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FISCAL NOTE

Drafting Number:	LLS 19-1003	Date:	April 9, 2019
Prime Sponsors:	Rep. Buentello; Exum Sen. Todd; Coram	Bill Status:	House Education
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Bill Topic: NINTH GRADE SUCCESS GRANT PROGRAM

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> School District
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates the ninth grade success grant program in the Colorado Department of Education. The bill increases state expenditures and school district revenue and workload on an ongoing basis.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$1,573,332 to the Colorado Department of Education.

Fiscal Note Status: This fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under HB 19-1276**

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures	General Fund	\$1,573,332	\$1,565,967
	Centrally Appropriated	\$11,935	\$10,954
	Total	\$1,585,267	\$1,576,921
	Total FTE	0.9 FTE	0.8 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill creates the ninth grade success grant program in the Colorado Department of Education (CDE) to provide grants to local education providers (LEPs). Grants must be used to establish ninth grade success programs that includes:

- establishing a cross-disciplinary success team of all ninth grade teachers and support staff, including at least one school mental health professional to identify strategies to improve outcomes for students at risk of dropping out;
- ensuring that ninth grade classes are taught by a single group of teachers, to the extent practicable;
- implementing a data system that provides real-time access to student behavior, attendance, grades, as well as the ability to compare data across student groups;
- prioritizing services for ninth graders who are at risk of academic failure and providing instructional support;
- ensuring that school leadership, counselors, teachers, and the success team receive data on incoming ninth graders, and providing professional development to teachers on how to use student data to inform instruction;
- providing summer orientation for incoming ninth graders and their families; and
- evaluating the impact of the interventions provided through the program.

The bill specifies what must be included in a grant application. CDE must review applications and make a grant award recommendation to the State Board of Education, prioritizing applicants with a four-year graduation rate within the lowest 20 percent of high schools in the state.

Reporting. LEPs that receive a grant must submit to CDE the evaluation of the program, as well as any information required by the department. By March 15, 2022 and each year thereafter, CDE must submit a report to the General Assembly containing information specified in the bill.

Funding. CDE must use money appropriated to the Student Re-Engagement Grant Program Fund. Local education providers that receive a grant must provide a grant match, including in-kind contributions. The local match amount is determined by the State Board of Education and cannot exceed 15 percent for a small rural school district or charter school and 25 percent for all other LEPs.

Of the money in the Student Re-Engagement Grant Program Fund, 3 percent may be used for administrative expenses, as provided by current law; up to \$2.0 million must be allocated to the current student re-engagement grant program; of the money remaining, up to \$2.0 million is allocated to the ninth grade success grant program; and any money remaining after those allocations must be split between the two programs.

State Expenditures

Beginning in FY 2019-20, the bill increases state expenditures from the General Fund to the Colorado Department of Education by about \$1.6 million per year. Specific costs are listed in Table 2 and discussed below.

**Table 2
 Expenditures Under HB 19-1276**

	FY 2019-20	FY 2020-21
Department of Education		
Personal Services	\$57,274	\$54,707
Operating Expenses and Capital Outlay Costs	\$5,558	\$760
Data	\$7,000	\$7,000
Travel	\$3,500	\$3,500
Grants	\$1,500,000	\$1,500,000
Centrally Appropriated Costs*	\$11,935	\$10,954
Total Cost	\$1,585,267	\$1,576,921
Total FTE	0.9 FTE	0.8 FTE

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

Personal services and travel. CDE requires 0.9 FTE in FY 2019-20 and 0.8 FTE in FY 2020-21 to administer and implement the grant program. Duties include developing and implementing the application and award process, supporting grantees, monitoring grants, conducting site visits, working with recipients and a consultant on data collection, and compiling the required reports. Costs in the first year are prorated based on the General Fund paydate shift. In addition, the program manager will require \$3,500 per year to conduct site visits and training at LEPs that receive a grant.

Data. The bill requires that certain student, district, and school level data be tracked and reported to the department. As a result, CDE requires \$7,000 per year for a third party data methodology to be developed and implemented. This amount is based on other third party data costs and the assumptions that grantees will submit the data to the department.

Grants. Grant funding is at the discretion of the General Assembly. The fiscal note assumes that up to 10 grants of \$150,000 will be awarded, for a total of \$1,500,000. Actual grant amounts will be determined by SBE.

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 \$11,935 in FY 2019-20 and \$10,954 in FY 2020-21.

School District

For districts that apply for and receive a grant, revenue and expenditures will increase. It is expected that 10 grants will be awarded for approximately \$150,000 each. In addition, districts must provide a local match for grants received. Matching amounts will be determined by the State Board of Education, but may not exceed the limits specified in the bill. Assuming a grant of \$150,000, the local match may not exceed \$22,500 (15 percent) for a small rural LEP and \$37,500 (25 percent) for all other LEPs.

Technical Note

Currently, the student re-engagement grant program is funded by a \$2.0 million appropriation directly from the Marijuana Tax Cash Fund and not with an appropriation from the Student Re-Engagement Grant Program Fund. Based on the language in the bill, a new appropriation from the fund would be allocated to the current program. The fiscal note assumes that there will be no change in funding for the current student re-engagement grant program and that the funding identified in this fiscal note will be appropriated for the ninth grade success grant program.

Effective Date

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

State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation of \$1,573,332 to the Colorado Department of Education, and 0.9 FTE.

State and Local Government Contacts

Education