



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1186: WORK-BASED LEARNING EXPERIENCES IN HIGHER ED

**Prime Sponsors:**

Rep. Martinez; Lukens

Sen. Rich; Michaelson Jenet

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**Fiscal note status:** The revised fiscal note reflects the reengrossed bill.

### Summary Information

**Overview.** Conditional on the receipt of sufficient gifts, grants and donations, the bill creates a pilot program for work-based learning in the Department of Higher Education. It also requires data collection and a glossary of terms for work-based learning.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- State Revenue
- Institutions of Higher Education

**Appropriations.** No appropriation is required. The Higher Education Work-based Consortium Fund is continuously appropriated to the Department of Higher Education.

**Table 1**  
**State Fiscal Impacts<sup>1</sup>**

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue (Gifts, Grants and Donations)	at least \$2 million	\$0	\$0
State Expenditures <sup>2</sup>	\$612,372	\$637,540	\$637,540
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	1.6 FTE	2.0 FTE	2.0 FTE

<sup>1</sup> Information shown in this table is for informational purposes only. Timing of revenues and expenditures may occur in later years if gift, grants and donations are received later.

<sup>2</sup> State expenditures only occur if sufficient gifts, grants and donations are received.

**Table 1A  
 State Revenue**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	\$0	\$0	\$0
Cash Funds (Gifts, Grants, and Donations)	at least \$2 million	\$0	\$0
<b>Total Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> At least \$2 million must be received in the Higher Education Work-based Consortium Fund for the pilot program to be implemented. The timing of any funds received is not known, and is shown in FY 2025-26 for informational purposes.

**Table 1B  
 State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	\$0	\$0	\$0
Cash Funds (Gifts, Grants, and Donations)	\$581,256	\$598,644	\$598,644
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$31,116	\$38,896	\$38,896
<b>Total Expenditures</b>	<b>\$612,372</b>	<b>\$637,540</b>	<b>\$637,540</b>
<b>Total FTE</b>	<b>1.6 FTE</b>	<b>2.0 FTE</b>	<b>2.0 FTE</b>

## Summary of Legislation

### Pilot Program and Consortium

Conditional on the receipt of \$2 million in gifts, grants and donations, the bill creates the Work-based Learning Consortium Pilot Program in the Department of Higher Education (CDHE). The bill requires the CDHE to convene a consortium of members who will work participating institutions of higher education (IHEs) to promote work-based learning in higher education, study the impact of industry-sponsored projects on learning outcomes, and measure impacts to students who participate in work-based projects while enrolled in higher education. IHEs may use any funding received to cover expenses related to work-based learning programs.

The consortium must work with a third-party vendor to connect faculty from IHEs to potential employers who can assist in creating work-based learning opportunities for students. This vendor must work with the Department of Labor and Employment (CDLE), IHEs, and the Office of Economic Development and International Trade (OEDIT) to recruit businesses to participate in the program. The bill requires CDHE to submit a report to the legislature to report on outcomes of the pilot program.

## Pilot Program Funding

The bill creates the Higher Education Work-based Consortium Fund, which may accept gifts, grants and donations. Money in the fund is continuously appropriated to the CDHE. If the fund has not received \$2 million in donations by June 30, 2028, all money must be returned to the donors. Any unspent and unreturned money in the fund reverts to the General Fund.

## Data Collection and Glossary

By November 1, 2026, the bill requires the Commission on Higher Education to recommend a list of terms used by IHEs to include in the talent development glossary, which is maintained by the Workforce Development Council. This list must be developed in partnership with IHEs, the Workforce Development Council, nonprofits, and higher education faculty.

Finally, the bill allows the Commission of Higher Education and IHEs to spend financial aid work study appropriations to cover costs of work-based learning experience for students.

## Universal High School Scholarship Technical Correction

The bill also makes conforming amendments and technical corrections in statute to the Universal High School Scholarship Program in OEDIT to align with transfers made through the budget process. These changes do not require any adjustment to state appropriations and are not discussed further in this fiscal note.

