

**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0678	Date: June 20, 2012
Prime Sponsor(s): Rep. Kerr A. Sen. Bacon; King K.	Bill Status: Signed into Law
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TITLE: CONCERNING STATUTORY CHANGES TO K-12 EDUCATION.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: The bill was signed into law by the Governor and took effect June 4, 2012.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
School District Impact: See School District Impact section.		

Summary of Legislation

This bill addresses several areas of statute governing K-12 education. The bill:

- allows the Colorado Department of Education (CDE) to accept private donations from any source to implement teacher evaluation laws;
- maintains the requirement that school districts post collective bargaining agreements on their websites but removes the requirement that the State Board of Education (SBE) receive and make copies available;
- requires that the Office of Legislative Legal Services (OLLS) inform the Educational Data Advisory Committee (EDAC) of any introduced legislation that creates a new data-reporting requirement on K-12 education;
- stipulates that for charter schools that operate a full-day kindergarten program, the schools may include their supplemental kindergarten enrollment to calculate the school's negotiated funding under the charter contract;
- extends the deadlines by which the SBE must adopt high school graduation guidelines, and the deadline by which the CDE must include diploma endorsements as indicators of student performance, and conduct a cost study of diploma endorsements;
- modifies the criteria for awarding Schools of Excellence awards;
- clarifies terms used in online education and makes conforming amendments;
- repeals the military dependent supplemental pupil enrollment aid program;
- increases from 6 to 10 the number of charter school food authorities;

- requires that the CDE inform a local board of education if it approves a letter of intent on emergency services; and
- removes the requirement that school districts certify the amount of an impact assistance grant to the SBE.

Additionally, this bill clarifies current law, allowing a charter school authorized to operate a kindergarten program to also operate a public preschool program. The bill modifies the composition of a school district's preschool program advisory council to include a representative from a charter school located in the district that operates a preschool program.

Finally, the bill requires that Colorado participate as a governing board member in a multi-state consortium currently developing assessments in English language arts and mathematics. By January 1, 2014, and each January thereafter, the SBE is encouraged to conduct a fiscal and student achievement benefit analysis of remaining in the consortium as a governing board member. If the state remains a governing board member in the consortium, the SBE is required to adopt the assessments developed by the consortium when adopting state assessments aligned with state standards.

Background

The Partnership for Assessment of Readiness for College and Careers (PARCC) is a consortium of states working to develop a common set of K-12 assessments in English language arts and math. PARCC received a \$186 million grant through the U.S. Department of Education's Race to the Top competition to develop and design the assessment system.

PARCC's governing board is comprised of the K-12 state school officers (or designees) from each of the governing member states. The board meets quarterly to make policy decisions related to the assessment system. Each governing member state agrees to participate exclusively in PARCC and administer the commonly developed assessments beginning with the 2014-15 school year. These states will also pilot and field test components of the assessment system during the development period. Currently, 24 states take part in the consortium; 18 of these states are governing board member states, 6 of these states (including Colorado) are participating states but not members of the governing board.

Pursuant to CAP4K, the state board must adopt assessments aligned with state standards. Several options have been considered by the Joint Budget Committee (JBC) when preparing this year's Long Bill. The funding options develop assessments on different schedules over the next few years. For FY 2012-13, the introduced version of the Long Bill funds the development of new assessments in science and social science (for administration beginning in FY 2013-14), and updates to the alternate assessment for special education and English language learners, but does not include appropriations for development of math, reading, or writing assessments. The eventual cost to develop and administer any new assessments (or portions thereof) must be addressed through the annual budget-setting process. This legislation is specific to the state's participation in a consortium effort to create a portion of the assessments needed to satisfy CAP4K.

State Revenue and Expenditures

There is no immediate cost to the state to join the PARCC consortium as a governing board member; however, participation will require some administrative effort by the CDE which can be met with existing resources. Once the final assessments are prepared, it is assumed the state will have additional costs to augment the assessments to include Colorado-specific content. For example, the state has standards for financial literacy (among others) that could be delivered as part of the consortium math and English language arts assessments. The actual cost to augment the consortium tests must be evaluated based on the consortium's final product. This increased cost, plus any others to develop, administer, score, and report state assessments, must be addressed through the annual budget-setting process, but are not required by this bill. For the purposes of this bill, no state appropriation is required in FY 2012-13.

The remaining provisions of this bill will have minimal impacts on state revenue and expenditures. The bill allows the CDE to accept private donations from any source to assist in implementing teacher evaluation laws. Although potentially increasing state revenue, no amount of money or new sources of funding have been identified.

The bill removes the requirement that the SBE receive, maintain, and post copies of district collective bargaining agreements. While this reduces the CDE's workload and expenditures, any savings are estimated to be minimal.

Finally, the bill requires that the OLLS monitor legislation introduced in a legislative session and inform the EDAC of any new bills that increase reporting requirements on K-12 education. This can be accomplished within existing appropriations.

School District Impact

Section 10 of the bill impacts the financing of charter schools. Under current law, school districts receive supplemental kindergarten funding for district kindergarten students. Some districts pass this supplemental funding to charter schools with kindergarten students, and some do not. This bill clarifies that the distribution of supplemental kindergarten funding within a district is also based on the number of supplemental students at a charter school. Although this provision does not change a district's total program amount for school finance, the allocation of funding within a district is affected.

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.

Departments Contacted

Education

Law

Legal Services

Military Affairs