

Colorado Legislative Council Staff Fiscal Note

**FINAL
FISCAL NOTE**

Drafting Number: LLS 15-0587	Date: July 8, 2015
Prime Sponsor(s): Rep. Kraft-Tharp; Wilson Sen. Hill; Heath	Bill Status: Signed into Law
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BILL TOPIC: INCREASING POSTSECONDARY AND WORKFORCE READINESS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	<u>\$232,848</u>	<u>\$194,773</u>
General Fund	211,903	173,792
Centrally Appropriated Costs**	20,945	20,981
FTE Position Change	1.7 FTE	1.6 FTE
Appropriation Required: \$211,903 - Multiple Agencies (FY 2015-16)		

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

Under current law, the Colorado Department of Education (CDE) annually determines the level of attainment for public schools, school districts, and the state based on specific indicators of performance. One of the performance indicators used is the degree to which students graduate from high school postsecondary and workforce ready (PWR). The CDE calculates PWR based on the achievement level of eleventh grade students taking the statewide college entrance test, the percent of graduates who receive an endorsed diploma (pending), and graduation and dropout rates.

Beginning in 2016-17, this bill requires the CDE to also calculate PWR by including the percent of high school graduates who enroll in a postsecondary education program in the school year immediately following graduation. Consistent with the other measures of performance, the CDE must disaggregate the additional data collected by student group.

The bill modifies the composition of school and district level accountability committees to include representation from business and industry.

The bill creates the position of Postsecondary and Workforce Readiness Statewide Coordinator (PWR coordinator) to work under the State Work Force Development Council in the Colorado Department of Labor and Employment (CDLE). The PWR coordinator will work with local education providers, businesses, industry, area vocational schools, community colleges, the CDE, the Department of Higher Education (DHE), and the career and technical education division within the community college system to raise the level of PWR achieved by high school graduates.

The PWR coordinator is required to assist local education providers to:

- coordinate PWR programs and initiatives for students;
- develop and implement initiatives to increase PWR through specialized, industry-based curricula, apprenticeship programs, and internships;
- implement concurrent enrollment agreements with institutions of higher education;
- engage students with the manufacturing career pathway; and
- develop partnerships with business, industry, unions, and institutions of higher education to create educational and training programs for students.

State Expenditures

This bill increases state expenditures in the CDE and the CDLE for staffing and operational costs related to PWR measurement and improvement. State expenditures increase by \$232,848 and 1.7 FTE for FY 2015-16 and by \$194,773 and 1.6 FTE for FY 2016-17. These costs are discussed below.

Colorado Department of Education. This bill requires that the CDE add specific measures to the calculation for PWR, and increases workload for the Accountability and Data Analysis Unit and for information management systems in the department. Workload includes redesign of the performance frameworks for PWR, adoption and revision of data sharing agreements with state agencies, and developing and validating data warehousing for annual data-sharing and reporting with participating agencies. The CDE will also require an annual contract with the National Student Clearinghouse to obtain data on Colorado high school graduates who enroll in institutions of higher education in other states. Total state expenditures for the CDE are displayed in Table 1.

Table 1. CDE Expenditures Under HB 15-1170		
Cost Components	FY 2015-16	FY 2016-17
Personal Services	\$50,116	\$42,956
FTE	0.7 FTE	0.6 FTE
Operating Expenses and Capital Outlay Costs	5,368	570
National Student Clearinghouse	35,000	35,000
Travel and Printing	2,450	-
Centrally Appropriated Costs*	6,674	6,067
TOTAL	\$99,608	\$84,593

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

Colorado Department of Labor and Employment. The bill requires that the CDLE employ a PWR coordinator to provide services across multiple state agencies, local education providers, and private business and industry, that raise the level of PWR achieved by Colorado high school graduates. The department will also have costs to develop a database of templates, resources, and guides to assist schools and school districts. Personnel, operating, and other expenses are displayed in Table 2.

Table 2. CDLE Expenditures Under HB 15-1170		
Cost Components	FY 2015-16	FY 2016-17
Personal Services	\$79,816	\$79,816
FTE	1.0 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	5,653	950
Information Technology	20,000	1,000
Printing and Travel	13,500	13,500
Centrally Appropriated Costs*	14,271	14,914
TOTAL	\$133,240	\$110,180

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

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 3.

Table 3. Centrally Appropriated Costs Under HB 15-1170*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$11,277	\$10,822
Supplemental Employee Retirement Payments	9,668	10,159
TOTAL	\$20,945	\$20,981

*Table 3 estimates the centrally appropriated costs for both the CDE and the CDLE. More information concerning this expense is available at: <http://colorado.gov/fiscalnotes>

Effective Date

The bill was signed into law by the Governor and it took effect on May 26, 2015.

Departmental Difference

The CDLE estimated that HB 15-1170 increases expenditures for the department by \$696,751 and 10 FTE in direct expenditures, and an additional \$236,493 in indirect, centrally appropriated expenditures for FY 2015-16. The department based this estimate on the requirement that the PWR coordinator, upon request, work with a local education provider to coordinate PWR programs and initiatives for students. The department assumes that no local education providers employ their own PWR coordinator, and that the CDLE is required by the bill to provide services to every school district and charter school in the state. Because there are 9 workforce regions, the department estimated it will require 9 additional FTE to implement the bill.

The fiscal note does not include these costs. The bill creates a single position in the CDLE and enumerates the powers and duties for that single position. The bill states that the coordinator shall, upon request, work with a local education provider to coordinate PWR programs and

initiatives for students. There is no indication that the bill's intent includes staffing at levels exceeding 1 FTE, and the fiscal note only estimates the cost of a single PWR coordinator, not 10. Should the department determine that resources are insufficient to provide assistance to schools and districts that request it, appropriations and FTE allocation will be addressed through the annual budget setting process.

State Appropriations

Consistent with this final fiscal note, for FY 2015-16 this bill contains the following appropriations:

- \$92,934 General Fund and 0.7 FTE to the Colorado Department of Education; and
- \$118,969 General Fund and 1.0 FTE to the Colorado Department of Labor and Employment.

State and Local Government Contacts

Education

Higher Education

Labor