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FISCAL NOTE

Drafting Number: LLS 18-1149 **Date:** April 19, 2018
Prime Sponsors: Rep. McLachlan; Wilson **Bill Status:** House Education
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Bill Topic: LEADERSHIP PROFESSIONAL DEVELOPMENT FOR SCHOOL PRINCIPALS

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates The School Leadership Pilot Program in the Colorado Department of Education (CDE) to provide experiential professional development for school principals. The bill provides grant support for educators participating in the program. State expenditures increase beginning in FY 2018-19 and are ongoing.

Appropriation Summary: For FY 2018-19, the bill requires an appropriation of \$581,314 and 1.0 FTE to the Colorado Department of Education.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 18-1367

		FY 2018-19	FY 2019-20	FY 2020-21
Revenue		-	-	-
Expenditures	General Fund	\$581,314	\$477,223	\$477,263
	Centrally Appropriated	\$14,592	\$15,407	\$15,411
	Total	\$595,906	\$492,630	\$492,674
	Total FTE	1.0 FTE	1.1 FTE	1.1 FTE
Transfers		-	-	-
TABOR Refund		-	-	-

Summary of Legislation

The bill creates The School Leadership Pilot Program in the Colorado Department of Education (CDE) to provide embedded experiential professional development for school principals, to improve the quality of school leadership. The program must include the identification of a cohort of high-quality school principals and allow other school principals from school districts across the state to observe and interact with this group, and to receive professional development in school leadership.

The CDE is required to design the program during FY 2018-19, and implement the program no later than July 2019. The department may contract with a nonprofit entity to assist in designing and implementing the program. The program must include:

- a method for identifying high-quality school principals to participate in the cohort;
- the learning objectives and goals of the program, including improving and enhancing school climate, and implementing distributive and collaborative leadership among educators within a school;
- the methods for achieving the learning objectives and goals; and
- a method for evaluating the success of the program.

A school principal may apply to the program in accordance with time frames and procedures adopted by rule of the State Board of Education (SBE). The CDE or the nonprofit entity may recommend to the SBE school principals to receive professional development for FY 2019-20 and FY 2020-21. The SBE is required to award a grant to the local education provider (LEP) that employs each school principal selected to participate in the pilot program, either as a member of the highly-qualified cohort, or as a participant receiving professional development. The SBE must determine the amount of each grant based on the costs that the LEP is expected to incur as a result of allowing the school principal to participate.

No later than March 15, 2019, the CDE is required to make an interim report to the General Assembly concerning the design of the program and plans for implementing the program during FY 2019-20 and FY 2020-21. No later than January 15, 2021, the CDE must report to the General Assembly detailing the program's implementation and evaluation, including a recommendation concerning continuation of the program.

The bill creates The School Leadership Pilot Program Fund to consist of money that the General Assembly either appropriates or transfers to the fund. Money in the fund is continuously appropriated to the CDE. The pilot program is repealed July 1, 2021, and any unspent money returns to the General Fund.

State Expenditures

This bill increases state expenditures by \$595,906 and 1.0 FTE in FY 2018-19, and by about \$492,600 and 1.1 FTE in both FY 2019-20 and FY 2020-21. New expenditures are displayed in Table 2 and described below. Costs for FY 2018-19 are prorated for the General Fund pay date shift.

**Table 2
 Expenditures Under HB 18-1367**

	FY 2018-19	FY 2019-20	FY 2020-21
Colorado Department of Education			
Personal Services	\$75,661	\$76,178	\$76,218
Operating Expenses and Capital Outlay Costs	\$5,653	\$1,045	\$1,045
Convening and Consulting Support	\$150,000	\$150,000	\$150,000
Program Evaluation	\$100,000	-	-
Professional Development Support Grants	\$250,000	\$250,000	\$250,000
Centrally Appropriated Costs*	\$14,592	\$15,407	\$15,411
FTE – Personal Services	1.0 FTE	1.1 FTE	1.1 FTE
Total Cost	\$595,906	\$492,630	\$492,674
Total FTE	1.0 FTE	1.1 FTE	1.1 FTE

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

Personal services. The CDE will employ 1.0 FTE Senior Consultant to design, implement, and manage the leadership pilot program, develop a method for identifying high quality school principals, determine learning objectives and evaluative criteria, manage vendor contracts, work with the SBE to oversee the application, review and grant support process, serve as a liaison between the CDE, local education providers, and participating principals, and prepare interim and final reports. Personal services include standard operating expenses and capital outlay. This FTE expense recurs in each year of the program through FY 2020-21.

Convening and consulting support. The program will require multiple conference style meetings throughout the pilot program to convene the cohort of highly qualified school principals and the non-cohort principals that participate in the program and receiving professional development and leadership training. The CDE will also use this funding to contract with outside vendors to provide targeted professional development content when necessary. This expense recurs in each year of the program through FY 2020-21.

Program evaluation. The CDE will contract with an outside vendor with experience evaluating school leadership programs to design and coordinate evaluation services for the pilot program. This is a one time expense in FY 2018-19 that will support evaluation services for the full three years of the program.

Professional development support grants. The pilot program will award grants to local education providers that employ participating school principals. The SBE must determine the amount of each grant based on the costs that the LEP incurs as a result of allowing a school principal to participate. Assuming that principals from 100 LEPs participate in the program, and that each LEP incurs administrative and logistical expenses of \$2,500 annually, support grants are \$250,000 annually.

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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$14,592 in FY 2018-19, \$15,407 in FY 2019-20, and \$15,411 in FY 2020-21.

School District Impact.

School districts and local education providers who chose school leaders to participate in the program are eligible to have some administrative expenses reimbursed from a newly developed grant program. School leader participants will have increased workload to attend professional development sessions, and to share best practices with peers in other schools and districts.

Effective Date

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

State Appropriations

For FY 2018-19, the bill requires a General Fund appropriation of \$581,314 and 1.0 FTE to the Colorado Department of Education.

State and Local Government Contacts

Education