



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

**FINAL
FISCAL NOTE**

Drafting Number:	LLS 18-0755	Date:	June 22, 2018
Prime Sponsors:	Rep. Coleman; Wilson Sen. Hill	Bill Status:	Signed into Law
		Fiscal Analyst:	Anna Gerstle 303-866-4375 Anna.Gerstle@state.co.us

Bill Topic: PROGRAMS ADDRESSING EDUCATOR SHORTAGES

Summary of Fiscal Impact:

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

The bill sets the framework for two new programs, makes changes to eligibility for two existing grant programs, and creates a new teacher license with the intent of addressing educator shortages. The bill increases state expenditures and school district workload and revenue through FY 2023-24.

Appropriation Summary: The bill contains an appropriation of \$1,019,110 to the Colorado Department of Education and \$156,116 to the Board of Regents of the University of Colorado. See State Expenditures section.

Fiscal Note Status: The fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under HB 18-1309**

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	General Fund	\$1,175,226	\$22,933
	Centrally Appropriated	\$4,050	\$4,399
	Total	\$1,179,276	\$27,332
	Total FTE	0.3 FTE	0.3 FTE
Transfers		-	-
TABOR Refund	General Fund	-	-

Summary of Legislation

The bill makes several changes to state law related to programs to address the teacher shortage.

Teacher of record license. The bill creates a teacher of record license that the Colorado Department of Education (CDE) may issue to applicants who:

- have completed most of their bachelor degree requirements;
- have not completed the required field work;
- participate in a "grow your own educator" or teacher of record program; and
- will be employed in a position in which there is a critical teacher shortage.

Licenses are valid for two years and can be renewed once if the holder does not complete a bachelor's degree due to unforeseen circumstances.

Grow your own educator program. The bill requires that the CDE and the Department of Higher Education (DHE) create the framework for the creation of grow your own educator programs. The framework must include the following components:

- a student enrolled in an institution of higher education and have 36 or fewer credit hours remaining to complete the degree program;
- employment for the student, under a teacher of record license, at a district or school for a position for which there is a critical teacher shortage;
- the requirement that the institution of higher education attended by the student provide mentorship and support; and
- payment by the school or district of the participating student's in-state tuition for no more than 36 credits, contingent upon the participant working in the same district or school for three academic years after completion of the program.

The district or school may enter into an agreement with both the institution of higher education and with the participating student that specifies program parameters, including the support the district or school must provide to the student.

CDE must distribute grants to districts or schools that employ participating students under a grow your own educator program. Grants are intended to cover the payment of the student's share of in-state tuition for up to 36 credit hours; the bill provides \$1.0 million for grants for up to 50 students annually. Each district may not hire more than two teachers under a teacher of record program per year. CDE must prioritize students who graduated from a Colorado high school and will commit to teaching in an area that is experiencing a shortage of teachers in a content area or grade level, then prioritize students who commit to teaching in rural school with a shortage in a content or grade level.

The bill allows participants who have completed a grow your own educator program to be eligible for an initial teacher license, and requires that CDE submit an annual report to the education committees of the General Assembly by September 30 in any year in which grants are distributed. The grow your own educator program and related grant program are repealed September 1, 2023, following a sunset review by the Department of Regulatory Agencies.

Teacher of record program. The bill allows local education providers (LEPs) to implement a one- or two-year teacher of record program to fill critical shortage positions for which there are no other qualified teachers. A teacher of record program must include direct supervision by mentor teachers, performance evaluations, and teacher preparation program or other supports to help the teacher of record meet professional licensure requirements. By September 30 of each year, CDE must report to the education committees of the General Assembly with specific information on teacher of record programs.

Partnership for rural education preparation. The bill creates the Partnership for Rural Education Preparation at the University of Colorado-Denver to collaborate with other institutions on solutions to the rural teacher shortage. The partnership must regularly collect and report data on current and projected hiring needs for LEPs, determine causes of the shortage, identify available resources to address the shortage, provide technical assistance to LEPs with implementing customized solutions, and to the extent possible, identify methods for improving diversity of teachers. The partnership must also submit an annual report to CDE, DHE, and education committees of the General Assembly on the data collected and strategies identified by the partnership.

Additional changes. In addition, the bill makes changes to existing programs and licenses, as discussed below.

Intern authorizations. Under current law, an intern authorization may be issued to an individual who has completed a bachelor's degree and is enrolled in a special services preparation program that requires an internship. The bill allows intern authorizations to be renewed for a second year if the intern is employed by a district or board of cooperative educational services, but has not completed the preparation program due to unforeseen circumstances.

School counselor corps grant program. The bill adds a person who holds a special services intern authorization to the definition of school counselor, allowing them to be eligible for the school counselor corps grant program.

Behavioral health professional matching grant program. Under current law, the behavioral health professional matching grant program is open to school health professionals. The bill clarifies that all state-certified professionals qualified under state law to provide support services to children and adolescents are eligible for the program.

