

OFFICE OF FISCAL ANALYSIS

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sHB-5833

AN ACT ESTABLISHING A PILOT PROGRAM FOR THE EXPANSION OF ADVANCED MANUFACTURING CERTIFICATE PROGRAMS.

As Amended by House "A" (LCO 10177), House "B" (LCO 10196)
House Calendar No.: 183

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
Board of Regents for Higher Education	Various - Potential Cost	None	See Below

Note: Various=Various

Municipal Impact:

Municipalities	Effect	FY 20 \$	FY 21 \$
Various Municipalities	Potential Cost	None	See Below

Explanation

The bill requires the Board of Regents to create a program that allows school districts to apply to establish advanced manufacturing certificate programs at high schools in partnership with community colleges or qualifying independent institutions of higher education, which results in a potential cost to the Board of Regents in FY 21 and annually thereafter. The bill also results in a potential cost to local and regional school districts that choose to participate, in the years of participation.

The extent of costs to the Board of Regents depends on: (1) the terms of each memorandum of understanding to be developed and executed with a participating school district, (2) whether any grant funds are

available, (3) the number of participating districts and students, and (4) the number of locations that involve community colleges. The costs to the Board of Regents are potential, as the program will not operate if no qualifying applications are received from districts. The potential costs to the Board of Regents begin in FY 21 as the bill requires the first location to begin operation in fall 2020. The bill limits the number of newly participating high schools to one each year.

The fiscal impact to a participating district similarly depends on the terms of the memorandum of understanding to be developed and whether any grant funds are available.

The Board of Regents currently offers a program similar to what is required under the bill, College Connections, which has involved a number of high schools and four Board of Regents institutions. Terms from one College Connections site agreement indicates the annual costs of a program limited to 15 high school students taking up to two hours of advanced manufacturing coursework daily are \$28,050 in instruction, books, and materials. In the first year of this agreement, the instruction and related costs are paid by the Board of Regents using non-state grant funds (according to Board of Regents meeting minutes), and thereafter are to be paid by the participating school district. In addition, the Board of Regents provided \$400,000 in equipment and furnishings, a one-time start-up cost.

The bill also allows the programs to offer evening and weekend courses to adults that culminate in a certificate. The fiscal impact of these classes to the Board of Regents depends on scale. Board of Regents advanced manufacturing certificate programs typically cost a community college approximately \$15,500 per student, and generate student revenue of \$6,000 to \$8,000. Therefore, the impact of any evening and weekend courses offered is anticipated to be a net cost to the Board of Regents associated with the high schools that offer such courses in partnership with a community college.

House "A" eliminates the original bill and its associated fiscal impact, and results in the impact described above.

House "B" makes a technical change that has no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the number of participating high schools, the scope of the courses offered, and whether any non-state grant funds are available.