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FISCAL NOTE

Drafting Number: LLS 19-0618 **Date:** February 6, 2019
Prime Sponsors: Rep. McCluskie; Roberts **Bill Status:** House Education
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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 establishes priority criteria for allocating ASCENT program slots and extends the grandfather clause for early colleges that was established in SB18-225 for one year. The bill increases state expenditures and school district revenue and workload on an ongoing basis.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$15,569 to the Colorado Department of Education.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 19-1121

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures	General Fund	\$15,569	\$8,484
	Centrally Appropriated	\$2,894	\$1,510
	Total	\$18,463	\$9,994
	Total FTE	0.2 FTE	0.1 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

Senate Bill 18-225 allowed districts to include in their pupil enrollment count students who were enrolled in an early college prior to June 6, 2018, and 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 in the 2020-21 school year.

Beginning in the 2021-22 school year, the bill requires that the Colorado Department of Education (CDE), in distributing ASCENT program slots, prioritize qualified students who:

- have earned at least 24 postsecondary degree credits by the end of their 12th grade year;
- are scheduled to complete a postsecondary certificate or degree program during the ASCENT year; and
- are enrolled in a postsecondary certificate or degree program that is in high demand in Colorado.

The Concurrent Enrollment Advisory Board must consult with CDE, the Department of Higher Education, the Department of Labor and Employment, state institutions of higher education, and local education providers to develop guidelines for prioritizing students, including determining whether a postsecondary degree or certificate is in high demand.

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.

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. The bill allowed school districts to receive per pupil funding for current students who would be enrolled in a fifth or subsequent year at an early college in FY 2018-19 and FY 2019-20.

ASCENT. The ASCENT program allows a specified number of eligible students to enroll in postsecondary courses during a fifth year of high school. To be eligible, students must have completed 12 credit hours of postsecondary courses prior to completing 12th grade, be accepted into a degree program, not need any additional basic skills courses, be selected by their school administrator, and meet any other criteria established by the Concurrent Enrollment Advisory Board. ASCENT slots, of which there are approximately 500 in FY 2018-19, are distributed to local education providers by the Concurrent Enrollment Advisory Board and State Board of Education.

State Expenditures

The bill increases state General Fund expenditures in CDE by \$18,463 in FY 2019-20, and by \$9,994 in FY 2020-21. Expenditures are listed in Table 2 and discussed below.

**Table 2
Expenditures Under HB 19-1121**

	FY 2019-20	FY 2020-21
Department of Education		
Personal Services	\$15,379	\$8,389
Operating Expenses and Capital Outlay Costs	\$190	\$95
Centrally Appropriated Costs*	\$2,894	\$1,510
FTE – Personal Services	0.2 FTE	0.1 FTE
Total Cost	\$18,463	\$9,994
Total FTE	0.2 FTE	0.1 FTE

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

CDE. In FY 2019-20, CDE requires 0.2 FTE to develop guidelines for the new prioritization criteria, modify data collection and documents used to request ASCENT slots, communicate with and support districts regarding the new criteria and data requirements, update State Board of Education rules, and convene the Concurrent Enrollment Advisory Board for one additional meeting. In subsequent years, CDE requires 0.1 FTE to annually refine the prioritization criteria, provide assistance to districts, and adjust the guidelines for high demand certificates and degrees.

Other agencies. The bill increases the workload for the Department of Higher Education, the Department of Labor and Employment, state institutions of higher education to work with CDE and the Concurrent Enrollment Advisory Board to develop guidelines for the prioritization criteria.

School finance impact. Pursuant to SB 18-225, the state will provide per pupil revenue for students who enroll in a fifth or subsequent year at an early college with curriculum designed to include a fifth or sixth year in FY 2018-19 and FY 2019-20. The bill extends this provision for one more year, thus increasing state expenditures for school finance in FY 2020-21. The specific expenditure increase will depend on the number of students enrolled in an early college prior to June 6, 2018 and who enroll in a fifth or subsequent year at an early college in FY 2020-21. For FY 2018-19, the per pupil rate, after the application of the budget stabilization factor, averaged \$8,122 per district.

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 \$2,894 in FY 2019-20 and \$1,510 in FY 2020-21.

School District Impact

The bill increases school district revenue and expenditures in two ways.

Revenue. In FY 2020-21, 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 prior to June 6, 2018, and who enroll postsecondary courses in their fifth or subsequent year at an early college.

Workload. The bill increases the workload for school districts to submit additional data in their request for ASCENT slots and collaborate with the Concurrent Enrollment Advisory Board and other state agencies to develop guidelines for the new prioritization criteria. The bill may also impact the allocation of ASCENT slots among districts.

Effective Date

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

State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation of \$15,569 and 0.2 FTE to the Colorado Department of Education.

State and Local Government Contacts

Education