



FISCAL NOTE

Drafting Number: LLS 18-0755 **Date:** April 17, 2018
Prime Sponsors: Rep. Coleman; Wilson **Bill Status:** House Education
Sen. Hill **Fiscal Analyst:** Anna Gerstle | 303-866-4375
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Bill Topic: PROGRAMS ADDRESSING EDUCATOR SHORTAGES

**Summary of
Fiscal Impact:** State Revenue (*potential*) TABOR Refund
 State Expenditure Local Government
 State Transfer 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 requires an appropriation of \$573,510 to the Colorado Department of Education and \$75,058 to the Board of Regents of the University of Colorado.

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

Table 1
State Fiscal Impacts Under HB 18-1309

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	General Fund	\$648,568	\$577,333
	Centrally Appropriated	\$4,050	\$4,399
	Total	\$652,618	\$581,732
	Total FTE	1.3 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 having not less 36 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; 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. The State Board of Education (SBE) and Colorado Commission on Higher Education may waive any program requirements, as long as it does not negatively impact the quality of education.

CDE must distribute noncompetitive 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 at the College Opportunity Fund rate. Grants are available for up to 200 students annually.

The bill allows participants who have completed a grow your own educator program to be eligible for an initial teacher license. 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.

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 determine causes of the shortage, identify available resources to address the shortage, and provide technical assistance to LEPs with implementing customized solutions.

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 increases state expenditures by \$652,618 and 1.3 FTE in FY 2018-19, and \$581,732 and 0.3 FTE in FY 2019-20 for the CDE and University of Colorado-Denver. Costs are listed in Table 2 below. 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	\$554,400	\$554,400
Centrally Appropriated Costs*	\$4,050	\$4,399
FTE – Personal Services	0.3 FTE	0.3 FTE
Dept (Subtotal)	\$577,560	\$581,732
University of Colorado-Denver		
Personal Services	\$75,058	-
FTE – Personal Services	1.0 FTE	-
Dept (Subtotal)	\$75,058	-
Total	\$652,618	\$581,732
Total FTE	1.3 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, and distributing grants.

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. Grants cover tuition costs of the participants and may be up to \$2,772 per participant, assuming the FY 2017-18 COF rate for state institutions of \$77 per credit hour and 36 credit hours. The bill allows for up to 200 participants per year; as a result, up to \$554,400 is required for the grant program.

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.

Additional workload. The bill may increase workload for the SBE to waive requirements related to grow your own educator programs, and 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 \$75,058 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, and provide technical assistance to LEPs. This amount is equivalent to 1.0 FTE, including benefits and related costs. The fiscal note assumes that the FTE impact is temporary, as the bulk of the work will be completed in FY 2018-19. In future years, the fiscal note assumes that the workload and costs related to providing ongoing technical assistance and updating available resources will be accomplished within the University of Colorado's existing appropriations.

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 the 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 takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires General Fund appropriations of \$573,510 to the Colorado Department of Education, and an allocation of 0.3 FTE, and \$78,058 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