



COLORADO
Department of Education

Colorado State Board of Education

TRANSCRIPT OF PROCEEDINGS
BEFORE THE
COLORADO DEPARTMENT OF EDUCATION COMMISSION
DENVER, COLORADO
SEPTEMBER 10, 2015, Part 3

BE IT REMEMBERED THAT on September 10, 2015,
the above-entitled meeting was conducted at the Colorado
Department of Education, before the following Board Members:

Steven Durham (R), Chairman
Angelika Schroeder (D), Vice Chairman
Valentina (Val) Flores (D)
Jane Goff (D)
Pam Mazanec (R)
Joyce Rankin (R)
Debora Scheffel (R)



1 CHAIRMAN DURHAM: Away we go. We're going to
2 move on now to item, where are we here, item 6.0. This is
3 for discussion only, this meeting, depending on how this
4 meeting goes will be for action next meeting. Let me ask
5 Dr. Schroeder to assume the chair for the moment and --

6 UNIDENTIFIED VOICE: (Indiscernible).

7 CHAIRMAN DURHAM: That's not unusual for me.
8 If I might be recognized to proceed.

9 MADAM CHAIR: Mr. Durham.

10 CHAIRMAN DURHAM: Thank you. This issue
11 first came to my attention last December when we attended
12 the Joint Budget Committee hearing for the department's
13 budget. At that time Senator Lambert and I think some
14 other members of the budget committee had been alerted by
15 staff that there were five, or up to five I'm not sure
16 they were actually all still employed at the time but
17 there were up to five members or five employees at the
18 Department of Education who were paid for by private funds
19 and in addition to that some of those employees were in a
20 supervisory mode or position. And that led Senator
21 Lambert I think to correctly question, raise all kinds of
22 question from if you end up with a sexual harassment
23 complaint exactly who's responsible the employer of those
24 people or the state that put them into a supervisory
25 position and who has that liability and how does the



1 governmental immunity flow.

2 So those were legitimate practical questions
3 but the underlying question which has been highlighted by
4 the controversy over common core and the testing modality
5 is that these ideas, common core, were largely a product
6 of wealthy foundations and those foundations used
7 significant financial muscle to promote those ideas. And
8 I guess looking at it on the other side the Gates
9 Foundation probably enjoys a reputation among some as
10 being enlightened but let's just presume for a moment the
11 donor had been the Coke Foundation how many people would
12 have the same view of that. The fact that it's nonprofit
13 involved in the donation really doesn't eliminate the
14 problem that it appears that the state is involved in pay
15 for play and if you're willing to donate enough money you
16 can make policy. And that -- it's that appearance of
17 impropriety that this policy statement and the adoption
18 should we adopt this policy statement tries to get at.

19 And so it tries not to, we're not going --
20 the policy does not go so far as to prevent a well-
21 intentioned private donor from hiring teachers in impacted
22 school districts to provide additional help for children
23 who are on free and reduced lunch. It doesn't attempt to
24 deprive -- it doesn't attempt to deprive access in
25 additional funding to nonpolicy areas. And so the impact



1 of this is to eliminate grants that could be used to drive
2 policy. If they want to give money to help kiddies or --

3 MADAM CHAIR: Kidlets.

4 CHAIRMAN DURHAM: Kidlets, I'm sorry for the
5 technical term. If you want to provide money for that
6 purpose that's likely to be encouraged. But policy is
7 equally the purview of every taxpayer and every citizen,
8 it is not more the purview of those who can afford to hire
9 five staff people to help drive a particular policy
10 outcome. And so that's what, what I'd hoped to accomplish
11 with this policy. I had asked Mr. Dyl to help me with the
12 details of this and I suppose with every document that has
13 a legal genesis it undoubtedly leaves some questions. But
14 I have read it on many occasions, and I think that it -- I
15 think that it tries to delineate between policy grants
16 that are attempting to drive an outcome and grants that
17 are designed to drive or to provide assistance too in the
18 education of children. So with that I would yield to any
19 questions or comments.

20 MS. FLORES: Would you just say that last
21 statement again?

22 CHAIRMAN DURHAM: Well it's designed not to,
23 not to eliminate or discourage grants for the delivery of
24 service. But is designed to prohibit grants that are
25 designed to drive a particular policy outcome be that high



1 stakes testing, be that common core, be that any
2 particular educational outcome that is not -- I think and
3 it's probably safe to say that many of the grants and the
4 activities of these private foundations have probably done
5 a significant, they've done significant damage to local
6 control, because they don't really want to run around and
7 see if they can influence policy in 179 school districts.
8 It's easier to do it at the state level. So if I were to
9 look at a victim of the grants that have been trying to
10 drive policy both inside government and outside government
11 through think tanks and funding organizations, and we see
12 them show up here all the time, there's no doubt that the
13 witnesses are in the employ of someone with an interest
14 that really needs to be kept outside of government so that
15 we don't give the appearance of impropriety or the
16 appearance of pay for play.

17 MADAM CHAIR: No I'm in charge.

18 CHAIRMAN DURHAM: I know but Jane's asking.

19 MADAM CHAIR: Oh, I'm sorry. I thought you
20 were pointing at me.

21 CHAIRMAN DURHAM: You weren't looking right
22 either.

23 MADAM CHAIR: I wasn't even.

24 UNIDENTIFIED VOICE: He's looking you're not.

25 MADAM CHAIR: I know.



1 MS. GOFF: I picked up the nuances that are
2 different here Tony, but in essence how is this different
3 than how we already operate around grants? There's
4 actually statutory language that speaks to the
5 requirements for grant applicants and what's it called the
6 letter, the letter, we have some things in place already
7 that outline that. What is, what is different about this?

8 MR. DYL: I think that this actually
9 memorializes some of the changes we've put in earlier this
10 year in regards to MOUs and that was again in response to
11 having essentially foundation employees come in and work
12 on behalf of the department. This particular policy
13 excludes governmental gifts, grants or donations which are
14 all generally like federal grants, other state grants are
15 quite often part, you know, part of a larger legislative
16 scheme and it also excludes any direct services. So a
17 grant for the department to provide direct technical
18 services to districts or to teachers and to such. However
19 I think that what we're trying to do here is give the
20 commissioner the discretion to review the grants coming in
21 and determine whether or not the grant looks suspicious.
22 That is it would be a grant you know that is sort of
23 intended to be more of a pay for play type situation than
24 something where services would be provided.

