

School district liability insurance. The CGIA requires school districts to maintain an insurance reserve fund for liability purposes. As authorized by state law, many school districts and charter schools in the state obtain insurance through the Colorado School Districts Self Insurance Pool (CDSIP). Other districts participate in smaller insurance pools or independently maintain the required insurance reserve.

State Expenditures

Upon taking effect in the current fiscal year (FY 2014-15), the bill increases the workload of state trial courts. The cumulative effect of the bill may require additional resources in the Judicial Department.

Assumptions. Operational costs of public schools are budgeted by the applicable school board and are not obligations of the state. Liability for school violence under the bill does not affect the School Finance Act, the Colorado Department of Education (CDE) or the Charter School Institute. Defendants in cases brought under the bill are local school districts, charter schools, and their employees.

Judicial Department. State trial courts will experience an increase in workload as claims are filed under the bill. The bill permits negligence claims that currently result in dismissal under the CGIA to proceed against school districts, charter schools, and school employees. In addition, each new case is likely to involve significant procedural workload, including the discovery process without regard to potential pretrial resolution of the case.

The overall, cumulative increase in state court workload resulting from the bill cannot be estimated. However, given the potential applicability of the bill to bullying, disciplinary cases, and alleged failure to assess a threat in many contexts, the fiscal note concludes that state trial courts will process a significant number of new cases. If this increase in workload requires new resources, a request explaining the magnitude of the impact experienced by the courts will be addressed in the annual budget process.

School District Impact

The bill increases school district and charter school costs for liability and risk management, and increases administrative costs to implement policies and practices related to threats of school violence.

School district and charter school premiums (or similar risk pool payments) for liability insurance, as provided by CDSIP and other insurance pools, are expected to increase annually by 10 to 15 percent. For example, a large district currently paying \$200,000 per year in premiums will pay an estimated \$20,000 to \$30,000 more in FY 2015-16, with potentially similar increases in subsequent years. Liability insurance is intended to cover the cost of legal defense and any award of damages, attorney fees, or court costs. However, in addition to increased premiums, school districts may also experience increased costs for deductibles and other costs not covered by insurance.

Administrative changes may be appropriate to mitigate potential school liability, with associated costs and workload impacts. For example, costs may increase to train staff, assess threats, and hire security or mental health professionals. All such risk management strategies are likely to require an initial period of administrative and legal examination, and FY 2015-16 and FY 2016-17 administrative efforts are assumed to create a net cost for school districts and charter schools.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, and applies to claims resulting from an incident of school violence on or after January 1, 2013.

State and Local Government Contacts

Judicial Department
District Attorneys
Municipalities
Law

Education
Local Affairs
Sheriffs

School Districts
Public Safety
Counties