



**Colorado
Legislative
Council
Staff**

HB16-1016

FISCAL NOTE

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

Drafting Number: LLS 16-0037

Date: January 20, 2016

Prime Sponsor(s): Rep. Young

Bill Status: House Education

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BILL TOPIC: USING MULTIPLE MEASURES OF STUDENT ACADEMIC GROWTH

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	<u>\$10.0 million</u>	<u>\$10.0 million</u>
General Fund	\$0	\$0
State Education Fund	\$10.0 million	\$10.0 million
Centrally Appropriated Costs	14,199	15,060
FTE Position Change	1.0 FTE	1.0 FTE
Appropriation Required: \$20,000,000 - Colorado Department of Education (FY 2016-17)		
Future Year Impacts: None.		

Summary of Legislation

This bill creates a grant program in the Colorado Department of Education (CDE) to assist local education providers (LEPs, i.e. school districts, charter schools, Boards of Cooperative Educational Services) to develop and apply multiple measures of student academic growth. Grants will be used by LEPs to develop multiple ways to measure student academic growth that are in addition to summative statewide assessments, and to make recommendations to the State Board of Education (SBE) and the General Assembly on including the measures as performance indicators in the state's public education accountability system.

A LEP may apply to the department by submitting a plan for using multiple measures of student growth and building staff capacity. In their applications, an LEP must explain their financial need, agree to contribute to a state resource bank, and indicate their willingness to participate in a consortium or other collaborative effort to share experiences and best practices. Grant recipients must also agree to an external evaluation of their programs.

The CDE is required to evaluate grant applications, assess the degree of financial need, and make award recommendations to the SBE. The board makes the final decision in awarding grants. The department must contract with an entity to evaluate each grantee's effectiveness using multiple measures of academic growth to evaluate the performance of students and schools, and to measure individual educator effectiveness. The department must annually summarize the evaluations for the education committees of the General Assembly.

For FY 2016-17, the bill includes an appropriation of \$20.0 million to the CDE from the State Education Fund. The department may not spend any of the amount annually appropriated to implement the bill as administrative expenses; however, the department may use up to \$100,000 of the annual appropriation to pay for the evaluator and to prepare an annual summary of evaluations.

State Expenditures

The bill increases state expenditures by \$20.0 million and 1.0 FTE for FY 2016-17 and FY 2017-18. The appropriation is primarily to provide grant funding to LEPs; however, the bill also increases costs for program administration, operational expenses, and to contract for an independent evaluator. This fiscal note assumes the initial appropriation will be spent in relatively equal amounts over two fiscal years, and that necessary administrative costs are included in the appropriation; the note may be revised as additional information on the distribution of expenses becomes available. Total costs are detailed below and displayed in Table 1.

Program Administration - \$80,524 and 1.0 FTE for FY 2016-17 and \$82,079 and 1.0 FTE in FY 2017-18. The bill creates a new grant program at the CDE. The department will establish program rules, develop an application review and evaluation process, make recommendations to the state board, manage disbursement of grant funds, oversee an RFP for an outside evaluator, and ensure accountability. Program staff will also provide technical assistance for grant recipients. Finally, the department will have workload increases in human resources, accounting, budgeting, and management in support of the new program. Personal Services costs in FY 2016-17 are slightly less to reflect the bill's presumed August effective date. These personal services costs and related program costs are estimated to total \$80,524 and 1.0 FTE in FY 2016-17 and \$82,079 and 1.0 FTE in FY 2017-18.

Outside evaluator - \$100,000 in both FY 2016-17 and FY 2017-18. The department may annually spend \$100,000 for this vendor contract, and to prepare a summary of evaluations for submission to the legislature.

Grants to districts - \$9.8 million in both FY 2016-17 and FY 2017-18. After administrative and evaluation expenses, the program has approximately \$9.8 million annually to award as grants.

Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$71,871	\$78,120
FTE	1.0 FTE	1.0 FTE
Operating Expenses and Capital Outlay Costs	8,653	3,950
Program Evaluation	100,000	100,000
Grants	9,819,476	9,817,930
Centrally Appropriated Costs*	14,199	15,060
TOTAL	\$10,014,199	\$10,015,060

* Centrally appropriated costs are not included in the bill's appropriation.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$8,049	\$8,060
Supplemental Employee Retirement Payments	6,150	7,000
TOTAL	\$14,199	\$15,060

School District Impact

Local education providers who choose to apply for grants and to participate in the consortium will have increased workload and expenditures of grant funds to implement local projects. No information is currently available to describe LEP grant projects; this note may be revised as additional details become available.

Pursuant to Section 22-32-143, C.R.S., 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://www.colorado.gov/lcs>

Technical or Mechanical Defects

The bill's language and appropriation prohibit the CDE from using funds for program administration. However, the department will not be able to implement a new grant program without authorization to expend the administrative funds identified in this fiscal note.

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.

State Appropriations

For FY 2016-17, this bill includes a State Education Fund appropriation of \$20,000,000 to the Colorado Department of Education. For FY 2016-17, the bill requires an appropriation of 1.0 FTE to the department.

State and Local Government Contacts

Education