

# STATE and LOCAL FISCAL IMPACT

**Drafting Number:** LLS 13-0007**Date:** February 21, 2013**Prime Sponsor(s):** Rep. Priola  
Sen. Renfroe**Bill Status:** House SVMA**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING ACCOUNTABILITY MEASURES TO INCREASE PARENT INVOLVEMENT IN THE PUBLIC SCHOOLS IN THE ELEMENTARY AND SECONDARY EDUCATION SYSTEM.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b> General Fund		
<b>State Expenditures</b> General Fund	\$60,013	\$26,355
<b>FTE Position Change</b>	0.8 FTE	0.3 FTE
<b>Effective Date:</b> August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2013-2014:</b> See State Appropriations section.		
<b>School District Impact:</b> See School District Impact section.		

\* Bills that have a 90-day effective clause and create a need for new FTE paid from the General Fund are prorated to reflect 9 months of impact in FY 2013-14.

## Summary of Legislation

This bill replaces the terms used for accreditation categories of public schools with letter grades A through D and F. The corresponding improvement plan required for each accreditation category is also renamed.

Current law allows a public school up to 5 years of operation under the two lowest accreditation categories before the State Board of Education (SBE) is required to take corrective action; however the board may take action anytime during that period. This bill allows the parents of students in a public school that has been designated as low-performing for 2 consecutive years to petition the SBE to require the local board of education to take corrective action sooner.

If parents submit a valid petition, the SBE must consider the request at its next regular public meeting. The SBE may accept or reject the petition request, or may choose to reconsider the petition the following school year. If it accepts the request, the SBE may either:

- direct the state review panel to evaluate the school's performance and make recommendations for restructuring;

- direct the local school board to replace the management of the school;
- allow the school to be reorganized as either a charter school or an innovation school; or
- close the school.

If the school is chartered by the state Charter School Institute (CSI), the SBE directs the CSI to take the corrective action.

## **Background**

***Accreditation categories and improvement plans.*** The school accountability process results in accreditation, i.e., certification by the SBE that a district and the individual schools within the district meet the requirements established in the Education Accountability Act and all related rules adopted by the SBE. Accreditation also indicates that a district is complying with all requirements for improvement planning, and is following required policies concerning financial operations, reporting, truancy, school safety, etc. The SBE annually reviews the performance of schools and districts in the state and, based on the level of attainment on four performance indicators, enters into accreditation contracts with the districts based on one of five categories. Each category requires the district to create a corresponding improvement plan. The five categories of accreditation and improvement plans are:

- **Accredited with Distinction** means the district met or exceeded state expectations;
- **Accredited** means the district met expectations and is required to implement a *performance plan*;
- **Accredited with Improvement Plan** means the district has not met expectations and is required to implement an *improvement plan*;
- **Accredited with Priority Improvement Plan** means the district has not met expectations and is required to implement a *priority improvement plan*; and
- **Accredited with Turnaround Plan** means the district has not met expectations and is required to implement a *turnaround plan*.

Districts may not remain accredited in the lowest two categories for longer than five years before the SBE removes accreditation altogether. House Bill 13-1172 replaces each of these accreditation categories and each corresponding improvement plan with a letter grade assignment.

## **State Expenditures**

***For FY 2013-14, this bill has costs of \$60,013 and 0.8 FTE to the Colorado Department of Education (CDE). For FY2014-15, this bill has costs of \$26,355 and 0.3 FTE.*** New costs are for managing an accelerated reorganization of some schools currently in at least two years of low accreditation, and for updating materials and technical assistance related to new labels for accreditation categories, school improvement planning, and accountability. Expenses for this bill are displayed in Table 1 and discussed below.

Table 1. Expenditures Under HB 13-1172		
Cost Components	FY 2013-14*	FY 2014-15
Personal Services	\$47,897	\$24,270
FTE	0.8	0.3
Operating Expenses	760	285
Capital Expenses	3,762	-
Travel	1,800	1,800
Legal Services	5,794	-
<b>TOTAL</b>	<b>\$60,013</b>	<b>\$26,355</b>

\* Personal services are calculated for 9 months in FY 2013-14 to reflect the bill's effective date and the required General Fund payday shift.

**Parent request for reform.** The department allocates staff and resources on the assumption that school improvement planning is a five-year process. By allowing parents to request reform for schools with at least two years of low accreditation, the bill accelerates the process, adding to the current estimated workload of staff who oversee these programs.

The SBE requires a consultant to advise on policies and rules implementing the bill. This additional staff must conduct site visits to evaluate actions for each school, manage activities of the state review panel as requested, and present recommendations to the SBE. There are currently 121 schools that have been accredited in the bottom two categories for two consecutive years. This fiscal note assumes that 10 of these schools will petition each year in the first two years of the program. If more than 10 schools petition, costs will rise accordingly.

**State Review Panel.** There are currently 54 individuals sitting on the State Review Panel. Under this bill, it is estimated that the panel's workload will increase, perhaps significantly, depending on the number and timing of petitions filed. If sufficient money from gifts, grants, and donations are available, the CDE may compensate review panel members for the increased workload.

**Rename accreditation categories.** The CDE requires staff in FY 2013-14 only to develop the specifications for a revised labeling system, modify the specifications in the reporting templates for school and district performance frameworks, update training materials and resource documents related to district and school accountability and improvement planning, and re-program data systems. The SBE will have increased costs to update and revise rules reflecting the name change of accreditation categories, and for legal services provided by the Department of Law.

### 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 centrally appropriated costs subject to this policy are summarized in Table 2.

<b>Table 2. Expenditures Not Included Under HB 13-1172*</b>		
<b>Cost Components</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$5,381	\$2,028
Supplemental Employee Retirement Payments	2,940	1,685
<b>TOTAL</b>	<b>\$8,321</b>	<b>\$3,713</b>

*\*More information is available at: <http://colorado.gov/fiscalnotes>*

### **School District Impact**

For each successful petition, school districts may incur additional costs to restructure schools following a determination by the SBE to do so. Since the number of successful petitions, nor the final determination made by the SBE in each case is unknown, these costs cannot be estimated.

Pursuant to Section 22-32-143, C.R.S., as specified by House Bill 11-1277, school districts and Boards of Cooperative Educational Services (BOCES) may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: <http://www.colorado.gov/lcs>

### **State Appropriations**

For FY 2013-14, this bill requires an appropriation of \$60,013 General Fund and 0.8 FTE to the Colorado Department of Education. Of this amount, the Department of Law requires \$5,794 in reappropriated funds.

### **Departments Contacted**

Education

Law