



Legislative
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HB 20-1002

**REVISED
FISCAL NOTE**

(replaces fiscal note dated January 13, 2020)

Drafting Number: LLS 20-0409
Prime Sponsors: Rep. McLachlan; Baisley
Sen. Zenzinger

Date: March 5, 2020
Bill Status: House Appropriations
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Bill Topic: COLLEGE CREDIT FOR WORK EXPERIENCE

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 requires that the Department of Higher Education (DHE) create, adopt, and implement a plan to award postsecondary credit for work-related experience and a statewide system for the guaranteed transfer of that credit between institutions of higher education. The bill increases state expenditures in FY 2020-21 and FY 2021-22 only.

Appropriation Summary: No appropriation is required if the DHE's FY 2020-21 budget request for college credit work experience (R4) is included in the Long Bill. See State Appropriations section for additional details.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended by the House Education Committee. The bill is recommended by the Making Higher Education Attainable Interim Study Committee.

**Table 1
State Fiscal Impacts Under HB 20-1002**

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	General Fund	\$156,828	\$98,744
	Centrally Appropriated	\$13,376	\$14,699
	Total	\$170,204	\$113,443
	Total FTE	0.9 FTE	1.0 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

No later than July 1, 2020, the bill requires that the Colorado Commission on Higher Education (CCHE) develop a process for students to receive credit for any undergraduate course through successful completion of a portfolio assessment, individual assessment, examination, or any combination of assessments that is appropriate to the learning outcomes of the course. Beginning with the 2020-21 academic year, each institution must grant full course credit to a student who completes the required assessment. Course credit must be transferable to another state institution of higher education. Institutions of higher education may charge a fee to a student to administer the credit assessment.

Under current law, CCHE convenes a council of representatives from institutions of higher education to recommend policies and procedures for credit transfers between institutions, articulation agreements, common course numbering, and related topics concerning the state's guaranteed transfer framework. No later than January 1, 2022, this bill requires that the Guaranteed Transfer Council (council) create and implement a plan to assess and align work-related experience and professional certifications or licenses with the knowledge and competencies required for awarding postsecondary academic credit with guaranteed transfer designation. The plan must also determine how postsecondary academic credit will transfer from career and technical education programs to public institutions of higher education. The council must prioritize those career and technical education programs associated with the fastest-growing industries identified in the Colorado talent pipeline, or identified in consultation with the Colorado Workforce Development Council in the Colorado Department of Labor and Employment.

In creating and adopting the plan, the council must confer with representatives of the Colorado Workforce Development Council as well as representatives from institutions of higher education, student organizations and from industries with high workforce demand. The plan must require that each institution of higher education evaluate, accept, and transfer academic credit awarded for work-related experience beginning with the 2022-23 academic year. During the 2022 regular legislative session, the DHE must report the council's plan to the General Assembly. Beginning March 1, 2024, and annually thereafter, the council must report to the education committees details concerning the implementation of the plan. The bill is repealed July 1, 2029.

State Expenditures

The bill increases state General Fund expenditures in the Department of Higher Education by \$170,204 and 0.9 FTE in FY 2020-21, and by \$111,443 and 1.0 FTE in FY 2021-22 only; no additional expenditures are anticipated beyond FY 2021-22. New state expenditures are displayed in Table 2 and described below.

Table 2
Expenditures Under HB 20-1002

	FY 2020-21	FY 2021-22
Department of Higher Education		
Personal Services	\$89,278	\$97,394
Operating Expenses	\$1,350	\$1,350
Capital Outlay	\$6,200	-
Subject Matter Expert Contract	\$60,000	-
Centrally Appropriated Costs*	\$13,376	\$14,699
Total Cost	\$170,204	\$113,443
Total FTE	0.9 FTE	1.0 FTE

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

Department of Higher Education. The DHE requires new staff to coordinate the work of the council, industry partners, and the institutions of higher education to create, adopt, and implement a plan for determining work-related credit and a guaranteed credit transfer between schools. The DHE will also enter a one-time contract in FY 2020-21 to obtain subject matter expertise from a national policy organization to advise the department on best practices in work-related learning, and to help provide technical assistance to the schools on the portfolio review process and assessment of the institution's work-related credit programs. Personal services costs in FY 2020-21 are prorated to reflect the General Fund pay date shift.

Institutions of higher education. Starting in FY 2023-24, institutions of higher education will have increased workload and costs to evaluate work-related credit requests and facilitate credit transfer between schools. Increased acceptance of work-related credit will correspondingly decrease tuition revenue for institutions. Some institutions will need additional FTE to evaluate student work experience and to provide advising and other services. The impact to institutions has not been estimated and will depend on the details of the plan developed and implemented by the DHE, and actual future usage of work-related credit by students.

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 \$13,376 in FY 2020-21 and \$14,699 in FY 2021-22.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

The bill is not expected to require an appropriation. The FY 2020-21 budget request from the DHE includes R4, a request for General Fund appropriations to adopt and implement a plan for awarding academic credit for prior work-based learning experiences. If the department's budget request is included in the Long Bill, no additional appropriation is required. If the request is not included in the Long Bill, this bill will require a General Fund appropriation of \$156,828 to the DHE and 0.9 FTE.

State and Local Government Contacts

Higher Education