25 MS. GOFF: Then I would ask Dr. Asp at this



1 time do you have any real life examples of where you have
2 encountered a request, or do we have some recent history
3 where some suspicious entity from the private sector --
4 how is it obvious that this is going to impact policy?
5 I'll let you respond if you want to and then I'll have a
6 follow up because I'm having trouble pinning down exactly
7 how we would talk to people about direct services means
8 what as opposed to an obvious, kind of an obvious
9 motivation of we went to work for you so that you will
10 change -- you can influence law and State Board rule in
11 our case. Because we do act off of policy, so in order if
12 we're getting -- if we're getting help, we're being
13 offered financial or other resource help to implement
14 policy that's been put on us, I just think it would be
15 kind of hard to separate out whether direct services are
16 required for that versus how does that relate to
17 suspicious money? I don't --

18 MR. DYLAN: I think that if you're looking at a
19 grant that is directed towards implementing an existing
20 policy that is either in legislation or has been adopted
21 by the board then that would not raise the concerns under
22 this policy. I think that would be more like a direct
23 services, I think it's where you're -- you're looking for
24 a grant where someone is looking for discretion to
25 actually make or influence policy under the governmental



1 banner of the department or the State Board.

2 MS. GOFF: So how would that be different
3 than lobbying?

4 UNIDENTIFIED VOICE: Well it is lobbying
5 didn't you all go to Bush's thing last year? I mean to
6 that conference, you all got paid by some foundation to go
7 to there--

8 MS. GOFF: I did not go.

9 UNIDENTIFIED VOICE: -- to that conference,
10 paid. Well I mean it's --

11 MS. GOFF: I did not attend but it's not that
12 I wouldn't have. But that's a really good example it's
13 that, it's the idea of where do you, how do we draw the
14 line here.

15 UNIDENTIFIED VOICE: You know --

16 MS. GOFF: And communicate, and how to
17 communicate that with private voters.

18 MR. DYL: If I may I think that's a good
19 question because, you know, if you have somebody who's
20 bald -- doing a rather bald face you know we're proposing
21 to give you money and return for you letting us write
22 these rules. Unless the people you're dealing with are
23 amazingly unsophisticated they're not going to put it in
24 quite so stark terms. But you would you'd be able to look
25 at the grant and understand that that's what they're doing



1 and that perhaps it's a foundation that is being supported
2 by some members of private industry who could potentially
3 benefit. I think what this does is it indicates that
4 there will be a review of every grant offered to the
5 department by the commissioner to determine whether or not
6 it falls within those parameters and that every grant
7 award accepted would then be subject to the same MOU and
8 grant terms to make sure that policy making remains within
9 the authority of the State Board and of the department.
10 But there would be, I think the Commissioner would be
11 required to really rule on those closed cases.

12 MADAM CHAIR: Deb.

13 MS. SCHEFFEL: So in terms of, let's just
14 think about some things that have occurred would these
15 fall under the egis of this policy for example the Race to
16 the Top money which is federal money. But there was
17 Gate's money within sight of it and I think CEI legacy
18 this will work for the department although I don't know
19 exactly what that looked like and they've received Gates
20 money and the Gates are just an example. So does this
21 suggest that those kinds of like second tier influences
22 would be prohibited because it's not the entity itself but
23 it's the funds inside of it from whence they come?

24 MR. DYLAN: Quite possibly, I mean we have to
25 look at the -- I'm not sure about how the Gates Foundation



1 got into the Race to the Top grant or if that was separate
2 or not.

3 MS. GOFF: It didn't.

4 MR. DYL: You know certainly governmental
5 grants would not, would not be covered by that but I think
6 that's something that would have to undergo a review.

7 MADAM CHAIR: Anybody else?

8 MS. FLORES: I mean I, I

9 MADAM CHAIR: Val?

10 MS. FLORES: I'm just thinking about how the
11 Gates Foundation, not the Gates Family Foundation but the
12 Bill and Melinda Gates Foundation got into, gave all the
13 unions, teacher unions, and then PTA and you know just
14 many of these foundations that have come before us had
15 money for, to support common core and that's what they're
16 doing. I mean they, they -- they come here before us.

17 MS. GOFF: Did they come before us? Gates
18 came before us?

19 MS. FLORES: No, those people that were given
20 monies by common core.

21 MS. GOFF: They're not us, they're not
22 government agencies.

23 MS. FLORES: They're foundations but they're
24 pushing and I'm saying even --

25 MS. GOFF: CEA for example is not a



1 foundation.

2 MS. FLORES: Well, it's a nonprofit, and so
3 is the, so is the PTA and they're all supporting it,
4 supporting common core. I mean tomorrow do you know that
5 I was thinking of going to this conference on for Colorado
6 Latino elected officials who is -- maybe it's for early
7 childhood, and guess who's supporting that? Bill and
8 Melinda Gates Foundation.

9 MS. GOFF: Was that a crime?

10 MS. FLORES: And they're, they are putting a
11 certain focus forth and yes it's, it's lobbying for a, a
12 position and so I don't know. I, I just look very
13 carefully at what they're pushing and --

14 MADAM CHAIR: Any other concerns or
15 questions?

16 MS. MAZANEC: What was, excuse --

17 MADAM CHAIR: Pam?

18 MS. MAZANEC: I guess I'm not sure why
19 there's confusion about this. This, this as Steve
20 mentioned this came to light at the JBC meeting last year,
21 right when we found out that two people working in our
22 department were not being paid by the state, they were
23 being paid by the Bill and Melinda Gates Foundation
24 correct?

25 MADAM CHAIR: No.



1 MS. GOFF: I thought it was CEI.

2 MADAM CHAIR: Via CEI.

3 CHAIRMAN DURHAM: Indirectly I think they
4 were.

5 MS. MAZANEC: Exactly.

6 MADAM CHAIR: So wait a minute I've given
7 money to CEI too so let's just say they are the Bill and
8 Melinda Gates Foundation.

9 MS. MAZANEC: And I'm not trying to
10 criminalize you, of course you can give money to CEI if
11 you want to. But let's, let's not act like we don't know
12 what we're talking about here, we're talking about money
13 from the Gates Foundation provided to CEI to promote
14 common core in Colorado. And they have, and that's the
15 point of this, and I think that Steve's correct if, if the
16 Gates or the Coke brothers were giving money to I don't
17 know what organization maybe the Daniels Fund or something
18 to, to defeat common core people might be raising an
19 eyebrow about that too.

