

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 12-0209 **Date:** January 23, 2012  
**Prime Sponsor(s):** Rep. Massey; Fields **Bill Status:** House Education  
 Sen. Bacon; King K. **Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING CREDIT FOR PRIOR LEARNING IN HIGHER EDUCATION.

<b>Fiscal Impact Summary</b>	<b>FY 2012-2013</b>	<b>FY 2013-2014</b>
<b>State Revenue</b>	Potential Change: See State Revenue section.	
<b>State Expenditures</b>		
General Fund appropriation to		
Department of Higher Education	\$56,840	\$32,873
College Opportunity Fund	803,520	803,520
<b>FTE Position Change</b>	12.5 FTE	12.5 FTE
<b>Effective Date:</b> August 7, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2012-2013:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill, *recommended by the Educational Success Task Force*, requires that the Colorado Commission on Higher Education (CCHE), in consultation with public institutions of higher education, develop criteria for awarding academic credit for a student's prior learning. Prior learning could include work experience, military service, community involvement, or independent study. The CCHE must also define a process to assess a student's prior learning and determine the appropriate number of credits to award.

Beginning in the 2013-14 academic year, each public institution of higher education must implement a program to grant academic credit to a student whose prior learning meets the criteria developed by the CCHE.

**Background**

Prior learning assessment (PLA) is the process by which an institution of higher education evaluates for academic credit the college-level knowledge and skills an individual has gained outside the classroom. Common methods of PLA include the evaluation of student portfolios, formal documentation of corporate and military training, standard credit recommendation guides, standard examinations such as those in advanced placement programs, or customized assessments developed by individual schools.

Students seeking credit for prior experience can pay private companies to conduct PLA and to assist the student in petitioning a school to accept the experience for credit, but individual schools still make the final decision; students are not guaranteed that the experience will be accepted. There is no common statewide process or credit guide currently in use by state schools; however, many schools, including community colleges, allow students to test out of certain basic requirements through the use of assessments.

### **State Revenue**

This bill may impact state revenue from tuition. Awarding academic credit for prior learning will allow students to enroll in fewer academic courses at public institutions, thus reducing the amount of tuition revenue those schools might otherwise receive. Conversely, the appeal of having prior learning recognized as academic credit may provide an incentive to some individuals to enroll in higher education, thus increasing tuition revenue.

### **State Expenditures**

*In FY 2012-13, this bill will increase state expenditures by \$860,360 and 12.5 FTE in the Department of Higher Education (DHE) and at state institutions of higher education. In FY 2013-14, increased state expenditures are \$836,393 and 12.5 FTE.*

*Colorado Commission on Higher Education/ Department of Higher Education: \$56,840 and 0.5 FTE in FY 2012-13 and \$32,873 and 0.5 FTE in FY 2013-14.* The DHE will have administrative costs to develop statewide criteria and to define a process to assess student prior learning at public institutions. In order to provide the required consultation with the schools, the DHE will conduct 8 regional workshops similar to the process used by the General Education Council to implement the Gt Pathways guaranteed credit transfer program. The cost of each workshop is estimated at \$4,000, which includes facilities, travel, and meals. Additionally, the DHE will consult with the business and military community in order to define prior experiences that may be submitted for credit and to determine a fair conversion. Up to 6 regional workshops will be necessary at an approximate cost of \$2,000 per meeting. The DHE requires 0.5 FTE at an Administrative Assistant III level to coordinate statewide workshops and to present findings and make recommendations to the DHE.

*Institutions of Higher Education: \$803,520 and 12.0 FTE in both FY 2012-13 and FY 2013-14.* In addition to administrative costs for the DHE, the schools will also have costs to implement the bill. The schools must use faculty staff time to provide consultation to the DHE and to negotiate the final criteria and processes they must follow to implement a PLA program. In addition to development costs, the schools will have ongoing administrative costs to coordinate student applications and to apply the state-developed criteria to assess student credit. The combined faculty/administrative effort will equate to 1.0 FTE at each campus of the state's research institutions and four-year baccalaureate/masters institutions. This fiscal note estimates the combined FTE cost as equal to the average faculty rate at four year colleges (\$60,000 plus standard benefits); however, this estimate may change as more precise information becomes available. Total estimated costs for House Bill 12-1072 are detailed in Table 1.

<b>Table 1. Total Expenditures Under HB12-1072</b>		
<b>Cost Components</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>
Personal Services	\$822,918	\$822,918
FTE	12.5	12.5
Operating Expenses and Capital Outlay	3,442	475
PLA Development Workshops	34,000	13,000
<b>TOTAL</b>	<b>\$860,360</b>	<b>\$836,393</b>

**Expenditures Not Included**

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. The centrally appropriated costs subject to this policy are summarized in Table 2.

<b>Table 2. Expenditures Not Included Under HB12-1072*</b>		
<b>Cost Components</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$3,056	\$3,056
Supplemental Employee Retirement Payments	1,034	1,191
<b>TOTAL</b>	<b>\$4,090</b>	<b>\$4,427</b>

\*More information is available at: <http://colorado.gov/fiscalnotes>

**State Appropriations**

In FY 2012-13, this bill requires an appropriation of \$56,840 and 0.5 FTE General Fund to the Department of Higher Education, and an appropriation of \$803,520 General Fund to the College Opportunity Fund for fee-for-service contracts with state institutions of higher education.

**Departments Contacted**

Higher Education