

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0158	Date: February 19, 2015
Prime Sponsor(s): Rep. Rankin; Buckner Sen. Todd	Bill Status: House Education
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BILL TOPIC: BOCES & CENTRALIZED OPERATING SERVICES GRANTS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	\$10.0 million	
State Education Fund	\$10.0 million	
Cash Funds		
FTE Position Change	0.3 FTE	0.3 FTE
Appropriation Required: \$10.0 million - Colorado Department of Education (FY 2015-16)		

* This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.

Summary of Legislation

This bill creates a grant program in the Colorado Department of Education to enable Boards of Cooperative Educational Services (BOCES) to provide centralized operating services to rural school districts and charter schools. The grant program intends to reduce operating overhead costs for eligible school districts and charter schools that use the BOCES to deliver operating services, thus increasing the amount of time available to the schools to support instruction.

The State Board of Education (BOE) must promulgate rules for the new grant program including the grant application process. If a BOCES expects to provide operational services beginning in the first grant year, the applying BOCES must submit a district services plan as part of its grant application. Grants in any one year may not exceed \$500,000 per recipient.

Alternatively, a BOCES may apply for up to \$50,000 in the first grant year in order to create a plan detailing the types of services the BOCES intends to provide to districts; if the CDE approves that plan, those BOCES may receive the full grant and begin providing services in the second grant year. Once funded, each BOCES may receive money in the second and third year only if the BOCES can demonstrate to the CDE that the services it provides are effective.

The department will review the grant applications and recommend recipients, and the BOE will award grants. The CDE and BOE must use specified criteria in awarding grants, including the degree to which the BOCES will provide a wide range of services, and the need demonstrated by school districts that receive those services. Grants must be awarded beginning October 1, 2015.

The bill creates the BOCES Centralized Operating Services Fund (services fund) to consist of moneys appropriated in FY 2015-16 from the State Education Fund. The bill appropriates \$10.0 million to the services fund. Money in the services fund is continuously appropriated to the CDE for the direct and indirect costs of administering the grant program. The grant program is repealed, effective July 1, 2018.

Finally, this bill repeals an existing statute that authorizes funding for BOCES that submit plans for providing education and support services programs.

State Expenditures

The bill increases state expenditures by \$10.0 million in FY 2015-16, paid from the State Education Fund to support the grant program created by the bill. The funding in the services fund is continuously appropriated to the CDE for allocation in FY 2015-16, FY 2016-17, and FY 2017-18. Table 1 shows the administrative cost of the bill and three-year allocation available for grants

Table 1. Expenditures Under HB 15-1201			
Cost Components	FY 2015-16	FY 2016-17	FY 2017-18
Personal Services	\$15,279	\$15,279	\$15,279
FTE	0.3 FTE	0.3 FTE	0.3
Operating Expenses and Capital Outlay Costs	2,827	475	475
Indirect Costs (employee insurance, retirement)	3,830	3,716	3,716
BOCES Grants (3-year allocation)	\$9,939,125		
	3 YEAR TOTAL = \$10.0 Million		

School District Impact

The bill allocates grant money to BOCES to help improve the operational efficiency of rural school districts and charter schools.

Pursuant to Section 22-32-143, C.R.S., 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>

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

The bill contains an appropriation of \$10.0 million from the State Education Fund to the BOCES Centralized Operating Services Fund. Money in the fund is continuously appropriated to the CDE, who also require an allocation of 0.3 FTE.

State and Local Government Contacts

Education

Law