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Final Fiscal Note

Drafting Number:	LLS 24-0529	Date:	July 1, 2024
Prime Sponsors:	Rep. Bradfield; Kipp Sen. Zenzinger	Bill Status:	Signed into Law
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Bill Topic: **STUDENT EDUCATOR STIPEND PROGRAM**

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill requires the General Assembly to appropriate money from the State Education Fund for the Student Educator Stipend Program. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill includes an appropriation of \$4.2 million to the Department of Higher Education. See State Appropriations section.

Fiscal Note Status: The final fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 24-1290

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	State Education Fund	\$4,197,000	-
	Centrally Appropriated	\$17,694	-
	Total Expenditures	\$4,214,694	-
	Total FTE	1.0 FTE	-
Transfers		-	-
Other Budget Impacts		-	-

Summary of Legislation

The bill specifies that, subject to available funds, the General Assembly must appropriate money from the State Education Fund to the Colorado Department of Higher Education (CDHE) for the Student Educator Stipend Program. It provides \$4.2 million for the program in FY 2024-25.

Background

The Student Educator Stipend Program was created in [House Bill 22-1220](#) to award stipends to eligible students while placed as a student teacher. Student teachers may receive \$11,000 for a 16-week program or \$22,000 for a 32-week program, adjusted by inflation. The program received a \$39 million appropriation from the Economic Recovery and Relief Cash Fund, to be spent in FY 2022-23, FY 2023-24, and through December 30, 2024.

In FY 2022-23, 831 stipends were awarded, totaling \$11.1 million. In FY 2023-24, preliminary estimates are that 1,323 students will receive stipends, totaling \$21.3 million. Approximately \$6.0 million is expected to be spent by December 30, 2024.

State Expenditures

The bill increases state expenditures by \$4.2 million in FY 2024-25 and paid from the State Education Fund. Costs are listed in Table 2 and discussed below. Funding for the program in subsequent years is at the discretion of the General Assembly.

Table 2
Expenditures Under HB 24-1290

	FY 2024-25	FY 2025-26
Department of Higher Education		
Personal Services	\$93,702	-
Operating Expenses	\$1,280	-
Capital Outlay Costs	\$6,670	-
Student Educator Stipends	\$3,645,348	-
Institution Administrative Costs	\$450,000	-
Centrally Appropriated Costs ¹	\$17,694	-
Total Cost	\$4,214,694	-
Total FTE	1.0 FTE	-

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

Assumptions. The bill provides \$4.2 million per year for the program. In FY 2024-25, this amount is expected to cover stipends of about \$4,000 for the 16-week program and \$8,000 for the 32-week program. It is further assumed to serve half the number of participants as the current program, as it will be combined with the existing federal funding for the program that is available through December 30, 2024.

Staff. CDHE requires 1.0 FTE to administer the program in FY 2024-25, based on the continuation of the current workload to implement the existing program. Staff includes a program manager and accountant and are prorated for a January 2025 start date, as the program is funded through December under current law. Standard capital outlay and operating expenses are included.

Stipends. After administrative expenses, the fiscal note assumes that \$3.6 million in FY 2024-25 is required to provide stipends. This estimate assumes about 675 participants per year, split between the two stipend levels as discussed above. The actual number of stipends will depend on how many applicants receive a 32-week stipend and how many receive a 16-week stipend.

Institutions of higher education. The stipend program requires that CDHE distribute funds to institutions to cover the costs of implementation. Under the current program, costs are estimated at \$900,000 per year. The fiscal note assumes half that amount, \$450,000, is required in FY 2024-25.

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.

Effective Date

The bill was signed into law by the Governor and took effect on June 4, 2024.

State Appropriations

For FY 2024-25, the bill includes an appropriation of \$4,197,000 from State Education Fund to the Colorado Department of Education, to be reappropriated to the Department of Higher Education with 1.0 FTE.

State and Local Government Contacts

Education

Higher Education

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).