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Final Fiscal Note

Drafting Number: LLS 24-0882 Date: June 12, 2024
Prime Sponsors: Rep. McLachlan; Catlin Bill Status: Deemed Lost
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Bill Topic: SUPPORTING THE EDUCATOR WORKFORCE

Summary of Fiscal Impact:
State Revenue [] State Transfer [] Local Government []
State Expenditure [x] TABOR Refund [] School District [x]

The bill would have expanded eligibility for grants from the Educator Recruitment and Retention program to include special services providers and teacher apprentices, and required that the Colorado Department of Education create an online career portal for educators and local education providers. The bill would have increased state expenditures and school district workload on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill would have required an appropriation of up to \$3.5 million to the Colorado Department of Education.

Fiscal Note Status: The final fiscal note reflects the introduced bill. The bill was deemed lost in the House Appropriations Committee on May 9, 2024; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under HB 24-1264

Table with 4 columns: Category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

Online career portal. The bill requires that the Colorado Department of Education (CDE) create an online career support and pathway portal for educators, staff, and local education providers (LEPs) that includes:

- access to loan forgiveness, stipends, and career incentive programs;
- career pathway information, including induction programs, coaching, and instructional support; and,
- a job posting and application portal that allows LEPs to post open positions and search for candidates, and allows educators to upload resumes and apply for open positions.

LEPs and educator preparation programs must post a link to the portal on their websites.

Educator Recruitment and Retention Program. The bill expands the educator recruitment and retention (ERR) program to include applicants who:

- participate in teacher degree apprenticeship program; or
- are enrolled in an educator preparation program and are working towards a special services provider license with an appropriate endorsement.

The bill also modifies eligibility criteria to align with current program guidelines, including clarifying that applicants who are employed by an Indian tribe or tribal organization, or hold alternative teacher licenses and temporary educator authorizations are eligible for the program. CDE must report certain data on the program to the General Assembly by January 1, 2025 and each year thereafter.

Background and Assumptions

The ERR program provides a variety of supports to members of the armed forces, nonmilitary-affiliated educator candidates, and LEPs related to recruitment and retention. Additionally, armed services members and educator candidates may apply to receive up to \$10,000 towards tuition of an educator preparation program. To receive assistance, applicants must agree to teach in a rural or small rural district, or in an educator shortage area, for three years.

In FY 2023-24, the program was appropriated \$5.0 million. Demand for the program exceeded the available funding. As a result, the fiscal note assumes that additional funding is required to fund the expanded eligibility under the bill.

State Expenditures

The bill increases state expenditures in CDE by up to \$3.5 million in FY 2024-25 and up to \$3.3 million beginning in FY 2025-26, paid from the General Fund.

**Table 2
Expenditures Under HB 24-1264**

	FY 2024-25	FY 2025-26
Department of Education		
Personal Services	\$118,128	\$147,660
Operating Expenses	\$1,536	\$1,920
Capital Outlay Costs	\$13,340	-
Request for Proposals	\$46,700	
Online Portal Development	\$300,000	\$100,000
Expansion of ERR program	up to \$3,000,000	up to \$3,000,000
Centrally Appropriated Costs ¹	\$24,174	\$30,218
Total Cost	up to \$3,503,878	up to \$3,279,798
Total FTE	1.2 FTE	1.5 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Colorado Department of Education. CDE will incur costs to create an online portal for educators and expand the ERR program.

- **Staff.** Beginning in FY 2024-25, CDE requires 1.5 FTE, of which 1.0 FTE will be responsible for managing the implementation of the online portal and 0.5 FTE will be responsible for administering the expanded ERR program. Staff levels are prorated for a September 1 start date in the first year. Standard operating and capital costs are included.
- **Online portal.** CDE will incur costs to implement the online career portal, including \$46,700 in RFP costs and \$300,000 to contract for the creation of the portal in FY 2024-25 only. In subsequent years, \$100,000 in portal maintenance and licensing costs are expected. RFP costs will recur every five years for the duration of the project.
- **Expansion of ERR program.** An estimated \$3.0 million per year is required to fully fund special services providers and teacher apprentices in the ERR program; however, funding for the ERR program is at the discretion of the General Assembly and a lower amount may be provided. For informational purposes, \$3.0 million would fund about 300 participants and \$1.0 million would fund approximately 100 additional participants.

Institutions of higher education. Educator preparation programs at institutions of higher education will have minimal workload increase to add a link on their website to the portal.

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 shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

School District

The bill increases workload for school districts to add a link to the portal to their websites, post job postings on it, and utilize it to search for prospective candidates. Utilizing the portal may also reduce workload or create efficiencies for school districts for during their hiring processes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$3,479,704 to the Department of Education, and 1.2 FTE.

State and Local Government Contacts

Education

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).