20 MS. SCHEFFEL: But this is where to me, and I
21 acknowledge why this, this is an issue right now. Because
22 I think that it's important, at least for me and the rest
23 of you I maybe need your help. I need to have a clear
24 handle on the difference between direct services as a
25 result of policy that's already established, not by us,



1 somebody else. In this example not by CEI versus like
2 what we're talking about we were all at that JBC meeting
3 we're well aware of what the issue is. That to me is
4 payroll, that is pay for play not in the sense of policy
5 establishment, to me it seems a lot, it's a lot cleaner to
6 call that a personnel issue. So that's what I'm going to
7 need to understand what we're actually doing here if we
8 put this little piece of paper in our document store.
9 Direct services as a result of grant money is a different
10 thing than payroll, putting somebody on the payroll.

11 Now the, I don't know common core is a good
12 example you know, are the, are the people that are working
13 on doing things related, direct services to implement the
14 common core or the hour standards and things related to
15 it's not, to me that's not the same thing as those people
16 having an in into creating that policy. It's already
17 policy, these are folks that have been --

18 MS. MAZANEC: But they still have an impact
19 on how policy is right --

20 UNIDENTIFIED VOICE: Through their own
21 individual right as a citizen I would think --

22 MS. MAZANEC: It may be, it may be, I mean
23 common core was --

24 UNIDENTIFIED VOICE: Say yes but as far as
25 implementing the policy that's already in place that's



1 what they're doing, it's not creating new policy, that's
2 my view on it.

3 MS. MAZANEC: But it is influencing policy.

4 UNIDENTIFIED VOICE: I don't see that that's
5 the same thing.

6 MS. MAZANEC: I think it's still influencing
7 policy.

8 UNIDENTIFIED VOICE: Well, which --

9 Ms. GOFF: I think this is intended to be
10 difficult.

11 UNIDENTIFIED VOICE: It could like say
12 something that comes out of the learning but goes on in
13 reimplementation work and the training in the districts
14 and things that they're all taking part in in the school
15 buildings. Who's to say I wouldn't necessarily argue with
16 it, I don't know. How does that become a new piece of
17 legislation?

18 MS. MAZANEC: I don't think anybody's saying
19 it's new legislation.

20 MADAM CHAIR: Deb?

21 MS. SCHEFFEL: I think it might be just
22 helpful and it may not be possible just to think through
23 if this policy or this is in place what will happen that
24 didn't happen before and what will not happen that was
25 happening before, what would be an example of --



1 MS. MAZANEC: Thank you.

2 MS. SCHEFFEL: Like a decision tree that
3 would help us stop doing something and start doing other
4 things, that's where I'm having -- I think it's really
5 important that we look at conflicts of interest and
6 funding streams, money definitely drives a lot of things.
7 We know there's been huge influence through funds to enact
8 huge policy changes in Colorado and across the nation. I
9 mean these are not just Colorado issues, you know, these
10 foundations have a big impact across multiple states. So
11 the question is though what kind of a decision tree would
12 we put in place to use this language to stop doing some
13 things and start doing others maybe we need to think
14 through the implications.

15 MADAM CHAIR: Ms. Emm go ahead.

16 MS. EMM: One of the things and I appreciated
17 Tony talking about this briefly, but this is somewhat when
18 I first saw it I was kind of nervous oh my gosh does that
19 mean this or that or things like that. But the more I
20 reflected on it and internalized it the more I understood
21 that this is actually codifying something that we're
22 actually already doing. We have an Intent to Submit
23 process which if there is maybe a unit or a division
24 within CDE that wants to apply for a grant which would be
25 privately funded it goes through this intent to submit



1 process with various reviews. And before they even submit
2 the grant application it's reviewed to ensure that if we
3 were to accept these funds that it's not going to be
4 driving or influencing potential policy in the future,
5 it's very much focused on is it, is it helping us deliver
6 policy that's been put in place. Is it leveraging our
7 resources in order to help us deliver technical assistance
8 or past due funds directly to districts in order for them
9 to do something.

10 So as I kind of reflected on this draft
11 that's how I kind of understood this to be used that it's
12 codifying or what were the words you used?

13 MR. DYLAN: Good question.

14 MS. EMM: Memorialize, memorializing kind of
15 what we're already doing. The other thing that I would
16 like to point out is that we have established a website
17 for private gifts, grants, and donations, and we have them
18 all listed with the award letters, the Memorandum of
19 Understanding with the agreements so that it is stated in
20 there that it is not driving policy if I remember
21 correctly that's one of the -- that's some of the language
22 in there. And so we've got the contacts for the people
23 who are the grant managers and things like that. And this
24 is, this is new this year so, so that's just, that's how I
25 see this policy, but I would also be happy to add anything



1 or --

2 MADAM CHAIR: Jeff?

3 MR. DYLAN: If I --

4 MADAM CHAIR: Go ahead Tony.

5 MR. DYLAN: Maybe give you a couple of
6 hypotheticals. I mean it's possible you might have a
7 private foundation that would want to give the Department
8 of Education a grant to lend technical support for the
9 teaching of civics. Sounds wonderful, right, I'm sure
10 somebody could use that but then you look at the terms and
11 details of it and it says and as part of this you will
12 present and advocate this specific curriculum that the
13 company that gave us all, gave our foundation all its
14 money actually markets and you will present these to
15 different school districts, in which case what you're
16 looking at is really more using a private foundation as a
17 marketing tool to promote a specific product or a specific
18 viewpoint depending on that. I mean that's the type of
19 thing you would have to look at and want to review.

20 MADAM CHAIR: That's a good example. Deb?

21 MS. SCHEFFEL: Could you speak to the Gates
22 example?

23 MR. DYLAN: You know I really can't because I'm
24 not, I'm not sure what's going on there with that. And I
25 should mention by way of background that for anyone who



1 has a background in higher education of course quite often
2 higher education has a very different view of this and
3 what they attempt to do is try to use nonprofits to do
4 things that they may not otherwise be able to do, you
5 know, as a governmental entity. So you actually do see,
6 and I guess what I'm saying is that I think that not under
7 this commissioner or the previous commissioner, but I know
8 there have been some commissioners who have really looked
9 at this in a very different, in a very different sense and
10 have welcomed this sort of thing in the past. But you
11 know I have to say I'm not aware of any recent issues
12 where I have looked at it and thought it was problematic.

13 I know of some previous issues where large
14 donors to the department have come in and frankly
15 advocated on behalf of private corporations and I left
16 those with the distinct sense that I wanted to know how
17 much money that private corporation gave that foundation,
18 because it sounded like they were acting as a lobbyist.
19 You know so to a certain extent I know this stuff goes on,
20 there's different ways that different agencies deal with
21 it and this seems to me to be a fairly ethical way to try
22 to look at -- look at the situation.

