



**Legislative
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**FINAL
FISCAL NOTE**

Drafting Number: LLS 19-0685	Date: August 13, 2019
Prime Sponsors: Sen. Story	Bill Status: Signed into Law
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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: This fiscal note reflects the enacted 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.

Grant awards from the program must be at least \$25,000 and not exceed \$50,000 per budget year for a grant awarded to a single LEP and not exceed \$75,000 per budget year for a grant awarded to a group of LEPs. The CDE shall distribute the amount of each grant over three budget years. If the number of applications exceeds the amount appropriated for the program, the CDE must ensure that at least one recipient is an LEP or group of LEPs that are rural school districts. Thereafter, the CDE must prioritize applicants that demonstrate a previous commitment of staff and resources toward development of a local accountability system, and select grant recipients so as to distribute funding to a broad scope of projects located throughout the state.

Any unexpended money from one fiscal year's appropriation remains available for expenditure in the following fiscal year without further appropriation. In addition, the CDE may accept gifts, grants, or donations from private or public sources to help fund the program.

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. The CDE shall disaggregate the performance results by grade level and by student group, applying the same exclusions that apply to reporting performance results on the state performance indicators. 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.

In the third year of the grant program, the CDE must contract with an external evaluator to prepare a summary evaluation report, including qualitative and quantitative measures, of the implementation of the local accountability systems that receive grants. The CDE must provide the evaluator information concerning assessment scores, longitudinal academic growth, and student academic achievement to standards. The CDE must provide the information by grade level and student group, and compared to scores attained in previous school years and to the state average scores.

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 January 15, 2021, and no later than January 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 Revenue

The CDE may accept gifts, grants, or donations from private or public sources to help fund the program. No amount of revenue from these sources has been identified.

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. Beginning in FY 2019-20, this fiscal note assumes that the nine LEPs making up the existing consortia will either receive individual grants up to \$50,000, or in groups of LEPs, be awarded up to \$75,000; 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. Unused appropriations in one fiscal year may be used in the following fiscal year.

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.

External evaluator. In FY 2021-22, the third year of the grant program, the CDE must contract with an external evaluator to prepare a summary evaluation using data collected by LEPs and the department. An assumed expense for this evaluator is \$100,000, based on similar program evaluations conducted for the CDE in the past; however, the actual amount of funding will be included in the FY 2020-21 annual budget request submitted by the CDE.

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 was signed into law by the Governor on June 3, 2019, and took effect on August 2, 2019.

State Appropriations

Consistent with this final fiscal note, for FY 2019-20, the bill includes a General Fund appropriation of \$493,097 to the Colorado Department of Education and 0.4 FTE.

State and Local Government Contacts

Education