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FISCAL NOTE

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|-------------------------|--|------------------------|---|
| Drafting Number: | LLS 19-0204 | Date: | April 2, 2019 |
| Prime Sponsors: | Sen. Lundeen; Bridges Rep. McCluskie; Geitner | Bill Status: | Senate Education |
| | | Fiscal Analyst: | Anna Gerstle 303-866-4375 Anna.Gerstle@state.co.us |

Bill Topic: EXPANDING CONCURRENT ENROLLMENT OPPORTUNITIES

Summary of Fiscal Impact:

| | |
|---|---|
| <input checked="" 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 makes changes to state law related to concurrent enrollment programs. The bill increases state expenditures, may impact tuition revenue, and increases school district revenue and expenditures on an ongoing basis.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$44,916 to the Colorado Department of Education.

Fiscal Note Status: This fiscal note is provided pursuant to Joint Rule 22 (b) (2) and reflects strike-below Amendment L.002.

Table 1
State Fiscal Impacts Under SB 19-176

| | | FY 2019-20 | FY 2020-21 |
|---------------------|------------------------|-----------------|--------------------------|
| Revenue | | - | - |
| Expenditures | General Fund | \$44,916 | at least \$9,032* |
| | Centrally Appropriated | \$7,395 | \$1,560 |
| | Total | \$52,312 | at least \$10,592 |
| | Total FTE | 0.5 FTE | 0.1 FTE |
| Transfers | | - | - |
| TABOR Refund | | - | - |

*Additional funding for grants in FY 2020-21 is at the discretion of the General Assembly.

Summary of Legislation

The bill makes changes to state law related to concurrent enrollment. The bill requires that concurrent enrollment be offered at no tuition cost to qualified students, and students who complete a concurrent enrollment course must receive credit that applies to high school graduation requirements and that applies to a postsecondary certificate or basic skills requirement, or credit that transfers among state institutions of higher education.

The bill further clarifies that concurrent enrollment does not include simultaneous enrollment in a high school course and Advanced Placement course, International Baccalaureate course, or a postsecondary course that does not fall under the definition of concurrent enrollment. It also does not include simultaneous enrollment in a postsecondary course and an early college or p-tech school.

Local education providers. Beginning in FY 2020-21, local education providers (LEPs) that enroll high school students must offer concurrent enrollment, including enrollment in academic and career and technical courses. A superintendent or chief school administrator may not unreasonably deny a student's request for permission to concurrently enroll, and an LEP may not limit the number of postsecondary courses in which a student may enroll, unless the LEP is unable to provide access for reasons related to technological capacity.

A LEP that offers concurrent enrollment courses taught by school employees may contract with another LEP to allow students at the contracting school to participate in the courses. A school district that authorizes a charter school may not prohibit the charter school from allowing students to concurrently enroll.

Concurrent enrollment website. By July 1, 2020, the Colorado Department of Education (CDE) and the Department of Higher Education (DHE), with input from the Concurrent Enrollment Advisory Board, must make available a website providing information on concurrent enrollment options and requirements. The bill specifies what must be included on the website.

Grant program. The bill creates the Concurrent Enrollment Expansion and Innovation Grant Program in CDE to provide grants to partnerships between LEPs and institutions of higher education that begin to offer or expand concurrent enrollment opportunities, beginning in with the 2020-21 school year. Grants may be used to:

- assist teachers with the costs of obtaining a graduate degree that allows the teacher to teach a postsecondary course;
- cover the cost of books, supplies, fees, and transportation;
- purchase technology to share data and streamline the enrollment process; or
- provide services, support, and coordination resources for LEPs and institutions.

The bill specifies what must be included in a grant application and the criteria that must be considered in awarding grants. CDE must submit a program report that contains specified information to the General Assembly by February 1, 2022 and each year thereafter. The Department of Higher Education must coordinate with CDE to review applications, make award recommendations, and compile the report.

Cooperative agreements. Cooperative agreements between an institution and an LEP must include the provision that courses must apply to either basic skills requirements, or to academic credit that applies to a certificate or is approved for statewide transfer. Agreements may also allow for the sharing of student contact and academic information to facilitate the student's concurrent enrollment.

Notification requirements. Current law requires that LEPs notify students and parents of concurrent enrollment opportunities. Under the bill, the notifications must include each course offered at the LEP or institution facility, and the costs, credits, and transferability of concurrent enrollment programs. The institution of higher education that offers a concurrent course must notify the LEP of the costs, transferability of, and whether fee or book costs are required for each course.

Concurrent Enrollment Advisory Board. Under current law, the Concurrent Enrollment Advisory Board is made up of fourteen members. The bill adds a parent representative and a high school student representative to the board.

