



Legislative Council Staff

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Fiscal Note

Drafting Number: LLS 21-0871 **Date:** April 05, 2021
Prime Sponsors: Sen. Hansen; Rankin **Bill Status:** Senate Appropriation
 Rep. Herod; McCluskie **Fiscal Analyst:** Josh Abram | 303-866-3561
 Josh.Abram@state.co.us

Bill Topic: **USE OF OPEN EDUCATIONAL RESOURCES IN HIGHER ED**

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

Budget package bill. The bill continues and modifies the use of open educational resources in higher education. The bill increases state expenditures beginning in FY 2021-22.

Appropriation Summary: For FY 2021-22, the bill includes an appropriation of \$1,108,200 to the Department of Higher Education.

Fiscal Note Status: The fiscal note reflects the introduced bill. The bill is recommended by the Joint Budget Committee.

**Table 1
State Fiscal Impacts Under SB 21-215**

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-
Expenditures	General Fund	\$1,108,200	\$1,108,200
	Centrally Appropriated	\$17,292	\$17,292
	Total Expenditures	\$1,125,492	\$1,125,492
	Total FTE	1.0 FTE	1.0 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill reauthorizes and modifies programs to promote the use of open educational resources (OER) in higher education. OER are teaching, learning, and research resources that reside in the public domain or have been released under an intellectual property license that permits free use and repurposing by others.

The bill extends the repeal of the Open Educational Resources Council (OER council) and the OER Grant Program from November 1, 2021, to November 1, 2026. It allows grants to be awarded to replicate zero-textbook-cost degree programs, modifies OER reporting requirements, and requires that students be notified of courses that use OER at the point of registration.

For FY 2021-22, the bill appropriates \$1,108,200 from the General Fund to the DHE.

State Expenditures

In FY 2021-22 and FY 2022-23, the bill increases state expenditures in the Department of Higher Education by \$1,125,492 and 1.0 FTE as shown in Table 2.

Table 2
State Expenditures under SB 21-215

Cost Components	FY 2021-22	FY 2022-23
Department of Higher Education		
Personal Services	\$71,770	\$71,770
Operating Expenses	\$1,350	\$1,350
Travel, Conferences, and Training	\$35,080	\$35,080
Grants	\$1,000,000	\$1,000,000
Centrally Appropriated Costs ¹	\$17,292	\$17,292
Total	\$1,125,492	\$1,125,492
Total FTE	1.0 FTE	1.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

OER council and grant program. House Bill 18-1331 created the OER council in the DHE to recommend statewide policies, develop materials, facilitate professional development at institutions of higher education, and convene an OER conference and other workshops for educators. The council also implements the OER grant program, which has awarded \$500,000 to public institutions of higher education in the first year, and \$1.0 million was awarded in the second year. The DHE has 1.0 FTE dedicated staff to support the council and the grant program. The bill continues the OER council, annual conference and travel costs, and the grant program and related administrative FTE.

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 \$17,292 per year.

Effective Date

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

State Appropriations

For FY 2021-22, the bill includes an appropriation of \$1,108,200 from the General Fund to the Department of Higher Education, and 1.0 FTE

State and Local Government Contacts

Higher Education