

**STATE and LOCAL
REVISED FISCAL IMPACT**

(replaces fiscal note dated March 25, 2008)

Drafting Number: LLS 08-1034

Date: April 17, 2008

Prime Sponsor(s): Rep. Middleton
Sen. Bacon

Bill Status: Senate Education

Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING INCREASING THE LEVEL OF SERVICES PROVIDED BY SCHOOL COUNSELORS TO STUDENTS IN PUBLIC SECONDARY SCHOOLS, AND, IN CONNECTION THEREWITH, CREATING THE COUNSELOR CORPS GRANT PROGRAM AND MAKING AN APPROPRIATION.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Revenue Cash Funds School Counselor Corps Grant Fund	Potential Gifts, Grants, and Donations	
State Expenditures State Education Fund	\$5,000,000	\$5,000,000
FTE Position Change	1.0 FTE	1.0 FTE
Effective Date: The bill is effective upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2008-2009: See State Appropriations section.		
Local School District Impact: See Local School District Impact section.		

Summary of Legislation

This **reengrossed** bill creates the School Counselor Corps Grant Program in the Colorado Department of Education (CDE), and directs the State Board of Education to promulgate rules necessary to implement the program. The grant program is intended to improve and increase counseling services to students in secondary schools. Beginning in FY 2008-09, the State Board of Education shall grant awards to education providers for a term of 3 years.

The bill creates the School Counselor Corps Grant Fund to consist of any moneys appropriated to the fund by the General Assembly and from gifts, grants, and donations. Moneys in the fund shall be subject to annual appropriation by the General Assembly for the direct and indirect costs of the program. Any money remaining in the fund as of July 1, 2011, revert to the General Fund. The bill authorizes the CDE to expend up to 2 percent of moneys annually appropriated from the fund to implement and administer the program. The bill includes a State Education Fund appropriation for \$5.0 million to the new cash fund.

To be considered for a grant, a school district, Board of Cooperative Educational Services, or charter school shall specify details of its current program, and how grant money will be spent to improve or increase services.

The CDE is required to apply specific criteria when reviewing applications and making recommendations to the board. The CDE shall give priority to applications for secondary schools where the dropout rate exceeds the statewide average, and/or where there are a high percentage of students receiving free or reduced-cost lunch. The bill identifies other criteria such as collaboration with institutions of higher education, community involvement, and the availability of matching funds.

Education providers who receive a grant shall report annually to the CDE, and the CDE shall summarize and compile the information in a report to the Education Committees of the General Assembly.

State Revenue

The cash fund created by the bill is permitted to receive gifts, grants, and donations for the purpose of providing grants. No amount of donations have been identified.

State Expenditures

Total expenditures under HB08-1370 are estimated to be \$5.0 million and 1.0 FTE in both FY 2008-09 and FY 2009-10. The bill includes a State Education Fund appropriation of \$5.0 million to the School Counselor Corps Grant Fund. From this amount, separate cost components are identified below.

School Counselor Corps Grants. The total amount of grants from the program have not been identified; however, grant awards will constitute the largest cost component. This fiscal note assumes that grants will be awarded based upon the appropriation level provided by the General Assembly, and that there will be a minimum appropriation of \$5.0 million per year.

Colorado Department of Education - \$82,893 and 1.0 FTE in FY 2008-09 and \$78,838 and 1.0 FTE in FY 2009-10. CDE is required to establish and administer a new grant program to provide assistance to secondary schools. CDE staff will perform all operations necessary to assist the State Board to promulgate rules, develop the application, review, and award process, collect and compile data, provide on-going professional development, conduct an evaluation, and report to the General Assembly. Table 1 identifies the cost of the new staff.

Table 1. CDE Expenditures Under HB08-1370		
Cost Components	FY 2008-09	FY 2009-10
Personal Services	\$74,888	\$74,888
FTE	1.0	1.0
Operating Expenses	1,550	950
Capital Outlay (one-time cost)	3,455	
Travel	3,000	3,000
TOTAL	\$82,893	\$78,838

The bill authorizes up to 2 percent of moneys from the cash fund for all direct and indirect costs of the program. Assuming an appropriation of \$5.0 million, the bill allows for up to \$100,000 for the CDE to administer the program. It is anticipated that in addition to the FTE, the CDE may incur expenses to provide training and technical assistance to grant participants; however they may only expend up to \$100,000.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, funding for the items noted below will not be included in fiscal note expenditure estimates. However, indirect costs are calculated for the purpose of identifying the "per applicant" cost of a new or revised fee to reflect the total direct and indirect costs required to support a particular program.

- group health, life and dental insurance
- inflation indices
- amortization equalization disbursements
- supplemental amortization equalization disbursements
- short-term disability
- leased space
- indirect costs

School District Impact

The grants represent an increase in revenue for schools and districts, providing resources for creating or expanding programs.

State Appropriations

For FY 2008-09, the bill includes a \$5.0 million State Education Fund appropriation to the School Counselor Corps Grant Fund, which is further appropriated to the Colorado Department of Education. Additionally, the bill requires authorization for 1.0 FTE.

Departments Contacted

Education