Colorado Legislative Council Staff Fiscal Note

FINAL FISCAL NOTE

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TITLE: CONCERNING SUPPLEMENTAL ON-LINE EDUCATION SERVICES.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor on April 19, 2013, and takes effect August 7, 2013, assuming no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required. See State Appropriations section.		
School District Impact: See School District Impact section.		

Summary of Legislation

This bill designates the authority to contract for supplemental online programs to a Board of Cooperative Educational Services (BOCES). The Colorado Department of Education (CDE) must select a BOCES following consultation with a statewide association of BOCES. Under current law, the authority to contract for supplemental online programs resides with the Mountain BOCES specifically.

Once designated, the bill requires that the BOCES consult with the CDE to develop a triennial request for proposal (RFP) process beginning February 15, 2015. The RFP will solicit one or more nonprofit providers of supplemental online course offerings, professional development for educators, and consulting assistance for schools wanting to use online and blended learning with their students. The designated BOCES must collect data related to completion and passage rates of students participating in supplemental online and blended learning programs, and report this data to the CDE.

If a school district chooses to use services from the state-selected supplemental online provider(s), the district may be charged an affordable cost for high-quality, accredited courses.

Background

Supplemental online programs offer one or more computer-based courses to K-12 students to augment an educational program provided by a school district, charter school, or BOCES. Supplemental online programs are not a full-time "cyberschool." Rather, these programs add to, or

supplement, the course offerings of a local school. Under current law, the Mountain BOCES has the exclusive authority to contract with a supplemental online education provider, track performance, and report to the General Assembly. The principal vendor providing supplemental online programs is Colorado Online Learning.

State Expenditures

This bill does not change state expenditures. Each year, the General Assembly appropriates funds to the CDE for supplemental online education services. In FY 2012-13, the appropriation is \$480,000 from the State Public School Fund. For FY 2013-14, the CDE has requested the same amount of funding in its budget request. Currently, the full appropriation is then passed to the Mountain BOCES who contracts with a provider. The Mountain BOCES receives the funding to manage the contract, and is allowed to spend administrative overhead from the appropriation to cover costs. Under this bill, the appropriation and spending authority will be designated to a BOCES selected by the CDE, following consultation with the statewide association of BOCES.

School District Impact

Under current law, school districts that choose to purchase supplemental online courses from the contract vendor cannot be charged more than \$200 per student. Since the bill removes that limitation, the price charged by one or more vendors in the future may change. Depending on the course and the supplier, online courses range from \$200 to \$500 or more; however the actual cost charged by providers selected by CDE will be determined through the RFP process, and may be more than, equal to, or less than the current amount.

Pursuant to Section 22-32-143, C.R.S., as specified by House Bill 11-1277, school districts and BOCES may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: http://www.colorado.gov/lcs

State Appropriations

The funding necessary to transfer oversight of supplemental online education services from the Mountain BOCES to a BOCES selected by the CDE is included in the department's base budget request for the 2013 Long Bill. No appropriations clause is necessary to implement this bill, unless that request is <u>not</u> approved.

Departments Contacted

Education Law Public Schools