

**FINAL
FISCAL NOTE**

Drafting Number: LLS 12-0494

Date: June 28, 2012

Prime Sponsor(s): Rep. Solano
Sen. Bacon

Bill Status: Signed into Law

Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING EFFECTIVE EDUCATORS IN LOW-PERFORMING, HIGH-NEEDS SCHOOLS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures State Education Fund	at least \$604,800	at least \$705,600
FTE Position Change		
Effective Date: The bill was signed into law by the Governor on June 4, 2012, and takes effect August 8, 2012, assuming no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
School District Impact: None.		

Summary of Legislation

This bill extends an existing program that requires that the Colorado Department of Education (CDE), subject to available appropriations, award a stipend of \$1,600 to employed public school teachers holding certification from the National Board for Professional Teaching Standards (NBPTS). The CDE awards an additional, bonus stipend of \$3,200 to certified teachers employed in low-performing, high-needs schools. A low-performing, high-needs school is defined as any school that is accredited with a priority improvement plan or a turnaround plan. Under current law, the program will expire July 1, 2012. The bill also makes principals certified by NBPTS eligible for the awards.

If there are insufficient funds to award all NBPTS certified teachers and principals the base stipend, only those certified teachers and principals employed in low performing, high-needs schools will receive the stipend.

Background

House Bill 08-1384 established a similar NBPTS certification award program from FY 2008-09 until FY 2010-11, and appropriated \$1.5 million for awards in that first year; however, in the following legislative session, Senate Bill 09-214 eliminated the FY 2008-09 appropriation, and made future awards subject to available appropriations. Although the program received some federal money in FY 2009-10, no state appropriations have been made to award NBPTS bonuses.

Currently, only teachers may seek certification from NBPTS. The NBPTS is preparing a certification program for principals in addition to teachers; however, there are no current principals that can qualify for the stipend, and none are anticipated before FY 2014-15.

State Expenditures

The bill's minimum expenditures are estimated to be \$604,800 in FY 2012-13, and \$705,600 in FY 2013-14. The bill requires that the CDE make an annual award of \$1,600 to any employed teacher or principal certified by NBPTS and an additional, bonus stipend of \$3,200 to each certified educator employed in a low-performing, high-needs school. This fiscal note estimates the minimum appropriation necessary to pay stipends to educators in low-performing, high-needs schools. In order to fully fund the bill, and provide the stipend to all NBPTS certified educators (not exclusively to educators in low-performing, high-needs schools) would require about \$1.7 million in FY 2012-13 and about \$1.9 million in FY 2013-14.

To date, 641 teachers in the state have earned NBPTS certification, and each year the number of certified teachers increases as more teachers become certified, and as currently certified teachers enter the state. For example, from 2011 to 2012, the number of certified teachers increased by 17 percent. Currently, there are 288 NBPTS candidates actively pursuing certification. Assuming half of these candidates achieve certification in FY 2012-13, the combined number of teachers with NBPTS certification is 785. Based on current trends, it is estimated that 16 percent, or 126 of these certified teachers also teach in low-performing, high-needs schools, for an expense of \$604,800 ($126 * \$4,800 = \$604,800$). If the number of certified teachers grows by the same amount next year (17%), there will be 919 certified teachers, 147 of whom will be eligible for the stipend, for a total cost of \$705,600.

The National Board is developing a certification credential for school principals, but does not have one yet. In future years, the number of eligible professional educators will increase as this certification becomes available.

In addition, the CDE will incur costs to process and disburse the awards to teachers. The accounting unit will be required to collect a W-9 from each teacher, and verify the NBPTS certification and employment in a low performing, high needs school. The collection of information, maintenance of electronic records, and disbursement of stipends will require approximately 40 hours of administrative effort annually. This fiscal note assumes that the appropriation from the State Education Fund for the bill is sufficient to pay for both stipends to eligible educators, and to cover the administrative effort of the CDE.

State Appropriations

Consistent with the assumption that only NBPTS certified teachers employed in low-performing, high-needs schools will receive a stipend payment in FY 2012-13, the bill contains an appropriation of \$604,800 from the State Education Fund to the Colorado Department of Education.

In order to fully fund the law's provisions and pay a bonus stipend to all NBPTS certified educators would require approximately \$1.7 million in FY 2012-13; however, the act's existing appropriation is sufficient to fund stipends for NBPTS certified educators in low-performing, high-needs schools, only.

Departments Contacted

Education

Law