Colorado Legislative Council Staff Fiscal Note

STATE and LOCAL
FISCAL IMPACT

Drafting Number: LLS 15-0616	**Date:**	February 10, 2015
Prime Sponsor(s): Sen. Donovan	**Bill Status:**	Senate Education
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BILL TOPIC: ASCENT PROGRAM FUNDING

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		

State Expenditures
    General Fund
    School Finance
	$376,090
	$3,926,144
	(4,302,234)
		See State Expenditures section.

FTE Position Change		
Appropriation Required: ($4,302,234) General Fund - School Finance Act and $3,926,144 General Fund to the ASCENT Program Fund (Colorado Department of Education) FY 2015-16.		

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

Summary of Legislation

Under current law, the Colorado Department of Education (CDE) administers the accelerating students through concurrent enrollment (ASCENT) program. The CDE designates the number of participants in the program based on certain student qualifications and on recommendations received from a local education provider (LEP). ASCENT students are counted in the enrollment numbers for a participating LEP; these students are also counted by the institution of higher education for purposes of resident enrollment requirements, and to access stipends from the College Opportunity Fund. Funding to LEPs for ASCENT students is provided in the annual School Finance Act.

This bill removes ASCENT funding from the annual School Finance Act and instead appropriates funding directly to the CDE for allocation to LEPs. ASCENT program students are no longer counted in the funded pupil count for the LEP when calculating total program funding under the School Finance Act. The CDE must distribute the allocated money to a LEP based on documentation of the number of qualified ASCENT students the LEP actually enrolls in an institution of higher education. For FY 2015-16, ASCENT per pupil funding is set at $6,632. Beginning in FY 2016-17, ASCENT program per pupil funding is increased by the same percentage increase applied to the statewide base per pupil funding under the School Finance Act.

In any year in which the General Assembly does not appropriate a sufficient amount to fully fund the ASCENT program allocations, the CDE is required to reduce each LEP's ASCENT program allocation proportionally. If a LEP enrolls fewer qualified students in an institution of higher education than the number of students designated for the LEP by the CDE, the department may reserve that portion of the LEP's ASCENT funding for one additional year.

The bill creates the ASCENT Program Fund (fund) which consists of money the General Assembly appropriates to the fund following the determination of the number of qualified students that the CDE may designate as ASCENT students. Money in the fund is subject to annual appropriations for the direct and indirect costs of the ASCENT program.

Background

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 in high school to remain enrolled in high school for one additional year and to concurrently enroll in an institution of higher education. School districts receive per-pupil state funding for each eligible ASCENT student, and use the funding to pay the student's college tuition at the resident community college rate. Students receive their high-school diplomas at the end of their ASCENT year. Under current law, funding for ASCENT students is provided in the annual School Finance Act.

The FY 2014-15 annual appropriations act (the Long Bill) authorized the CDE to allocate about $4.5 million of the school finance appropriation to support 708 student FTE at a per student rate of $6,424. In the supplemental school finance bill, Senate Bill 15-166, this amount was reduced to about $2.7 million supporting 423.5 student FTE.

State Expenditures

By eliminating ASCENT program funding in the school finance formula, the bill reduces School Finance Act expenditures by $4.3 million in FY 2015-16. The bill separately funds the ASCENT program, thereby increasing General Fund expenditures by $3.9 million in FY 2015-16. Because the negative factor is undefined beyond FY 2015-16, it is unclear how the bill impacts per pupil ASCENT funding.

The projected number of ASCENT students for FY 2015-16 is 592. This bill funds these students at a rate of $6,632 in FY 2015-16, requiring a General Fund appropriation of $3,926,144. Removing ASCENT program funding from the school finance formula, assuming the negative factor remains at the level specified in SB 15-166 ($880.2 million), decreases School Finance Act funding by $4,302,234. For FY 2016-17, the bill increases per pupil ASCENT program funding by inflation to a level of $6,798, but this amount may differ from current law depending upon the specification of the negative factor. If the negative factor remains at the level specified in SB 15-166 in FY 2016-17, per pupil ASCENT funding would be $6,805.

The bill requires that the CDE collect information from school districts on the number of eligible ASCENT students and allocate ASCENT funding only after verifying that the school district has actually enrolled the students in an institution of higher education. If a local education provider does not enroll designated ASCENT pupils in institutions of higher education, the CDE must reserve that portion of the LEP's allocation for one year only, and distribute the funding to the LEP for their eligible ASCENT student in the following year. These activities increase workload for the CDE; however, the department does not require additional appropriations.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2015-16, this bill requires the following General Fund appropriations:

- a reduction of $4,302,234 for School Finance; and
- an increase of $3,926,144 to the ASCENT Program Fund.

State and Local Government Contacts

Education   Higher Education