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FISCAL NOTE

Drafting Number: LLS 19-0070
Prime Sponsors: Rep. Michaelson Jenet, Sen. Fields

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Bill Status: House Education
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Bill Topic: K-5 SOCIAL AND EMOTIONAL HEALTH ACT

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, School District

The bill creates a pilot program to employ school social workers in the elementary grades of a high need, urban school district for seven years. The bill increases state expenditures from FY 2019-20 through FY 2026-27.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$43,114.

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

Table 1
State Fiscal Impacts Under HB 19-1017

Table with 3 columns: Category, FY 2019-20, FY 2020-21. Rows include Revenue, Expenditures (General Fund, Total), Total FTE, Transfers, and TABOR Refund.

## **Summary of Legislation**

The bill creates the School Social Worker Pilot Program in the Colorado Department of Education (CDE). The program places additional school social workers in the elementary schools of a school district that has high poverty and high needs students, with the intent of reducing the social, emotional, and behavioral issues, adverse childhood experiences, disciplinary referrals, delinquency, truancy, and incidences of self harm. The pilot program begins with the 2020-21 school year and continues for seven years through the conclusion of the 2026-27 school year. The CDE must adopt rules for the program and contract for preliminary and final evaluations of the program.

No later than January 15, 2020, the CDE is required to select a single school district to participate in the program. The bill sets the criteria for selecting the school district, which must demonstrate a willingness to participate and collect and share evaluative data and information. To the extent possible, the school district must be a large, primarily urban district with significant ethnic, cultural, and language diversity, high poverty, and contain a high concentration of students who are either in the foster care system or have been adjudicated as delinquent, among other criteria.

Beginning with the 2020-21 school year, the participating district must hire enough additional school social workers such that each grade from kindergarten through fifth grade, in each elementary or K-8 school in the district, has a dedicated school social worker. If the elementary school has more than 100 students in a K-5 grade, a second school social worker must be added. The pilot program may supplement but not supplant existing expenditures on school social workers in elementary grades.

Once employed, the social worker in each grade provides services to the same cohort of students throughout the elementary grades. For example, the social worker hired for the kindergarten grade in the first year of the pilot program moves along with the students, to the first grade during the second year, to the second grade in the third year, and so forth. Following the fifth grade cohort's graduation to middle school, the school social worker begins again with a kindergarten cohort.

Each school social worker must provide students with the services authorized under their professional special services license and social worker endorsement, including functional behavior assessments, development of behavior intervention plans, and arranging for students to receive additional social services from providers outside the school. Services may be provided to the student's family and household. A student in a participating school must be provided with necessary services even if the student is unable to pay for the services, or is uninsured.

## **State Expenditures**

For FY 2019-20, state expenditures increase by \$49,564 and 0.4 FTE. For FY 2020-21, state expenditures increase by about \$13.4 million and 0.5 FTE at the CDE, which will support 191 FTE school social workers in the participating pilot district. This expenditure continues for 7 years, through FY 2026-27. New state expenditures are displayed in Table 2 and described below.

**Table 2  
Expenditures Under HB 19-1017**

	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>Colorado Department of Education</b>		
Personal Services	\$38,031	\$38,602
Operating Expenses and Capital Outlay Costs	\$5,083	\$570
School Social Workers	-	\$15,885,352
Professional Evaluator	-	\$75,000
Centrally Appropriated Costs*	\$6,450	\$7,943
FTE – Personal Services	0.4 FTE	0.6 FTE
<b>Total Cost</b>	<b>\$49,564</b>	<b>\$16,007,467</b>
<b>Total FTE</b>	<b>0.4 FTE</b>	<b>0.6 FTE</b>

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

**Administrative expenses.** From FY 2019-20 through FY 2026-27, state expenditures increase at the CDE by about \$49,500 and 0.5 FTE. Depending on rules adopted for the program, this administrative expense could increase in future years. Staff is required to assist the State Board of Education to adopt rules for the program, manage a Request for Proposals (RFP) to select a professional evaluator, designate an eligible and willing school district to participate in the pilot program, oversee the disbursement of state appropriations, and provide oversight and accountability. Personnel costs for FY 2019-20 have been prorated for the August 1 effective date and the General Fund pay date shift.

**School social workers.** Employing school social workers will be the largest cost component of the bill, which will exceed \$13.0 million annually for 7 fiscal years.

The CDE is required to select a school district meeting specific criteria to participate in the pilot program. For the purposes of this analysis, Aurora Public Schools (Adams-Arapahoe 28J) was chosen as a proxy for estimating state expenditures. Aurora Public Schools has a total of 34 elementary and K-8 schools and employs about 29 FTE school social workers for all grades K-12. Assuming these FTE are proportionally spread across grade levels, the district has about 13 FTE social workers to dedicate to K-5 grades. If each elementary grade at each school employs a single social worker, the district will require 191 additional social workers (34 schools X 6 grades = 204 FTE - 13 existing FTE = 191 new social workers). On average, Aurora Public Schools does not exceed 100 students in any of the elementary grades; however, if any of the elementary schools in the project have a grade enrollment in excess of 100 students, this FTE expenditure will increase.

According to the Bureau of Labor Statistics, school social workers in Colorado earn between \$56,000 and \$69,000 as a base salary. Using a median base wage of \$62,000, and adding mandatory Medicaid, pension payments, and supplemental pension payments, 191 FTE additional school social workers will require at least \$15,885,352 in each year of the pilot program.

**Professional evaluator.** Annual expenditures are required for the CDE to manage an RFP process and contract with a professional evaluator to collect and manage data, monitor program performance and prepare reports and recommendations. Based on the total number of sites and school social workers participating in the pilot program, annual evaluation costs are estimated at \$75,000; however, the yearly and total RFP will be determined by the CDE after program rules are adopted, the participating district is selected, and data requirements are identified.

**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 \$6,450 in FY 2019-20 and \$7,943 in FY 2020-21.

## School District

The participating district will receive enough state funding to employ new social workers in elementary grades. Workload in the participating district increases to employ additional school social workers and provide induction programs. Workload also increases to work with the CDE and a professional evaluator to identify and record necessary evaluative data and information, and to report that consistently throughout the pilot period.

## Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

## State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation to the Colorado Department of Education of \$43,114 and 0.4 FTE.

## State and Local Government Contacts

Education            Law