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FISCAL NOTE

Drafting Number: LLS 19-0566
Prime Sponsors: Sen. Moreno

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Bill Status: Senate Education
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Bill Topic: AUTOMATIC ENROLLMENT IN ADVANCED COURSE GRANT PROGRAM

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- School District
- Statutory Public Entity

The bill creates the automatic enrollment in advanced courses grant program for school districts. The bill increases state expenditures and revenue and expenditures for some school districts on an ongoing basis.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$500,000 to the Colorado Department of Education.

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

Table 1
State Fiscal Impacts Under SB 19-059

Table with 4 columns: Category, FY 2019-20, FY 2020-21. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated Costs, Total), Total FTE, Transfers, and TABOR Refund.

Summary of Legislation

The bill creates the Automatic Enrollment in Advanced Courses grant program in the Colorado Department of Education (CDE). The program will provide assistance for school districts that automatically enroll students in advanced courses. Advanced courses include Advanced Placement courses, International Baccalaureate courses, or any course designated by a school district as an honors, gifted, or accelerated course. Grants may be used to:

- expand the number of advanced courses, including through the use of technology;
- incentivizing teachers to teach advanced courses;
- developing advanced course curriculum; or
- expanding parent and student engagement as it relates to advanced course availability and student success.

Eligible school districts. To be eligible, a school district or the state charter school institute must automatically enroll each student entering ninth grade or higher in an advanced course related to the subject on which the student received a score of at least proficient on a state assessment during the prior year. For instance, a student who has achieved at least a proficient score on an assessment related to reading and writing must be enrolled automatically in an advanced English, social studies, humanities, or other related course.

Eligible school districts must allow a parent to remove their student from advanced courses in which the student has been automatically enrolled. In addition, the bill encourages districts to automatically enroll students in grades four through eight in advanced courses, and to use automatic enrollment for subjects not specifically listed in the bill.

Administration. The State Board of Education (SBE) must promulgate rules for the program, including creating a formula for determining the amount each eligible district receives, and a process for verifying that school district comply with program requirements. The formula must consider the district's costs to implement its policy, and the number of grade levels and students automatically enrolled in advanced courses. CDE must award a grant to each eligible district that submits an application.

Reporting. The bill specifies the information that districts receiving a grant must annually submit to CDE. Information on the grants awarded must be included in CDE's annual SMART Act hearing.

State Expenditures

The bill increases state General Fund expenditures by \$504,787 in FY 2019-20 and \$504,532 in FY 2020-21. The fiscal note assumes that \$500,000 will be appropriated for grants and administration; however, the General Assembly may decide the amount appropriated for the new grant program.

**Table 2
Expenditures Under SB 19-059**

	FY 2019-20	FY 2020-21
Department of Education		
Personal Services	\$27,963	\$25,166
Operating Expenses and Capital Outlay Costs	\$380	\$285
Grants	\$471,657	\$474,549
Centrally Appropriated Costs*	\$4,787	\$4,532
FTE – Personal Services	0.3 FTE	0.3 FTE
Total Cost	\$504,787	\$504,532
Total FTE	0.3 FTE	0.3 FTE

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

Administrative costs. Beginning in FY 2019-20, CDE requires 0.3 FTE to implement the program, including coordinating SBE rulemaking, managing application, review, and award processes, and working with grant recipients on automatic enrollment policies, program compliance, data, and reporting.

Grants. Beginning in FY 2019-20, approximately \$473,000 will be available for grants. This fiscal note assumes that up to 32 grants will be awarded and that each grant will be up to \$15,000. Actual grant amounts will be determined by CDE based on the formula adopted by the 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 \$4,787 in FY 2019-20 and \$4,532 in FY 2020-21.

School District Impact

The bill increases workload and revenue for school districts that apply for and receive a grant. Workload and award amounts will vary by district. In addition, if the grant program incentivizes districts to establish new policies of automatic enrollment in advanced courses, costs may increase beyond the grant amounts in order to develop and maintain those programs.

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 of \$500,000 to the Colorado Department of Education, and an allocation of 0.3 FTE.

State and Local Government Contacts

Education Law School Districts