

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

Drafting Number: LLS 13-0161	Date: January 24, 2013
Prime Sponsor(s): Rep. Duran Sen. Todd	Bill Status: House Health, Insurance & Environment Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING HUMAN SEXUALITY EDUCATION.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue*		
Federal Funds	\$2,391,092	\$2,341,305
State Expenditures*		
Federal Funds	\$2,391,092	\$2,341,305
FTE Position Change	2.1 FTE	1.5 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: 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, state appropriations, and private gifts, grants, and donations.

Summary of Legislation

This bill expands the criteria for developing content standards for human sexuality education in public K-12 schools. School districts and charter schools that offer a planned curriculum in sex education are required to maintain content standards that align with the expanded definitions in the bill, unless the curriculum is provided as part of comprehensive health education programs offered pursuant to the Colorado Comprehensive Health Education Act (CHEA), Sections 22-25-101, et. seq., C.R.S. The bill also excludes districts that, as of FY 2013-14, receive federal funding for provision of an abstinence education program.

The bill creates the Comprehensive Human Sexuality Education Grant Program in the Colorado Department of Public Health and Environment (CDPHE). The intent of the program is to provide grant money to school districts choosing to implement sex education programs aligned with the bill's provisions and guidelines.

The bill creates the Interagency Youth Sexual Health Team to act as an oversight entity for the grant program and provide assistance to the CDPHE in recommending rules, administering grants, evaluating school district applications, and making awards. Membership must include representatives from the CDPHE, the Department of Health Care Policy and Financing (HCPF), the Colorado Department of Education (CDE), and the Department of Human Services (DHS). Each year, the team is required to assess opportunities for federal and state funding for the program and inform eligible agencies of availability.

The bill creates the Comprehensive Human Sexuality Education Grant Program Cash Fund to consist of public or private gifts, grants, or donations made to the CDPHE, and from any money appropriated to the fund by the General Assembly. General Fund money may not be appropriated. Once sufficient money is received, the State Board of Health must adopt rules for the grant program. If sufficient money is not received or appropriated to the fund, the CDPHE is not required to implement the grant program.

For any school or district offering sex education as part of programs authorized under CHEA, the bill requires that parents opt-out by providing written notice to school districts in advance. Under current law, parents are required to opt-in to these programs. Finally, the bill requires that the CDE identify additional instructional programs that may be used in CHEA curriculum.

State Revenue

The bill allows the CDPHE to seek, accept, and spend federal money and other gifts, grants, and donations to implement the grant program. Based on the expenditures described in this fiscal note, the department will need to obtain at least ***\$2.4 million in federal funds or private donations*** beginning in FY 2013-14 to establish an effective grant program, although actual collections may vary greatly from this amount. Currently, no amount of federal or private donations have been identified.

State Expenditures

A grant program meeting the requirements of the bill is expected to increase state expenditures by \$2,391,092 and 2.1 FTE in FY 2013-14. In FY 2014-15, increased costs are \$2,341,305 and 1.5 FTE . These costs are *conditional*, contingent on the CDPHE receiving sufficient federal or state funding, and other funding from private gifts, grants, and donations. Actual costs could vary from the amount identified here, depending on how much money CDPHE receives. Estimated costs include program administration and sex education grant awards. These costs are described below and displayed in Table 1.

Cost Components	FY 2013-14	FY 2014-15
Personal Services	\$127,911	\$89,880
Operating Expenses	13,181	1,425
FTE	2.1	1.5
Sex Education Grants	2,250,000	2,250,000
TOTAL	\$2,391,092	\$2,341,305

Program Administration. The bill creates a new grant program at the CDPHE. 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. Start up costs are estimated higher in the first year, in order for the CDPHE to create and implement the program; ongoing administrative costs are reduced in subsequent years.

Human sexuality education grants. Grant award money will comprise the largest cost component of the bill. The amount of grants is dependent on the amount of funding CDPHE receives from outside sources; however, this fiscal note assumes that at a minimum, a viable grant program will make \$30,000 awards to a minimum of 75 district or school recipients (75 awards * \$30,000 = \$2,250,000). The estimate of \$30,000 per award would provide supplemental funding offsetting local costs to enhance current content standards, develop staff, purchase curriculum products, and align sex education programs with the bill's provisions and guidelines.

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.

Table 2. Expenditures Not Included Under HB 13-1081*		
Cost Components	FY 2013-14	FY 2014-15
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$14,128	\$10,089
Supplemental Employee Retirement Payments	7,851	6,242
TOTAL	\$21,759	\$16,331

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

School District Impact

Schools and districts will receive about \$2.2 million in additional state aide from grants, and spend this grant money to adopt content standards and enhance sex education programs. These impacts are conditional, presuming the program is able to raise sufficient funds from federal sources, or from private gifts, grants, and donations.

State Appropriations

No state appropriation is necessary. If the CDPHE is able to raise sufficient funds for the program, they will seek spending authority via the annual budget setting process.

Departments Contacted

Education
Human Services
Legislative Council
Public Schools

Health Care Policy Financing
Law
Public Health & Environment