Background

Current law. Under current law, concurrent enrollment allows a qualified student to enroll in a course that simultaneously provides credit that satisfies high school graduation requirements and applies as postsecondary credit. Postsecondary courses may include academic and career and technical education courses, as well as apprenticeship or internship programs. LEPs and institutions of higher education enter into a cooperative agreement that includes the credit granted for course work, the tuition rate paid by the LEP, and the application of credit to basic skills or degree requirements, among other things.

Participation. In FY 2016-17, 28 state institutions of higher education had cooperative agreements in place with 174 school districts and 3 boards of cooperative educational services to provide concurrent enrollment. Based on the most recent data available, 41,857 students participated in programs allowing them to receive high school and postsecondary credit in FY 2016-17. Of these students, 69.8 percent participated in concurrent enrollment, 1.1 percent participated in the ASCENT program, and 29.1 percent participated in other dual enrollment programs.

State Revenue

Tuition revenue. Beginning in FY 2019-20, the bill may impact tuition revenue to institutions of higher education that provide concurrent enrollment courses. To the extent that students currently pay tuition, institutional revenue may decrease. To the extent that institutions negotiate new cooperative agreements with school districts that result in additional revenue, tuition revenue may increase. In most cases, LEPs pay a negotiated tuition rate to institutions for concurrent enrollment courses. The specific amount of the impact has not been estimated and will vary among institutions. Tuition revenue is not currently subject to TABOR.

State Expenditures

The bill increases state General Fund expenditures in CDE by \$52,312 in FY 2019-20 and by at least \$10,592 in FY 2020-21. The amount available for grants in FY 2020-21 is at the discretion of the General Assembly. In addition, the bill increases workload for DHE and costs for institutions of higher education.

Table 2
Expenditures Under SB 19-176

| | FY 2019-20 | FY 2020-21 |
|---|-------------------|-------------------|
| Department of Education | | |
| Personal Services | \$40,213 | \$8,937 |
| Operating Expenses and Capital Outlay Costs | \$4,703 | \$95 |
| Centrally Appropriated Costs* | \$7,395 | \$1,560 |
| Total Cost | \$52,312 | \$10,592 |
| Total FTE | 0.5 FTE | 0.1 FTE |

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

CDE - website development and district support. In FY 2019-20, CDE requires 0.5 FTE, which includes 0.4 FTE for website development, including working with DHE, school districts, and other boards and organization to compile the required information, and 0.1 FTE to support to LEPs as concurrent enrollment programs are modified. Staffing costs in FY 2019-20 are prorated to reflect the General Fund paydate shift and a September, 2019, start date. Beginning in FY 2020-21, 0.1 FTE will be required to maintain the website and provide support to districts.

CDE - grants. Funding for concurrent enrollment grants beginning in FY 2020-21 is at the discretion of the General Assembly. For informational purposes, \$1.0 million for grants would result in approximately 20 grants awarded, at \$50,000 each. CDE will require additional administrative resources, depending on the size of the grant program. For a grant program of \$1.0 million, CDE requires 0.3 FTE. Actual grant funding and associated administrative resources will be determined through the budget process. Should the General Assembly not appropriate funding for the grant program in FY 2020-21, or any subsequent year, no additional funding is required.

Department of Higher Education. The bill increases the workload for DHE to collaborate with CDE to build the concurrent enrollment website and review grant applications, and to coordinate with institutions to ensure that concurrent enrollment agreements meet the bill's requirements. No change in appropriations is required; however, depending on the size of the grant program in future years, additional resources may be required. Any additional resources will be requested through the annual budget process.

Institutions of higher education. The bill increases costs and workload for institutions of higher education to modify cooperative agreements with LEPs to ensure that concurrent enrollment courses are offered tuition free to students, develop grant applications with LEP partners, and to provide additional course information to LEPs. No change in appropriations is required. The specific impact on institutions will be updated as more information becomes available.

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 \$7,395 in FY 2019-20 and \$1,560 in FY 2020-21.

School District

The bill increases costs for LEPs to provide concurrent enrollment opportunities, and modify existing concurrent enrollment agreements and notification procedures to align with the bill's requirements. Costs to provide concurrent enrollment may include hiring trained staff or providing training opportunities for current staff, contracting with an institution of higher education, or expanding technology to access concurrent enrollment opportunities. In FY 2016-17, four school districts and four BOCES did offer concurrent enrollment. In addition, the bill increases workload and revenue for LEPs who partner with institutions of higher education, and apply for and receive a grant through CDE in FY 2020-21 or subsequent years.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation of \$44,916 to the Colorado Department of Education, and 0.5 FTE.

State and Local Government Contacts

Education
Law

Higher Education
School Districts

Information Technology