

A transfer teacher may also be a returning employee of the LEP that receives a grant but has transferred from a another public school within the school district that was assigned the third highest accreditation category (accredited).

Transfer teachers are eligible to receive the following nonbase-building salary bonus amounts:

- \$12,000 for a transfer teacher working in a low-performing elementary school; or
- \$8,000 for a transfer teacher working in a low-performing middle or junior high school.

If a highly effective teacher is not a transfer teacher but is teaching in a low-performing school, he or she is eligible to receive the following nonbase-building salary bonus amounts:

- \$6,000 if he or she teaches in a low-performing elementary school for the second or subsequent consecutive school year; or
- \$3,000 if he or she teaches in a low-performing middle or junior high school for the second or subsequent consecutive school year.

The bill creates the Highly Effective Teacher Incentives Fund and appropriates \$4.0 million from the State Education Fund into the grant fund in FY 2014-15. Moneys in the fund are continuously appropriated to the CDE. The department may spend up to two percent of the moneys appropriated to the fund for the direct and indirect expenses to implement the program. If sufficient grant applications are received during FY 2014-15, the SBE is directed to award up to \$2.0 million in two-year grants beginning with FY 2015-16; the SBE must award any remaining funds for two-year grants beginning with FY 2017-18.

State Expenditures

This bill increases state expenditures by \$4.0 million in FY 2014-15. Increased costs are for program administration, operational expenses, and for grant awards. Over four fiscal years (FY 2014-15 through FY 2017-18), the CDE will expend the initial \$4.0 million appropriation in the amounts estimated in Table 1.

Table 1. Expenditures Under HB 14-1262				
Cost Components	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Personal Services	\$19,084	\$25,455	\$25,455	\$25,455
FTE	0.3	0.4	0.4	0.4
Operating Expenses	2,827	475	475	475
Highly Effective Teacher Grants		2,000,000		1,900,299
TOTAL	\$21,911	\$2,025,930	\$25,930	\$1,926,229

Grant program administration. During the first part of FY 2014-15, the department will adopt rules and begin communication and outreach with LEPs using existing staff. However, in the latter part of the year and continuing through FY 2018-19, new staff are needed to administer the program. The department will need to acquire 0.3 FTE program management and grants administrator in the first year, which increases to 0.4 FTE beginning with FY 2015-16. The project manager and grants administrator will be responsible for developing, evaluating, and

recommending applications for approval by the SBE. Program staff will also be responsible for maintaining a database, monitoring school and educator ratings to ensure continued qualification for grants, and preparing the final report.

Highly effective teachers in low-performing schools grants. The bill appropriates \$4.0 million from the State Education Fund to launch the program. Following initial implementation of the program in FY 2014-15, the CDE will award up to \$2.0 million in grants for a two-year cycle beginning with FY 2015-16 (fiscal years 2015-16 and 2016-17). Beginning with FY 2017-18, the program is estimated to have approximately \$1,900,299 remaining for a second round of grants.

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 HB 14-1262*				
Cost Components	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Employee Insurance	\$1,840	\$2,452	\$2,452	\$2,452
Supplemental Employee Retirement Payments	1,325	1,972	2,166	2,280
TOTAL	\$3,165	\$4,424	\$4,618	\$4,732

*More information is available at: <http://colorado.gov/fiscalnotes>

School District Impact

Local education providers who participate in the program will receive grant awards to create financial incentives for highly effective teachers to work in low performing schools.

Under current law, school districts and BOCES may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: <http://www.colorado.gov/lcs>

Effective Date

The bill was postponed indefinitely by the House Education Committee on February 24, 2014.

State Appropriations

For FY 2014-15, the bill appropriates \$4.0 million from the State Education Fund to the Highly Effective Teachers Incentive Fund in the Colorado Department of Education. The department is given continuous spending authority over the incentive fund.

State and Local Government Contacts

Education