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Fiscal Note

Drafting Number: LLS 24-0319 Date: February 5, 2024
Prime Sponsors: Rep. McCormick; Armagost Bill Status: House Education
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Bill Topic: PROFESSIONAL ENDORSEMENT SPECIAL EDUCATION TEACHING

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

The bill creates a new pathway for an educator to obtain an endorsement in special education or early childhood special education, and allows local education providers to create specialized induction programs for endorsement candidates. The bill increases state expenditures beginning in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$36,952 to multiple state agencies. See State Appropriations Section.

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

Table 1
State Fiscal Impacts Under HB 24-1087

Table with 4 columns: Category, Budget Year FY 2024-25, 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

Pathway to a special education endorsement. The bill requires that the Colorado Department of Education (CDE) establish a new pathway for an educator with a valid teaching license, excluding an initial license, to obtain an endorsement in special education or early childhood special education. To gain the endorsement through the new pathway, an educator must pass appropriate content-based exams and complete a specialized induction program.

Specialized induction programs. The bill allows local education providers (LEPs) to create a specialized induction program that meets the standards for the new pathway. Specialized induction programs must be approved by CDE and allow an educator to work with special education students under close supervision, as specified in the bill.

Rulemaking. The State Board of Education must establish criteria and standards for the approval of specialized induction programs, to be implemented by July 1, 2024.

Background

Under current law, CDE offers a variety of special education educator endorsements, including generalist and specialist endorsements for special education and early childhood special education, and endorsements as a deaf/hard of hearing or visual impairment specialist. An educator must complete either a special education degree at an approved institution of higher education or an approved alternative education program, as well as pass content-based exams to obtain an endorsement. Exact degree and exam requirements vary by endorsement type.

The Colorado Department of Early Childhood (CDEC) issues Early Childhood Professional Credentials to early childhood educators. There are six levels of credentials depending on training and experience level. Educators who obtain an early childhood special education endorsement at CDE can also be eligible for the credential offered by CDEC.

State Expenditures

The bill increases state expenditures in CDE and CDEC by about \$46,000 in FY 2024-25 and FY 2025-26, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 24-1087

	FY 2024-25	FY 2025-26
Department of Education		
Personal Services	\$21,553	\$21,553
Centrally Appropriated Costs ¹	\$4,204	\$4,204
FTE – Personal Services	0.2 FTE	0.2 FTE
CDE Subtotal	\$25,757	\$25,757

**Table 2
Expenditures Under HB 24-1087 (Cont.)**

	FY 2024-25	FY 2025-26
Department of Early Childhood		
Personal Services	\$15,399	\$15,399
Centrally Appropriated Costs ¹	\$5,283	\$5,283
FTE – Personal Services	0.2 FTE	0.2 FTE
CDEC Subtotal	\$20,682	\$20,682
Total	\$46,439	\$46,439
Total FTE	0.4 FTE	0.4 FTE

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

Colorado Department of Education. CDE requires staff to implement the bill and a minimal increase in legal services hours, as discussed below.

- **Staff.** CDE requires 0.2 FTE beginning in FY 2024-25 to develop the new pathways for general special education and early childhood special education, create rules, establish competency standards for the induction programs, and manage authorization of new induction programs.
- **Legal services.** The bill minimally increases legal services to CDE, provided by the Department of Law. No change in appropriations is required.

Colorado Department of Early Childhood. CDEC requires staff costs to align the early childhood credential with the new endorsement pathway.

- **Staff.** CDEC requires 0.2 FTE in FY 2024-25 and FY 2025-26 only to align the Early Childhood Professional Credentials with the new endorsement pathways. Tasks include reviewing standards at approved induction programs, aligning them with each credential level, ensuring experience at sites with children under age five, updating application processes, and handling any additional applications.
- **Credential system.** Applicants for the Early Childhood Professional Credential must apply using the Professional Development Information System (PDIS). CDEC will incur costs of \$10 per additional user who applies for a credential in PDIS. The fiscal note assumes that any initial increase in users and costs will be minimal and that should the overall number of additional users reach a level where additional appropriations are required, the funding will be requested through the annual budget process.

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 and costs for any school district that chooses to establish a specialized induction program for educators pursuing an endorsement in special education or early childhood special education. Induction programs must be approved by CDE and meet the criteria and standards established by the State Board of Education.

Technical Note

The bill specifies that State Board of Education rules must be adopted by July 1, 2024. That deadline is likely not feasible given the potential timing of the bill's passage. The fiscal note assumes that rules will be adopted and implemented in FY 2024-25.

Effective Date

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

State Appropriations

For FY 2024-25, the bill requires the following General Fund appropriations:

- \$21,553 to the Colorado Department of Education, and 0.2 FTE; and
- \$15,399 to the Colorado Department of Early Childhood, and 0.2 FTE.

State and Local Government Contacts

Early Childhood

Education

Law

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](#).