23 MADAM CHAIR: Go ahead.

24 UNKNOWN SPEAKER: My concern is if certain
25 foundations have a good relationship with the government



1 and able to infuse their influence by situating their
2 money inside of federal programs as it appears they have,
3 I mean I have to go back and look at the exact funding
4 stream. But from what I've read I think that Gates had
5 influence on these at the time. So that's one piece that
6 if the foundation has a relationship with the government
7 and can pull it off and then another private entity
8 doesn't have that and therefore can have no influence. I
9 mean I'm wondering if this actually limits us from
10 somebody that wants to foundation for constitutional
11 knowledge or something and wants to provide a grant that
12 will allow schools to develop curricula to meet standard
13 a, b, c, and d, you know what I mean. I'm just wondering
14 if this is actually already going on and it's so pervasive
15 that this type of language actually would limit a small
16 foundation with no connection to the government from
17 having an impact. I mean conceptually of course I agree
18 with it, I'm just wondering if it ends up helping us or
19 not.

20 MADAM CHAIR: Joyce?

21 MS. RANKIN: I want to first for the record
22 say that I am a legislative aide for someone on the Joint
23 Budget Committee I don't think I need to recuse myself
24 from this conversation but there's a couple of things I
25 would like to point out. On the policy statement it says,



1 "Administrators provided such gifts do not drive." And
2 that seems to be where we focused on, some of these are
3 very obvious but then it says, "Or give the appearance of
4 driving." There's that wiggle room there that
5 fungibility, the appearance. I mean what's the appearance
6 to one person and the other one says no that's not a
7 problem. But the way this is -- and this is very similar
8 to things that the legislators have to go along with and
9 then in here though it kind of puts the discretion of the
10 commissioner. So it would be I don't even know what goes
11 on sometimes here but it's hard to be responsible for it
12 if you're not even aware of it and then you have the JBC
13 bringing it up and you say gee I wish I would have known
14 this before. So I do see the commissioner as maybe having
15 that responsibility to communicate with us so those two
16 things I just wanted to bring forward.

17 MADAM CHAIR: Thank you.

18 MR. DYL: I go back and agree with Ms. Rankin
19 and also Ms. Emm's statements. It would cause you to have
20 a different filter on cases coming to you. Here's an
21 example from a school district point of view. The
22 University of Colorado Hospital gives a grant to the
23 school district, in this case Aurora and Cherry Creek to
24 instigate a very benign thing, a healthy kids piece and
25 the kids you agree to take this money to insert a unit in



1 the science curriculum that's all about healthy eating and
2 that kind of stuff. And the kids get a bicycle if they do
3 these kind of things. What that grant did was force out
4 some other parts of the curriculum because to get that
5 grant money we had to change what we were doing in the
6 science curriculum and we didn't filter that enough and
7 neither did other districts there so that that policy got
8 changed as a result of that without us thinking about it
9 very carefully.

10 Now in the grand scheme of things it probably
11 wasn't a huge hurt to students although some science
12 teachers would argue that you pushed out some curriculum
13 and the teachers had already made us do some stuff that is
14 not as helpful as what we were doing. And we didn't have
15 a filter in place to think about that very much, so we
16 accepted this grant without understanding the
17 implications. And I think the idea of memorializing or
18 somehow putting this there so that we have to think about
19 it more and be more up front about it makes no sense to
20 me. I worry a little bit about the vagueness, and I get
21 that part and you're leaving some discretion up to the
22 commissioner to decide that. But it's a more open kind of
23 process.

24 MS. FLORES: And would you let us know about,
25 about those because you know I was sitting there and so



1 the JBC Steadman was talking about this and I was kind of
2 appalled.

3 MS: RANKIN: It doesn't matter now, I'm
4 trying to remember the chronology.

5 MS. FLORES: I don't think you were there.

6 MADAM CHAIR: So folks are you comfortable
7 with this, do we want to vote on this next time, do we
8 want it on the --

9 MS. RANKIN: Can we think about it.

10 MADAM CHAIR: Do you want to think about it
11 and bring it up as an action item next time but not
12 consent?

13 MS. RANKIN: Steve?

14 CHAIRMAN DURHAM: Thank you. It would be my
15 intention to put this on as an action item for the next
16 meeting where it would be subject to amendment and vote.
17 If people have suggestions or amendments to strengthen
18 when or I would obviously welcome that or to weaken them I
19 may not welcome that quite as much. But it is a policy
20 consideration that was driven not only by what happened at
21 the JBC which I thought was very enlightening and I think
22 particularly because of the individuals being in
23 supervisory roles created a lot of angst across the street
24 and there was a bill drafted, it was never introduced, it
25 may be introduced this year which would completely ban



1 this, ban the practice of allowing loaned employees to
2 government. I don't know whether it will be introduced or
3 not, but it was, it had five, I think five budget
4 committee members as co-sponsors at one time and just
5 didn't get to six.

6 So this issue hasn't gone away, I think we're
7 trying to be proactive, and I think the -- I don't know I
8 reviewed all the grants that the department had at one
9 time probably six or eight months ago, there weren't many
10 as I recall, half a dozen does that sound about right?

11 MADAM CHAIR: All of the private ones are
12 (indiscernible).

13 CHAIRMAN DURHAM: Yeah I think it, it wasn't
14 a -- it didn't go on for pages at any rate and it wasn't
15 huge amounts of money.

16 MADAM CHAIR: We all got them.

17 CHAIRMAN DURHAM: But I think, you know, I
18 think one of the first articles that someone gave me to
19 read when I arrived was about Senate Bill 191 and I think
20 the article was written in an attempt to be flattering to
21 a particular staff member here who had been extremely
22 involved with Senator Johnston and the passage of Senate
23 Bill 191 and it also detailed the involvement of the
24 business community and the foundations in achieving the
25 results of Senate Bill 191. When I -- and I represented



1 clients who supported 191 so I'm certainly not speaking
2 from any form of purity here. But it would -- it appeared
3 to me that when you sliced and diced it -- it was really
4 not a good commentary on clean government. That there was
5 just too much influence inside the department to influence
6 legislators to make a decision. And that appeared to be a
7 large major appeared to have been arrived at, not
8 necessarily the department didn't agree with it to start
9 with, but it certainly had all the appearances of money
10 flowing to drive that decision.

11 And so I think a good part of government and
12 what we ought to be trying to do is where possible
13 eliminate the appearances of impropriety because it erodes
14 public confidence in what we do. So this is designed to
15 try and eliminate in many cases impropriety but also I
16 think anybody who looks at this and the fact it's now kind
17 of front and center will probably look at grants with a
18 little bit different, through a little different lens and
19 if they at all are suspicious then I would simply say to
20 Ms. Goff suspicion is in the eye of the beholder. If it
21 appears suspicious then there's going to be some follow up
22 and I think that's a good thing. I don't think this, I
23 mean it's pretty clear what we don't want done and I don't
24 know that a lot of it has been done. So what I would do
25 is just if there's further discussion great, but it'll be



1 on the agenda for amendment and action next month.

