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**REVISED
FISCAL NOTE**

(replaces fiscal note dated April 1, 2019)

Drafting Number: LLS 19-0566
Prime Sponsors: Sen. Moreno
 Rep. Buckner

Date: April 16, 2019
Bill Status: House Education
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Bill Topic: AUTOMATIC ENROLLMENT IN ADVANCED COURSE GRANT PROG

Summary of Fiscal Impact:

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

The bill creates the automatic enrollment in advanced courses grant program for local education providers. The bill increases state expenditures, and increases revenue and expenditures for some school districts on an ongoing basis.

Appropriation Summary: For FY 2019-20, the bill includes an appropriation of \$250,000 to the Colorado Department of Education.

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

**Table 1
State Fiscal Impacts Under SB 19-059**

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures	General Fund	\$250,000	\$250,000
	Centrally Appropriated	\$4,787	\$4,532
	Total	\$254,787	\$254,532
	Total FTE	0.3 FTE	0.3 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill creates the Automatic Enrollment in Advanced Courses grant program in the Colorado Department of Education (CDE). The program will provide assistance to local education providers (LEPs) that automatically enroll students in advanced courses. Advanced courses include Advanced Placement courses, International Baccalaureate courses, or any course designated by the LEP as an honors, gifted, or accelerated course. Grants may be used to:

- expand the number of advanced courses, including through the use of technology;
- incentivizing teachers to teach advanced courses;
- developing advanced course curriculum; or
- expanding parent and student engagement as it relates to advanced course availability and student success.

The bill includes an appropriation of \$250,000 for the program in FY 2019-20.

Eligible local education providers. To be eligible, a LEP must automatically enroll each student entering ninth grade or higher in an advanced course, based the following criteria.

- If the student received a score of at least proficient on a state assessment during the prior year, the student must be automatically enrolled in an advanced course in that subject area. For instance, a student who has achieved at least a proficient score on an assessment related to reading and writing must be enrolled automatically in an advanced English, social studies, humanities, or other related course.
- LEPs may also automatically enroll students based on a measure that the LEP determines is indicative of the student's ability to succeed in the advanced course.

Eligible LEPs must allow a parent to remove their student from advanced courses in which the student has been automatically enrolled. The bill encourages LEPs to automatically enroll students in grades four through eight in advanced courses, and to use automatic enrollment for subjects not specifically listed in the bill.

In addition, when a school district applies for a grant, a school operating within that district may not submit an application. If an individual school that is not a charter school applies for a grant, the school must notify the school district superintendent.

Administration. The State Board of Education (SBE) must promulgate rules for the program, including creating a formula for determining the amount each eligible LEP receives, and a process for verifying that school district comply with program requirements. The formula must consider the LEP's costs to implement its policy, and the number of grade levels and students automatically enrolled in advanced courses. CDE must award a grant to each eligible LEP that submits an application.

Reporting. The bill specifies the information that LEPs that receive a grant must annually submit to CDE. Information on the grants awarded must be included in CDE's annual SMART Act hearing.

State Expenditures

The bill increases state General Fund expenditures by \$254,787 in FY 2019-20 and \$254,532 in FY 2020-21, based on the \$250,000 appropriation included in the bill for grants and administration.

Table 2
Expenditures Under SB 19-059

	FY 2019-20	FY 2020-21
Department of Education		
Personal Services	\$27,963	\$25,166
Operating Expenses and Capital Outlay Costs	\$380	\$285
Grants	\$221,657	\$224,549
Centrally Appropriated Costs*	\$4,787	\$4,532
FTE – Personal Services	0.3 FTE	0.3 FTE
Total Cost	\$254,787	\$254,532
Total FTE	0.3 FTE	0.3 FTE

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

Administrative costs. Beginning in FY 2019-20, CDE requires 0.3 FTE to implement the program, including coordinating SBE rulemaking, managing application, review, and award processes, and working with grant recipients on automatic enrollment policies, program compliance, data, and reporting.

Grants. Beginning in FY 2019-20, approximately \$221,657 will be available for grants. This fiscal note assumes that approximately 16 grants of up to \$15,000 each will be awarded. Actual grant amounts will be determined by CDE based on the formula adopted by the SBE.

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 \$4,787 in FY 2019-20 and \$4,532 in FY 2020-21.

School District Impact

The bill increases workload and revenue for LEPs that apply for and receive a grant. Workload and award amounts will vary by district. In addition, if the grant program incentivizes districts to establish new policies of automatic enrollment in advanced courses, costs may increase beyond the grant amounts in order to develop and maintain those programs.

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 and includes a General Fund appropriation of \$250,000 and 0.3 FTE to the Colorado Department of Education.

State and Local Government Contacts

Education Law School Districts