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FISCAL NOTE

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|-------------------------|--------------------------------|------------------------|---|
| Drafting Number: | LLS 19-0685 | Date: | April 5, 2019 |
| Prime Sponsors: | Sen. Story Rep. Arndt; Bird | Bill Status: | Senate Education |
| | | Fiscal Analyst: | Josh Abram 303-866-3561 Josh.Abram@state.co.us |

Bill Topic: PUBLIC SCHOOL LOCAL ACCOUNTABILITY SYSTEMS

Summary of Fiscal Impact:

| | |
|---|---|
| <input type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure | <input type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input checked="" type="checkbox"/> School District |

The bill creates a grant program in the Colorado Department of Education to support local accountability systems. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$493,097 to the Colorado Department of Education.

Fiscal Note Status: The bill reflects the introduced bill.

**Table 1
State Fiscal Impacts Under SB 19-204**

| | | FY 2019-20 | FY 2020-21 |
|---------------------|------------------------|------------------|------------------|
| Revenue | | - | - |
| Expenditures | General Fund | \$493,097 | \$494,267 |
| | Centrally Appropriated | \$6,017 | \$7,299 |
| | Total | \$499,114 | \$501,566 |
| | Total FTE | 0.4 FTE | 0.5 FTE |
| Transfers | | - | - |
| TABOR Refund | | - | - |

Summary of Legislation

The bill creates the Local Accountability System Grant Program in the Colorado Department of Education (CDE) to support local accountability systems that supplement the state accountability system. A local education provider (LEP) or a group of LEPs may apply to the CDE for grant funding to develop and implement a local accountability system. The bill specifies the minimum components of a grant application. The CDE is required to review and evaluate applications, and make recommendations to the State Board of Education (SBE) concerning grant awards. The SBE makes the final decision on grant awards and amounts.

An LEP that chooses to implement a local accountability system may provide a supplemental performance report to the CDE. The bill specifies information that may be included in this optional report. Information in the supplemental report does not affect the accreditation rating or performance plan assigned to the LEP. LEPs are also permitted to submit their required accreditation performance plans in an alternative format, so long as the that format meets state and federal reporting requirements identified by the department. CDE must make performance plans available to the public.

Prior to July 15, 2020, and no later than July 15 in subsequent years, the CDE must convene a meeting with LEPs that implement local accountability systems. Prior to July 15, 2021, and no later than July 15 in subsequent years, the CDE must prepare a report on the implementation of local accountability systems and the performance of the grant program, and submit that to the SBE and the General Assembly. The bill specifies issues that must be addressed in the report, which the CDE must make publically available.

Background

The Student-Centered Accountability Project (SCAP) is a collaborative effort by nine rural districts to create a student centered system of school accountability that uses multiple measures of performance, in addition to statewide standardized testing. The participating districts are Buena Vista, Buffalo, Julesburg, Huerfano, Kit Carson, La Veta, Mancos, Monte Vista, and South Routt. According to SCAP, the major expenditures for their project include consultant fees for strategic planning, travel, information technology support, communications, and dedicated personnel. The project is in its fourth year.

State Expenditures

For FY 2019-20, the bill increases state expenditures by \$499,411 and 0.4 FTE. For FY 2020-21, increased expenditures are \$501,566 and 0.5 FTE. New expenditures are displayed in Table 2 and described below.

Table 2
Expenditures Under SB 19-204

| | FY 2019-20 | FY 2020-21 |
|---|-------------------|-------------------|
| Colorado Department of Education | | |
| Personal Services | \$33,275 | \$39,148 |
| Operating & Capital Outlay | \$5,178 | \$475 |
| Local Accountability System Grants | \$450,000 | \$450,000 |
| Annual Meeting | \$4,644 | \$4,644 |
| Centrally Appropriated Costs* | \$6,017 | \$7,299 |
| Total Cost | \$499,114 | \$501,566 |
| Total FTE | 0.4 FTE | 0.5 FTE |

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

Personal services. The CDE requires additional staff to administer the new grant program and to work with LEPs to monitor, report, and assess the local accountability systems. New staff will create application procedures and program rules, evaluate grant applications, make recommendations for awards to the SBE, provide technical assistance to grantees, and ensure program accountability. Personal service costs include standard operating expenses and are prorated for the General Fund pay date shift and an August 2 effective date.

Local accountability system grants. This fiscal note assumes that the LEPs making up the existing consortia will each receive grants of \$50,000 beginning in FY 2019-20; however, the actual amount of grant funding will depend on the program rules adopted by the CDE, and the level of appropriation provided by the General Assembly.

Annual meetings. The CDE is required to convene LEPs that choose to implement a local accountability system, increasing expenditures for printing, staff travel, venue rental, catering, and other meeting logistics.

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 \$6,017 in FY 2019-20 and \$7,299 in FY 2020-21.

School District

LEPs that participate in the local accountability grant program may receive state support from the CDE to implement local systems and assist in creating alternative format performance plans.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation of \$493,097 to the Colorado Department of Education and 0.4 FTE.

State and Local Government Contacts

Education