



Legislative  
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**REVISED  
FISCAL NOTE**

(replaces fiscal note dated February 6, 2019)

**Drafting Number:** LLS 19-0618      **Date:** February 26, 2019  
**Prime Sponsors:** Rep. McCluskie; Roberts      **Bill Status:** House Appropriations  
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**Bill Topic:** FIFTH-YEAR HIGH SCHOOL & ASCENT PROG STUDENTS

**Summary of Fiscal Impact:**

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

The bill extends the grandfather clause for early colleges that was established in SB18-225 for three years. The bill increases state expenditures and school district revenue and workload in FY 2020-21 through FY 2022-23.

**Appropriation Summary:** No appropriation is required.

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

**Table 1  
State Fiscal Impacts Under HB 19-1121**

		FY 2019-20	FY 2020-21
<b>Revenue</b>		-	-
<b>Expenditures</b>	General and Cash Funds	-	up to \$2.3 million
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		-	-

## Summary of Legislation

Senate Bill 18-225 allowed districts to include in their pupil enrollment count students who were enrolled in a school designated as an early college prior to June 6, 2018, and who enrolled in postsecondary courses in 2018-19 and 2019-20 school year after completing four years of high school. The bill extends this authority to include students who enroll in postsecondary courses for the 2020-21, 2021-22, and 2022-23 school years.

## Background

**Early colleges.** Early colleges include district schools, district charter schools, and state Charter School Institute schools. Early colleges receive per pupil funding through the K-12 school finance system, at the district's per pupil funding amount. Early colleges partner with institutions of higher education to offer postsecondary courses at negotiated tuition rates; a portion of per pupil funding is used to pay the tuition rate. Students are also eligible for the College Opportunity Fund stipend that is paid directly to institutions of higher education. Table 2 shows the number of early colleges operating in FY 2018-19 and current enrollment in grades nine to twelve, by school district.

**Table 2**  
**FY 2018-19 Early Colleges**

<b>District</b>	<b>Early Colleges</b>	<b>Enrollment in Grades 9-12</b>
Mapleton 1	1	243
Denver County 1	6	2,166
Eagle County RE-50	2	64
District 49	2	283
Lake County R-1	1	26
Pueblo City 60	1	208
Windsor RE-4	1	251
Greeley 6	1	287
Charter School Institute	5	2,816
<b>Total</b>	<b>20</b>	<b>6,344</b>

**Senate Bill 18-225.** SB 18-225 specified that the curriculum provided by early colleges must be designed to be completed within four years and students must be required to complete secondary and postsecondary courses while enrolled in the four years of high school. In FY 2018-19 and FY 2019-20 only, the bill allowed school districts to receive per pupil funding for students who would be enrolled in a fifth or subsequent year at an early college.

## State Expenditures

Pursuant to SB 18-225, the state will provide per pupil revenue for students who enroll in a fifth or subsequent year at an eligible early college in FY 2018-19 and FY 2019-20. The bill extends this provision for three years, thus increasing state expenditures for school finance through

FY 2022-23. The fiscal note estimates that state aid for school finance will increase by up to \$2.3 million annually in FY 2020-21 through FY 2022-23 as a result of the bill. Currently, 10 percent of current early college students complete a fifth or subsequent year. The fiscal note assumes that this rate will remain constant and applies the FY 2018-19 statewide average per pupil revenue, grown by 3 percent per year. The actual expenditure increase will depend on actual enrollment of students in a fifth or subsequent year at early colleges. State aid for school finance is paid from the General Fund, State Education Fund and State Public School Fund. This fiscal note will be updated as new information becomes available.

## **School District Impact**

In FY 2020-21 through FY 2022-23, the bill increases revenue to school districts with an early college, as the state will provide per pupil revenue for students who were enrolled in an early college that was designated as such prior to June 6, 2018, and who enroll postsecondary courses in their fifth or subsequent year at an early college.

## **Effective Date**

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

## **State and Local Government Contacts**

Education                  Higher Education                  Labor