



## Legislative Council Staff

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# Revised Fiscal Note

(replaces fiscal note dated April 20, 2022)

<b>Drafting Number:</b>	LLS 22-0867	<b>Date:</b>	May 4, 2022
<b>Prime Sponsors:</b>	Rep. Herod; Young Sen. Priola; Winter	<b>Bill Status:</b>	Senate Finance
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**Bill Topic:** SUPPORTIVE LEARNING ENVIRONMENTS FOR K-12 STUDENTS

<b>Summary of Fiscal Impact:</b>	<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 makes changes to state law related to school discipline, use of restraint and seclusion, data reporting and availability, enforcement authority, school resource officers, and the expelled and at-risk students grant program. The bill increases state expenditures and modifies school district workload on an ongoing basis.

**Appropriation Summary:** For FY 2022-23, the bill requires an appropriation of \$1,046,451 to multiple state agencies.

**Fiscal Note Status:** The revised fiscal note reflects the reengrossed bill.

**Table 1  
State Fiscal Impacts Under HB 22-1376**

		Budget Year FY 2022-23	Out Year FY 2023-24
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$1,016,451	\$207,327
	Cash Funds	\$30,000	-
	Centrally Appropriated	\$44,084	\$40,067
	<b>Total Expenditures</b>	<b>\$1,090,535</b>	<b>\$247,394</b>
	<b>Total FTE</b>	<b>2.4 FTE</b>	<b>2.2 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$152,468	\$31,099

## **Summary of Legislation**

The bill modifies state laws related to school discipline, use of restraint and seclusion, data reporting and availability, enforcement authority, and school resource officers (SROs). It also provides additional funding for the Expelled and At-risk Students Services (EARSS) grant program.

**Data standardization.** By August 31, 2023, the bill requires the Colorado Department of Education (CDE) to standardize the reporting method that school use to collect and report data on suspensions, expulsions, arrests, absenteeism, incidents of violence, harassment, bullying, and other metrics. The CDE must consult with relevant stakeholders in standardizing data collection.

**Profile reports.** By August 31, 2024, the CDE must work to develop profile reports for each school district and the Charter School Institute and make the reports available online. The profile reports must include chronic absenteeism rates; the number of expulsions, suspensions, school-related arrests, law enforcement referrals; and the number of students handcuffed, physically restrained, and placed in seclusion.

The CDE must consult with a variety of stakeholders to develop the profiles and may make recommendations to the State Board of Education and General Assembly for additional indicators to consider for the profiles, including student engagement and teacher perspectives. Beginning in FY 2023-24, the CDE must annually collect information concerning school climate surveys and include it in the profile reports.

**School reporting.** The bill requires that school reporting on disciplinary code violations include additional information, such as a descriptive information on the students involved in the incident, behaviors that led to the incident, and interventions attempted. School districts must submit to the CDE data on the number and types of disciplinary incidents and disciplinary actions taken in response, at a student level. The CDE must report the data, disaggregated by age, ethnicity, race, gender, and other categories, but not including individual student data.

**Enforcement authority and training.** The bill gives the CDE enforcement authority for investigations and decisions concerning the use of restraint on students, and requires that the CDE implement standards for training and make training available for school staff and administrators on restrain and seclusion laws.

**Restraint.** The bill specifies that restraint must not be used as a form of discipline or to gain compliance from a student, and may not be used for more than one minute, with limited exceptions. By June 30, 2023, and each year thereafter, school districts must submit data from their annual review of uses of restraint to the CDE as part of the standardized data collection.

The bill also establishes parent notification requirements if a student is in a physical restraint between one and five minutes. The State Board of Education must initiate rulemaking by July 1, 2023 to determine whether to require the reporting of restraint data, including engaging with certain stakeholders through the rulemaking process.

**Handcuffs.** The bill prohibits an SRO or law enforcement officer acting in their official capacity on school property from using handcuffs on any student, unless there is a danger to themselves or others, or handcuffs are used during a custodial arrest that requires transport.

**Seclusion room.** If a school uses a seclusion room, the bill requires that there must be at least one window for monitoring when the door is closed, or video monitoring must be available. A student placed in seclusion must be continually monitored. The room must not be one used by school staff for storage, custodial, or office space, and must free of items that may injure the student.

**SRO model policy.** The bill requires that the Peace Officer Standards and Training (POST) Board create a model policy for selecting SROs that includes the following:

- candidates must demonstrate a record of experience developing positive relationships with youth;
- candidates must voluntarily apply to be an SRO;
- the employing law enforcement agency and school district must jointly create an SRO evaluation process; and
- a school district may terminate a contract with an SRO based on the findings of an evaluation.

