the General Assembly were to double the historical appropriation by placing \$480,000 in this bill, the program will increase both the quantity of courses offered, and the number of students who may access these courses. Increased funding will also reduce the local cost to purchase supplemental online courses and staff development services. For example, CDLS estimates that an additional appropriation of \$480,000 would pay for a program coordinator position, and reduce the current per course per semester cost to schools from \$200 to \$100. This level of additional funding would also be expected to reduce the local expense of purchasing professional development and consulting services.

## **School District Impact**

The bill potentially increases both the number of available supplemental online courses, and the number of K-12 students that will be able to access online and blended learning options. Schools and districts will be able to contract for supplemental online services, access professional development, and receive continuing assistance at a lower cost than is currently available.

Under current law, school districts and Boards of Cooperative Educational Services (BOCES) may submit a separate estimate of fiscal impacts within seven days of a bill's introduction. Estimates submitted by districts or BOCES for this bill can be found on the Legislative Council website at this address: <http://1.usa.gov/23AxLIT>

## **Effective Date**

The bill was signed into law by the Governor and took effect on June 10, 2016.

## **State Appropriations**

Consistent with this final fiscal note, for FY 2016-17 the bill appropriates \$480,000 from the State Public School Fund to the Colorado Department of Education.

## **State and Local Government Contacts**

Education

## **Research Note Available**

An LCS Research Note for HB16-1222 is available online and through the iLegislate app. Research notes provide additional policy and background information about the bill and summarize action taken by the General Assembly concerning the bill.