



**Colorado
Legislative
Council
Staff**

HB16-1289

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0424 **Date:** March 21, 2016
Prime Sponsor(s): Rep. Duran; Esgar **Bill Status:** House Education
 Sen. Garcia; Crowder **Fiscal Analyst:** Josh Abram (303-866-3561)

BILL TOPIC: INCENTIVES TO COMPLETE CAREER DEVELOPMENT COURSES

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	FY 2018-19
State Revenue			
State Expenditures			
General Fund		\$1.0 million	\$1.0 million
Appropriation Required: None.			
Future Year Impacts: Ongoing expenditure and workload increase through FY 2018-19.			

Summary of Legislation

For FY 2017-18 and FY 2018-19, this bill creates the Career Development Success Pilot Program in the Colorado Department of Education (CDE). The program is designed to provide financial incentives for participating districts and charter schools to encourage high school students to enroll in and successfully complete qualified industry-certificate programs, internship or pre-apprenticeship programs, and advanced placement courses. Each school district and charter school may decide annually whether to participate in the pilot program.

Beginning with FY 2017-18, participating districts and charter schools may receive up to \$1,000 for each pupil who, in the proceeding fiscal year, successfully completed a qualified program. The bill requires the General Assembly to appropriate at least \$1.0 million annually for incentive payments.

The CDE will distribute payments to districts and charter schools with students who successfully complete any of the following three tiers of programs, ordered in terms of priority:

- industry certificate programs;
- internship and pre-apprenticeship programs; and
- advanced placement courses.

Payments will be distributed sequentially. That is, all available payments must be made for certificate programs first, before money is available for internships and pre-apprenticeship programs, etc. For each tier of incentive payments, if the amount appropriated is insufficient to fully fund the total number of reported students, the CDE must reduce the incentive payments proportionally to all recipients. The CDE is required to provide an annual report describing the outcomes of the pilot program to a joint meeting of the education committees of the General Assembly.

No later than August 15, 2016, the Colorado Workforce Development Council (CWDC) in the Colorado Department of Labor and Employment, is required to collaborate with the CDE, the Department of Higher Education (DHE), and the Office of Economic Development (OEDIT) to identify qualified industry certificate programs and qualified internships and pre-apprenticeship programs for which schools and districts may receive incentive payments. The pilot program is repealed on September 1, 2019.

State Expenditures

Beginning with FY 2017-18, this bill increases state expenditures by \$1.0 million annually for incentive payments to school districts and charter schools. The pilot program created in the bill does not require the administration of grants by the CDE. Instead, the funding is distributed based on a statutory formula, similar to the way the state distributes funding on a per-pupil basis for the READ act. Although collecting information from school districts and verifying eligibility for disbursed funds increases workload for the department, these activities can be accomplished with existing appropriations.

The bill also increases workload for the CDE, the DHE, the OEDIT, and the CWDC to identify qualified industry certificate programs, and qualified internships and pre-apprenticeship programs, for which schools and districts may receive incentive payments. No change in appropriations is required for the increased workload.

School District Impact

School districts that choose to participate will receive incentive payments for qualified students. Payments from the program are dependant on available appropriations.

Under current law, school districts and Boards of Cooperative Educational Services (BOCES) may submit a separate estimate of fiscal impacts within seven days of a bill's introduction. Estimates submitted by districts or BOCES for this bill can be found on the Legislative Council website at this address: <http://1.usa.gov/23AxLIT>

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

Technical Issues

The bill's effective date of August 10, 2016, does not leave enough time for the CWDC and partner agencies to complete the required identification of industry certificate programs and internships by the bill's August 15, 2016 deadline.

Departmental Difference

The CWDC estimated that the cost to implement the bill includes 0.3 new FTE and approximately \$20,000 General Fund to the Department of Labor and Employment. The CDWC estimates this impact based on the bill's requirement that the council identify qualifying internships and verify them in accordance with the criteria outlined in the bill.

This fiscal note does not include this estimate because:

- the requirements in this bill are significantly similar to work the council has already been instructed to accomplish pursuant to current law;
- for FY 2015-16, the council's FTE appropriation increased by at least 3.7 FTE and 2015 Session Laws indicate an increase of 6.5 FTE for very similar purposes; and,
- the required work is to be done in partnership with three other state agencies and the workload is therefore shared across multiple entities.

State and Local Government Contacts

Economic Development Office
Information Technology

Education
Labor

Higher Education