

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL  
REVISED FISCAL IMPACT**

(replaces fiscal note dated April 21, 2014)

**Drafting Number:** LLS 14-0526 **Date:** April 28, 2014  
**Prime Sponsor(s):** Rep. Peniston **Bill Status:** Senate Appropriations  
 Sen. Kerr **Fiscal Analyst:** Josh Abram (303-866-3561)

**SHORT TITLE:** GIFTED EDUCATION PROGRAMS

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
<b>State Revenue</b>		
<b>State Expenditures</b>	<b>\$1,607,173</b>	<b>\$1,596,315</b>
State Education Fund	1,598,368	1,587,015
Centrally Appropriated Costs**	8,805	9,300
<b>FTE Position Change</b>	1.0	1.0
<b>Appropriation Required:</b> \$1,598,368 - Colorado Department of Education (FY 2014-15)		

\* This summary shows changes from current law under the bill for each fiscal year.

\*\* These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

**Summary of Legislation**

This bill, **as amended by the Senate Education Committee**, makes clarifications and adds specificity to statutes concerning the education of gifted students and the requirements for gifted education programs in public K-12 schools.

Under current law, each administrative unit (i.e., school districts, Boards of Cooperative Educational Services (BOCES), and the state Charter School Institute (CSI)), must adopt and implement a plan to identify and serve gifted children. The plan must satisfy criteria established by State Board of Education (SBE) rules and be consistent with the gifted student's learning plan; however, the administrative unit need only satisfy these requirements if sufficient moneys are provided for implementation.

This bill encourages each administrative unit to adopt a gifted education program that can be implemented within the local, state, and federal moneys or resources available. An administrative unit cannot refuse state or federal moneys for implementing a program plan. A district's program plan must be submitted to the Colorado Department of Education (CDE) ensuring, among other things, procedures for assessing and identifying gifted students using a team; preparation of academic plans; collecting, maintaining and reporting data; and, providing appropriate opportunities for concurrent enrollment.

Each administrative unit is required to make a good faith effort to hire and retain at least one qualified person in gifted education to administer the program plan. Each administrative unit is also strongly encouraged to conduct a screening of all enrolled students no later than second grade to identify gifted children, and a second screening of gifted children in conjunction with the creation of the student's individualized career and academic plan (ICAP). The General Assembly is required to appropriate moneys to offset the costs incurred by administrative units to conduct

universal screening of enrolled students. An administrative unit may apply to the CDE for a grant, and the CDE is required to distribute moneys appropriated for the screening to each administrative unit that applies. The amount of each grant is based on the number of students who participate and the cost of the screening.

The SBE is required to update and expand rules for gifted education programs. The rules must include procedures for assessing students for advanced aptitude, collecting data, creating advanced learning plans (ALPs), ensuring the portability of a student's learning plan to other districts, and ensuring accountability for district program budgets and expenditures.

The bill also codifies the State Gifted Education Advisory Committee, modifies the committee's composition, and permits the members to receive reimbursements for expenses.

**State Expenditures**

***For both FY 2014-15 and FY 2015-16, this bill increases state expenditures by about \$1.6 million and 1.0 FTE.*** Cost components are displayed in Table 1 and described below.

<b>Table 1. Expenditures Under HB 14-1102</b>		
<b>Cost Components</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Personal Services	\$61,381	\$52,453
FTE	1.0	1.0
Operating Expenses and Capital Outlay Costs	5,653	950
Rule Making Stakeholder Meetings	6,650	-
Advisory Committee Meetings	14,000	14,000
Gifted Student Screening/Assessment	721,822	721,822
Centrally Appropriated Costs*	8,805	9,300
<b>TOTAL</b>	<b>\$1,607,173</b>	<b>\$1,596,315</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Program administration.** The CDE must assist the SBE in adopting additional rules, which requires statewide stakeholder collaboration and public meetings. New rules for early screening of students, program accountability, and other required program enhancements will demand additional professional development and technical assistance provided by the department to school districts and BOCES. The department will also have expenses to provide staff support and reimburse the Gifted Education Advisory Committee, and to approve applications and allocate funding to districts for screening of gifted students. The CDE requires the addition of senior consultant and administrative program support totaling 1.0 FTE to implement these requirements.

**Gifted student screening.** The bill requires that schools apply for grant funding from the state to conduct an initial screening of students no later than second grade. Schools may also apply for grant funding for follow up screening of students who are identified as gifted, when the district prepares that student's ICAP. It is estimated that each screening costs \$10, and that schools will screen about 67,460 second graders annually. Of these students, approximately seven percent, or about 4,722 students, will be identified as gifted and will require additional screening when preparing ICAPs, typically in the seventh grade. The total combined cost for screening for gifted students is estimated at \$721,822 annually.

**Centrally appropriated costs.** 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 estimated in the fiscal note for informational purposes and summarized in Table 2.

<b>Cost Components</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Employee Insurance	\$4,542	\$4,542
Supplemental Employee Retirement Payments	4,263	4,758
<b>TOTAL</b>	<b>\$8,805</b>	<b>\$9,300</b>

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

### **School District Impact**

Most school districts and BOCES have a program plan for serving gifted students; however, all districts will have increased workload to update existing program plans to include provisions meeting rules adopted by the SBE. Specifically, each administrative unit will have increased workload should they decide to administer screening for gifted students in second grade. Administrative units may also incur expenses to screen students a second time, and to ensure team review of a gifted student's performance when the district prepares an ALP.

Under current law, school districts and 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>

### **Departmental Difference**

The CDE has estimated a fiscal impact that includes 2.0 FTE to implement the bill. This fiscal note has estimated the cost as 1.0 FTE. As introduced, HB 14-1102 required that all administrative units employ a qualified gifted and talented coordinator and conduct universal screening of all students no later than second grade, and an additional screening for some students when preparing an ALP. These requirements were to be funded by the state, and would require significant assistance and technical support from the CDE. Estimates to implement the introduced bill also included 2.0 FTE in the department. This bill, as amended, encourages but does not require these changes at the school and district level. As such, the administrative effort to support schools is also anticipated to be reduced, although not eliminated.

### **Effective Date**

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

**State Appropriations**

For FY 2014-15, this bill requires an appropriation of \$1,598,368 and 1.0 FTE from the State Education Fund to the Colorado Department of Education.

**State and Local Government Contacts**

Education

Higher Education