



**Legislative Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**Revised Fiscal Note**

(replaces fiscal note dated February 14, 2024)

<b>Drafting Number:</b>	LLS 24-0628	<b>Date:</b>	April 12, 2024
<b>Prime Sponsors:</b>	Sen. Coleman; Zenzinger Rep. Herod	<b>Bill Status:</b>	Senate Appropriations
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**Bill Topic: CREDENTIAL QUALITY APPRENTICESHIP CLASSIFICATION**

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill requires that state agencies evaluate if non-degree credentials meet certain standards and apply an international classification system to credential pathways and apprenticeships. The bill increases state expenditures on an ongoing basis.

**Appropriation Summary:** For FY 2024-25, the bill requires an appropriation of \$154,287 to multiple state agencies.

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

**Table 1  
State Fiscal Impacts Under SB 24-143**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$154,287	\$217,853
	Centrally Appropriated	\$20,949	\$36,643
	<b>Total Expenditures</b>	<b>\$175,236</b>	<b>\$254,496</b>
	<b>Total FTE</b>	<b>1.2 FTE</b>	<b>2.0 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$23,143	\$32,678

## **Summary of Legislation**

The bill requires that state agencies evaluate if non-degree credentials meet certain standards and apply an international classification system to credential pathways and apprenticeships, as detailed below.

**Non-degree credential framework.** Beginning in January 1, 2026, the bill requires that the Colorado Department of Higher Education (CDHE), in collaboration with the Colorado Workforce Development Council (CWDC), Department of Education (CDE), Department of Labor and Employment (CDLE), the community college system (CCCS), and the Office of Economic Development and International Trade (OEDIT) on an annual basis:

- evaluate non-degree credentials offered through state-recognized programs to ensure the credentials meet quality standards; and
- supply the CWDC with a list of credential programs that meet the quality standards, for inclusion in the Colorado Talent Report and in a credential registry.

**Application of International Standard Classification of Education.** By July 31, 2025, CDHE must complete a stakeholder engagement process to study and make recommendations related to:

- adopting the International Standard Classification of Education (ISCED) as the state's standard framework for classifying non-degree credentials;
- the application of ISCED within the state education and workforce system; and
- how ISCED equivalency levels may be implemented and assigned to credentials, pathways, and apprenticeships.

The results of this process must be reported to legislative committees before July 31, 2025. By July 31, 2025, CDHE must assign ISCED equivalency levels to the stackable credential pathways.

The Office of Future of Work in CDLE must determine ISCED equivalency levels for each registered apprenticeship program, which must be included on all public listings and apprenticeship certificates of completion. Equivalency levels must be determined by January 1, 2026, for apprenticeships registered before July 31, 2025. Equivalency levels for apprenticeships registered on or after July 31, 2025, must occur beginning January 1, 2026.

## **Background**

[Senate Bill 22-192](#) required that the CDHE create a framework for evaluating access to and quality of non-degree credentials, and identifying alignment between credentials and work-based learning.

A non-degree credential is a postsecondary certificate, apprenticeship certificate of completion, professional license, or industry certification.

The ISCED is a framework for organizing education programs and applying standard definitions that allow for comparison of different programs and qualifications. It was adopted by the United Nations Educational Scientific, and Cultural Organization (UNESCO) in November 2011.

**State Expenditures**

The bill increases state expenditures in CDHE and CDLE by about \$175,236 in FY 2024-25 and \$254,496 beginning in FY 2025-26, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2  
 Expenditures Under SB 24-143**

	FY 2024-25	FY 2025-26
<b>Department of Labor &amp; Employment</b>		
Personal Services	-	\$49,134
Operating Expenses	-	\$1,165
Capital Outlay Costs	-	\$6,670
Data System Updates	\$30,000	\$22,200
Centrally Appropriated Costs <sup>1</sup>	-	\$10,458
FTE – Personal Services	-	0.5 FTE
<b>CDLE Subtotal</b>	<b>\$30,000</b>	<b>\$89,626</b>
<b>Department of Higher Education</b>		
Personal Services	\$109,411	\$136,764
Operating Expenses	\$1,536	\$1,920
Capital Outlay Costs	\$13,340	-
Centrally Appropriated Costs <sup>1</sup>	\$20,949	\$26,186
FTE – Personal Services	1.2 FTE	1.5 FTE
<b>CDHE Subtotal</b>	<b>\$145,236</b>	<b>\$164,870</b>
<b>Total</b>	<b>\$175,236</b>	<b>\$254,496</b>
<b>Total FTE</b>	<b>1.2 FTE</b>	<b>2.0 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Labor and Employment.** CDLE will incur ongoing staff costs and one-time data system costs to implement the bill.

- **Staffing.** CDLE requires an 0.5 FTE beginning in FY 2025-26 to collaborate with other agencies, evaluate non-degree credentials for approximately 331 registered apprenticeship programs, and assign ISCED levels for new and existing apprenticeship programs. Costs include standard operating and capital costs, including a software license for the new staff.
- **Data system updates.** The bill requires that ISCED codes are displayed in apprenticeship certificates, training provider lists, and the Colorado State Apprenticeship Directory. The cost to update these systems is estimated at \$30,000 in FY 2024-25 only to update the user interface for the training provider lists, and \$22,200 in FY 2025-26 only to update the software interface for the apprenticeship directory. Costs are based on existing vendor rates.

**Department of Higher Education.** The CDHE will incur staff costs to implement the bill.

- **Staffing.** In FY 2024-25, the CDHE requires 1.5 FTE in FY 2024-25 to manage the stakeholder process and assign ISCED equivalencies to stackable credential pathways. Beginning in FY 2025-26, these staff will evaluate non-degree credentials, apply the quality standard framework across the educational and workforce development systems, and handle required reporting. Costs include standard operating and capital costs and first year costs are prorated based on a September 2024 start date.

**Other state agencies.** The bill also increases workload for CDE, OEDIT, and the community college system to collaborate with CDHE and CDLE to ensure that programs align with the quality standards and assign ISCED classifications, and to participate in the ISCED stakeholder process. This change in workload is assumed to be minimal; no change in appropriations is required.

**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 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **Departmental Difference**

CDHE estimates that the bill requires an additional 0.8 FTE in FY 2024-25 and 0.5 FTE in subsequent years, for a total of 2.0 FTE ongoing. This estimate is based on uncertainty about the complexity of ISCED levels, and assumes that managing the stakeholder process and assigning ISCED equivalencies in the first year and application of quality framework and ISCED equivalencies in subsequent years requires a minimum of two staff members.

The fiscal note assumes that 1.5 FTE ongoing will be sufficient because the stakeholder engagement process and initial assignment of ISCED equivalencies will be completed by CDHE prior to beginning the evaluation of non-degree credentials and application of the quality standard framework in FY 2025-26.

## **State Appropriations**

For FY 2024-25, the bill requires the following General Fund appropriations:

- \$124,287 to the Department of Higher Education, and 1.2 FTE; and
- \$30,000 to the Department of Labor and Employment.

## **State and Local Government Contacts**

Education	Higher Education	Labor
Office of Economic Development		

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).