2 MADAM CHAIR: You can have your hammer back.

3 CHAIRMAN DURHAM: Where are we, let's see we
4 are at lunch, can we lunch. Why don't we stand in recess
5 until at least 12.35.

6 MADAM CHAIR: Okay, thanks.

7 (Pause)

8 CHAIRMAN DURHAM: Okay the Board will come
9 back to order, I apologize for the late start. We're
10 going to move on to item 8.01 educator licensing fee
11 increase.

12 MS. O'NEILL: Thank you Mr. Chair, Mr. Chair
13 Members of the Board --

14 CHAIRMAN DURHAM: Please identify yourself
15 for the tape we're all trying to do better with the tape.

16 MS. O'NEILL: Absolutely.

17 CHAIRMAN DURHAM: None of us are doing well
18 but we're trying.

19 MS. O'NEAL: I am Colleen O'Neill. I am the
20 executive director of the Office of Educator Preparation
21 and Licensing. Today I'm here to present an informational
22 item regarding educator licenser fees. I have a power
23 point that will walk us through some background
24 information about the Office of Educator Preparation and
25 Licensing which is also known as the Office of



1 Professional Services and Educator Licensing and how our
2 educator licensure fees fund literally all services that we
3 provide through the Office of Educator Preparation and
4 licensing. Additionally with me here this morning, this
5 afternoon I guess it's changed to this afternoon is Mr.
6 Jeff Blanford, he is our chief financial officer. He is
7 also here to help me answer some specific budget questions
8 that might come up and we will be able to also access Dr.
9 Katie Ampus (ph) when she arrives as well.

10 So with no further ado I will go ahead and
11 turn us to our power point presentation. And today's
12 presentation outcomes really again I'm going to remind us
13 an informational item only today. You do not need to take
14 any action however this item is hopefully coming back to
15 you in October, that's more a discussion that we'll have
16 at the end of our conversation.

17 But after this presentation we hope that you
18 will understand what the Office of Licensure and Educative
19 Preparation does. There will be quite a bit of background
20 around really what does the office do and the data around
21 that. We hope too that you understand the current budget
22 situation and the cost drivers associated with it. We'll
23 talk about what educator licensure fees fund and where we
24 are with regard to our budget situation. We will
25 understand some of the options for addressing the budget



1 situation and we will have plenty of opportunities to ask
2 questions, critical questions as we go forward.

3 So I have a really big picture I want to talk
4 a little bit about what this office does. So the Office
5 of Professional Services and Educator Licensure oversees
6 educator preparation, educator licensing so the actual
7 processing of licensing as well as enforcement. To that
8 end we touch every single public educator that is
9 approximately 37,000 applications that we receive a year.
10 Of those 37,000 applications we have over 100,000
11 individuals that are supported outside of even the
12 application process meaning they're either educators in
13 preservice coming to us, they are folks who have called us
14 from out of state, they are districts calling to contact
15 us for future support systems, so we touch about 100,000
16 folks across the state. We also oversee every single
17 educator preparation entity either combined with the
18 Colorado Department of Higher Education or on our own
19 through the Alternative Teacher and Principal Programs
20 which are our designated agencies including our Mocees
21 (ph) and some of our third parties.

22 We review about two hundred content reviews a
23 year with regard to our educator preparation programs.
24 There are 49 educator preparation program entities and I
25 will stick into here that's not in a slide we have one



1 person who does that. So I just want to make note that we
2 have one person who does all of that work with 49 ed prep
3 agencies and over two hundred content reviews to date.
4 Ultimately we touch every single public school student in
5 some way or another that is 899,000 students that we
6 impact in some way or another in the Office of Preparation
7 and Licensing. I am going to go ahead and give you the
8 big picture and then I'll talk about individual things as
9 we go through, a little bit about each one of our business
10 lines which is what I do call them is our business lines
11 of educator preparation, enforcement, and licensure. So
12 the work of the office is actually twofold we ensure that
13 we have high quality, qualified and talented educators
14 working in our classrooms and schools. We do that through
15 our Colorado Revised State Statutes as well as the rules
16 that the State Board of Education sets forth for us.

17 We ensure that we have educator preparation
18 programs that meet the rigorous standards of today of
19 educating every single student today and tomorrow and for
20 the future. To that end the office achieves its work by
21 conducting background checks on all of our applicants for
22 educator licenses or authorizations including our career
23 and technical authorizations that are issued on behalf of
24 the community college system, by evaluating applications
25 for and issuing licenses and authorizations to qualifying



1 individuals. By reviewing and supporting all educator
2 preparation programs offered in Colorado colleges,
3 universities, and designated agencies.

4 I'm going to go ahead and talk a little bit
5 about the ongoing role of the office and what these next
6 several slides will outline is really the increased
7 business needs and costs that are somewhat associated with
8 our office. So while the office has made substantial
9 gains in customer service and educator application
10 turnaround times I'm not sure how many of you were on the
11 Board when we used to have a six month licensing Dr.
12 Schroeder is shaking her head.

13 MS. SCHROEDER: You had a lot of calls.

14 MS. O'NEILL: We had a few calls.

15 MS. SCHROEDER: We had a lot of calls.

16 MS. O'NEILL: You had a lot of calls. We
17 had, I think there was a few newspaper reporters that were
18 interested in it as well. So we did used to have a six
19 month turnaround time on educator licensing, my
20 predecessor Dr. Jamie Getz (ph) did an incredible job as
21 well as this team of decreasing that turnaround time. We
22 now have a 4-6 week turnaround time and often in the lower
23 times of the year about a two week turnaround time. That
24 is amazing for us, however as we've continued to go
25 forward we have also realized that in the last five years



1 since we've had those six month turn around time that some
2 of the roles and obligations of the office has increased.
3 Some examples of that higher levels of customer service
4 email, phone, and technical support for educators in and
5 outside of the state of Colorado have come forward to us.
6 An example of that is that we used to have our phone lines
7 open from 8:30-4:30, how many teachers are teaching from
8 8:30-4:30, really not the most applicable time for
9 somebody to be able to give us a call.

