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FISCAL NOTE

Drafting Number: LLS 20-0013 Date: January 20, 2020
Prime Sponsors: Rep. Buentello Bill Status: House Education
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Bill Topic: FUTURE EDUCATOR PATHWAYS GRANT PROGRAM

- Summary of Fiscal Impact: State Revenue, TABOR Refund, State Expenditure, School District, State Transfer, Statutory Public Entity

The bill creates the future educator pathways grant program in the Colorado Department of Education. The bill makes three transfers from the General Fund, and increases state expenditures through FY 2029-30.

Appropriation Summary: No appropriation is required. The Future Educator Pathways Fund is continuously appropriated to the Colorado Department of Education.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1 State Fiscal Impacts Under HB 20-1015

Table with 4 columns: Category, FY 2020-21, FY 2021-22, FY 2022-23. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total, Total FTE), Transfers (General Fund, Cash Funds, Total), and TABOR Refund.

## Summary of Legislation

The bill creates the Future Educator Pathways Grant Program in the Colorado Department of Education (CDE) to award grants to local education providers (LEPs) to create future educator pathways programs that provide apprenticeships and concurrent enrollment course work to prepare students for careers in education, including early childhood education.

**Grant uses.** Grants may be used to cover apprenticeship costs, including wages or transportation; job training or certification; concurrent enrollment course work that transfers to an institution of higher education; and other uses established by the State Board of Education (SBE). The SBE must consult with the Department of Labor and Employment and Department of Higher Education to promulgate rules for apprenticeships.

**Administration.** LEPs may apply to the program by January 1, 2021, August 1, 2021, and August 1, 2022. The bill specifies what must be included in a grant application, including components of the program, partnerships with institutions of higher education or nonprofit partners, and a program budget. LEPs must commit to providing a local match of at least 25 percent of the grant amount.

The SBE must approve the applications no later than one month after the application deadline, and must prioritize LEPs that plan to use open paraprofessional positions to pay apprentice wages. Grants must be awarded to geographically diverse LEPs, at least 20 percent of the amount appropriated for the program must be awarded to rural LEPs, and at least 70 percent to LEPs must be awarded for programs that include an apprenticeship.

**Reporting.** CDE must submit an annual report on the program to the Governor, and the Education committees of the General Assembly, beginning no later than December 31, 2021. The bill specifies what must be included in the report.

**Funding.** The bill makes three transfers of \$550,000 from the General Fund to the newly created Future Educator Pathways Fund in FY 2020-21, FY 2021-22, and FY 2022-23. No more than five percent of the amount appropriated may be used for administrative expenses. If funding is remaining after the three grant cycles, the SBE may extend the program for a fourth grant cycle.

The program is repealed in July 1, 2030.

## State Transfers

The bill transfers \$550,000 from the General Fund to the Future Educator Pathways Fund in FY 2020-21, FY 2021-22, and FY 2022-23.

## State Expenditures

The bill increases state expenditures by \$555,612 and 0.4 FTE in FY 2020-21, and \$555,812 and 0.4 FTE in FY 2021-22 and FY 2022-23. Costs are from the Future Educator Pathways Fund, are listed in Table 2, and discussed below.

**Table 2  
Expenditures Under HB 20-1015**

	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
<b>Department of Education</b>			
Personal Services	\$26,369	\$26,369	\$26,369
Grant Amounts	\$523,631	\$523,631	\$523,631
Centrally Appropriated Costs*	\$5,812	\$5,812	\$5,812
FTE – Personal Services	0.4 FTE	0.4 FTE	0.4 FTE
<b>Total Cost</b>	<b>\$555,812</b>	<b>\$555,812</b>	<b>\$555,812</b>
<b>Total FTE</b>	<b>0.4 FTE</b>	<b>0.4 FTE</b>	<b>0.4 FTE</b>

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

**Colorado Department of Education.** Beginning in FY 2020-21, CDE requires 0.4 FTE to implement the program, including developing the program, managing application and award processes, coordinating with and providing assistance to applicants and grant recipients, and completing the reporting requirements. The required FTE is divided between the Educator Talent, Grants Fiscal, and Competitive Grant divisions in CDE.

Beginning in FY 2020-21, \$523,641 will be awarded to LEPs. Based on a similar program run by the Cherry Creek School District, the full cost of implementing a program is about \$8,000 per student. Assuming a similar award amount per participating student, about \$6,000 (75 percent) would be covered by the state and about \$2,000 (25 percent) by LEPs. Assuming 10 to 15 students per program, 6 to 8 grants will be awarded for around \$70,000 each. Actual grant amounts will be determined by the SBE.

**Other state agencies.** The bill increases workload for the Department of Higher Education and Department of Labor and Employment to support CDE, and for state institutions of higher education to partner with LEPs to implement future educator pathway programs. No change in appropriation 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 \$5,812 in FY 2020-21, FY 2021-22, and FY 2022-23

### **School District**

Beginning in FY 2020-21, the bill increases workload for any school district that applies for a grant, and increases revenue and expenditures for school districts that receive a grant and implement a future educator pathways program. School districts are required to provide a 25 percent match for grants. Based on a similar program run by the Cherry Creek School District, the full cost of implementing a program is about \$8,000 per student. Under the program, about \$6,000 (75 percent) would be covered by the state and about \$2,000 (25 percent) by LEPs.

## Effective Date

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

## Technical Note

The Governor's November 1, 2019, budget request includes a decision item (CDE, R5) for the program created in this bill. Because a change in law is required to implement the Governor's budget request, funding should be provided through this bill, rather than the Long Bill.

## State Appropriations

No appropriation is required. The Future Educator Pathway Fund is continuously appropriated to the Colorado Department of Education.

## State and Local Government Contacts

Education      Human Services      Labor      Law