Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 13-0100	**Date:**	January 9, 2013
Prime Sponsor(s): Rep. Fields; Buckner	**Bill Status:**	House Education
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TITLE: CONCERNING POSTSECONDARY CERTIFICATE PROGRAMS THAT COMBINE BASIC EDUCATION COURSE WORK WITH SKILLS TRAINING.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue - Tuition/Fees Community College System	See State Revenue Section	
State Expenditures Cash Funds College Opportunity Fund - fee-for-service contracts	$131,300	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: $131,300 College Opportunity Fund.		
Local Government Impact: None.		

Summary of Legislation

This bill, ***as recommended by the Educational Success Task Force,*** requires that the State Board for Community Colleges and Occupational Education (SBCCOE) design new certificate programs to allow certain unemployed or underemployed adults to obtain a career and technical education certificate in 12 months or less. The certificate programs will be offered as a pilot program, and are intended to integrate information and math literacy development with career and technical training.

The SBCCOE must design at least 20 certificate programs; the first 10 must be available by the fall semester of the 2013 academic year, and 10 more must be available by the next academic year. The SBCCOE may consult with local district junior colleges, area vocational schools, local workforce development councils, and the appropriate staff at the Colorado Department of Education, when developing the certificate programs. Each program must be jointly designed by mathematics, English, and career and technical education faculty.

Community colleges, technical colleges, local district junior colleges, and other workforce development programs may participate in the pilot program by implementing one or more of the certificate programs. If implemented, the institutions are required to report participation information to the Department of Higher Education. The pilot program is repealed July 1, 2018.

State Revenue

The bill has the potential to increase tuition and fee revenue in the community college system beginning in FY 2013-14. Institutional revenue from tuition and fees is collected and spent by the governing bodies of the state institutions and is not appropriated by the General Assembly in the Long Bill. Due to enterprise status, state revenue from tuition and fees at institutions of higher education is not counted against state revenue limitations in the Colorado Constitution.

The bill does not require that institutions in the community college system offer the new certificate programs. It is unknown how many schools will chose to offer which programs or the number of students who will enroll. Given the target demographics, each student cohort is anticipated to be relatively small, perhaps 12 students per program. If each certificate can be completed in one academic year (30 credit hours) at an average cost of about $3,500 (tuition and fees in FY 2011-12), each program has the potential to generate approximately $42,000 in institutional revenue. Since the actual number of students cannot be anticipated, total revenue is not estimated.

State Expenditures

In FY 2013-14, this bill has a total cost of $131,300 from fee-for-service contracts with institutions of higher education. In order for the SBCCOE to meet the bill's deadline to create 10 new programs in time for the 2013-14 academic year, and 10 additional programs in time for the 2014-15 academic year, all costs will be incurred in FY 2013-14. Total costs are displayed in Table 1, and discussed below.

Table 1. Expenditures Under HB13-1005	
Cost Components	**FY 2013-14**
Curriculum/Program Development	$80,000
Information Technology	51,300
TOTAL	**$131,300**

Curriculum and program development. Developing each certificate program will require approximately 160 hours of combined faculty time. Faculty must include individuals with academic expertise in mathematics, reading, writing, and career and technical education. Assuming a base rate of $25 per hour (including benefits) and 40 hours per faculty member per certificate program, the total cost for 20 programs is $80,000 ($4,000 per certificate program * 20 programs = $80,000).

Information technology (IT). The SBCCOE must be able to register and track academic progress in the new certificate programs, and link credit and non-credit courses via the registration process. The board will require an IT consultant familiar with the BANNER student information system to modify the business and academic processes and system set-up. This may also require a modification to BANNER to create a workable registration process. IT costs are estimated at 240 consulting hours using an average rate of $180 per hour, plus expenses for travel. The total estimated cost for IT enhancements is $51,300.

Program approval. In addition to the direct new costs listed above, the SBCCOE will have indirect costs to review and approve each certificate program. These indirect costs can be estimated assuming a base rate of $40 per hour and 5 hours of board time for each certificate program, or $200 per approval, at a total indirect cost of $4,000 (20 certificate programs * $200 = $4,000). Program approval in the community college system is part of the normal activities of the board, and the number of additional approvals as a result of this bill is not anticipated to require more than its customary meetings. For these reasons, this estimate is included here for informational purposes only.

State Appropriations

In FY 2013-14, this bill requires a cash funds appropriation from the College Opportunity Fund of $131,300 for fee-for-service contracts with the State Board for Community Colleges and Occupational Education.

Departments Contacted

Education   Higher Education   Labor and Employment