10 So we did in the last year implement a 7:30
11 to 5 o'clock timeframe so that we at least had a few
12 minutes on the beginning of the day and the end of the
13 day, so they didn't have to take their entire plan period.
14 So that's an example of increased customer service. We
15 have had a call for stronger support in technical
16 assistance around our designated agencies for our educator
17 preparation programs, and this is a call to ensure that
18 they have complete alignment with our statutory
19 requirements and obligations such as our educator
20 effectiveness work, our Colorado Academic Standards. We
21 also have had an implementation of deeper and more
22 accountable authorizations and a re-authorization process
23 for the programs that we authorize for educator
24 preparation. Instead of doing just a paper review we have
25 felt like it's much more important to be onsite and do



1 really clinical evaluations of our educator preparation
2 agencies and have a deeper understanding of how we can
3 support them in different ways.

4 A few additional pieces on that, we have had
5 an increase in support for an efficient streamlined
6 enforcement and investigation process and this is one of
7 the areas that we probably don't talk about a whole lot,
8 but it comes to you as the Board of Education quite often.
9 We do conduct the process to fully investigate educators
10 who have committed or who have engaged in unethical
11 behaviors as they are identified in statute or otherwise.
12 We do all of the background investigations in order to
13 fully document and make the recommendation for the board.
14 The time requirements directly impact district's abilities
15 to place educators in the classroom. So the longer it
16 takes us to investigate a situation and the longer that
17 holds on the more difficult it is for teachers to get into
18 the classroom or for our districts to be able to respond.

19 We'd had an increase in the rigor associated
20 with educator conduct investigations, reviews and
21 recommendations which have resulted in a backlog, in a
22 continued backlog, of our enforcement pieces that are
23 sitting in our office today. We have an increase in
24 educator appeals for the State Board of Education, these
25 are the actions that are related to their educator license



1 suspensions, annulments, denials, or revocations. We have
2 seen a, I think we have practically doubled the amount of
3 denials that are coming or the amount of appeals that are
4 coming back from our educators when we move to revoke or
5 deny a license. We will talk a little bit more about the
6 financial impact that that has on us as an organization.
7 We also have increased costs of legal hearing proceedings,
8 these have become much more prevalent as our educators are
9 more aggressively challenging the revocation and
10 suspensions of licenses or denials.

11 In addition to a few of those business needs
12 that I've already talked about we have a few more. We've
13 had an increase in the in state and out of state educator
14 preparation entities seeking approval from the Colorado
15 Department of Education to offer educator preparation
16 services in Colorado. We have actually increased by over
17 50 percent in the last two years the number of individuals
18 that have come to us saying we want to offer your teachers
19 the opportunity or your future teachers the opportunity to
20 take classes with us. That 50 percent increase we spend
21 about 40-60 hour reviewing documentation for that and that
22 50 percent increase has caused a fairly large additional
23 workload for some of our educator preparation people or
24 our one educator preparation person. An example of that
25 and I just want to so that you understand what that looks



1 like the Cal Frazier residency program by Dr. John Evans
2 that came forward a couple of months ago that was approved
3 by the Board of Education is an example of a designated
4 agency coming to us asking for approval. So just so you
5 have that in your head as to what that looks like. We
6 also have an increasing number of educator preparation
7 programs requiring review and reauthorization so that
8 continues to be an ongoing cycle and what's happening is
9 they're starting to get more approvals for content, and it
10 increases our workload. Dr. Schroeder?

11 MS. SCHROEDER: Five years?

12 Ms. O'NEILL: Five years absolutely.

13 MS. SCHROEDER: Is that the cycle?

14 MS. O'NEILL: Yes so to that point our
15 educator preparation entities are reviewed, and we
16 authorize no more than every five years. What's happening
17 though is our educator preparation entities are being
18 reauthorized every five years but they're adding more
19 content that they're able to actually help support. So
20 instead of just a couple of them who used to do three or
21 four content areas they're now adding fiver or six more
22 content areas trying to reach a larger percentage of
23 teachers, which is an excellent opportunity for us to get
24 more teachers into our system, but it is a little
25 different workload.



1 In addition to the educator preparation
2 pieces associated with that we have some e-licensing
3 hosting, so e-licensing is our online application system
4 that we issue all of our licenses from. The hosting and
5 data increases have come to us now. We were pretty stable
6 for a couple of years, but we are now five years into that
7 technology and that technology in terms of what happens in
8 five years and a piece of technology it almost becomes
9 obsolete and it's sitting on the forefront of needing some
10 maintenance, some general maintenance and even some data
11 storage areas. We are one terabyte of data storage right
12 now and are in need of probably another terabyte in the
13 next three years, that's how many applications we process
14 in a -- in a year. So it's a large amount. And then we
15 have everyday business needs such as our rent, our cost of
16 living increases for staff and general operations that
17 continue to be on the rise and fees have not been adjusted
18 for that.

19 So that brings me to my next option here, did
20 you know, did you know that the office is financially
21 supported only by application fees for new and renewed
22 education licenses. So we have no other line item and I
23 think that's important because most people say to me well
24 what's your line item, we have none, we are fully
25 supported 100 percent by fees only in our office. So all



1 of the educator preparation work we do, all of the
2 issuance of licenses and all of the enforcement pieces
3 that come forward are supported by educator licensing fees
4 only. I have a few other did you knows. I will let you
5 read those a little bit at your pleasure, but I think I
6 just covered most of them so again when the fees, when we
7 talk about what happens in our office we're talking about
8 the different line items that are associated with educator
9 preparation and educator licensure so that means we review
10 all the ed prep programs, we evaluate applications and we
11 issue those credentials to our applicants and our
12 educators.

13 We provide customer services and technical
14 assistance, one of the things I do want to point out
15 quickly is that we have become kind of the human resources
16 branch to many of our rural educators. That means instead
17 of them trying to slog through getting an educator through
18 the educator licensing system we become that outreach and
19 we help the educator come through that system.

20 Our superintensiples I think we tagged them
21 this is something I learned from Dr. Anthes our
22 superintendents who are also principles in our rural
23 school districts have a lot on their plate they've come to
24 us we call them superintensiples they come to us asking
25 for some additional support. We've continued to offer



1 that support for them.

2 So the fees continue on to talk about
3 enforcement, we support enforcement, investigations, and
4 the ongoing legal costs that are associated with the
5 office. Some of the questions before I go on that I know
6 people have had in their mind in the past or have asked me
7 as we've had conversations over the last couple of months
8 internally with folks is have the fees ever increased, and
9 the answer is actually yes the fees have increased. The
10 present fee structure was approved in February 2011 and it
11 was implemented in March 2011. Until then the fees
12 remained constant at the level approved in May 2014. The
13 increases at that point in time they absolutely were used
14 to streamline the application process for educators. This
15 is how instead of sending in a paper copy of your
16 application you were able to use the e-licensing tools.
17 Significantly reduced the processing time from six months
18 to four weeks, and we increased customer service to our
19 applicants and districts, so I think that's a demonstrated
20 effort of we increased fees and we gave a service back, so
21 we made sure that we used those fees in a positive way.

