



Legislative
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FISCAL NOTE

Drafting Number: LLS 18-1006	Date: March 26, 2018
Prime Sponsors: Rep. Young; Rankin Sen. Lundberg	Bill Status: House Appropriations
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Bill Topic: HIGHER ED OPEN EDUCATIONAL RESOURCES

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 creates an open educational resources advisory council and a grant program in the Department of Higher Education. The bill increases state expenditures annually through FY 2020-21.

Appropriation Summary: For FY 2018-19, the bill appropriates \$660,000 and 1.0 FTE to the Department of Higher Education.

Fiscal Note Status: This fiscal note reflects the introduced bill, which is recommended by the Joint Budget Committee. The bill is included in the FY 2018-19 budget package.

Table 1
State Fiscal Impacts Under HB 18-1331

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	General Fund	\$659,994	\$1,160,877
	Centrally Appropriated	\$5,611	\$6,120
	Total	\$665,605	\$1,166,997
	Total FTE	0.9 FTE	1.0 FTE
Transfers		-	-

Summary of Legislation

The bill creates the Colorado Open Educational Resources Council (council) in the Department of Higher Education (DHE). Open educational resources are high-quality teaching, learning, and research resources that reside in the public domain or have been released under an intellectual property license that permits their free use and repurposing by others and may include other resources that are legally available to students for free or very low cost.

The bill specifies the council's appointment, membership and terms of service. The council is required to:

- recommend statewide policies for the promotion, creation and use of open educational resources;
- develop informational materials, facilitate professional development for faculty and staff at institutions of higher education, and create a website;
- convene an annual open educational resources conference for educators and convene other regular meetings, workshops, conferences or webinars for other interest groups;
- implement the grant program; and
- make annual reports to the General Assembly.

The bill creates the Open Educational Resources Grant Program in the DHE to provide funding to public institutions of higher education, faculty, and staff to create and expand open educational resources. The council, working with DHE, is required to develop application procedures and time lines, review and evaluate grant applications, and make recommendations for grant awards to the Colorado Commission on Higher Education (CCHE). The CCHE makes final award decisions. Grant recipients are required to provide specified information concerning the effectiveness of grant-funded programs. The council must include a summary of this information in the required annual legislative report.

The CCHE must adopt guidelines requiring that public institutions of higher education, beginning in the fall of 2021, inform students of courses that use open educational resources. Any unspent appropriations made to the DHE for the council and the grant program remain with the department at the end of each fiscal year and are continuously appropriated. The council and the grant program are repealed, effective November 1, 2021.

Background

Senate Bill 17-258 created a one-year open educational resources council to provide recommendations to the General Assembly. Consistent with the existing council's recommendations, this bill establishes a three-year initiative for expanding open educational resources statewide.

State Expenditures

For FY 2018-19, the bill increases state expenditures by \$665,605 and 0.9 FTE. For FY 2019-20, state expenditures increase by \$1,166,977 and 1.0 FTE. Estimates in Table 2 are based on the budget recommended by the existing open educational resources council, adjusted for fiscal note common policies, and for the General Fund pay date shift. Actual expenditures will be determined based on decisions made by the council depending on available appropriations.

**Table 2
 Expenditures Under HB 18-1331**

	FY 2018-19	FY 2019-20
Department of Higher Education		
Personal Services	\$61,441	\$67,027
Operating Expenses and Capital Outlay Costs	\$5,653	\$950
Open Education Resource Grants	\$500,000	\$1,000,000
Information Materials / Web Development	\$40,000	\$40,000
Council Expenses	\$2,900	\$2,900
Annual Conference and Workshops	\$50,000	\$50,000
Centrally Appropriated Costs*	\$5,611	\$6,120
FTE – Personal Services	0.9 FTE	1.0 FTE
Total Cost	\$665,605	\$1,166,997
Total FTE	0.9 FTE	1.0 FTE

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

Program administration. The DHE will have increased administrative costs to support the new council and manage the grant program. In addition to 1.0 FTE personal service costs and standard operating expenses, new state expenditures are incurred to develop information materials and web resources, and to convene workshops and conferences for higher education faculty and staff. The advisory council will have travel and other related reimbursement expenses.

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 \$5,611 in FY 2018-19 and \$6,120 in FY 2019-20.

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 includes a General Fund appropriation of \$660,000 and 1.0 FTE to the Department of Higher Education.

State and Local Government Contacts

Higher Education