



Legislative
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FISCAL NOTE

Drafting Number:	LLS 20-0357	Date:	January 31, 2020
Prime Sponsors:	Rep. Sirota; Wilson Sen. Story	Bill Status:	House Education
		Fiscal Analyst:	Anna Gerstle 303-866-4375 Anna.Gerstle@state.co.us

Bill Topic: SUPPORTS FOR EARLY CHILDHOOD EDUCATOR WORKFORCE

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill makes changes to state law related to early childcare educator licensing and education, and creates scholarship and apprenticeship programs for early childhood educators. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2020-21, the bill requires appropriations totalling \$1.6 million to multiple agencies. See the State Appropriations section.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Early Childhood and School Readiness Legislative Commission.

**Table 1
State Fiscal Impacts Under SB20-1053**

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	General Fund	\$1,576,959	\$1,610,276
	Centrally Appropriated	\$61,880	\$77,717
	Total	\$1,638,839	\$1,687,993
	Total FTE	4.0 FTE	4.8 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill makes several changes to state laws related early childhood workforce programs.

Licensing. The bill requires the Colorado Department of Human Services (DHS) to promulgate rules related to licensing standards that allow early childhood programs to be licensed if aspiring lead teachers are pursuing an early childhood credential, and creating a licensing pathway that allows an early childhood educator to earn points towards a credential based on their prior work experience and demonstrated competency.

No later than July 1, 2021, DHS and the Colorado Department of Education (CDE) must align the early childhood credential system, CDE educator licensing system, and the childcare program licensing, as well as streamlining all licensing and credentialing paperwork that early childhood educators and programs must complete.

Biennial report. By January 31, 2021, and every two years afterwards, DHS must complete a report concerning the gap between current supply and future need for qualified early childhood educators.

Career pathways. DHS, CDE, and the Department of Higher Education (DHE) must develop resources to increase concurrent enrollment opportunities in local communities and to support career pathways that allow students to serve as early childhood educators.

Scholarship program. The bill creates the Early Care and Education Recruitment and Retention Grant and Scholarship program in DHS. Grants or scholarships may be awarded to individuals pursuing a career in early care and education; nonprofit entities or institutions of higher education that administer related scholarship programs; or licensed early care and education programs. Grant funds may be used for:

- tuition, fees, and materials for early childhood-related courses;
- a portion of administrative costs of a scholarship program by a nonprofit;
- costs associated with a teacher becoming certified to be a coach or mentor;
- costs of "grow your own" programs that help potential educators become certified;
- costs of promoting teachers to coaching and mentorship roles;
- financial incentives to reward progress towards early childhood qualifications that allow the individual to serve as an early childhood educator.

DHS must establish program requirements and processes, and post program outcomes on their website at least every two years. The bill also creates the Early Care and Education Recruitment and Retention Grant and Scholarship Fund.

Apprenticeship program. The bill creates the Early Childhood Educator Apprenticeship program in the Colorado Department of Labor and Employment (CDLE) to create a pathway into the early childhood profession. Funds can be used to support existing programs; provide technical assistance to create apprenticeships; recruit mentor teachers; provide incentives to program participants and licensed providers; cover costs of classroom training and instruction and the costs of earning a credential; and to support on-the-job training.

CDLE must determine criteria for local entities, such as workforce development programs, nonprofit organizations, institutions of higher education, and Early Childhood Councils to receive money to implement apprenticeships, as well as determine eligible uses of funds and other program standards. Standards for the program and ways to support local communities in implementing apprenticeship programs must be established in collaboration with DHS, CDE, and DHE. The bill creates the Early Childhood Educator Apprenticeship Program Cash Fund.

State Expenditures

The bill increases state General Fund expenditures by \$1.6 million and 4.0 FTE in FY 2020-21 and \$1.7 million and 4.8 FTE in FY 2021-22. These costs are listed in Table 2 and discussed below. These costs are initial estimates and will be revised as more information becomes available.