22 There is a small bullet at the bottom of
23 there that says any adopted fees could happen in January
24 1st of 2016, I'm going to jump to the next slide really
25 quickly and then I'll probably come back to that bullet



1 here in just a little bit. To give you a little bit of an
2 example of why I'm sitting in front you on the fees, the
3 reason I am here is because increased business costs have
4 created an -- it's an impending shortfall. We will
5 absolutely not have enough money as business costs
6 increase if we don't look at fees and be able to do
7 something reasonable about them.

8 So in the essence of our Colorado Academic
9 Standards we have a math problem, and so our math problem
10 is that the current discrepancy between our revenue and
11 our expenditure is illustrated. Our current free
12 structure is less than what the rising cost of business is
13 for us plus the increased obligations required to do our
14 work. So the rising cost of business is associated with
15 increased rent fees, increased fees for storage capacity
16 with our relicensing system, simple employee benefits and
17 cost of living increases every single year.

18 In addition to some increased obligations
19 required to do our work which is customer service and
20 support and technical support for all of our applicants in
21 email format as well as phone format and the extension of
22 that so that we can provide supports. It is also about
23 new preparation, new educative preparations seeking
24 additional supports or seeking authorization within the
25 state. With that in mind if we were to continue with



1 today's fee structure and it's slated our fund balance on
2 06/30/15 was 116,646. Our fund balance at the end of this
3 year in June would be 150,582 in the red. If we did make
4 no changes whatsoever in any way. Our forecasted fund
5 balance then for 06/30/2017 would be in the \$400,000
6 range. So that's the discrepancy as to where and we knew
7 this was an impending issue. When you are a fee based
8 entity only and you have the cost of increased businesses
9 happening, business needs happening it is bound to not
10 even out at some point in time and our fees will not keep
11 up with our expenditures. Now there's all the bad news.
12 The good news we've had some opportunities to have some
13 conversation internally for many months and we have a
14 couple of options that we would like to present to you
15 that we have evaluated on multiple levels.

16 So to complete the Education Preparation
17 Licensure and enforcement work in a responsive and timely
18 manner as well as to meet all of our future needs the
19 following possible options are presented. So this slide
20 presents to you the very first line talks about our
21 current, what do we currently look like and what fees do
22 we charge. The second one is really what is the staff
23 recommendation and that's going back to consider all of
24 the current cost of business increases that we've been
25 looking at as well as some of the cost increases



1 associated with additional customer service support in the
2 areas such as educator preparation and enforcement. So
3 that is the second line item and that will be the staff
4 recommendation. The third line items is really an option
5 two and that is an option to just simply maintain the
6 services that we offer today and be able to fill in some
7 of the gaps down the road. So first I would like to stop
8 for just a second and see if there are any questions that
9 I can answer before I jump into some of the options that
10 we have?

11 UNIDENTIFIED VOICE: So you have a new
12 facility don't you over the last few years you moved out
13 of this building to a different building down the street.
14 Has full time staff there increased over the last few
15 years as well?

16 MS. O'NEILL: Thank you I think that's a
17 great question. So right now we did move from this
18 building to a lower cost rent district really on Evans, so
19 we are one of the furthest away from the building and we
20 have free parking which is I think one of the bonuses
21 there. We have increased staff by one. So from the point
22 in time in which it was in this building we have one
23 additional FTE.

24 UNIDENTIFIED VOICE: So how many, how many
25 total are in that office then?



1 MS. O'NEILL: Right now there are 24. There
2 are 24. Any other questions?

3 CHAIRMAN DURHAM: Ms. Rankin?

4 MS. RANKIN: You have 24 employees are they
5 all doing similar things or could you just, an overview of
6 that?

7 MS. O'NEILL: Absolutely I'd love to give an
8 overview. No they do not do similar things we have four
9 customer service representatives that answer the phones,
10 they do emails, they do initial reviews of our educator
11 applications as they come in to make sure that they're
12 there. And then we have one full time background kind of
13 investigator that processes all of the backgrounds for our
14 Colorado Bureau of Investigation and Federal Bureau of
15 Investigation reports.

16 We have one enforcement supervisor that
17 oversees enforcement in e-licensing, then we also have
18 three investigators that do all of our background
19 investigations and the reports forwarded to the Board of
20 Education for renewals, denials, and revocations. We have
21 one e-licensing specialist who also is the backup to the
22 fingerprints person so that if the fingerprints person is
23 out in background then we can support that. We have ten
24 evaluators who are the folks who oversee the evaluation
25 process associated with the licenses themselves. And then



1 the rest of the remaining, then we have one educator
2 preparation person, that is Dr. Karen Martinez who
3 oversees all of the educator preparation programs in the
4 state. Jen Weber is the specialist projects, she is
5 technically a floater so she will do evaluations if she
6 needs to, she will do customer service if she needs to,
7 she will do investigations if she needs to. Presently she
8 has really been helping lead out the rules alignment
9 project, so she's been very supportive there. The
10 remaining is supervisors or support staff such as myself.

11 Ms. RANKIN: How many teachers does that
12 include this year and what was it two years ago.

13 MS. O'NEILL: Sure how many teacher licenses
14 do we issue?

15 MS. RANKIN: Yes, that's the question thank
16 you.

17 MS. O'NEILL: Absolutely, absolutely, so we
18 actually, let me get you the exact numbers so that I'm
19 right. We reviewed 37,505 applications last year, we
20 actually only issued 33,627 licenses, the rest were denied
21 for any number of reasons they didn't meet the
22 requirements as outlined. Last year we oversaw I think it
23 was, it ended up being about 110,000 contacts across the
24 state either from customer service, educator licensing,
25 fingerprints backgrounds, or (indiscernible).



1 MS. RANKIN: And how many, like how has that
2 grown in the last five years or so or just kind of--

3 MS. O'NEILL: A ballpark on that?

4 MS. RANKIN: Yeah, that would be good, that
5 would be good.

6 MS. O'NEILL: Absolutely so I think we have
7 stayed fairly static with our applications over the last
8 probably three years I would say. I think they've been
9 pretty static with their applications. The increases have
10 definitely come in educator preparation folks coming to
11 the table asking to be authorized to provide educator
12 preparation services. The other increases are absolutely
13 in our enforcement arena, and I just you know that, that
14 increase we have seen at least a 3-4 percent increase, we
15 have seen almost a hundred percent increase in the amount
16 of Attorney General support that we have needed in order
17 to actually move forward with revocations and denials. So
18 really that larger support is coming there. We have seen
19 an increase in the number of phone calls and email
20 inquiries we responded to 41,360 email inquiries alone
21 last year. So they have definitely seen an increase of
22 about 15 percent in the course of the last three years.

