



Legislative Council Staff
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Fiscal Note

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Prime Sponsors:

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Bill Status: Bill Request
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Bill Topic: SCHOOL PSYCHOLOGIST RECRUITMENT

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

The bill creates two grant programs that support school psychologists. The bill may increase state revenue, and increases state expenditures and school district revenue and expenditures beginning in FY 2023-24.

Appropriation Summary: For FY 2023-24, the bill requires appropriations of \$4,664,572 to the Department of Education and the Colorado School Psychologist Loan Forgiveness Fund.

Fiscal Note Status: The fiscal note reflects the draft bill requested by the Colorado Youth Advisory Council Committee.

Table 1
State Fiscal Impacts Under Bill 1

| | | Budget Year FY 2023-24 | Out Year FY 2024-25 |
|-----------------------------|---------------------------|---------------------------|------------------------|
| Revenue | | - | - |
| Expenditures | General Fund | \$3,529,159 | \$3,080,290 |
| | Cash Funds | \$1,135,413 | \$1,122,073 |
| | Centrally Appropriated | \$42,345 | \$41,050 |
| | Total Expenditures | \$4,706,917 | \$4,243,413 |
| | Total FTE | 2.3 FTE | 2.2 FTE |
| Transfers | General Fund | (\$1,135,413) | (\$1,122,073) |
| | Cash Fund | \$1,135,413 | \$1,122,073 |
| | Net Transfer | \$0 | \$0 |
| Other Budget Impacts | General Fund Reserve | \$699,686 | \$630,354 |

Summary of Legislation

The bill creates two programs that support school psychologists, one through loan forgiveness and one through salary support.

Loan forgiveness program. The bill authorizes the Colorado Commission on Higher Education in the Department of Higher Education (DHE) to operate a school psychologist forgiveness program beginning with the 2023-2024 academic year. The program provides up to \$25,000 to cover loan obligations of school psychologists whose loans and positions qualify. The bill specifies these qualifications and other preferences for the program. By November 15 each year, beginning in 2024, the commission must submit an annual report on the program to the legislature. The bill creates the Colorado School Psychologist Loan Forgiveness Fund, which is continuously appropriated to the commission, and it permits the commission to receive gifts, grants, and donations for the program.

Salary grant program. The bill creates the School Psychologist Salary Grant Program in the Department of Education (CDE) to provide money to local education providers to assist with hiring and increasing salaries of school psychologists. The department must promulgate rules necessary to implement the program and establish parameters for salary increases under the program.

Assumptions

As the bill does not specify the amount of money to be available for each of the new programs, the fiscal note estimates these amounts based on similar programs in other fields and the limit on administrative costs in the salary grant program. However, the legislature may choose to appropriate different amounts for these programs. Changes in grant amounts may require changes in administrative costs.

State Revenue

The bill potentially increases state revenue to the Colorado School Psychologist Loan Forgiveness Fund from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

State Transfers

The fiscal note assumes that the bill requires an appropriation from the General Fund to the Colorado School Psychologist Loan Forgiveness Fund of \$1.1 million beginning in FY 2023-24. This transfer is the amount estimated to fund the loan forgiveness program.

State Expenditures

The bill increases state expenditures in CDE and DHE by \$4.7 million in FY 2023-24 and \$4.2 million in FY 2024-25 from various sources. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under Bill 1**

| Cost Components | FY 2023-24 | FY 2024-25 |
|---|--------------------|--------------------|
| Department of Education | | |
| Personal Services | \$61,409 | \$59,345 |
| Operating Expenses | \$1,080 | \$945 |
| Capital Outlay Costs | \$6,670 | - |
| Salary Grant Program | \$3,460,000 | \$3,020,000 |
| Centrally Appropriated Costs ¹ | \$14,569 | \$13,274 |
| FTE – Personal Services | 0.8 FTE | 0.7 FTE |
| CDE Subtotal | \$3,543,728 | \$3,093,564 |
| Department of Higher Education | | |
| Personal Services | \$120,048 | \$120,048 |
| Operating Expenses | \$2,025 | \$2,025 |
| Capital Outlay Costs | \$13,340 | - |
| Loan Repayment Grants | \$1,000,000 | \$1,000,000 |
| Centrally Appropriated Costs ¹ | \$27,776 | \$27,776 |
| FTE – Personal Services | 1.5 FTE | 1.5 FTE |
| DHE Subtotal | \$1,163,189 | \$1,149,849 |
| Total | \$4,706,917 | \$4,243,413 |
| Total FTE | 2.3 FTE | 2.2 FTE |

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

Department of Education. CDE requires 0.8 FTE to administer the salary grant program in FY 2023-24, decreasing to 0.7 FTE beginning in FY 2024-25. Costs in the first year reflect the General Fund pay date shift. Standard operating and capital outlay costs are included.

- **Salary grants.** The fiscal note estimates \$3.5 million in FY 2023-24 and \$3.0 million in subsequent years in grant awards based on the bill's limit on administrative expenditures.

Department of Higher Education. DHE requires 1.5 FTE beginning in FY 2023-24 to administer the loan forgiveness grant program, including program administration and accounting staff. Standard operating and capital outlay costs are included. Costs are paid from the Colorado School Psychologist Loan Forgiveness Fund.

- **Loan forgiveness grants.** Based on similar programs in other fields, the fiscal note estimates \$1,000,000 in grant awards beginning in FY 2023-24.

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 shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, which will decrease the amount of General Fund available for other purposes.

School District

Revenue and expenditures will increase in school districts to the extent that they apply for and receive grants through the Colorado School Psychologist Salary Grant Program.

Effective Date

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

State Appropriations

For FY 2023-24, the bill requires the following General Fund appropriations:

- \$3,529,159 to the Department of Education, and 0.8 FTE; and
- \$1,135,413 to the Colorado School Psychologist Loan Forgiveness Fund. As this fund is continuously appropriated, no further appropriation is required. The Department of Higher Education also requires 0.8 FTE.

State and Local Government Contacts

| | | |
|-------------|------------------|----------|
| Education | Higher Education | Law |
| Legislative | Personnel | Treasury |