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Fiscal Note

Drafting Number:	LLS 24-0159	Date:	January 17, 2024
Prime Sponsors:	Sen. Hansen Rep. McLachlan	Bill Status:	Senate Education
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Bill Topic: **SEAL OF CLIMATE LITERACY DIPLOMA ENDORSEMENT**

Summary of Fiscal Impact:	<input checked="" 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 checked="" type="checkbox"/> School District

The bill authorizes local education providers to award a seal of climate literacy diploma endorsement to students who complete certain courses and an experiential learning project. The bill increases state expenditures, and may increase state revenue and school district workload on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$18,749 to the Colorado Department of Education.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 24-014

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue		-	-
Expenditures	General Fund	\$18,749	\$18,749
	Centrally Appropriated	\$3,943	\$3,943
	Total Expenditures	\$22,692	\$22,692
	Total FTE	0.2 FTE	0.2 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$2,812	\$2,812

Summary of Legislation

The bill authorizes local education providers (LEPs) to award a climate literacy diploma endorsement to a student who:

- meets minimum graduation requirements;
- completes at least two approved courses in climate literacy; and
- completes an experiential learning project.

LEPs that grant the endorsement must provide information on the endorsement to students in grades six through twelve and their parents. LEPs must approve the student's experiential learning project, or may authorize a climate literacy experiential learning provider, such as a business, nonprofit, or school, to support the student's final project.

LEPs must submit data on the diploma endorsement to the Colorado Department of Education (CDE) by October 1, 2025 and each year thereafter. CDE must summarize the data in a report to the General Assembly by January 15, 2026 and each year thereafter. CDE may collaborate with a nonprofit organization to evaluate the data and compile the report, and may seek, accept, and expend gifts, grants, and donations for the purposes of this data collection and report.

State Revenue

The bill potentially increases state revenue from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

State Expenditures

The bill increases state expenditures in CDE by about \$23,000 beginning in FY 2024-25, paid from the General Fund. Costs are listed in Table 2 and discussed below.

Table 2
Expenditures Under SB 24-014

	FY 2024-25	FY 2025-26
Department of Education		
Personal Services	\$18,749	\$18,749
Centrally Appropriated Costs ¹	\$3,943	\$3,943
Total Cost	\$22,692	\$22,692
Total FTE	0.2 FTE	0.2 FTE

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

Colorado Department of Education. Beginning in FY 2024-25, CDE requires 0.2 FTE to provide technical assistance to districts creating the diploma endorsement and collecting data, create the data collection survey, and compile the legislative report. Technical assistance includes support related to student educational plans, concurrent enrollment, experiential learning, graduation requirements, and climate content. The fiscal note assumes that using CDE staff, as opposed to collaborating with a non-profit, is the least cost alternative for evaluating the data received from schools and compiling the required report.

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.

School District

The bill increases workload and potentially costs for any school district that chooses to offer a seal of climate literacy diploma endorsement. School staff must develop a list of acceptable courses to qualify for the endorsement, review and approve student projects, and compile required data. Impacts to school districts will vary based on whether they offer the endorsement and the number of interested students.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$18,749 to the Colorado Department of Education, and 0.2 FTE.

State and Local Government Contacts

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](#).