**Table 2
Expenditures Under HB20-1053**

Cost Components	FY 2020-21	FY 2021-22
Department of Human Services		
Personal Services	\$153,967	\$205,291
Operating Expenses & Capital Outlay	\$21,975	\$4,050
Legal Services	\$19,188	-
Scholarships	\$300,000	\$300,000
Centrally Appropriated Costs*	\$36,287	\$47,736
FTE – Personal Services	2.3 FTE	3.0 FTE
FTE – Legal Services	0.1 FTE	-
DHS Subtotal	\$531,417	\$557,077
Department of Education		
Personal Services	\$23,823	\$19,059
Operating Expenses and Capital Outlay Costs	-	-
Centrally Appropriated Costs*	\$5,581	\$4,294
FTE – Personal Services	0.4 FTE	0.3 FTE
CDE Subtotal	\$29,404	\$23,353
Department of Labor and Employment		
Personal Services	\$88,991	\$118,656
Operating Expenses, Capital Outlay, and Travel Costs	\$9,015	\$3,220
Apprenticeship Costs	\$560,000	\$560,000
Local Entity Costs	\$275,000	\$275,000
Early Childhood Councils	\$125,000	\$125,000
Centrally Appropriated Costs*	\$20,012	\$25,686
FTE – Personal Services	1.2 FTE	1.5 FTE
CDLE Subtotal	\$1,078,018	\$1,107,562
Total	\$1,638,839	\$1,687,992
Total FTE	4.0 FTE	4.8 FTE

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

Department of Human Services. The department requires additional resources for licensing, scholarships, computer changes, and legal services, as described below.

Licensing. DHS requires 2.0 FTE to develop and implement licensing pathways for prior work experience and to process and approve licensing waivers for providers with employees pursuing credentials. Personal services costs are prorated for a September 1, 2019, start date and the General Fund paydate shift.

Scholarship program. The fiscal note estimates that \$300,000 would be required for the scholarship program; however, actual funding is at the discretion of the General Assembly. The estimate assumes that the scholarship program will offer 65 scholarships modeled after the TEACH program, which provides about \$3,000 per person to pursue early childhood credentials, and 100 scholarships to cover the cost of an child development associate credential (\$1,050 each). In addition, DHS requires 1.0 FTE for a program manager to administer the scholarship program.

Legal services. The bill requires 180 hours of legal services in the first year, provided by the Department of Law. Legal services are required for rulemaking related to early childhood licensing, credentialing, the scholarship program, and support for coordination between DHS and CDE related to aligning credentialing and licensing regulations, which may include data sharing agreements between the agencies.

Department of Labor and Employment. Funding for the apprenticeship program in CDLE is at the discretion of the General Assembly. The fiscal note estimate assumes the following:

- 200 apprenticeships statewide at a cost of \$2,800 each;
- funding will be provided to five local entities to implement apprenticeship programs in their communities (\$55,000 each);
- funding will be provided for five early childhood council to recruit apprentices (\$25,000 each); and
- 1.5 FTE is required to develop, oversee, and monitor the program.

Department of Education. CDE requires 0.4 FTE in FY 2020-21 and 0.3 FTE in FY 2021-22 to work with DHS to streamline paperwork related to licensing and credentialing, identify ways to share information eliminate overlapping requirements and reports, and support CDLE in the creation of the apprenticeship program. FTE will also develop additional resources to increase concurrent enrollment and early childhood career pathways.

Concurrent enrollment. The bill requires that DHE and DHS collaborate with CDE to increase concurrent enrollment opportunities and support early childhood career pathways. No additional appropriations are required.

Institutions of higher education. Changes to early educator credentialing and licensing may impact the certificate and degree coursework offered by institutions of higher education, as well as child care offered by institutions. In addition, any changes to concurrent enrollment programs will impact institutions providing concurrent enrollment opportunities. No change in appropriations is required.

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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$61,880 in FY 2020-21 and \$77,717 in FY 2021-22.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

In FY 2020-21, the bill requires the following General Fund appropriations:

- \$495,130 to the Department of Human Services and 2.3 FTE, of which \$19,188 and 0.1 FTE is reappropriated to the Department of Law;
- \$23,823 and 0.4 FTE to the Colorado Department of Education;
- \$1,058,006 and 1.2 FTE to the Colorado Department of Labor and Employment.

State and Local Government Contacts

Education
Information Technology

Higher Education
Labor

Human Services
Law