State Revenue

The bill may increase state cash fund revenue from teacher of record licensing fees. Licensing fees are deposited in the Educator Licensure Cash Fund. Although no new fee revenue is required to cover the workload increase to establish the teacher of record license, the SBE has the authority to set licensing fees by rule based on cash fund balances, estimated program costs, and the number of licenses subject to fees. Potential new revenue from teacher of record license fees has not been estimated.

TABOR Impact

This bill may increase state revenue from teacher of record license fees, which would increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. Potential changes in revenue have not been estimated. A TABOR refund obligation is not expected for the current FY 2017-18, and state revenue subject to TABOR is not estimated for years beyond FY 2019-20.

State Expenditures

The bill contains an appropriation of \$1,175,226 in FY 2018-19. Table 2 below demonstrates how that funding will be spent over the next two fiscal years, and shows the administrative costs for CDE that will be appropriated through the annual budget process for FY 2019-20.

In FY 2018-19, the bill increases state expenditures by \$601,218 and 0.3 FTE. In FY 2019-20, the bill increases state expenditures by \$605,390 and 0.3 FTE in FY 2019-20. Workload also increases for the Department of Higher Education and for institutions of higher education, as discussed below.

Table 2
Expenditures Under HB 18-1309

Cost Components	FY 2018-19	FY 2019-20
Department of Education		
Personal Services	\$19,110	\$22,933
Grants	\$500,000	\$500,000
Centrally Appropriated Costs*	\$4,050	\$4,399
FTE – Personal Services	0.3 FTE	0.3 FTE
Dept (Subtotal)	\$523,160	\$527,332
University of Colorado-Denver		
Personal Services	\$78,058	\$78,058
Dept (Subtotal)	\$78,058	\$78,058
Total	\$601,218	\$605,390
Total FTE	0.3 FTE	0.3 FTE

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

Colorado Department of Education . CDE's Educator Talent Division requires 0.3 FTE beginning in FY 2018-19 to establish a grow your own educator program and to implement the related grant program. Duties include collaborating with the DHE on establishing program guidelines, providing assistance to districts and schools, maintaining list of program participants, distributing grants, and compiling reports.

Beginning in FY 2018-19, CDE must administer grants to districts or schools that employ a teacher of record as part of a grow your own educator program. The bill allows for up to 50 grants to cover tuition costs of the participants. Assuming the \$1.0 million for grants is spent equally over two years (\$500,000 per year), grants are each \$10,000.

Existing grant programs. By modifying who is eligible for the school counselor corps and behavioral health professional grant program, the bill may increase the number of applications for the same amount of available grant funds. In FY 2017-18, the school counselor corps grant program was appropriated approximately \$10 million and the behavioral health professional grant program was appropriated approximately \$11.9 million. No change in appropriations is required.

Teacher of record licenses. The bill increases the workload for Licensing Unit in CDE to create the new teacher of record licenses, update materials, and process special services intern renewals. It is anticipated that the additional workload can be accomplished within existing appropriations. Should additional resources be required, they will be requested through the annual budget process. Costs for the Licensing Unit are paid out of the Educator Licensure Cash Fund.

Rulemaking. The bill may increase workload for CDE to conduct rulemaking as a result of the bill. Legal services are provided by the Department of Law. The workload increase is expected to be accomplished within existing appropriations.

University of Colorado-Denver. The bill increases costs for the University of Colorado-Denver by \$78,058 per year beginning in FY 2018-19 to convene the partnership for rural education preparation, collaborate with other institutions, identify available resources, develop solutions to address teacher shortage, collect data, compile annual reports, and provide technical assistance to LEPS. This amount is equivalent to 1.0 FTE, including benefits and related costs, per year.

Additional higher education workload. The bill increases the workload for DHE to collaborate with CDE on developing the parameters for grow your own educator programs. The workload increase for the DHE is expected to be accomplished within current appropriations.

The bill also increases the workload for institutions of higher education to participate in grow your own educator programs, the partnership for rural education preparation, and teacher of record programs. Workload will depend on institutions choosing to participate in the programs established by the bill; 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 \$4,050 in FY 2018-19 and \$4,399 in FY 2019-20.

School District

For any district that chooses to participate in a grow your own educator or teacher of record program, workload and costs will increase. Costs increases may include treating a teacher of record program participants as a first-year teacher for the purposes of compensation. Districts that receive a grant to cover a portion of tuition costs as part of a grow your own educator program will

see increased revenue; however, if the grant amount is not sufficient to cover to entire amount of the student's share of instate tuition, the fiscal note assumes that the district will be responsible for paying the additional cost.

Effective Date

The bill was signed into law by the Governor on May 29, 2018, and takes effect on August 8, 2018, assuming no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires and includes General Fund appropriations of \$1,019,110 to the Colorado Department of Education, and an allocation of 0.3 FTE, and \$156,116 to the Board of Regents of the University of Colorado.

State and Local Government Contacts

Education
Law

Higher Education
Regulatory Agencies

Information Technology
School Districts