

Colorado Legislative Council Staff Fiscal Note
STATE and LOCAL
CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 10-0309
Prime Sponsor(s): Sen. Hudak
 Rep. Benefield

Date: January 18, 2010
Bill Status: Senate Education
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING CONTINUITY OF SERVICES TO PUBLIC SCHOOL KINDERGARTEN STUDENTS WHO WERE ENROLLED IN CERTAIN PRESCHOOL PROGRAMS DURING THE PRIOR YEAR.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
Cash Funds	\$139,423*	\$139,507*
State Expenditures		
Cash Funds	\$134,441*	\$134,441*
FTE Position Change	0.3 FTE	0.3 FTE
Effective Date: August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2010-2011: None required, see State Appropriations section.		
School District Impact: See School District Impact section.		

* *State revenue and expenditures are conditional, contingent on support from federal funds and gifts, grants, and donations. State revenue exceeds state expenditures in order to pay for costs noted in both the State Expenditures section and the Expenditures Not Included section of this fiscal note.*

Summary of Legislation

This bill, recommended by the Early Childhood and School Readiness Legislative Commission, creates a new grant program in the Colorado Department of Education. Subject to the receipt of sufficient money from federal sources and from private donations, the department shall distribute moneys to local education providers to maintain continuity in services to kindergarten students who were enrolled the previous year either in the Colorado Preschool Program, or in a federal Head Start program. School districts are permitted to use the grant in any manner designed to best serve the needs of their kindergarten students. The department shall administer the grant program, develop an application process, and distribute any moneys received. The State Board of Education must adopt rules for the implementation and administration of the program.

The Commissioner of Education must notify the revisor of statutes by July 1, 2011, if moneys are not received. If moneys are received for the program, the commissioner must notify the revisor of statutes within 60 days after moneys are no longer available. The bill is repealed, effective July 1 following the notification that money has not been received or is no longer available.

State Revenue

The bill allows the CDE to seek, accept, and spend federal moneys and other gifts, grants, and donations to implement the grant program. Based on the expenditures described in this fiscal note, the CDE will need to obtain at least ***\$139,423 in federal funds or private donations*** in FY 2010-11 to establish an effective grant program, although actual collections may vary greatly from this amount. Beginning in FY 2011-12, the CDE would need to obtain ***\$139,507*** for ongoing costs. To date, no specific revenue source has been identified.

State Expenditures

A grant program meeting the requirements of the bill would be expected to increase state expenditures by at least ***\$134,441 and 0.3 FTE per year*** beginning in FY 2010-11. These costs are ***conditional***, contingent on the Colorado Department of Education (CDE) receiving sufficient federal funding, and other funding from private gifts, grants, and donations. Actual costs could vary from the amount identified here, depending on how much CDE receives in federal funds or donations. Estimated costs include \$14,441 and 0.3 FTE for program administration and \$120,000 for grant awards. These costs are detailed below and displayed in Table 1.

Table 1. Estimated Expenditures Under SB10-005		
Cost Components	FY 2010-11	FY 2011-12
Personal Services	\$14,441	\$14,441
FTE	0.3	0.3
Continuity in Services Grants	120,000	120,000
TOTAL	\$134,441	\$134,441

Program Administration - \$14,441 and 0.3 FTE. The bill creates a new grant program at the CDE. Subject to the receipt of sufficient money from federal sources and private donations, the department will establish program rules, create application procedures, develop criteria for evaluating applications, award grants to districts, track applications and awards, and assure accountability. Additionally, the department will expend resources in human resources, accounting, budgeting, and management in support of the new program.

Continuity of Services Grants - \$120,000. It is anticipated that grant award moneys will comprise the largest cost component of the bill. The amount of grants from the program is dependent on the amount of funding CDE receives from federal sources and from private donations; however, this fiscal note assumes that at a minimum, a viable grant program will make \$20,000 awards to a minimum of 6 districts (6 awards * \$20,000 = \$120,000). The estimate of \$20,000 per award would permit a receiving district to hire a paraprofessional at the 2008 statewide average salary of \$15,937, plus benefits, to provide a better adult to student ratio. Alternatively, districts could choose to spend grant money on other areas such as reducing class size, increasing parental involvement, or providing professional development for teachers, all of which is authorized in the bill.

Expenditures Not Included

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. The departmental costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under SB10-005*		
Cost Components	FY 2010-11	FY 2011-12
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,076	\$2,076
Supplemental Employee Retirement Payments	453	537
Indirect Costs	2,189	2,189
Workers Comp & Risk Management	264	264
TOTAL	\$4,982	\$5,066

**More information is available at: <http://www.colorado.gov/cs/Satellite/CGA-LegislativeCouncil/CLC/1200536133924>*

School District Impact

Assuming sufficient revenue is obtained, the CDE will distribute grants to local education providers to allow for continuity in services to kindergarten students previously enrolled in specific preschool programs. Each local education provider that receives a grant will determine the best way to serve the needs of their kindergarten students with the available grants.

State Appropriations

This bill does not require an appropriation clause. If sufficient money is provided for the program from federal sources and from other donations, the Colorado Department of Education may be required to seek spending authority via the annual appropriations process, including spending authority to use cash funds for expenses identified in the Expenditures Not Included section of this fiscal note.

Departments Contacted

Education

Law