

JOINT BUDGET COMMITTEE



INTERIM SUPPLEMENTAL BUDGET REQUESTS FY 2019-20

DEPARTMENT OF EDUCATION

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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INTERIM SUPPLEMENTAL REQUESTS

ES01 SCHOOL HEALTH PROFESSIONAL GRANT

	REQUEST	RECOMMENDATION
TOTAL	\$3,000,000	\$0
Cash Funds	3,000,000	0

Does JBC staff believe the request satisfies the interim supplemental criteria of Section 24-75-111, C.R.S.? [The Controller may authorize an overexpenditure of the existing appropriation if it: (1) Is approved in whole or in part by the JBC; (2) Is necessary due to unforeseen circumstances arising while the General Assembly is not in session; (3) Is approved by the Office of State Planning and Budgeting (except for State, Law, Treasury, Judicial, and Legislative Departments); (4) Is approved by the Capital Development Committee, if a capital request; (5) Is consistent with all statutory provisions applicable to the program, function or purpose for which the overexpenditure is made; and (6) Does not exceed the unencumbered balance of the fund from which the overexpenditure is to be made.] **NO**

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.] **NO**

Explanation: The Department and the Governor's Office submitted the request in response to the STEM School Highlands Ranch shooting that took place on May 7, 2019. The request argues that the shooting illustrates an urgent need to increase the presence of school health professionals in Colorado schools. While the tragic events at the STEM School occurred outside of the legislative session, the incident does not appear to have provided new data that would specifically support this request. Rather, the data supporting the request were available to the General Assembly during the 2019 Session. Thus, while the request responds to an incident that took place outside of the legislative session, staff questions whether the linkage between the incident and the request is as clear as implied in the interim supplemental criteria.

DEPARTMENT REQUEST: The Department requests a one-time increase of \$3.0 million cash funds from the Marijuana Tax Cash Fund (MTCF) for the Behavioral Health Care Professional Matching Grant Program (previously known as the School Health Professionals Grant Program) for FY 2019-20 in response to the recent school shooting at the STEM School in Highlands Ranch. Building on a current appropriation of \$15.0 million cash funds for the program for FY 2019-20 (including \$11.9 million in the Long Bill and \$3.0 million in S.B. 19-010), the request proposes to provide a total of \$18.0 million to the program for FY 2019-20. Based on discussions with the Department, staff assumes that funding would return to \$15.0 million in FY 2020-21, although the request indicates that the Governor's Results First evaluation team is evaluating the program and that the Governor's Office will assess the need for ongoing funding as part of the FY 2020-21 budget process.

STAFF RECOMMENDATION: Staff recommends that the Committee deny the request for an interim supplemental appropriation. Staff recognizes this request as a potential policy option to improve school safety, but not through the interim supplemental process.

- First, as discussed above, the request does not appear to satisfy the statutory criteria for interim supplemental requests.
- Second, staff is concerned about the use of the interim supplemental process and the resulting lack of input by the General Assembly as a whole. Given both the focus on school safety and the amount of debate regarding the use of the MTCF during the 2019 Session, staff suggests that the allocation of the additional funds to this program for FY 2019-20 may warrant the consideration of the entire General Assembly.

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- Third, while acknowledging the link between mental health and school safety, staff notes that as currently constructed this program does not incorporate school safety information through either the application or selection process. If the General Assembly wishes to maximize the impact on school safety then it may be preferable to amend the program (which is not possible through the interim supplemental process) or allocate the funds to other programs specifically intended to improve school safety.
 - Fourth, staff is concerned about the availability of funds to support the request. Based on preliminary calculations of MTCF funds remaining available and anticipated reversions of FY 2018-19 appropriations, the request assumes that sufficient funds are available in the MTCF to support the increase. Staff is uncertain about the reliance on preliminary calculations and anticipated reversions to support the request in FY 2019-20.
 - Finally, please note that the June 2019 Revenue Forecast was not available when staff wrote this document. Staff recommends that the Committee consider any changes in the forecast prior to allocating additional MTCF resources.

STAFF ANALYSIS: The supplemental budget request seeks a one-time increase of \$3.0 million cash funds from the Marijuana Tax Cash Fund for the Behavioral Health Care Professional Matching Grant Program in FY 2019-20.

BACKGROUND: BEHAVIORAL HEALTH CARE PROFESSIONAL MATCHING GRANT PROGRAM

Originally authorized in S.B. 14-215 (Disposition of Legal Marijuana Related Revenue) and most recently modified in S.B. 19-010 (Professional Behavioral Health Services for Schools), the grant program is intended to enhance the presence of school health to facilitate better screening, education, and referral care for students with substance abuse and other behavioral health needs. Local education providers apply for grants under the program on a competitive basis. As outlined in Section 22-96-103, C.R.S., the program is intended to provide funding for the following purposes:

- To increase the presence of school health professionals in schools to provide behavioral health care to students who have mental health, substance use or misuse, or other behavioral health needs.
- To provide training and resources for school staff on the implementation of evidence-based programs for behavioral health education for all students.
- To allow school health professionals to connect students in need of behavioral health care with services provided by community-based organizations for treatment and counseling.
- To provide behavioral health care services at recipient schools, including but not limited to screenings, counseling, therapy, referrals to community organizations, and training for students and staff on behavioral health issues.

According to the request, grant recipients have used the funds to hire 178 school health professionals thus far, including 41 school nurses, 79 school counselors, 44 school social workers, and 14 school psychologists.

