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Fiscal Note

Drafting Number: LLS 24-0869 Date: March 12, 2024
Prime Sponsors: Rep. Taggart; Bacon Bill Status: House Education
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Bill Topic: OUT-OF-SCHOOL TIME GRANT PROGRAM

Summary of Fiscal Impact:
State Revenue [] State Transfer [] Local Government []
State Expenditure [x] TABOR Refund [] School District [x]

The bill creates a grant program for nonprofit organizations that provide student activities outside of school hours. The bill will increase state expenditures through FY 2026-27.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$5,000,000 to the Colorado Department of Education.

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

Table 1
State Fiscal Impacts Under HB 24-1331

Table with 5 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26, Out Year FY 2026-27. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill creates the Out-of-School Time program Grant Program, which is administered by the Department of Education (CDE) and awards grants to non-profit organizations that provide enrichment activities outside of school hours to students in primary and secondary schools. The bill requires the General Assembly to appropriate \$5.0 million annually between FY 2024-25 and FY 2026-27 to fund the grant program.

Non-profit organizations that wish to receive a grant must submit an application to the CDE. Organizations must provide evidence of their ability to provide education services in their application and the CDE must prioritize grant awards to organizations that are able to serve students who are English language learners and students who qualify for free and reduced lunch.

Organizations that are awarded a grant must submit program outcomes data to the CDE no later than December 31, 2025 and each year thereafter. The CDE must annually submit a report to the legislature on program outcomes beginning in January 31, 2026.

State Expenditures

The bill will increase state expenditures in CDE by approximately \$5.0 million annually in FY 2024-25 through FY 2026-27, paid from the General Fund. Expenditures are detailed in Table 2 and explained below.

Table 2
Expenditures Under HB 24-1311

| | FY 2024-25 | FY 2025-26 | FY 2026-27 |
|---|--------------------|--------------------|--------------------|
| Department of Education | | | |
| Personal Services | \$145,800 | \$155,178 | \$155,178 |
| Operating Expenses | \$2,048 | \$2,176 | \$2,176 |
| Capital Outlay Costs | \$13,340 | \$6,670 | - |
| Data Reporting Contract | \$22,500 | \$22,500 | \$22,500 |
| Grants to Organizations | \$4,816,312 | \$4,813,476 | \$4,820,146 |
| Centrally Appropriated Costs ¹ | \$32,070 | \$34,099 | \$34,099 |
| Total Cost | \$5,032,070 | \$5,034,099 | \$5,034,099 |
| Total FTE | 1.6 FTE | 1.7 FTE | 1.7 FTE |

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

Staff. The CDE will require 1.7 FTE to administer the grant program. Costs include 1.3 FTE for program staff and 0.4 FTE for administrative staff. Costs are based on the administration of similar grant programs through the CDE and include application review, technical assistance, data collection and reporting, and communications. Costs are prorated to assume a September 2024 start date and standard operating expenses and capital outlay are included.

Data reporting contract. The CDE currently uses a vendor for external organizations to report data. The fiscal note assumes that approximately 30 organizations will be approved for a grant and that they will require a \$750 license fee to use this software, resulting in \$22,500 in costs to the vendor, paid by the CDE.

Grants to non-profit organizations. After accounting for the expenses listed above, approximately \$4.82 million annually is available for grants to organizations to conduct student enrichment activities.

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 that partner with organizations who receive grants will have increased expenditures to enroll students in the enrichment activities. Expenditures will vary based on the number of students and staff that participate in the activities. The majority of work is expected to be completed by the non-profit organizations. School districts may assist these organizations with student supervision and reporting requirements.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$5,000,000 to the Colorado Department of Education, and 1.6 FTE.

State and Local Government Contacts

Education

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).