



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated March 6, 2023)

Drafting Number:	LLS 23-0189	Date:	April 25, 2023
Prime Sponsors:	Sen. Buckner; Gardner Rep. Weissman; Wilson	Bill Status:	House Education
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Bill Topic: COLORADO ADULT HIGH SCHOOL PROGRAM

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 creates the Colorado Adult High School Program for adults without a high school education to earn a diploma, industry certificate or college credit at no cost. The bill increases state expenditures in FY 2023-24 through FY 2026-27.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$5.0 million to the Colorado Department of Education.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill.

**Table 1
State Fiscal Impacts Under SB 23-003**

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$5,000,000	-
	Centrally Appropriated	\$14,757	\$6,732
	Total Expenditures	\$5,014,757	\$6,732
	Total FTE	0.8 FTE	0.3 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$750,000	-

Summary of Legislation

The bill creates the Colorado Adult High School Program in the Colorado Department of Education (CDE) for adults without a high school diploma to attend high school and earn a diploma, industry-recognized certificates, or college credits, at no cost to the student. CDE must award a grant to a community-based nonprofit organization to operate the program by September 15, 2023, and must contract with an organization by January 15, 2024. The program operates through FY 2026-27.

The nonprofit organization may enroll up to 400 students annually and must:

- develop courses and award high school diplomas, certificates, and college credit;
- contribute funding for operating and facility costs, and maintain a building for the program;
- collaborate with community colleges, local district colleges, area technical colleges and career and technical education programs;
- propose an academic accountability system, to be approved by CDE every three years;
- create enrollment plans for students and a plan to authorize teachers to teach college courses;
- create individualized education programs for students with disabilities;
- offer transportation assistance;
- operate a licensed, on-site child care center; and
- report program data to CDE.

In FY 2023-24, the General Assembly must appropriate \$5.0 million from the General Fund for the program, to be used through FY 2026-27. CDE must report to the education committees of the General Assembly by November 30, 2025, and the two years thereafter.

State Expenditures

The bill increases state expenditures in CDE by \$5.0 million in FY 2023-24, to be spent through FY 2026-27 and paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2
 Expenditures Under SB 23-003**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Department of Education				
Personal Services	\$75,186	\$36,546	\$36,546	\$36,546
Operating Expenses	\$945	-	-	-
Capital Outlay Costs	\$6,670	-	-	-
Legal Services	\$21,148	-	-	-
Contract for Administration ²	\$4,786,412	-	-	-
Centrally Appropriated Costs ¹	\$14,757	\$6,732	\$6,732	\$6,732
FTE – Personal Services	0.7 FTE	0.3 FTE	0.3 FTE	0.3 FTE
FTE – Legal Services	0.1 FTE	-	-	-
Total Cost	\$4,905,118	\$43,278	\$43,278	\$43,278
Total FTE	0.8 FTE	0.3 FT	0.3 FTE	0.3 FTE

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

² The amount available for the contract is shown in FY 2023-24, but may be spent through FY 2026-27.

Staff. CDE will require 0.7 FTE in FY 2023-24 and 0.3 FTE in subsequent years to oversee the program, including selecting the administering organization, awarding the grant, reviewing the accountability plan and standards, collecting data, and reporting to the General Assembly. Staffing costs include standard capital and operating costs, and are prorated for the General Fund paydate shift in the first year.

Legal services. The CDE will require 200 hours of legal services from the Department of Law in FY 2023-24 to support the extended special education accommodations, and the implementation of a five-year contract. In subsequent years, legal support can be accomplished within existing resources. Legal services are provided by the Department of Law at a rate of \$105.74 per hour.

Contract to operate Colorado Adult High School Program. The bill provides \$5.0 million for the duration of the program. After four years of administration costs, it is estimated that about \$4.8 million will be available to contract with an administering nonprofit organization. This amount is shown in FY 2023-24, but may be spent through FY 2026-27.

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 shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

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

State Appropriations

For FY 2023-24, the bill includes a General Fund appropriation of \$5.0 million to the Colorado Department of Education. In addition, the CDE requires 0.7 FTE (the reengrossed bill currently includes 1.0 FTE). Of the appropriated amount, \$21,148 is reappropriated to the Department of Law, with an additional 0.1 FTE.

State and Local Government Contacts

Education

Law