



**Legislative  
Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**FISCAL NOTE**

**Drafting Number:** LLS 18-0464      **Date:** February 8, 2018  
**Prime Sponsors:** Rep. Wilson; McLachlan      **Bill Status:** House Education  
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**Bill Topic:** EXTEND ADVANCED PLACEMENT INCENTIVES PROGRAM

**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill extends the Advanced Placement Incentives Pilot Program for three years beginning with FY 2018-19. The bill increases state expenditures in the Colorado Department of Education through FY 2020-21.

**Appropriation Summary:** For FY 2018-19, the bill requires an appropriation of \$260,937 to the Colorado Department of Education.

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

**Table 1  
State Fiscal Impacts Under HB 18-1193**

		<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	State Education Fund	\$260,937	\$260,937
	Centrally Appropriated	\$4,445	\$4,445
	<b>Total</b>	\$265,382	\$265,382
	<b>Total FTE</b>	0.3 FTE	0.3 FTE
<b>Transfers</b>		-	-

## Summary of Legislation

House Bill 14-1118 created the Advanced Placement Incentives Pilot Program in the Colorado Department of Education (CDE) to provide supplemental funding to rural school districts or rural schools that offer advanced placement (AP) courses, especially among low income student populations. Under current law, the program repeals July 1, 2018. This bill extends the pilot program for three years, until July 1, 2021.

The bill requires that the CDE report the number of students in the pilot program who enrolled in AP courses during the prior school year, and collect disaggregated data from the AP exam vendor on the number of students in the pilot program who took end-of-course AP exams in each participating school district, by course. The CDE must also report the number of students in the pilot program who scored three or above on end-of-course AP exams in each participating school district, by course.

## Background

Advanced placement courses offer college-level experience to high school students, usually in grades 10 through 12. Most institutions of higher education consider completed AP credits and national AP exam scores when making admission decisions or awarding college credit. Based on information from College Board, approximately 22 percent of AP students obtain a "3" or higher (out of 5) on the national AP exam. Typically, a score of "3" or higher is considered by institutions of higher education as indicative of a student's advanced academic ability.

The existing pilot program operates with 0.3 FTE and distributes 475 annual awards of \$500 each. The total award distribution is capped at \$237,500.

## State Expenditures

Under current law, the pilot program repeals July 1, 2018 and all expenditures for the program are eliminated. Extending the pilot program for three years increases state expenditures by \$265,382 and 0.3 FTE in both FY 2018-19 and FY 2019-20. These costs represent a continuation of the program's current resources. New expenditures are displayed in Table 2 and discussed below.

**Table 2  
Expenditures Under HB 18-1193**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Colorado Department of Education</b>		
Personal Services	\$23,437	\$23,437
Operating Expenses and Capital Outlay Costs	-	-
AP Incentive Awards	\$237,500	\$237,500
Centrally Appropriated Costs*	\$4,445	\$4,445
FTE – Personal Services	0.3 FTE	0.3 FTE
<b>Total Cost</b>	<b>\$265,382</b>	<b>\$265,382</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.

**Personal Services.** For FY 2018-19 and FY 2019-20, the department will have increased expenses to manage the program and application process, review criteria for evaluating eligibility, allocate incentive awards to schools and districts, track payments, collect and report specified performance data, and ensure accountability. Additionally, the department will expend resources in human resources, accounting, budgeting, and management in support of the extended program.

**AP incentive awards.** AP incentive awards comprise the largest cost component of the bill. The program limits participation to the first 475 students and awards \$500 to rural school districts for each student who completes an AP course and takes the end of year AP exam. Therefore, the total cost for incentive awards is limited to \$237,500 (475 students X \$500 = \$237,500).

**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 \$4,445 in both FY 2018-19 and FY 2019-20.

### **School District Impact**

Rural school districts will receive supplemental funding from the program to improve and enhance AP programs, to offset costs to administer a pre-collegiate entrance exam, and to increase AP program availability.

For schools or districts that do not currently offer AP, creating these programs will increase costs. For example, to add an online AP course, districts must purchase the course from an online vendor, provide professional development for existing staff, and pay salary and benefits for academic counseling and on-site mentors, among other expenses. This cost is estimated to be, at minimum, \$1,200 per student (assuming \$300 per online course and \$900 in onsite staff and administrative costs per student).

**Effective Date**

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

**State Appropriations**

For FY 2018-19, the bill requires an appropriation of \$260,937 from the State Education Fund to the Colorado Department of Education, and 0.3 FTE.

**State and Local Government Contacts**

Education

School Districts