



**Colorado
Legislative
Council
Staff**

HB16-1429

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0169
Prime Sponsor(s): Rep. Pettersen
Sen. Kerr

Date: April 5, 2016
Bill Status: House Education
Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: ALTERNATIVE EDUCATION CAMPUS CRITERIA & PILOT PROGRAM

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018	FY 2018-19
State Revenue			
State Expenditures	<u>\$249,330</u>	<u>\$254,464</u>	<u>\$254,464</u>
General Fund	226,686	230,345	230,345
Centrally Appropriated Costs	22,644	24,119	24,119
FTE Position Change	1.5 FTE	1.5 FTE	1.5 FTE
Appropriation Required: \$226,686 - Colorado Department of Education (FY 2016-17)			
Future Year Impacts: Ongoing expenditure impact through FY 2018-19.			

Summary of Legislation

Under current law, the State Board of Education (SBE) may designate a public school as an alternative education campus (AEC). An AEC is a public school with greater than ninety-five percent of its students meeting high-risk criteria. This bill modifies the criteria for the designation of AECs by:

- lowering the threshold for AEC designation from ninety-five percent high-risk students to ninety percent high-risk students;
- substituting four absences in any one month, or ten absences in any given year, for the current high-risk criteria of failing to remain continuously enrolled and regularly attending school in the previous semester;
- expanding high-risk criteria to include students who are wards of the courts, are in foster care, or have experienced the loss of a parent or sibling; and
- redefining the meaning of behavioral health issues related to high-risk students in AECs.

Beginning with the 2016-17 school year, the bill requires that the Colorado Department of Education (CDE) operate a school quality review pilot program to create a baseline for qualitative measures of performance for AECs. The CDE is required to select at least 10 AECs to participate in the pilot program. Each participating AEC will receive an annual on-site school quality review, during which the reviewer uses a rubric to evaluate how well the AEC is organized to support student achievement.

In operating the pilot program, the CDE is required to:

- design the review rubric;
- create procedures and protocols for reviewing and documenting achievement results; and
- make recommendations to the SBE on the manner in which the results of AEC quality reviews can be included in the AEC's performance evaluation under the state's accountability system.

No later than September 1, 2019, the CDE must review the results of the pilot program and recommend to the SBE whether to expand the use of school quality reviews to other AECs, as an effective method of accurately measuring AEC performance. The bill repeals July 1, 2020.

State Expenditures

For FY 2016-17, the bill increases state expenditures in the CDE by \$249,330 and 1.5 FTE. For FY 2017-18 and FY 2018-19, increased expenditures are \$254,464 and 1.5 FTE. New state expenditures are displayed in Table 1 and described below.

Table 1. Expenditures Under HB 16-1429			
Cost Components	FY 2016-17	FY 2017-18	FY 2018-19
Personal Services	\$123,206	\$133,920	\$133,920
FTE	1.5 FTE	1.5 FTE	1.5 FTE
Operating Expenses and Capital Outlay Costs	8,480	1,425	1,425
CDE Travel	15,000	15,000	15,000
Reviewer Recruitment and Training	40,000	40,000	40,000
AEC School Quality Reviews & Site Visits	40,000	40,000	40,000
Centrally Appropriated Costs*	22,644	24,119	24,119
TOTAL	\$249,330	\$254,464	\$254,464

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

Assumptions. This fiscal note assumes that the CDE will implement the bill beginning July 1, 2016. As such, FY 2016-17 personal services costs are adjusted for the General Fund pay day shift.

Personal Services. The CDE requires 1.5 FTE additional staff to implement the bill. Lowering the threshold for AEC designation from ninety-five percent high risk students to ninety percent high-risk students is expected to increase the number of schools that will apply for and receive designation as an AEC. A preliminary estimate of the department staff necessary to support these additional AECs is 0.5 FTE; however, this fiscal note may be revised with additional information.

Overall management of the pilot program, including development of an AEC quality review rubric, recruiting and training quality reviewers, providing technical assistance to pilot program participants, and tracking progress and preparing interim and final reports requires the addition of 1.0 FTE.

Staff travel. The CDE will have travel expenses of \$15,000 annually for new staff to provide site support to AECs and to manage and evaluate the new pilot program.

Reviewer recruitment and training. The CDE requires \$20,000 annually to market, recruit, evaluate and compensate ten school quality reviewers for the pilot project. The department will require an additional \$20,000 annually to develop and deliver specialized training to site reviewers. School quality reviewers will be trained by the CDE to perform document reviews, as well as how to use the CDE developed rubric for evaluating AECs. Training is anticipated to include one full day of in-person professional development, and the use of webinars to update and refresh training. Recruitment and training costs are anticipated to be higher in the first year of the program and less in the second and third year; however, current estimates hold these amounts constant across fiscal years. The estimates in this fiscal note may be revised with additional information.

School quality reviews. Conducting on-site school quality reviews is estimated to cost \$12,000 per AEC school. The estimate includes costs for reviewer travel, and for planning, facilitating and conducting document reviews and site visits. The total estimated cost for on-site school reviews for ten AECs is \$120,000, or \$40,000 in each fiscal year of the program.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Cost Components	FY 2016-17	FY 2017-18	FY 2018-19
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$12,101	\$12,119	\$12,119
Supplemental Employee Retirement Payments	10,543	12,000	12,000
TOTAL	\$22,644	\$24,119	\$24,119

Effective Date

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

State Appropriations

For FY 2016-17, the bill requires a General Fund appropriation of \$226,686 and an allocation of 1.5 FTE to the Colorado Department of Education.

State and Local Government Contacts

Education