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Final Fiscal Note

Drafting Number:	LLS 23-1006	Date:	August 21, 2023
Prime Sponsors:	Rep. Joseph; Gonzales-Gutierrez Sen. Winter F.; Fields	Bill Status:	Signed into Law
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Bill Topic: PROCEDURES FOR EXPULSION HEARING OFFICERS

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 type="checkbox"/> Statutory Public Entity

The bill requires changes to expulsion hearings for schools and requires training for hearing officers. The bill will increase state expenditures and school district expenditures on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$162,720 to the Department of Education.

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

**Table 1
State Fiscal Impacts Under HB 23-1291**

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$162,720	\$113,949
	Centrally Appropriated	\$18,729	\$20,632
	Total Expenditures	\$181,449	\$134,581
	Total FTE	0.9 FTE	1.0 FTE
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$24,408	\$17,092

Summary of Legislation

The bill modifies laws related to the suspension, expulsion, or the denial of admission of students.

Expulsion hearing procedures. The bill sets the burden of proof in expulsion hearings such that the school district must demonstrate that the student violated state law and the school district's policy, and that expulsion is necessary to preserve the learning environment for other students. School districts must provide all records to guardians of children in expulsion hearings and create a report with facts and recommendations based on the hearing. Guardians have the right to appeal this decision.

Hearing officers. The bill requires that hearing officers recuse themselves if there is a conflict of interest, including a relationship to individuals involved, or participation in the investigation or reporting of the incident. Hearing officers must participate in an annual training on state school discipline law, including instruction on how to weigh specified student factors, and information on federal special education laws.

Training program. The bill requires the Colorado Department of Education (CDE) to develop and administer an annual training program for hearing officers for expulsion best practices. The initial training is five hours. After the initial training, hearing officers must complete annual training on child and adolescent brain development, restorative justice, alternatives to expulsion, biases in expulsion and federal requirements. School districts may develop their own training program that meets or exceeds the bill's requirements.

Judicial review. Within five days following the final action of a board of education upholding an expulsion or denial of admission, the board must issue a written order. The student or the student's parent or legal guardian may file for court review of the order within 10 days, and the courts must conduct a hearing within 21 days.

State Expenditures

The bill increases state expenditures in the CDE by \$181,449 in FY 2023-24 and \$134,581 in FY 2024-25, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 23-1291

	FY 2023-24	FY 2024-25
Department of Education		
Personal Services	\$94,050	\$102,599
Operating Expenses	\$1,350	\$1,350
Capital Outlay Costs	\$6,670	-
Training Costs	\$60,650	\$10,000
Centrally Appropriated Costs ¹	\$18,729	\$20,632
FTE – Personal Services	0.9 FTE	1.0 FTE
Total Cost	\$181,449	\$134,581
Total FTE	0.9 FTE	1.0 FTE

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

Personal services. The CDE requires a principal consultant to manage the stakeholder process, report data on trainings to local education associations and manage contracts with a vendor to develop and update the initial and ongoing trainings. Personal services include standard operating and capital outlay costs, and have been prorated in FY 2023-24 for the General Fund pay date shift.

Training costs. Based on prior legislation such as the Colorado READ Act, the Department of Education will have costs between \$200 and \$600 per participant to deliver custom training and certify completion to school personnel. This fiscal note assumes the low-end of this estimate and that the training will be delivered to 178 hearing officers in FY 2023-24. The annual training in FY 2024-25 and ongoing is estimated to cost \$10,000. Additionally, the CDE will provide mileage reimbursement and lodging for five individuals for stakeholder meetings to develop the training module and standards. Costs include substitute teacher coverage for stakeholders to attend meetings. Finally, the CDE will put out requests for proposals to purchase training content from a vendor.

Trial courts. The modified procedures, burden of proof, and timelines for appealing expulsion decisions may minimally increase workload for the trial courts in the Judicial Department. Given the relatively small number of cases and the review processes at the local level prior to an appealable final decision being issued, it is assumed this work can be accomplished within existing appropriations.

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, decreasing the amount of General Fund available for other purposes.

School District

School districts must ensure that all hearing officers receive the annual training either developed by the CDE or the school district. This expense will be paid using a school or district's existing resources. Districts will have additional workload and costs to provide required documentation and information to students and parents prior to a hearing within specified timelines. Hearing processes and participation by school district employees may also be adjusted under the bill. In addition, legal costs will increase for school districts to participate in any cases referred for judicial review.

Effective Date

The bill was signed into law by the Governor and took effect on June 1, 2023.

State Appropriations

For FY 2023-24, the bill requires a General Fund appropriation of \$162,720 to the Department of Education, and 0.9 FTE.

State and Local Government Contacts

Education

Judicial

School Districts