


 Colorado *Legislative Council Staff*
STATE and LOCAL
REVISED FISCAL IMPACT
(replaces fiscal impact dated February 2, 2006)

Drafting Number: LLS 06-0457
Prime Sponsor(s): Rep. Merrifield

Date: March 16, 2006
Bill Status: House Appropriations
Fiscal Analyst: Harry Zeid (303-866-4753)

TITLE: CONCERNING PRINCIPALS IN PUBLIC SCHOOLS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

Fiscal Impact Summary	FY 2006/07	FY 2007/08
State Revenues		
Cash Funds Exempt - Principal Development Scholarship Fund	\$250,000	
State Expenditures		
Cash Funds - State Education Fund	\$250,000	
Cash Funds Exempt - Principal Development Scholarship Fund	250,000	
Educator Licensure Cash Fund	11,460	
FTE Position Change	contract services	contract services
Effective Date: Upon signature of the Governor		
Appropriation Summary for FY 2006/07:		
Department of Education:		
\$250,000 State Education Fund to the Principal Development Scholarship Fund		
\$11,460 Educator Licensure Cash Fund		
School District Impact: School districts may be impacted if their principal evaluation plan is not consistent with the teacher evaluation plan.		

Summary of Legislation

The bill, **as amended in the House Education Committee**, makes several additions and modifications to current law regarding the licensure of principals in public schools.

Survey of Principals. Beginning with the 2006-07 school year, this bill requires the State Board of Education to annually survey the superintendents of Colorado school districts who employ new principals. The survey would be designed to measure the quality and effectiveness of principal preparation programs and to solicit information concerning principal licensure standards. Survey results will be submitted to the Education Committees of the House and Senate, the Governor, the Colorado Commission on Higher Education, and the appropriate institutions of higher education. The report will be considered at the biennial joint meeting of the Education Committees that considers teacher preparation programs. As amended, the bill states that the costs incurred by the

Department of Education in implementing the principal survey shall be paid from moneys appropriated to the Educator Licensure Cash Fund.

License Renewal Requirements. At the time of license renewal, a person who holds a professional principal license would be required to select professional development activities that relate to improving the person's skills as a principal. The applicant must also complete any professional development activities specifically identified by the person's employing school district.

Areas of Improvement and Professional Development Programs. School districts would review the leadership in its schools, identify areas of improvement for principals, and assist principals in attending appropriate professional development programs. The Board of Education of the school district may require principals to pay all or a portion of the costs of the professional development programs. School districts would be required to provide observations and written evaluations of principals with the same frequency as they are provided to teachers. Principal evaluations would include input from teachers, students, and parents in the manner provided by the school district. A principal whose performance is deemed unsatisfactory shall receive a notice of deficiencies and a remediation plan.

Principal Recruitment and Training Planning Council. The bill also creates the 21-member Principal Recruitment and Training Planning Council to examine issues surrounding school leadership within the state. The council would meet as often as necessary to carry out its duties, including the development of a statewide plan for improving school leadership. The council would submit a statewide plan by January 15, 2008. Beginning January 15, 2009, the council would submit progress reports concerning the implementation of the statewide plan. Legislative members of the council would serve without compensation and without reimbursement for expenses. The bill specifies that staff assistance may only be provided by the Department of Education and the Department of Higher Education within existing appropriations. Statutory authority for the council is repealed on July 1, 2010.

Principal Development Scholarship Program. The bill creates the Principal Development Scholarship Program to provide stipends for professional development activities for principals on the basis of need. The bill specifies minimum criteria, including the applicant's degree of financial and professional need and the quality of the professional development activity. The Principal Development Scholarship Fund is created out of moneys that may be appropriated from the State Education Fund for that purpose. The bill appropriates \$250,000 in FY 2006-07. Moneys in the fund are subject to annual appropriation by the General Assembly. The bill authorizes the Department of Education to spend up to one percent of the moneys annually appropriated from the fund to offset the costs incurred in implementing the scholarship program.

School Preparation Program. The bill directs the Colorado Commission on Higher Education to adopt policies to allow a person who is participating in a principal preparation program to qualify for financial assistance.

State Expenditures

Three areas of the bill will create the need for state expenditures. These are described below.

Survey of Principals. The bill requires the State Board of Education to annually survey superintendents in school districts who employ new principals. The Department of Education anticipates hiring a senior consultant to develop and conduct the survey, prepare the summary report, and to review specific activities required for professional licensee applications for license renewal. The equivalent of 0.2 FTE (contract services) is deemed necessary annually beginning in FY 2006-07, at an annual cost of \$11,460 to the Educator Licensure Cash Fund.

Principal Recruitment and Training Planning Council. The bill creates the 21-member Principal Recruitment and Training Planning Council to examine issues surrounding school leadership within the state. While the bill specifies that staff assistance to the Planning Council may only be provided by the Department of Education and the Department of Higher Education within existing appropriations, both departments may have difficulty identifying the necessary staff resources to provide staff assistance to the Planning Council. Compliance with this provision will depend on the level of staff assistance required.

Principal Development Scholarship Program. The bill creates the Principal Development Scholarship Program to provide stipends for professional development. The Principal Development Scholarship Fund is created out of moneys that may be appropriated from the State Education Fund. The bill provides for an appropriation of \$250,000 in FY 2006-07 for that purpose. The bill allows the Department of Education to withhold one percent of the monies (\$2,500) for administration of the scholarship program.

School District Impact

School districts may be impacted if their principal evaluation plan is not consistent with the teacher evaluation plan. This potential impact, however, has not been quantified.

State Appropriations

The bill includes an appropriation to the Department of Education of \$250,000 from the State Education Fund to the Principal Development Scholarship Fund in FY 2006-07. In addition, the fiscal note implies that the Department of Education will require an appropriation of \$11,460 CF from the Educator Licensure Cash Fund.

Departments Contacted

Education Colorado Commission on Higher Education State Treasury