The CDE must post the policy on its website and distribute the policy for school districts. The bill requires that SROs be fully trained in best practices, as set forth by a national association of SROs.

**Expelled and At-risk Student Services Grant Program.** The bill requires that the General Assembly appropriate \$500,000 to the EARSS Grant Program in FY 2022-23, in addition to any other funding. Up to this amount may be awarded to applicants that provide services to develop attendance and discipline systems, address disproportionate discipline practices, and offer staff training and technical assistance.

The bill modifies the amount for administrative expenses to allow the CDE to use up to 5 percent of the funding for the program for administrative expenses, with up to 2 percent used for current requirements related to partnering with an organization that provides services to reduce truancy cases requiring court involvement.

**CDE reports.** The bill adds the number of school counselors, social workers, nurses to the CDE's current annual report requirements.

**Teaching and learning conditions survey.** The bill adds the relationship between teaching and learning conditions and measures of school climate, as measured by students and teachers, to the biennial teaching and learning conditions survey administered by the CDE. It also allows the survey results to be used to improve ways to measure and improve school climate.

## State Expenditures

The bill increases state expenditures in the CDE and the Department of Law by \$1.1 million in FY 2022-23 and \$247,394 in FY 2023-24. The CDE's costs are paid from the General Fund, and Department of Law costs are paid from the POST Cash Fund. Expenditures are shown in Table 2 and detailed below.

**Table 2**  
**Expenditures Under HB 22-1376**

<b>Cost Components</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>
<b>Department of Education</b>		
Personal Services	\$223,275	\$200,841
Operating Expenses	\$3,645	\$2,970
Capital Outlay Costs	\$18,600	-
EARSS Grant Program	\$500,000	-
Information Management System Costs	\$263,900	-
Travel Costs	\$7,031	\$3,516
Centrally Appropriated Costs <sup>1</sup>	\$44,084	\$40,067
FTE – Personal Services	2.4 FTE	2.2 FTE
<b>CDE Subtotal</b>	<b>\$1,060,535</b>	<b>\$247,394</b>
<b>Department of Law</b>		
Personal Services	\$30,000	-
<b>Law Subtotal</b>	<b>\$30,000</b>	<b>-</b>
<b>Total</b>	<b>\$1,090,535</b>	<b>\$247,394</b>
<b>Total FTE</b>	<b>2.4 FTE</b>	<b>2.2 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Colorado Department of Education.** The CDE will have increased costs to implement the bill, including staff costs, data system modifications, and additional grant program funding, as described below.

- **Staff costs.** The CDE requires additional staff beginning in FY 2022-23, including 1.0 FTE to handle enforcement and complaints, based on current enforcement activities related to the federal Individuals with Disabilities Education Act, and 1.0 FTE for school climate activities such as data reporting requirements, developing and implementing school data profiles, stakeholder outreach, and school climate survey changes. An additional 0.7 FTE in the first year and 0.2 FTE in subsequent years will be required to develop training standards and provide training on use of restraint. First-year costs are prorated for the General Fund pay date shift. Standard operating expenses and capital outlay costs are included.
- **Data system changes.** The CDE requires \$263,900 to make required data system modifications, including creating a new school discipline collection mechanism, modifying the school climate survey and associated report, and building district data profiles. Costs are in FY 2022-23, and are contracted at a rate of \$125 per hour.
- **Grant program.** The bill provides \$500,000 in FY 2022-23 for the EARSS grant program. Current program staff will administer the additional funds, with any additional administrative expenses paid out of the 5 percent permitted for administrative expenses.

**Department of Law.** The Department of Law requires \$30,000 in FY 2022-23 only to contract for the development of the SRO model policy. Costs are based on assumed 400 hours, at a rate of \$75 per hour.

**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 shown in Table 2.

## Other Budget Impacts

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts in Table 1, which will decrease the amount of General Fund available for other purposes.

## School District

The bill increases workload for school districts to adjust disciplinary practices or seclusion rooms as necessary to comply with the bill, submit additional data to CDE, and to adjust data systems to align with new standardized reporting procedures. School district impacts will vary by district.

## Effective Date

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

## State Appropriations

In FY 2022-23, the bill requires and includes the following appropriations:

- \$1,016,451 from the General Fund to the Colorado Department of Education, and 2.4 FTE; and
- \$30,000 from the POST Cash Fund to the Department of Law.

## State and Local Government Contacts

Education	Law
Public Safety	School Districts