HB15-1270

Colorado Legislative Council Staff Fiscal Note

STATE FISCAL IMPACT

Drafting Number:	LLS 15-0845	**Date:**	March 16, 2015
Prime Sponsor(s):	Rep. Duran; Foote Sen. Todd; Woods	**Bill Status:**	House Education
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BILL TOPIC: PATHWAYS IN TECHNOLOGY EARLY COLLEGE HIGH SCHOOLS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017	FY 2021-22**
State Revenue			
State Expenditures	**$14,463**		**$4.1 million**
General Fund	14,463		$4.1 million
FTE Position Change	0.2 FTE		
Appropriation Required: $14,463 General Fund (FY 2015-16). See State Appropriations section.			

* *This summary shows changes from current law under the bill for each fiscal year.*
** *The bill is fully implemented beginning in FY 2021-22.*

Summary of Legislation

This bill authorizes the creation of Pathways in Technology Early College High Schools (P-Tech school). A P-Tech school is a public school that includes grades 9 through 14 and is designed to prepare students for careers in industry by enabling students to graduate with both a high school diploma and an associate degree. A P-Tech school is operated as a collaborative effort by a local education provider (LEP, i.e., school districts, charter schools, Boards of Cooperative Educational Services), a community college, and one or more industry employers. A P-tech school, in contrast to other early colleges, focuses specifically on science, technology, engineering, and mathematics, and includes two additional years of high school (grades 13 and 14).

A P-Tech school must be jointly approved by the Commissioner of Education and by the Executive Director of the Department of Higher Education (DHE). The Colorado Department of Education (CDE) and the DHE must jointly establish time lines and procedures by which a LEP may apply to operate a P-Tech school, and must develop a standard agreement template to be used by applicants. The bill specifies some minimum requirements for a P-Tech school application, which includes outlining the responsibilities of the LEP, the community college, and the industry partner, and detailing how funding will be allocated between the LEP and the college for the cost of postsecondary courses.

The commissioner and the executive director may authorize a limited number of P-Tech schools within the state. Once approved, the LEP is provided one academic year to implement the P-Tech program. A P-Tech school must adhere to the same accountability requirements as other high schools; however, the commissioner and executive director may establish indicators for measuring the performance of P-Tech schools which may also include the ability of P-Tech graduates to obtain employment in the field, or to pursue additional postsecondary education in the field, as well as any relevant performance indicators established for other concurrent enrollment programs.

A P-Tech school is funded through the annual School Finance Act (SFA). A district with a P-Tech school may include the P-Tech school's students in grades 9-12 in the school district's pupil enrollment; students in grades 13 and 14 are funded at the fixed per pupil amount established annually for students participating in the ASCENT program (Accelerating Students through Concurrent Enrollment). A student enrolled in grades 13 and 14 may also receive a stipend from the College Opportunity Fund (COF) for the postsecondary courses the student takes.

State Expenditures

For FY 2015-16, this bill increases state expenditures by $14,463 and 0.2 FTE, split evenly between the Colorado Department of Education and the Department of Higher Education. The bill also increases the cost for school finance and the cost to fund higher education beginning in FY 2020-21.

Administration. The bill increases workload for both the CDE and DHE in FY 2015-16 to establish time lines and application procedures for P-Tech schools, and to develop a standard agreement template to be used by P-Tech partners. Workload increases by about 200 hours for each department, or 400 hours total for FY 2015-16 only (0.2 FTE). This fiscal note assumes a minimal number of applications (2-3) will be received in FY 2015-16 for review and approval to begin operations in FY 2016-17. Once these initial P-Tech schools are authorized, and because the bill allows only a limited number of schools to receive authorization, the departments' workload is greatly reduced or eliminated altogether beginning with FY 2016-17. If the departments' combined workload increases as a result of additional applications, appropriations can be adjusted through the annual budget setting process.

Funding P-TECH students. Beginning FY 2020-21, the creation of P-Tech schools increases both the cost of school finance and the cost of student stipends for COF. The P-Tech model involves a specific scope and sequence of instruction and educational experiences beginning with grade 9, and is designed to facilitate student progress through completion of both a high school diploma and an associate degree by grade 14. This fiscal note assumes that authorized schools will open with a single ninth grade class, and add one additional class each year. Thus, a 9th grade student at a P-Tech school in FY 2016-17 will enter grade 13 in FY 2020-21. Until then, funding a P-Tech school does not increase the cost of school finance, as these students would presumably be funded in a regular school during these years.

The bill funds each grade 13 and grade 14 student at a fixed amount in the school finance act. In FY 2015-16, school districts will receive per-pupil funding of $6,640 for each eligible ASCENT student under current law. The ASCENT program allows a student who has completed at least 12 credit hours of postsecondary courses prior to completing his or her senior year to remain enrolled in high school for one additional year, and to concurrently enroll in an institution of higher education. Similar to ASCENT, a P-Tech student remains enrolled in the school for two additional years beyond grade 12, and receives the same fixed funding amount as ASCENT students during those years. If ASCENT funding increases by at least the rate of inflation annually through FY 2021, ASCENT per pupil funding will increase to $7,454. As a result, if two P-Tech classes of 100 students each receive the fixed per-pupil ASCENT funding, the cost of school finance increases by about $1.5 million in FY 2020-21 (200 students X $7,454 ASCENT funding = $1,490,800). The following year, a second class will enter the thirteenth grade and the cost of school finance increases again, for a full implementation cost of about $3.1 million in FY 2021-22.

Beginning with FY 2020-21, the bill also increases the cost of the College Opportunity Fund. For FY 2015-16, the COF stipend is estimated to be $75 per credit hour, or $2,250 for 30 credit hours. If COF funding increases by at least the rate of inflation annually through FY 2021, the COF stipend will increase to $84 per credit hour, or $2,520 for 30 credit hours. Reapplying the same assumptions, if 200 additional students become eligible for COF stipends in FY 2020-21, appropriations to COF will increase by about $450,000 in that year (200 students X $2,520 COF stipend = $450,000). The following year, a second class will enter the thirteenth grade and the cost of COF stipends increases again, for a full implementation cost of about $1.0 million in FY 2021-22. However, some of these students would presumably attend a state institution of higher education in those years without the P-Tech school.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2015-16, the bill requires an appropriation of $7,232 General Fund and 0.1 FTE to the Colorado Department of Education and an appropriation of $7,232 General Fund and 0.1 FTE to the Department of Higher Education.

State and Local Government Contacts

Education Higher Education