

**STATE
FISCAL IMPACT**

Drafting Number: LLS 14-0146
Prime Sponsor(s): Sen. Newell
 Rep. Peniston

Date: January 28, 2013
Bill Status: Senate Education
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SHORT TITLE: EARLY CHILDHOOD EDUCATOR DEVELOPMENT SCHOLARSHIP

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	<u>at least \$470,115</u>	<u>at least \$468,018</u>
State Education Fund	\$464,960	\$462,584
Centrally Appropriated Costs**	\$5,155	\$5,434
FTE Position Change	0.5 FTE	0.5 FTE
Appropriation Required: \$464,960 - Colorado Department of Education (FY 2014-15)		

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

This bill, **recommended by the Early Childhood and School Readiness Legislative Commission**, expands the Early Childhood Educator Development Scholarship Program within the Colorado Department of Education (CDE) and authorizes an appropriation of state money to fund the program. Subject to available state appropriations, the bill requires the State Board of Education (SBE) to award stipends to assist persons employed in early childhood education in offsetting the costs associated with obtaining a postsecondary degree or certificate in early childhood education, or in a related field.

The eligibility criteria for stipends is expanded to include the diversity of scholarship applicants in relation to the population of children served in early childhood education programs. In addition, the SBE may choose to award stipends to applicants who serve high needs children.

The bill requires the SBE to collaborate with the Department of Human Services (DHS), the Colorado Community College System (CCCS), and the Office of Information Technology (OIT) to establish rules for the scholarship program's application procedures and for the information that applicants must provide.

Finally, the bill removes the provision in current law that repeals the scholarship program if insufficient federal moneys or other gifts, grants, or donations are received by the CDE.

Background

The Early Childhood Educator Development Scholarship Program was established in House Bill 10-1030 to provide stipends to assist persons working in early childhood education with the costs of obtaining an Associate's degree. Under current law, the program is funded solely through the receipt of federal moneys or other gifts, grants, or donations, and said moneys are continuously appropriated to the CDE.

The program was never implemented because the fund did not receive sufficient revenue. At this time, no federal funding or other donations have been identified for this program.

State Expenditures

A scholarship program meeting the requirements of the bill is expected to increase state expenditures by at least \$470,115 and 0.5 FTE in FY 2014-15 and \$468,018 and 0.5 FTE in FY 2015-16. Total expenditures are summarized in Table 1 and described below.

Cost Components	FY 2014-15	FY 2015-16
Personal Services	\$30,133	\$30,584
FTE	0.5 FTE	0.5 FTE
Operating Expenses and Capital Outlay Costs	\$4,827	\$2,000
Scholarships	\$430,000	\$430,000
Centrally Appropriated Costs*	\$5,155	\$5,434
TOTAL	\$470,115	\$468,018

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

Program Administration. In FY 2014-15, the CDE requires \$30,133 and 0.5 FTE to establish program rules, create application procedures, develop award criteria, provide technical assistance, disseminate materials, conduct outreach and recruitment presentations, and manage, track, and report scholarship applications and awards.

The bill requires the SBE to work with the DHS, OIT, and the CCCS to establish the scholarship application procedures. The increase in workload is expected to be minimal and can be accomplished without additional appropriations. Additionally, the workload impact to the Department of Law from legal services associated with rulemaking is expected to be minimal and does not require additional appropriations.

Early Childhood Educator Development Scholarships. The CDE requires at least \$430,000 for scholarship awards in FY 2014-15. Providing scholarships will comprise the largest cost component of the bill. This fiscal note assumes that in order to create a viable scholarship program, scholarship amounts should be a minimum of \$2,000 per year, per recipient. Scholarship monies will be used to cover the cost of tuition and books for the recipients.

Assumptions. Based on a similar scholarship program administered by a private non-profit (the Teacher Education and Compensation Helps program administered by Qualistar Colorado), it is estimated that the department will receive, at a minimum, 260 applications and award at least 215 scholarships in FY 2014-15. Therefore, the total cost for awards will be \$430,000 in FY 2014-15 (215 awards*\$2,000=\$430,000).

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 SB14-006*		
Cost Components	FY 2014-15	FY 2015-16
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$3,062	\$3,036
Supplemental Employee Retirement Payments	\$2,093	\$2,371
TOTAL	\$5,155	\$5,434

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

Effective Date

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

State Appropriations

For FY 2014-15, the CDE requires an appropriation of at least \$464,960 from the State Education Fund.

State and Local Government Contacts

Education
Law

Human Services
Office of Information Technology

Higher Education