

**STATE
FISCAL IMPACT**

Drafting Number: LLS 08-0271

Date: January 14, 2008

Prime Sponsor(s): Sen. Spence
Rep. Primavera

Bill Status: Senate Education

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TITLE: CONCERNING CREDENTIALING FOR OCCUPATIONAL EDUCATION TEACHERS.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Revenue		
Cash Funds		
Internal Auxiliary Account	(\$45,000)	(\$45,000)
Educator Licensure Cash Fund	\$45,000	\$45,000
State Expenditures		
Cash Funds		
Internal Auxiliary Account - SBCCOE	(\$45,000)	(\$45,000)
Educator Licensor Cash Fund - CDE	\$45,380	\$41,925
FTE Position Change	1.0 FTE	1.0 FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2008-2009: See State Appropriation section.		
Local Government Impact: None		

Summary of Legislation

This bill, recommended by the **Legislative Audit Committee**, clarifies that the State Board for Community Colleges and Occupational Education (SBCCOE) is authorized to set professional qualifications for all teachers of occupational subjects, and to issue credentials for professionals at the post-secondary level **only**. Currently, the SBCCOE issues credentials for professionals at **both** the secondary and post-secondary level. The bill allows the SBCCOE to set and charge appropriate fees. SBCCOE may choose to delegate its authority for post-secondary credentialing to a post-secondary institution from among its membership.

The bill authorizes the Colorado Department of Education (CDE) to issue credentials for occupational education teachers at the secondary level **only**. The State Board of Education will promulgate rules to implement credentialing authority and to establish fees. The bill permits the CDE to enter into a memorandum of understanding with the SBCCOE, allowing the SBCCOE to continue to issue credentials for secondary educators through July 1, 2009.

State Revenue

The net state revenue impact of the bill is zero. Moneys once collected by the SBCCOE and credited to the Internal Auxiliary Account will now be collected by the CDE and deposited in the Educator Licensure Cash Fund.

The CDE is anticipated to collect \$45,000 in fee revenue in FY 2008-09 and in FY 2009-10. Based on the experience of the SBCCOE, 450 individuals each year will apply for either a new credential or a renewal of their existing credential. The State Board of Education will determine the fee to charge for issuing credentials; however, it is anticipated that the fee will be \$100. Assuming 450 applications per year, this implies \$45,000 in revenue to the Educator Licensure Cash Fund. The SBCCOE will no longer collect fees associated with credentialing secondary educators. SBCCOE had been charging \$100 per issuance and generated \$44,800 of fee revenue in FY 2006-07 for credentialing of secondary educators only.

State Expenditures

Colorado Department of Education. The CDE will incur additional personnel expenses by the addition of 1.0 FTE in FY 2008-09 and thereafter. The total combined personal service cost and operating expenses will be \$45,380 in FY 2008-09, and \$41,925 in FY 2009-10. There are adequate moneys in the Educator Licensure Cash Fund to fully fund the bill.

State Board of Community Colleges and Occupational Education. By transferring secondary credentialing to the CDE this bill reduces work at the SBCCOE. The SBCCOE will no longer bear the cost of issuing these credentials. Instead, that expense will be transferred to the CDE. Currently, the SBCCOE hires annual contractors to accommodate the workload of issuing credentials and pays for this expense from fees. The SBCCOE will no longer need to contract annually to accommodate these credentialing activities. This bill does not require a reduction in funding for the SBCCOE, as the contract labor used was paid for with funds from an internal cash account.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, funding for the items noted below will not be included in fiscal note expenditure estimates. However, indirect costs are calculated for the purpose of identifying the "per applicant" cost of a new or revised fee to reflect the total direct and indirect costs required to support a particular program.

- group health, life and dental insurance
- inflation indices
- amortization equalization disbursements
- supplemental amortization equalization disbursements
- short-term disability
- leased space
- indirect costs

State Appropriations

The Colorado Department of Education will require a cash funds appropriation of \$45,380 from the Educator Licensure Cash Fund and 1.0 FTE for FY 2008-09.

Departments Contacted

Education

Higher Education

State Auditor