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Fiscal Note

Drafting Number: LLS 24-1084 Date: March 27, 2024
Prime Sponsors: Rep. Bird; Taggart Bill Status: House Appropriations
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Bill Topic: ACCELERATING CONCURRENT ENROLLMENT PROGRAM MOD

Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, School Districts

Budget package bill. The bill establishes caps on ASCENT program participation and per pupil rates, and requires a study of program costs. On net, the bill decreases state expenditures and school district funding on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill requires and includes a net appropriation decrease of \$1.0 million to the Colorado Department of Education, primarily from the State Education Fund. See State Appropriations Section.

Fiscal Note Status: The fiscal note reflects the introduced bill. It was recommended by the Joint Budget Committee as part of the FY 2024-25 budget package.

Table 1
State Fiscal Impacts Under HB 24-1393

Table with 4 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, State Education Fund, Total Expenditures), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

Under current law, the Accelerating Students through Concurrent Enrollment (ASCENT) program is available to all qualified students who are designated to participate by their local education provider. The bill:

- beginning in FY 2024-25, limits the per student rate for an ASCENT program participant at the 2023-24 extended high school per pupil rate;
- beginning in FY 2025-26, caps the number of ASCENT program participants in each local education provider (LEP) at the LEP's number of participants in FY 2024-25;
- requires that the Colorado Department of Education (CDE) submit a report to the legislature by December 1, 2024 that includes an analysis of LEP costs to offer the ASCENT program and recommended changes to improve program outcomes;
- allows the State Board of Education to establish selection criteria that an LEP may choose to use to designate participating students; and
- requires participating students to complete a state or federal application for financial aid (CASFA/FAFSA).

Background

The ASCENT program allows participating students to enroll in postsecondary courses in a fifth year of high school, paid by the LEP. Participating students are counted in a LEP's extended high school pupil enrollment count and are funded through the school finance formula at a flat per pupil rate. The extended high school per pupil rate is \$9,588 in the current FY 2023-24 after the budget stabilization factor and \$10,244 in FY 2024-25.

Initially, participation in the ASCENT program was capped annually in state law.

House Bill 22-1390 removed the cap on the program and enrollment has since increased from 500 in FY 2021-22 to 1,230 in FY 2023-24, and is projected to increase to 1,666 students in FY 2024-25.

State Expenditures

On net, the bill decreases state expenditures in CDE by \$1.0 million in FY 2024-25 and \$5.0 million in FY 2025-26. In FY 2024-25, this includes a decrease of \$1.1 million from the State Education Fund and an increase of \$45,600 from the General Fund. In FY 2025-26, the \$5.0 million expenditure decrease is from the State Education Fund. Costs are listed in Table 2 and discussed below.

Table 2
Expenditures Under HB 24-1393

	FY 2024-25	FY 2025-26
Department of Education		
State Share of School Finance – ASCENT	(\$1,081,762)	(\$4,987,340)
Study contract	\$45,600	-
Total Cost	(\$1,036,162)	(\$4,987,340)

ASCENT funding. The bill is expected to decrease the state share of school finance due to the cap on ASCENT participation and per pupil rates.

- **FY 2024-25.** In FY 2024-25, the state share will decrease by approximately \$1.1 million due to the cap on the ASCENT per pupil rate. The fiscal note assumes there will be 1,666 students enrolled in ASCENT in FY 2024-25. The extended high school per pupil rate is expected to be \$10,244 in FY 2024-25 under current law; the bill will limit it to \$9,588, which is the FY 2023-24 rate after the budget stabilization factor.
- **FY 2025-26.** In FY 2025-26, the state share will decrease by approximately \$5.0 million due to both the cap on the per pupil rate at the FY 2023-24 rate and the limit on enrollment at FY 2024-25 levels. The fiscal note assumes that, under current law, ASCENT enrollment would have increased by 20 percent and the per pupil rate would have increased by 2.6 percent, the Legislative Council Staff March 2023 forecast of inflation.

Contract costs. In FY 2024-25 only, CDE requires \$45,600 to contract with a vendor for the ASCENT program study. Costs assume 228 hours at a rate of \$200 per hour.

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.

School District

The bill impacts funding and workload for school districts that have students enrolled in the ASCENT program, as discussed below. For school districts that do not have students participating in ASCENT, the bill will have no fiscal impact.

ASCENT funding. The bill reduces the state share of school finance that is distributed to school districts for ASCENT students by an estimated \$1.1 million in FY 2024-25 and \$5.0 million in FY 2025-26, as described in the state expenditures section. The per pupil rate for ASCENT students will decrease to \$9,588 on an ongoing basis, from \$10,244 in FY 2024-25 and an estimated \$10,500 in FY 2025-26. It will also limit enrollment for each district at the number of participants that enrolled in FY 2024-25, limiting future growth in enrollment and corresponding funding for those students that would have enrolled in the program.

Local share. By decreasing total program and the state share, the bill also minimally decreases the local share of school finance for fully funded districts that have students in ASCENT. This estimated at about \$11,100 statewide in FY 2024-25.

Workload. The bill also increases workload for school districts to adjust policies to align with the enrollment cap and new participation requirements, as well as to participate in the study conducted by CDE.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except that Section 3 of the bill takes effect July 1, 2024.

State Appropriations

For FY 2024-25, the bill requires and includes the following appropriations to the Colorado Department of Education:

- an increase of \$45,600 from the General Fund; and
- a decrease of \$1,081,762 from the State Education Fund.

State and Local Government Contacts

Education Joint Budget Committee Staff

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](#).