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FISCAL NOTE

Drafting Number: LLS 18-0944	Date: April 9, 2018
Prime Sponsors: Rep. Michaelson Jenet Sen. Coram; Moreno	Bill Status: House Public Health Care and Human Services
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Bill Topic: IMPROVING EDUCATIONAL STABILITY FOR FOSTER YOUTH

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires that the Department of Human Services and county human service offices provide transportation to the school of origin when a student is in out-of-home placement. The bill creates a grant program and a permanent coordinator position in the Colorado Department of Education to assist local education providers with education related services to students in foster care. The bill increases state and local expenditures beginning in FY 2018-19 and future years.

Appropriation Summary: For FY 2018-19, the bill requires General Fund appropriations of \$3,871,541 and 2.0 FTE

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

**Table 1
State Fiscal Impacts Under HB 18-1306**

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	General Fund	\$3,871,541	\$3,863,335
	Centrally Appropriated	\$27,278	\$29,544
	Total	\$3,898,819	\$3,892,879
	Total FTE	2.0 FTE	2.0 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill permits students in out-of-home placement to remain in the school of origin at any time during the school year, rather than move to a different school as a result of a change in placement, unless the county department of human or social services or juvenile court determines that it is not in the child's best interest to remain in his or her school of origin.

Among its many provisions, the bill:

- clarifies the role of a Local Education Provider's (LEPs) child welfare liaison with respect to the best interest determination, the transfer of records, transition planning, and immediate enrollment of the child or youth;
- requires that the Colorado Department of Education (CDE) hire a permanent foster care education coordinator;
- requires that LEPs immediately enroll students in out-of-home placement in school even without academic and immunization records and includes provisions for requesting and receiving records from a sending school;
- requires that LEPs and county departments enter into agreements to provide transportation and other necessary services for students in out-of-home placement; and
- allows an LEP to waive course requirements or provide competency-based measures to satisfy graduation requirements.

The bill creates the Educational Stability Grant Program in the CDE to provide grants to LEPs to provide educational services and supports to highly mobile students. The State Board of Education must adopt rules for the grant program and award the grants. The CDE is required to prepare annual reports on implementation and outcomes of the grant program.

The bill requires county departments of human or social services to develop a process for determining the best interests of students in out-of-home placement in regards to remaining in a school of origin. Counties are also required to provide transportation services for students who remain in the school of origin following placement, or who transfer to another school, and to enter into agreements with LEPs for the provision and funding of these services.

State Expenditures

The bill increases state expenditures by about \$3.9 million annually beginning in FY 2018-19. New expenditures are displayed in Table 2 and described below. Personal service costs include standard operating and capital outlay expenses, and have been prorated to account for the General Fund pay date shift.

**Table 2
 Expenditures Under HB 18-1306**

Cost Components	FY 2018-19	FY 2019-20
Colorado Department of Education		
Personal Services	\$94,116	\$89,280
Operating Expenses and Capital Outlay Costs	\$5,748	\$950
Travel	\$6,000	\$6,000
Data Analysis / Evaluator	\$12,000	\$12,000
Regional Assistance / Training	\$11,800	\$11,800
Information Management Systems	\$25,000	\$25,000
Grants	\$900,000	\$900,000
Centrally Appropriated Costs*	\$14,387	\$15,835
FTE – Personal Services	1.1 FTE	1.0 FTE
CDE Dept (Subtotal)	\$1,069,051	\$1,060,865
Department of Human Services		
Personal Services	\$61,441	\$67,027
Operating Expenses and Capital Outlay Costs	\$5,558	\$950
Travel Reimbursements to Counties / School Districts	\$2,750,328	\$2,750,328
Centrally Appropriated Costs*	\$12,441	\$13,709
FTE – Personal Services	0.9 FTE	1.0 FTE
DHS Dept (Subtotal)	\$2,829,768	\$2,832,014
Total	\$3,898,819	\$3,892,879
Total FTE	2.0 FTE	2.0 FTE

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

Colorado Department of Education. The bill creates new expenditures within the Office of Dropout Prevention and Student Reengagement at the CDE to hire a foster care education coordinator. In addition to personal service costs and standard operating expenses, the bill requires new expenditures for coordinator travel, including conference registrations, child welfare conferences, and mileage reimbursement. The CDE will contract for outside services to complete annual data analysis and evaluations, and to provide regional training opportunities for child welfare liaisons, conducted at LEPs across the state.

The bill creates a new grant program in the CDE to distribute grants to LEPs that provide educational services and supports to highly mobile students. For FY 2018-19, the CDE will employ a part-time grants administrator in addition to the foster care coordinator to provide start-up support for the new grant program. This work includes assisting the State Board of Education to adopt program rules, creating application procedures, determining evaluative criteria, making award recommendations, and ensuring program accountability. The grant program is anticipated to award up to 18 individual grants of \$50,000 each, for a total of \$900,000 available to LEPs.

Department of Human Services. The bill requires that LEPs and county departments of human services enter into agreements to provide transportation and other necessary services for foster care students. Based on a transportation needs assessment conducted by the DHS in 2017, there are approximately 2,500 school change incidents for foster youth each year; however, not every incident requires coordinating travel for students. Assuming 55 percent of this total, 1,375 students will require some transportation services. The average number of school days for out of home placement students is 63.5. If 1,375 students require transportation 63.5 school days annually, there are about 87,313 transports annually. It is unknown how many of these students receive travel from a foster parent or temporary guardian, and how many are transported using a third-party driver. Parents and guardians are reimbursed at about \$24 per trip, and third-party drivers are reimbursed at about \$39 per trip. Assuming one half of all trips are supplied by a parent or guardian, and one half are supplied by third party drivers, total reimbursement for travel is estimated at \$2,750,328 annually.

The DHS will also have personal service costs to assist county offices of human services to enter into agreements with LEPs, and to verify and process travel reimbursements across the state.

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 \$26,828 in FY 2018-19 and \$29,544 in FY 2019-20.

Local Government and School District Impacts

County departments of human or social services have additional costs to transport students who are in out-of-home placement. These costs will be offset by reimbursement received from DHS. Travel reimbursements may be retained by counties or passed on to LEPs, depending on agreements between the counties and school districts for the provision of these services. The bill also makes grant funding available to school districts and other LEPs to provide education related support services to foster care students.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires the following appropriations:

- \$1,054,664 General Fund to the Colorado Department of Education and 1.1 FTE; and
- \$2,817,327 General Fund to the Colorado Department of Human Services and 0.9 FTE.

State and Local Government Contacts

Counties
Judicial

Education
Law

Human Services
School Districts