



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 21-0173 **Date:** July 15, 2021
Prime Sponsors: Rep. Larson; McLachlan **Bill Status:** Signed into Law
 Sen. Lundeen; Zenzinger **Fiscal Analyst:** Josh Abram | 303-866-3561
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Bill Topic: PROFESSIONAL EDUCATOR LICENSURE RENEWAL PERIOD

Summary of Fiscal Impact:

<input checked="" 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

This bill extends the licensing period for professional educators from five to seven years. It reduces state revenue and expenditures in FY 2021-22 and FY 2022-23 only. The bill also appropriates funds to serve as bridge funding until state revenue is restored.

Appropriation Summary: For FY 2021-22, the bill requires that appropriations to the Colorado Department of Education be reduced by \$292,532. For FY 2021-22 and FY 2022-23 only, the bill appropriates \$2.9 million to the department to replace lost revenue.

Fiscal Note Status: This fiscal note reflects the enacted act.

Table 1
State Fiscal Impacts Under HB 21-1104

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue	Cash Funds	(\$1,820,000)	(\$1,820,000)
	Total Revenue	(\$1,820,000)	(\$1,820,000)
Expenditures	General Fund ¹	\$2,922,976	
	Cash Funds	(\$292,532)	(\$292,532)
	Centrally Appropriated	(\$65,980)	(\$65,980)
	Total Expenditures	\$2,564,464	(\$358,512)
	Total FTE	(4.0 FTE)	(4.0 FTE)
Transfers		-	-
TABOR Refund		-	-

¹The General Fund appropriation may be spent in both FY 2021-22 and FY 2022-23.

Summary of Legislation

This bill extends the licensing period for professional educators from five to seven years. If an individual has partially completed his or her current five-year licensing period, those completed years count toward the new seven-year licensing period. The bill applies to professional teacher, special services, principal, and administrator licenses.

Under current law, the cost of licensing educators is paid from fees paid to the Educator Licensure Cash Fund. This bill permits the General Assembly to designate General Fund money to the cash fund to supplement educator fees. For FY 2021-22, the bill appropriates \$2,922,976 to the Colorado Department of Education (CDE) from the General Fund. The department may use the appropriation in FY 2021-22 and FY 2022-23 to bridge revenue reductions resulting from extending the licensing period for educators.

State Revenue

The bill reduces cash fund revenue to Educator Licensure Cash Fund in the CDE by approximately \$1.82 million in both FY 2021-22 and FY 2022-23.

By extending the renewal period, the bill extends all license renewals scheduled to occur after July 1, 2021 forward by two years, effectively delaying up to 60 percent of fee revenue during the next two fiscal years. The remaining 40 percent of fee revenue is from applications for new professional licenses. State revenue from licensing fees is subject to TABOR.

State Expenditures

For FY 2021-22 and FY 2022-23 only, the bill reduces expenditures in the CDE by \$358,512 and 4.0 FTE, as shown in Table 2.

Table 2
Expenditures Under HB 21-1104

	FY 2021-22	FY 2022-23
Colorado Department of Education		
Personal Services	(\$287,132)	(\$287,132)
Operating Expenses	(\$5,400)	(\$5,400)
Centrally Appropriated Costs ¹	(\$65,980)	(\$65,980)
Total Cost	(\$358,512)	(\$358,512)
Total FTE	(4.0 FTE)	(4.0 FTE)

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

Under current law, educator licensing and all related activities are cash funded from fees and receive no General Fund appropriations. This fee revenue supports initial and renewal licensing of educators, enforcement and disciplinary actions, teacher preparation and induction program review, and technical assistance and support to licensed professionals. By extending the renewal period, some FTE associated with supporting renewal applicants is reduced until those education professionals need to renew again. This expenditure is expected to return beginning in FY 2023-24.

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 reduced by \$65,980 in both FY 2021-22 and FY 2022-23.

Supplemental funding. The bill permits the appropriation of General Fund dollars to supplement license and renewal fees paid by educators. By extending the renewal period, the bill reduces state fee revenue during FY 2021-22 and FY 2022-23. This bill appropriates \$2.9 million to the CDE as supplemental funding to support educator licensing activities under current law during the fiscal years that fee revenue is reduced.

Effective Date

The bill was signed into law by the Governor on June 16, 2021, and it takes effect September 7, 2021, assuming no referendum petition is filed.

State Appropriations

For FY 2021-22, the bill includes an appropriation reduction of \$292,532 from the Educator Licensing Cash Fund to the Colorado Department of Education, and a decrease of 4.0 FTE.

For FY 2021-22, the bill appropriates \$2,922,976 from the General Fund to the Colorado Department of Education.

State and Local Government Contacts

Education