



Colorado Legislative Council Staff Fiscal Note
**STATE and LOCAL
 FISCAL IMPACT**

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

Date: February 7, 2012
Bill Status: House Education
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 College Opportunity Fund		at least \$2,278,848 at least \$152,768
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 the community 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, not to exceed the established resident rate. The college may also receive stipend payments from the College Opportunity Fund.

State Expenditures

It is estimated that the bill will increase costs beginning in FY 2013-14 by a combined total of \$2,431,616 General Fund for appropriations to School Finance and for College Opportunity Fund stipends.

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 this 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 \$6,474 per student. At-risk students who participate are currently enrolled, and have already been counted in the school district's funded pupil count. The bill also increases appropriations for the COF by the per-credit stipend amount of \$62 per credit hour, multiplied by at least 7 credits (total \$434 per student). Estimates in this fiscal note assumes that per-pupil funding and COF stipends are not increased in FY2013-14.

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 and at least 7 credits of COF stipends.

	Number of Students	per-pupil revenue	7 credit hours COF	Total
5 %	352	\$2,278,848	\$152,768	\$2,431,616
15%	1,055	6,830,070	457,870	7,287,940
33%	2,322	15,032,628	1,007,748	16,040,376

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 per-pupil revenue under School Finance. Some amount of this additional revenue is 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 an appropriation of at least \$2,278,848 General Fund for School Finance and at least \$152,678 General Fund for College Opportunity Fund stipends.

Departments Contacted

Education

Higher Education

Law