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Fiscal Note

Drafting Number: LLS 23-0170
Prime Sponsors: Sen. Moreno
Rep. Lindsay

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Bill Status: Senate Education
Fiscal Analyst: Anna Gerstle | 303-866-4375
anna.gerstle@coleg.gov

Bill Topic: **DISPROPORTIONATE DISCIPLINE IN PUBLIC SCHOOLS**

Summary of Fiscal Impact:

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- School District
- Statutory Public Entity

The bill requires that local education providers implement policies to address disproportionate discipline, and consider certain factors before suspending or expelling a student. The bill increases state expenditures in FY 2023-24 only, and school district workload on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$332,207 to the Colorado Department of Education.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Colorado Youth Advisory Council Committee.

Table 1
State Fiscal Impacts Under SB23-029

	Budget Year FY 2023-24	Out Year FY 2024-25
Revenue	-	-
Expenditures		
General Fund	\$332,207	-
Centrally Appropriated	\$4,916	-
Total Expenditures	\$337,123	-
Total FTE	0.3 FTE	-
Transfers	-	-
Other Budget Impacts		
General Fund Reserve	\$49,831	-

Summary of Legislation

Disproportionate discipline policies. The bill requires that each local education provider (LEP) adopt and implement a policy to address disproportionate disciplinary practices. The policy must be based on disciplinary data collected under current law. Each LEP is encouraged to provide training on best practices to address disproportionate discipline and create inclusionary approaches to discipline. Each LEP must identify an employee to act as a point of contact for discipline training and resources, and act as a liaison between the LEP and the Colorado Department of Education (CDE).

LEPs must also annually review disciplinary data collected under current law. If the data reflects disproportionate discipline, a LEP must develop, implement, and annually review an improvement plan. LEPs must notify parents of any improvement plan, and hold two public meetings, one to solicit input from parents and one after the plan is written and prior to its adoption.

The bill requires that the General Assembly appropriate \$300,000 in FY 2023-24 to be distributed to LEPs to offset local costs. CDE must determine the amount distributed to each LEP.

Student suspension or expulsion. Under current law, school districts are encouraged to consider certain factors before suspending or expelling a student. The bill requires these factors to be considered, and further requires that a school district document alternative disciplinary measures used prior to suspension or expulsion in both the student's record and in the data reported to CDE.

State Expenditures

The bill increases state expenditures in CDE by \$337,123 in FY 2023-24 only from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB23-029

	FY 2023-24	FY 2024-25
Department of Education		
Personal Services	\$17,207	-
Computer Programming	\$15,000	-
Distributions to LEPs	\$300,000	-
Centrally Appropriated Costs ¹	\$4,916	-
FTE – Personal Services	0.3 FTE	-
Total Cost	\$337,123	-
Total FTE	0.3 FTE	-

¹ Centrally appropriated costs are not included in the bill's appropriation.

Colorado Department of Education. The bill provides \$300,000 to CDE, for distribution to LEPs to offset local costs to comply with the bill. CDE will require 0.3 FTE in FY 2023-24 only to determine how to allocate the funds to LEPs. Staffing costs are prorated for the General Fund paydate shift, and a September 1, 2023 start date.

In addition, CDE requires \$15,000 in FY 2023-24 only to modify their data system to allow LEPs access to disaggregated discipline data. Under current law, LEPs submit student level discipline data and CDE disaggregates the data by student groups. The modified data system will permit LEPs to access the disaggregated data for improvement planning.

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. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

School District

The bill increases workload and costs for school districts to implement the disproportionate disciplinary policy, and any best practices, training, documentation, public meetings, or improvement plans required. In FY 2023-24, some costs will be offset by the \$300,000 provided in the bill and distributed to LEPs.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

In FY 2023-24, the bill requires a General Fund appropriation of \$332,207 to the Colorado Department of Education, and 0.3 FTE.

State and Local Government Contacts

Education

Information Technology

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: leg.colorado.gov/fiscalnotes.