



**Colorado
Legislative
Council
Staff**

SB16-104

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0657
Prime Sponsor(s): Sen. Todd
 Rep. Becker J.

Date: February 15, 2016
Bill Status: Senate Education
Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: INCENTIVES TO BUILD NUMBER OF RURAL TEACHERS

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	<u>\$1,046,792</u>	<u>\$317,203</u>
General Fund	1,040,368	310,665
Centrally Appropriated Costs	6,424	6,538
FTE Position Change	0.5 FTE	0.5 FTE
Appropriation Required: \$1,040,368 - Department of Higher Education (FY 2016-17)		
Future Year Impacts: Ongoing expenditure and workload increase.		

Summary of Legislation

This bill creates several new programs to provide incentives for individuals to become teachers in rural school districts, and to support the needs of professional educators in rural school districts.

Rural education centers. No later than July 1, 2017, the Department of Higher Education (DHE) is required to establish four rural education centers representing four rural regions of the state. The centers must be based at an institution of higher education located within the geographic area to be served. The purpose of the centers is to provide teacher preparation programs that focus on teaching in rural areas, increase rural teacher recruitment, develop an educator pipeline to rural districts, and provide other support mechanisms to rural education providers.

No later than September 1, 2016, the DHE, in collaboration with the Colorado Department of Education (CDE) and other interested stakeholders, must develop and issue an RFP to fund one or more centers. No later than January 1, 2017, the DHE must select one or more institutions of higher education to house a center for five years. The selected institution(s) is required to provide an annual summary report. Prior to the completion of the five year funding period, the DHE and the CDE are required to evaluate the effectiveness of any funded rural education center and make recommendations for continued funding.

Financial incentives for student teachers. No later than January 1, 2017, the DHE is required to provide financial stipends to offset tuition for students in approved educator preparation programs who agree to student teach in certain rural school districts. Stipends are paid from the DHE to the institution of higher education that enrolls the student for credit to the student's account.

Teacher cadet program. No later than January 1, 2017, the DHE is required to establish teacher cadet programs in identified rural school districts. Money may be provided to local school districts or Boards of Cooperative Educational Services (BOCES) to identify and support high school students interested in pursuing teaching careers in rural Colorado. The DHE and the CDE are required to evaluate the program every five years.

National board certified teacher (NBCT) and concurrent enrollment stipends. The DHE is required to provide stipends to offset application fees and evaluation costs for teachers in identified rural school districts, to assist those teachers in completing National Board certification, and/or to become qualified as concurrent enrollment teachers within the school district.

State Expenditures

This bill increases state expenditures by \$1,046,792 and 0.5 FTE for FY 2016-17, and by \$317,203 and 0.5 FTE for FY 2017-18. New expenditures are summarized in Table 1 and described below.

Table 1. Expenditures Under SB 16-104		
Cost Components	FY 2016-17	FY 2017-18
Personal Services	\$28,190	\$28,190
FTE	0.5	0.5
Operating Expenses and Capital Outlay Costs	5,178	475
Rural Education Centers	725,000	
Financial Incentives for Student Teachers	112,000	112,000
Teacher Cadet Program	50,000	50,000
NBCT concurrent enrollment stipends	120,000	120,000
Centrally Appropriated Costs*	6,424	6,538
TOTAL	\$1,046,792	\$317,203

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

Personal services. The DHE requires new staff beginning with FY 2016-17 to manage the RFP process for rural education centers, allocate tuition stipends for student teachers, create a teacher cadet program, and assist educators with NBCT certification fees and to offset the district costs to certify concurrent enrollment teachers. New staff will collect data, set up policies and application procedures for teachers, students, school districts, and institutions of higher education with teacher preparation programs, and disburse various financial supports and incentives.

Rural education centers. Western State Colorado University has run a rural education assistance program similar to the rural education centers described in this bill. That program runs with about 1.5 FTE, which includes a full time director and a part time assistant director, and incurs

routine expenses for travel and site visits to rural education areas. These combined costs are estimated to be \$145,000 for each rural education center. The bill requires that DHE designate at least one rural education center by January 1, 2017, and fund the center for five years. If the DHE selects only one institution of higher education by January 2017 and funds the center for five years, total appropriations for rural education centers in FY 2016-17 are \$725,000 ($\$145,000 \times 5 \text{ years} = \$725,000$). Funding to support four centers for five years would be \$2.9 million ($\$145,000 \times 4 \text{ rural education centers} = \$580,000$; $\$580,000 \times 5 \text{ years} = \$2,900,000$).

Student teacher stipends. Beginning January 2017, the DHE will fund up to 40 student participants annually to student teach in rural districts. The average resident tuition rate for these students is about \$2,800 and the total expenditure necessary for the stipends is \$112,000 in each fiscal year.

Teacher cadet program. Based on the experience of the Colorado Community College System with a similar initiative, a teacher cadet program to provide financial resources to school districts and BOCES that identify and support high school students interested in pursuing a career in rural education will require up to \$50,000 annually. The DHE must begin providing this financial assistance no later than January 2017.

NBCT and concurrent enrollment stipends. Both national board certification and certification to instruct postsecondary courses via a concurrent enrollment agreement are estimated to be about \$6,000 for each separate certification. Assuming the DHE annually supports 20 rural educators to either obtain NBCT or to certify to teach as concurrent enrollment instructors, the bill's cost is \$120,000.

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. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under SB 16-104		
Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,012	\$4,012
Supplemental Employee Retirement Payments	2,412	2,526
TOTAL	\$6,424	\$6,538

School District Impact

Teachers and students in rural areas, including postsecondary students pursuing a teacher certification, or high school students considering a career in rural education, will receive certain incentives and supports to accomplish these goals.

Under current law, school districts and Boards of Cooperative Educational Services (BOCES) may submit a separate estimate of fiscal impacts within seven days of a bill's introduction. Estimates submitted by districts or BOCES for this bill can be found on the Legislative Council website at this address: <http://1.usa.gov/23AxLIT>

Effective Date

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

State Appropriations

For FY 2016-17, the bill requires a General Fund appropriation of \$1,040,368 and an allocation of 0.5 FTE to the Department of Higher Education.

State and Local Government Contacts

Education Higher Education