## State Revenue

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The bill may increase state revenue from gifts, grants, and donations to the Higher Education Work-based Consortium Cash Fund. At least \$2 million must be received for the program to be implemented. For informational purposes, the fiscal note indicates \$2 million received in donations in FY 2025-26, but actual revenue and timing may vary. At the time of writing, no sources of funding have been identified. Gifts, grants and donations are not subject to the state's TABOR revenue limit.

## State Expenditures

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Conditional upon the receipt of sufficient gifts, grants, and donations, the bill increases state expenditures in the CDHE, paid from the Higher Education Work-based Consortium Cash Fund. If funding is received in FY 2025-26, the program will result in \$612,000 in state expenditures in FY 2025-26 and \$638,000 in FY 2026-27 and FY 2027-28, as listed in Table 2 and discussed below.

For informational purposes, the fiscal note shows program costs if they were to begin in FY 2025-26 and assumes grant funding will be spent over three years; however, actual timing and actual amount of expenditures may vary. The bill also minimally affects workload for IHEs, the Department of Labor and Employment, Department of Education, and the Office of Economic Development and International Trade.

**Table 2  
 State Expenditures  
 Department of Higher Education**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Personal Services	\$120,868	\$151,084	\$151,084
Operating Expenses	\$2,048	\$2,560	\$2,560
Capital Outlay Costs	\$13,340	\$0	\$0
Third Party Vendors	\$427,000	\$427,000	\$427,000
Faculty Stipends	\$18,000	\$18,000	\$18,000
Centrally Appropriated Costs	\$31,116	\$38,896	\$38,896
<b>Total Costs</b>	<b>\$612,372</b>	<b>\$637,540</b>	<b>\$637,540</b>
<b>Total FTE</b>	<b>1.6 FTE</b>	<b>2.0 FTE</b>	<b>2.0 FTE</b>

## Department of Higher Education

### Staff

CDHE will require 2.0 FTE, including a Project Planner and a Curriculum Director, to implement the bill. These positions will convene and support the consortium, complete required reporting, coordinate with faculty and business leaders, and manage databases. Costs are prorated to assume a September 2025 start date and standard capital outlay and operating costs are included. Staff is assumed to continue for three years.

### Third-Party Vendors

CDHE will contract with two third-party vendors to implement the bill, estimated at \$427,000 annually, paid from the Higher Education Work-based Consortium Cash Fund. One vendor will help participating IHEs connect faculty to industry representatives and develop work-based learning opportunities for students. The fiscal note estimates that four IHEs in the state will participate and the vendor contract will be an estimated \$65,000 per year. The second vendor will be contracted to identify outcomes of the pilot program, share best practices and connect both CDHE and IHEs with funders. The contract is estimated at \$167,000 annually for the assumed three-year duration of the pilot program.

### Faculty Stipends

CDHE will provide a \$1,500 stipend to each participating faculty member who contributes to the pilot program. The fiscal note estimates that three faculty members from each of the four participating IHEs will receive a stipend, resulting in \$18,000 annually for the three-year duration of the grant.

## Other Reporting

CDHE will have increased workload to develop the talent glossary and gather additional data from IHEs to comply with the data reporting requirements in the bill. This additional workload will be accomplished within existing resources.

## Other State Agencies

CDLE will work with CDHE and the third-party vendor to recommend businesses to participate in the pilot program, serve on the consortium, and integrate the additions to the current talent development glossary. OEDIT and CDE will also work with the other agencies and IHEs to recruit businesses to participate in the pilot program and serve on the consortium. This additional workload is assumed to be minimal and no appropriation is required.

## Institutions of Higher Education

Subject to data availability, all IHEs will have increased workload to meet additional reporting requirements for work-based learning. Those IHEs that choose to participate in the pilot program will have increased receive services from the vendors discussed above, support from the consortium, faculty stipends, and have increased workload to develop curriculum and provide students with opportunities to earn work-based learning credits.

## 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 may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table(s) above.

## Effective Dates

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State and Local Government Contacts

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Higher Education

Office of Economic Development

Labor

Labor and Employment