



Legislative
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HB 19-1017

**REVISED
FISCAL NOTE**

(replaces fiscal note dated January 24, 2019)

Drafting Number: LLS 19-0070
Prime Sponsors: Rep. Michaelson Jenet
Sen. Fields

Date: March 21, 2019
Bill Status: House Appropriations
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Bill Topic: K-5 SOCIAL AND EMOTIONAL HEALTH ACT

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue (<i>minimal</i>)	<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 pilot program to employ school mental health workers in up to 10 elementary or K8 schools that have high poverty and high need students. The bill increases state expenditures from FY 2019-20 through FY 2026-27.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$43,114.

Fiscal Note Status: This fiscal note reflects the bill as amended by the House Education Committee.

**Table 1
State Fiscal Impacts Under HB 19-1017**

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures	General Fund	\$43,114	\$5,190,358
	Centrally Appropriated	\$6,450	\$7,943
	Total	\$49,564	\$5,198,301
	Total FTE	0.4 FTE	1.0 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill creates the K-5 Social and Emotional Health Pilot Program in the Colorado Department of Education (CDE). The program places additional school mental health professionals in 10 selected elementary or K8 schools that have high poverty and high needs students, with the intent of reducing social, emotional, and behavioral issues, adverse childhood experiences, disciplinary referrals, delinquency, truancy, and incidences of self harm. A school mental health professional means a school counselor, a school psychologist, or a school social worker. The pilot program begins with the 2020-21 school year and continues for seven years through the conclusion of the 2026-27 school year. The department must employ or contract with a pilot program coordinator and contract for preliminary and final program evaluations. CDE must adopt rules for the program and contract for preliminary and final evaluations of the program.

No later than January 15, 2020, the CDE is required to select up to 10 pilot schools to participate in the program. The bill sets the criteria for selecting the schools, which must demonstrate a willingness to participate and collect and share evaluative data and information. To the extent possible, the selected elementary schools, including small, rural, and geographically diverse schools, should have a high-poverty population and a high percentage of students eligible for free or reduced cost meals. Elementary schools selected in large metropolitan districts should have a student population with significant ethnic, cultural, and language diversity, high poverty, and a high concentration of students either in the foster care system or adjudicated as delinquent, among other selection criteria.

Beginning with the 2020-21 school year, the participating schools must hire enough additional school mental health professionals such that each grade from kindergarten through fifth grade has a dedicated school mental health professional. If the school has more than 100 students in a K-5 grade, a second professional must be added. The pilot program must supplement but not supplant existing expenditures on school mental health professionals in elementary grades.

Once employed, the mental health professional in each grade provides services to the same cohort of students throughout the elementary grades. For example, the mental health professional hired for the kindergarten grade in the first year of the pilot program moves along with the students, to the first grade during the second year, to the second grade in the third year, and so forth. Following the fifth grade cohort's graduation to middle school, the mental health professional begins again with a kindergarten cohort.

Each school mental health professional must provide students with the services authorized under their professional special services license and specific endorsement, including functional behavior assessments, development of behavior intervention plans, and arranging for students to receive additional services from mental health professionals outside the school. Services may be provided to the student's family and household. A student in a participating school must be provided with necessary services even if the student is unable to pay for the services, or is uninsured.

State Revenue

The bill permits the CDE to accept and spend gifts, grants, or private donations to support the pilot program. No amount of these private funds has been identified. Revenue from private sources are not subject to TABOR revenue limits in the constitution.

State Expenditures

For FY 2019-20, state expenditures increase by \$49,564 and 0.4 FTE. For FY 2020-21, state expenditures increase by about \$5.2 million and 1.0 FTE at the CDE, which will support 60 FTE school mental health workers in the participating pilot schools. Expenditures continue for seven years, through FY 2026-27. New state expenditures are displayed in Table 2 and described below.

Table 2
Expenditures Under HB 19-1017

	FY 2019-20	FY 2020-21
Colorado Department of Education		
Personal Services	\$38,031	\$76,062
Operating Expenses and Capital Outlay Costs	\$5,083	\$5,653
School Mental Health Workers	-	\$5,033,643
Professional Evaluator	-	\$75,000
Centrally Appropriated Costs*	\$6,450	\$7,943
FTE – Personal Services	0.4 FTE	1.0 FTE
Total Cost	\$49,564	\$5,198,301
Total FTE	0.4 FTE	1.0 FTE

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

Administrative expenses. For FY 2019-20, state expenditures increase at the CDE by about \$49,500 and 0.5 FTE. For FY 2020-21 through FY 2026-27, personal service costs increase by about \$76,000 and 1.0 FTE for a pilot program coordinator. Staff in the first fiscal year is required to assist the State Board of Education to adopt rules for the program, manage a Request for Proposals (RFP) to select a professional evaluator, and designate eligible and willing schools to participate in the pilot program. Beginning in the second fiscal year, the pilot program coordinator will oversee the disbursement of state appropriations, and provide technical assistance, oversight, and accountability. Personnel costs for FY 2019-20 have been prorated for the August 1 effective date and the General Fund pay date shift.

School mental health workers. Employing school mental health workers will be the largest cost component of the bill, which will exceed \$5.0 million annually for 7 fiscal years.

The CDE is required to select 10 elementary or K8 schools meeting specific criteria to participate in the pilot program. Assuming these schools do not currently employ school mental health workers, the pilot program will employ 60 new employees. If any of the selected schools already employ mental health workers, this FTE estimate will decrease since the schools must use grant funding to supplement and not supplant existing resources. If any of these schools enroll more than 100 students in any elementary grade this FTE estimate will increase, since the bill requires that the pilot program maintain a ratio of 100 students per grade to each mental health worker.

According to the Bureau of Labor Statistics, school social workers in Colorado earn between \$56,000 and \$69,000 as a base salary. School social worker compensation is used as a proxy for compensation amounts for other school mental health workers. Using a median base wage of \$62,000, and adding mandatory Medicaid, pension payments, and supplemental pension payments, 60 additional FTE will require at least \$5,033,643 in each year of the pilot program.

Professional evaluator. Annual expenditures are required for the CDE to manage an RFP process and contract with a professional evaluator to collect and manage data, monitor program performance and prepare reports and recommendations. Based on the total number of sites and school social workers participating in the pilot program, annual evaluation costs are estimated at \$75,000; however, the yearly and total RFP will be determined by the CDE after program rules are adopted, the participating district is selected, and data requirements are identified.

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 \$6,450 in FY 2019-20 and \$7,943 in FY 2020-21.

School District

The participating schools will receive enough state funding to employ new school mental health workers in elementary grades. Workload in the participating schools increases to employ additional school mental health workers and provide induction programs and other associated personnel costs. Workload also increases for schools to work with the CDE and a professional evaluator to identify and record necessary evaluative data and information, and to report that consistently throughout the pilot period.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation to the Colorado Department of Education of \$43,114 and 0.4 FTE.

State and Local Government Contacts

Education Law School Districts