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Fiscal Note

Drafting Number:	LLS 21-0588	Date:	March 15, 2021
Prime Sponsors:	Rep. Esgar; Will Sen. Garcia; Hisey	Bill Status:	House Education
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Bill Topic: FIFTH-DAY SCHOOL ENRICHMENT PROGRAMS FUNDING

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<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 the fifth day academic enrichment and support grant program in the Colorado Department of Education. The bill increases state expenditures and school district workload on an ongoing basis.

Appropriation Summary: In FY 2021-22, the bill requires an appropriation of \$491,710 to the Colorado Department of Education.

Fiscal Note Status: This bill reflects the introduced bill.

**Table 1
State Fiscal Impacts Under HB 21-1006**

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-
Expenditures	General Fund	\$491,710	\$491,411
	Centrally Appropriated	\$8,290	\$8,589
	Total Expenditures	\$500,000	\$500,000
	Total FTE	0.5 FTE	0.5 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill creates the Fifth Day Academic Enrichment and Support Grant Program in the Colorado Department of Education (CDE) to provide grants for community-based nonprofit organizations to:

- provide supplemental educational programming on the fifth day of a four-day school week;
- provide an after-school program, if the organization also provides programming on the fifth day of a four-day school week;
- staff and administrative support for the program;
- provide meals for participating students;
- purchase educational materials and technology;
- partner with school districts and conduct outreach to families; or
- other uses approved by the State Board of Education.

Eligibility. The bill establishes eligibility criteria for community-based nonprofit organizations, including that the organization must partner with a school district and serve a majority of children who qualify for free and reduced price lunch or meet other income criteria.

Administration. CDE must administer the program and award grants on a three-year cycle beginning in FY 2021-22. Grants have a one-year term, with automatic renewal for up to two additional years. Grants must be awarded in the order that qualifying applications are received.

Reporting. By February 15, 2022 and each year thereafter, recipients must submit a report to CDE including the number of children served and a description of the program, district partnerships, and uses of the grant money. On or after April 1, 2022, CDE must submit an annual report to the Joint Budget Committee and the education committees of the General Assembly.

Fund. The bill creates the Fifth Day Academic Enrichment and Support Grant Program Fund to contain money appropriated or transferred for the program. Up to 5 percent of program funding may be used for administrative expenses.

State Expenditures

Funding for the grant program is at the discretion of the General Assembly. This fiscal note assumes that state expenditures for the program will increase by \$500,000 per year beginning in FY 2021-22. Estimated costs are listed in Table 2 and discussed below. The fiscal note will be updated if more information on program funding levels becomes available.

**Table 2
 Expenditures Under HB 21-1006**

	FY 2021-22	FY 2022-23
Department of Education		
Personal Services	\$36,363	\$39,669
Operating Expenses	\$675	\$675
Capital Outlay Costs	\$6,200	-
Grants	\$448,472	\$451,067
Centrally Appropriated Costs ¹	\$8,290	\$8,589
Total Cost	\$500,000	\$500,000
Total FTE	0.5 FTE	0.5 FTE

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

Administration. CDE requires 0.5 FTE to develop program rules, review applications, communicate with applicants and grantees, distribute payments, and for program reporting and evaluation. Staffing has been prorated for the General Fund payday shift in FY 2021-22.

Grants. The fiscal note estimates that about \$450,000 each year will be available for grants to community-based organizations. Actual grant amounts and the number of recipients will be determined by CDE.

Legal services. Legal services for rulemaking provided by the Department of Law will increase by a minimal amount. No change in appropriations are required.

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 \$8,290 in FY 2021-22 and \$8,589 in FY 2022-23.

School District Impact

The bill increases workload for any school district that partners with an eligible community-based organization as a result of the grant program

Technical Note

The bill specifies that no more than 5 percent of program appropriations may be used for direct and indirect administrative expenses. Based on the assumed funding level, the fiscal note estimates that about 10 percent is required for administrative expenses.

Effective Date

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

State Appropriations

In FY 2021-22, the bill requires an appropriation of \$491,710 to the Colorado Department of Education, and 0.5 FTE.

State and Local Government Contacts

Education Law School Districts