CURRENT FUNDING

Appropriations for the program have increased in recent years. Building on an appropriation of \$2.3 million cash funds from the MTCF and 1.0 FTE in FY 2016-17, the General Assembly added \$9.7 million and 3.0 FTE (for a total of \$11.9 million and 4.0 FTE) in FY 2017-18. The current (2019 Session) appropriation includes a total of \$14,937,032 cash funds from the Marijuana Tax Cash Fund

and 5.0 FTE to support the program in FY 2019-20 (including \$11,937,032 and 4.0 FTE appropriated in the Long Bill and \$3.0 million and 1.0 FTE added in S.B. 19-010).

FY 2019-20 INTERIM SUPPLEMENTAL REQUEST

The request proposes a one-time increase of \$3.0 million cash funds from the MTCF for FY 2019-20. The Governor’s Office is proposing the increase as a June interim supplemental in an effort to allow recipient schools to hire additional personnel before the start of the 2019-20 school year. Arguing that the increased funding will improve school climates and improve school safety, the request offers two major justifications for the increase in funding:

- *Professional/ Student Ratios:* The request argues that additional funds are necessary to increase the presence of behavioral health care professionals. As shown in the following table (using data provided in the request), Colorado has had fewer professionals per student than is recommended by the relevant professional organizations.

BEHAVIORAL HEALTH CARE PROFESSIONAL RATIOS			
Professional Type	Colorado Ratio	Recommended Ratio	Information Date
School Nurses	1:1,591	1:750	2016-17
Social Workers	1:1,437	1:250	2015-16
Psychologists	1:1,026	1:700	2015-16
School Counselors	1:383	1:250	2015-16

- *Unmet Demand for Funds:* According to the request, applications for the program’s grants have continued to exceed available resources. For example, the Department received 63 applications, totaling nearly \$10.0 million, for the \$5.0 million currently available for allocation to new grants in FY 2019-20 (because the program operates on a three-year grant cycle, only a portion of the annual appropriation is available for allocation to new grants in a given year). According to the Department, the available funds fell approximately \$3.2 million short of funding all qualified applications (based on the program’s criteria) for FY 2019-20. The request proposes an increase of \$3.0 million toward the \$3.2 million gap. In order to expedite the distribution of funds, the request proposes to distribute the funds based on the existing (2019) pool of applications.

The request estimates that the additional funds would allow Colorado schools to hire between 50 and 60 additional school health professionals, serving approximately 50,000 students.

STAFF ANALYSIS AND POINTS TO CONSIDER

Given the connection between mental health and school safety, staff agrees that increasing funding for the Behavioral Health Care Professional Matching Grant Program may improve school safety in recipient schools. However, staff has concerns about the use of the interim supplemental process to increase funding for the program as well as the linkage between the program as currently constructed and school safety issues.

- First, as discussed above, the request does not appear to satisfy the statutory criteria for interim supplemental requests. The Department’s data supporting this specific request (school health professional to student ratios) were available during the 2019 Session and may have contributed to the General Assembly’s decision to add \$3.0 million to the program in S.B. 19-010. Staff is not aware of new information associated with the STEM School incident that would specifically support this request.

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- Second, but related to the first point, staff is concerned about the use of the interim supplemental process for this request. Given both the focus on school safety and the amount of debate regarding the use of the MTCF during the 2019 Session, staff suggests that the allocation of the additional funds for FY 2019-20 may warrant the consideration of the entire General Assembly. Increasing funding for this program is a potential policy response to improve school climates and improve school safety. However, the direct connection to the STEM School incident is tenuous and the General Assembly may not agree that the increase in funding for this particular program is the best response to the incident.
 - Third, while acknowledging the link between mental health and school safety, staff notes that as currently constructed this program does not incorporate school safety information through either the application or selection process. As a result, while staff agrees that adding school health professionals may improve school safety, the program's current process would not specifically allocate the additional funds to schools with school safety concerns. Rather, the increased funding would go to schools that happened to apply for the 2019 process and meet the program's existing criteria (which do not include school safety). If the General Assembly wishes to maximize the impact on school safety then it may be preferable to amend the program (or allocate the funds to other programs specifically intended to improve school safety).
 - Fourth, staff is concerned about the availability of funds to support the request. As staff understands it, the Governor's Office estimated a remaining balance of \$1.0 million in the MTCF based on preliminary calculations and the March 2019 Legislative Council Staff Revenue Forecast. In addition, the request anticipates a total of \$2.2 million in reversions of FY 2018-19 appropriations from the MTCF (including \$1.95 million from the Department of Human Services and \$220,000 from the Department of Local Affairs) which would then be available for FY 2019-20. As a result, the request assumes that \$3.2 million is available for appropriation. Staff is uncertain about the reliance on preliminary calculations and anticipated reversions to support the request in FY 2019-20.
 - Finally, the June 2019 Revenue Forecast was not available when staff wrote this document. Changes in the revenue forecast would also affect the availability of funds for FY 2019-20, and staff recommends that the Committee consider any such changes in the forecast prior to allocating additional resources.

Staff recognizes that the use of the interim supplemental process would allow for the distribution of the additional funds for the beginning of the 2019-20 school year. However, based on the concerns outlined above, staff recommends that the Committee deny the request for an interim supplemental and defer the conversation until the General Assembly can discuss the issue, including potential input from the School Safety Committee created after the STEM School incident.
