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Revised Fiscal Note

(replaces fiscal note dated January 17, 2023)

Drafting Number:	LLS 23-0189	Date:	March 6, 2023
Prime Sponsors:	Sen. Buckner; Gardner Rep. Weissman	Bill Status:	Senate Appropriations
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Bill Topic: COLORADO ADULT HIGH SCHOOL PROGRAM

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 the Colorado Adult High School Program for adults without a high school education to earn a diploma, industry certificate or college credit at no cost. The bill increases state expenditures beginning in FY 2023-24.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$132,752 to the Colorado Department of Education.

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

**Table 1
State Fiscal Impacts Under SB 23-003**

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$132,752	\$2,000,000
	Centrally Appropriated	\$20,711	\$10,608
	Total Expenditures	\$153,463	\$2,010,608
	Total FTE	1.1 FTE	0.5 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$19,913	\$300,000

Summary of Legislation

The bill creates the Colorado Adult High School Program in the Colorado Department of Education (CDE) for adults without a high school diploma to attend high school and earn a diploma, industry-recognized certificates, or college credits, at no cost to the student. CDE must award a grant to a community-based nonprofit organization to operate the program by September 15, 2023, and must contract with an organization by December 31, 2023. The grant must be renewed every five years.

The nonprofit organization may enroll up to 400 students annually and must:

- develop courses and award high school diplomas, certificates, and college credit;
- contribute funding for operating and facility costs, and maintain a building for the program;
- collaborate with community colleges, local district colleges, area technical colleges and career and technical education programs;
- propose an academic accountability system, to be approved by CDE every three years;
- create enrollment plans for students and a plan to authorize teachers to teach college courses;
- create individualized education programs for students with disabilities;
- offer transportation assistance;
- operate a licensed, on-site child care center; and
- report program data to CDE annually.

Beginning FY 2024-25, the General Assembly must annually appropriate \$2.0 million from the General Fund for the program. CDE must report to the education committees of the General Assembly by November 30, 2025, and each year thereafter.

State Expenditures

The bill increases state expenditures in CDE by \$153,463 in FY 2023-24, and by \$2.0 million in FY 2024-25 and thereafter, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2
 Expenditures Under SB 23-003**

	FY 2023-24	FY 2024-25
Department of Education		
Personal Services	\$103,449	\$54,403
Operating Expenses	\$1,485	\$675
Capital Outlay Costs	\$6,670	-
Legal Services	\$21,148	-
Contract for Program Administration	-	\$1,944,922
Centrally Appropriated Costs ¹	\$20,711	\$10,608
FTE – Personal Services	1.0 FTE	0.5 FTE
FTE – Legal Services	0.1 FTE	0.0 FTE
Total Cost	\$153,463	\$2,010,608
Total FTE	1.1 FTE	0.5 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Staff. CDE will require 1.0 FTE in FY 2023-24 and 0.5 FTE in subsequent years to oversee the program, including selecting the administering organization, awarding the grant, reviewing the accountability plan and standards, collecting data, and reporting to the General Assembly. Staffing costs include standard capital and operating costs, and are prorated for the General Fund paydate shift in the first year.

Legal services costs. The CDE will require 200 hours of legal services from the Department of Law in FY 2023-24 to support the extended special education accommodations, and the implementation of a five-year contract. In subsequent years, legal support can be accomplished within existing resources. Legal services are provided by the Department of Law at a rate of \$105.74 per hour.

Contract to operate Colorado Adult High School Program. Beginning FY 2024-25, the General Assembly must appropriate \$2.0 million annually for the new program. After administration costs, it is estimated that about \$1.94 million will be available to contract with an administering nonprofit organization.

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 shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

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

State Appropriations

For FY 2023-24, the bill requires a General Fund appropriation of \$132,752 to the Colorado Department of Education, and 1.0 FTE. Of this amount, \$21,148 is reappropriated to the Department of Law, with an additional 0.1 FTE.

State and Local Government Contacts

Education

Law