



Legislative
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**REVISED
FISCAL NOTE**

(replaces fiscal note dated February 26, 2018)

Drafting Number:	LLS 18-0679	Date:	April 26, 2018
Prime Sponsors:	Rep. Everett Sen. Smallwood	Bill Status:	House Appropriations
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Bill Topic: HIGHER ED REVIEW DEGREE PROGRAM COSTS & OUTCOMES

Summary of Fiscal Impact:

<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 type="checkbox"/> Statutory Public Entity

The bill requires the Department of Higher Education to prepare a return on investment report for all undergraduate degree and certificate programs. The bill increases state expenditures beginning in FY 2018-19 on an ongoing basis.

Appropriation Summary: The bill requires an appropriation of \$74,153 to the Department of Higher Education.

Fiscal Note Status: This fiscal note reflects the bill, as amended by the House Education Committee.

**Table 1
State Fiscal Impacts Under HB 18-1226**

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	General Fund	\$74,153	\$34,250
	Centrally Appropriated	\$10,498	\$5,249
	Total	\$84,651	\$39,974
	Total FTE	1.0 FTE	0.5 FTE
Transfers		-	-
TABOR Refund	General Fund	-	-

Summary of Legislation

The bill requires that the Department of Higher Education prepare a return on investment report of undergraduate degree and certificate programs offered by state institutions of higher education. At a minimum, the report must include the following information for each program:

- the number of students enrolled and degrees awarded annually;
- the average time to complete the program;
- the average number of credits earned by students;
- average cost to complete the degree for in-state students;
- average student loan debt;
- average annual earnings of graduates two, five, and ten years after graduation; and
- employment rate of degree program graduates two, five, and ten years after graduation.

The employment rate may include only data from available sources and may include an explanation of why certain graduates are not included in the data. DHE must annually submit the report to the education committees of the General Assembly and post it on the department's website. The bill is repealed July 1, 2027.

Background

There are currently 3,857 certificate, bachelor's degree, and associate's degree programs offered by state institutions of higher education. To account for programs offered by area technical colleges, the fiscal note assumes that approximately 4,000 degrees must be included in the report.

Some of the information required by the bill is included in the launchmycareercolorado.org website and return on investment tool, which was prepared and is maintained outside DHE. As a result, the estimates in the fiscal note build on the initial work related to this tool and account for additional data collection, compilation, and assessment for the approximately 4,000 degrees.

State Expenditures

The bill increases General Fund expenditures in the Department of Higher Education by \$84,651 and 0.8 FTE in FY 2018-19, and \$39,974 and 0.5 FTE in FY 2019-20. The bill also increases workload and costs for institutions of higher education.

**Table 2
 Expenditures Under HB 18-1226**

	FY 2018-19	FY 2019-20
Department of Higher Education		
Personal Services	\$68,500	\$34,250
Operating Expenses and Capital Outlay Costs	\$5,653	\$475
Centrally Appropriated Costs*	\$10,498	\$5,249
FTE – Personal Services	0.8 FTE	0.5 FTE
Total Cost	\$84,651	\$39,974
Total FTE	0.8 FTE	0.5 FTE

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

Department of Higher Education. DHE requires 0.8 FTE in FY 2018-19 and 0.5 FTE beginning in FY 2019-20 to work with institutions to submit data that is not currently received, conduct the required analyses, and compile the report. The workload increases in FY 2018-19 for the framework for the analysis to be developed and conducted for approximately 4,000 degrees; in subsequent years, the workload increases to updating data and analyses, and compile data and conduct analyses for the approximately 350 new degrees per year. In addition, approximately 100 hours are required to collaborate with institutions and compile the report. The FTE amount in FY 2018-19 assumes an August 1, 2018 start date and is prorated to account for the General Fund payday shift.

Institutions of higher education. The bill increases costs and workload for state institutions of higher education beginning in FY 2018-19 to work with DHE on data submittal. The specific costs will vary among institutions, depending on existing data systems and resources, and the number of undergraduate degrees offered. The fiscal note assumes that costs will be accomplished within current state appropriations.

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 \$10,498 in FY 2018-19 and \$5,249 in FY 2019-20.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires a General Fund appropriation of \$74,153 to the Department of Higher Education, and 1.0 FTE.

Departmental Difference

DHE estimates that 1.0 FTE is required on an ongoing basis to conduct the analyses on the approximately 350 new degree programs per year, update data links between systems, update data and analyses on an annual basis, and conduct outreach as needed with stakeholders. The fiscal note assumes that the less work is required to update the report and add new degree and certificate programs than is required to prepare the initial report, and as a result, estimates that updating of data and analyses, and compiling of data for new programs can be accomplished by 0.5 FTE beginning in FY 2019-20.

State and Local Government Contacts

Higher Education