

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
REVISED FISCAL IMPACT**

(replaces fiscal note dated February 7, 2012)

Drafting Number: LLS 12-0442
Prime Sponsor(s): Rep. Nikkel
 Sen. Giron

Date: February 20, 2012
Bill Status: House Appropriations
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING PROGRAMS TO ALLOW STUDENTS TO ENROLL IN POSTSECONDARY INSTITUTIONS TO COMPLETE HIGH SCHOOL GRADUATION REQUIREMENTS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures* General Fund appropriation to School Finance		at least \$2,254,560
FTE Position Change		
Effective Date: August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
School District Impact: See School District Impact section.		

* Assumes that dropout recovery programs will be created in FY 2012-13 and will accept participating students beginning in FY 2013-14.

Summary of Legislation

This bill allows a local education provider and community colleges to enter into an agreement to establish a dropout recovery program allowing a student who has dropped out of high school, or students at-risk of dropping out, to complete their high school requirements exclusively at a community college or district junior college. Any individual age 16 to 21 who has dropped out of school may participate. Students who are enrolled, but at-risk of dropping out, may participate with permission of the school district.

If an agreement is entered, any student enrolled in at least 7 credit hours per semester is counted as full-time in the school district's funded pupil count. If the student completes the credit hours, the school district pays the college a portion of the student's tuition, in an amount negotiated by the two parties.

State Expenditures

Beginning in FY 2013-14, this bill increases costs for school finance by a total of \$2,254,560 General Fund.

In 2010-11, there were approximately 10,500 student dropouts at least 16 years of age, roughly one-third of whom re-enrolled in a state public school the following year. Based on these data, there are approximately 7,000 dropout students who could participate in a recovery program.

If recovery programs create an incentive for additional dropouts to re-enroll, these students will increase appropriations for school finance by the average per-pupil revenue amount of \$6,405 per student, based on the FY 2012-13 supplemental school finance bill, Senate Bill 12-1201. At-risk students who participate are currently enrolled, and have already been counted in the school district's funded pupil count.

This fiscal note assumes at least 352 additional students will participate in recovery programs. Table 1 displays a range of costs for varying amounts of dropout student participation, assuming average per pupil revenue under school finance. If the state chooses to not pay for these students, the negative factor in school finance will need to increase further.

%	Number of Students	Per-pupil Revenue
5 %	352	\$2,254,560
15%	1,055	\$6,757,275
33%	2,322	\$14,872,410

School District Impact

For school districts that establish a program and are able to recover student dropouts, each re-enrolled student increases that district's funding under school finance, prior to application of the negative factor. If the state pays for these students, districts will receive additional funding; however, if the state does not pay, the negative factor will increase, causing larger cuts in school finance than would have occurred without the bill. Some amount of this additional revenue is then passed to the community college to pay tuition costs; however, only if the participating student successfully completes the course.

Pursuant to Section 22-32-143, C.R.S., as specified by House Bill 11-1277, school districts and Boards of Cooperative Educational Services (BOCES) may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: <http://www.colorado.gov/lcs>

State Appropriations

No appropriation is necessary in FY 2012-13, assuming dropout recovery programs begin operation with the 2013-14 academic year.

In FY 2013-14, this bill will require at least \$2,254,560 General Fund for School Finance.

Departments Contacted

Education

Higher Education

Law