

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0149 **Date:** January 22, 2014
Prime Sponsor(s): Rep. Schafer **Bill Status:** House Education
 Sen. Newell **Fiscal Analyst:** Kristen Koehler (303-866-4918)

SHORT TITLE: LINKING STUDENT DATA PRESCHOOL TO KINDERGARTEN

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	\$593,945	\$161,407
State Education Fund	\$578,945	\$138,826
Centrally Appropriated Costs**	\$15,000	\$22,581
FTE Position Change	1.3 FTE	1.8 FTE
Appropriation Required: \$298,000 - Department of Education; \$240,893 - Colorado Department of Human Services; \$40,052 - Governor's Office of Information Technology (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, recommended by the **Early Childhood and School Readiness Legislative Commission**, requires the Colorado Department of Education (CDE), the Colorado Department of Human Services (CDHS), and the Office of Information Technology (OIT) to work together to establish and implement procedures to link student data collected by publicly funded early childhood education programs with the student data collected by school districts and public schools in the state.

The departments (CDE and CDHS) and the office (OIT) must begin implementing the procedures by October 1, 2014. The State Board of Education and the State Board of Human Services may promulgate rules if necessary to implement the procedures. The CDE may receive money from the State Education Fund to implement the requirements of this bill.

Beginning in 2014, the Early Childhood and School Readiness Legislative Commission must annually meet with CDE and CDHS to receive a briefing on the progress in linking the data.

State Expenditures

This bill is expected to increase state expenditures by \$593,945 and 1.3 FTE in FY 2014-15 and by \$161,407 and 1.8 FTE in each fiscal year thereafter. Table 1, below, and the discussion that follows describe the cost components of the bill.

Table 1. Expenditures Under HB 14-1039		
Cost Components	FY 2014-15	FY 2015-16
Personal Services	<u>\$89,448</u>	<u>\$134,090</u>
CDE	\$0	\$44,642
DHS	\$63,800	\$63,800
OIT	\$25,648	\$25,648
FTE	<u>1.3</u>	<u>1.8</u>
CDE	0.0	0.5
DHS	1.0	1.0
OIT	0.3	0.3
Operating Expenses and Capital Outlay	<u>\$6,229</u>	<u>\$4,382</u>
CDE	\$0	\$2,827
DHS	\$5,653	\$950
OIT - VPN Software Fee	\$576	\$605
Contract Services	<u>\$483,268</u>	<u>\$354</u>
CDE	\$298,000	\$0
DHS	\$171,440	\$0
OIT	\$13,828	\$354
Centrally Appropriated Costs*	<u>\$15,000</u>	<u>\$22,581</u>
CDE	\$0	\$6,860
DHS	\$11,181	\$11,695
OIT	\$3,819	\$4,026
TOTAL	<u>\$593,945</u>	<u>\$161,407</u>

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

Colorado Department of Education. In FY 2014-15, the CDE will contract for one-time computer programming services and support at a cost of \$298,000. Beginning in FY 2015-16, the CDE requires ongoing personal services at a cost of \$44,642 and 0.5 FTE per year.

Contracted services are used when a specific skill set is required or when workload requires outside assistance. Contracted computer programming services will assist the CDE with several phases of the project including: coordinating with DHS; developing procedures for importing multiple data types; developing and negotiating cross-agency data governance and data sharing agreements; coordinating and documenting research questions related to the critical issues the data must respond to; testing results; linking relevant data; performing analytics; developing and implementing a security and privacy oversight program; and evaluating the system for potential data breaches and vulnerabilities and making modifications as needed.

The contracted services rates are based on industry rates currently paid by CDE for open bid solutions requiring the same skills.

The CDE will be required to add new staff of 0.5 FTE in FY 2015-16 to perform ongoing maintenance to the Relevant Information to Support Education (RISE) system and to present aggregated data results in response to research inquiries. This work requires 0.5 FTE for a Longitudinal Data System Support Analyst. New FTE will:

- maintain the early childhood education data linked to other relevant K-12 data within RISE;
- oversee data requests, prioritize requests, assist data analysts and researchers with analytics, and ensure that data governance agreements are in place;
- assist with data security and flag security warnings as necessary; and
- act as key point of contact between CDE and CDHS for longitudinal data analysis and the provision of accurate data output.

Colorado Department of Human Services. In FY 2014-15, the DHS will contract for one-time computer programming services and support at a cost of \$171,440. Also, beginning in FY 2014-15, the DHS requires personal services at a cost of \$63,800 and 1.0 FTE per year.

Ongoing personal services are required beginning in FY 2014-15 to perform system maintenance, to coordinate between DHS and CDE to develop data questions, to develop and test database transmissions, to perform data entry and analysis, and to mine and develop pertinent data in existing systems. In addition, the DHS will be required to coordinate with the Colorado Department of Health Care Policy and Financing (HCPF) to identify and mine data related to early intervention services for individuals with disabilities.

Governor's Office of Information Technology. In FY 2014-15, the OIT will purchase contracted services at a cost of \$13,828. Beginning in FY 2015-16, the OIT will incur ongoing contracting costs of \$354 per year. Beginning in FY 2014-15, the OIT will require on-going personal services at a cost of \$25,648 and 0.3 FTE. Operating expenses in FY 2014-15, which include costs for VPN software subscription, are \$576, and in FY 2015-16, these costs are \$605.

Contract services in FY 2014-15 are required to build a virtual private network to connect information between the DHS and the CDE across the public network. Activities associated with gathering system requirements, reviewing existing processes, and code design will be completed through contractor services. Ongoing contract services will cost \$354 per year and will provide ongoing maintenance and support.

Personal services of 0.3 FTE will be required to provide ongoing system maintenance, document network implementation requirements, modify existing systems and support required changes, validate security, and establish maintenance and reporting programs.

The OIT will develop a virtual private network which requires software subscription costs of \$576 in FY 2014-15, and \$605 in FY 2015-16.

Department of Law. The bill allows the State Board of Education and the State Board of Human Services to promulgate rules to implement the procedures for linking required student data. The Department of Law may experience an increase in workload due to rulemaking activities; however, any increase is expected to be minimal and can be accomplished without new appropriation.

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.

Cost Components	FY 2014-15	FY 2015-16
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$8,788	\$12,188
Supplemental Employee Retirement Payments	\$6,212	\$10,393
TOTAL	\$15,000	\$22,581

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

Effective Date

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

State Appropriations

For FY 2014-15, the bill requires the following appropriations from the State Education Fund:

- \$298,000 to the Colorado Department of Education;
- \$240,893 to the Colorado Department of Human Services; and
- \$40,052 to the Governor's Office of Information Technology.

State and Local Government Contacts

Education	Human Services	Law
Governor's Office of Information Technology		Health Care Policy and Financing