23 MS. RANKIN: Excuse me is that something that
24 also could be on your website that could answer, because
25 you must stay at the same.



1 MS. O'NEILL: I love that question, I love
2 that question because we actually revamped our whole
3 website last year to make it a customer service portal,
4 we're in the process of continuing that with our educator
5 preparation site as well. So we did, we did exactly that
6 and what we have found is that there is still a large
7 group of people that go to the website, copy the website,
8 and then send an email and say is this right. So it's
9 really one of the most amazing concepts I've ever seen in
10 my life but, but we have, and we continue to fine tune
11 that and hone it and try to make sure we answer the
12 questions on the site in a way that's meaningful.

13 MS. RANKIN: Thank you.

14 MS. O'NEILL: Thank you. Okay, oh --

15 CHAIRMAN DURHAM: I'm sorry, Ms. Goff.

16 MS. GOFF: That's okay, thank you, very
17 quickly. Do we still have an annual, do we have to apply
18 for spending authority still every budget year? Was that
19 permanent, we were permanently grandfathered in right a
20 couple of years ago.

21 MR. BLANFORD: Jeff Blanford, Chief Financial
22 Officer, we got a bill passed last year the continuous
23 spending authority expired last year. We got a bill to
24 extend it another three years, is that correct Colleen?

25 MS. O'NEAL: Yes.



1 MR. BLANFORD: So it's not permanent but we
2 do have another three years of continuous spending
3 authority.

4 MS. GOFF: Is the - the backlog has also
5 decreased and has it decreased significantly on the
6 investigations because there are -- it's noticeable
7 sometimes, how long of a time has gone by before initial
8 investigations started and if it comes this far between
9 that time and when we see it (indiscernible)?

10 MS. O'NEILL: Thank you for that question
11 too. So yes and no, the answer is yes and no. It is
12 somewhat -- so we ran the gamut in background
13 investigations and I always try to give people an example
14 of what I talk about when we do investigations. So we run
15 from minors in possession which is a fairly common meaning
16 I had alcohol and I was 19-years-old or something along
17 that line to things like vehicular homicide and/or child
18 abuse, and/or you know manslaughter literally in some
19 cases. So it literally depends on what's coming to us in
20 the moment.

21 We've seen an increase in the link of
22 investigation time that it has taken for us for the mid to
23 high range misdemeanor and felony offences, and a decrease
24 in the investigation time that it is taking us for the
25 minors in possession and I can be really honest about



1 this, the reason there's a decrease in minors in
2 possession is because we have passed a marijuana law in
3 the state of Colorado. And so it is, it's a very
4 different look for us today than it was two years ago with
5 minors in possession or possession of paraphernalia
6 associated with drug possession. So the answer is yes and
7 no, the answer for our time intensive ones has actually
8 increased over the course of the last two years, we've
9 also seen an increase literally in the depth or the
10 difficulty associated with pulling forward investigations
11 for very high level crimes and convictions. Okay.

12 MS. GOFF: Thank you.

13 CHAIRMAN DURHAM: Dr. Schroeder?

14 MS. SCHROEDER: Just curious when we have
15 exchange teachers, teachers from other countries who may
16 want to come for a couple of years through the schools how
17 does that affect or does that affect your department?

18 MS. O'NEILL: it absolutely does. So we do
19 have educator exchange programs, we work very closely with
20 four different educator exchange programs across the
21 nation Spain, Taiwan, the Hanbann {ph} program, and then
22 also with the I'm good at CITEL is the, I'm sorry I've
23 just lost it Jane?

24 MS. GOFF: Colorado International Teacher's
25 Exchange League.



1 MS. O'NEILL: Thank you so much. So we work
2 with all four of those fairly extensively. Because they
3 cannot even get into our system until they have a Social
4 Security number, to get the Social Security number they
5 actually have to go through the federal process. So in
6 some ways it helps us because then they are on file
7 federally so that we can get their fingerprints, get their
8 Social Security number and then we can move forward. I
9 would say that the time that it actually takes is in
10 communication, it's not necessarily in us processing it
11 but it is in detailed communication that supports those
12 systems and those are, these can be very time intensive
13 depending on the number of exchange educators that we have
14 coming in.

15 CHAIRMAN DURHAM: Dr. Scheffel?

16 MS. SCHEFFEL: Can you compare fees or
17 proposed fees of that of other states, similar --?

18 MS. O'NEILL: Sure, absolutely Dr. Scheffel.
19 So just to give you a couple of high level examples and I
20 know you see up here on the screen that the staff
21 recommendation right there is a \$90 in state fee for
22 Colorado right now it is an \$80 fee. We would propose
23 that it would be upgraded to just \$10 but then we would
24 also implement an out-of-state fee and a differentiated
25 out-of-state fee. So right now they pay \$80 as well but



1 we would suggest a \$110 fee, it takes us twice as long to
2 review out-of-state licenses than it does in state
3 licenses.

4 As a comparison to your question Dr. Scheffel
5 let's talk a little bit about Wyoming. Wyoming in state
6 educator license fee is \$150, Wyoming out-of-state
7 educator license fee is \$200. Wyoming also adds a \$50,
8 I'm sorry -- yes a \$50 added endorsement fee to anything
9 above and beyond a single endorsement. So if I were to go
10 and get three different endorsements and I'm out-of-state
11 that is a very hefty fee that's associated with it. I
12 will give you New Mexico's as well. New Mexico has a
13 stratified fee base as well.

14 So they are in state 125, out-of-state 125
15 but if you are out-of-state every single endorsement that
16 you add is an additional \$95. So if you are wanting to
17 try to compare us to a couple of the states right around
18 us now that is not the case for Utah. Utah is \$40 for in
19 state and 74 for out-of-state so I have to readily admit
20 that we are not in, in contest with Utah on the other
21 side. So that's just a couple of them, I do have more if
22 you're interested.

23 MS. SCHEFFEL: Well how does Utah survive?

24 CHAIRMAN DURHAM: Yes.

25 MS. O'NEILL: I don't know.



1 UNIDENTIFIED VOICE: Connected to that.

2 CHAIRMAN DURHAM: Go ahead yes.

3 UNIDENTIFIED VOICE: Does that include or not
4 the placement exam if there is one? A couple of, I know
5 at least two of those states still have a placement exam
6 of some sort. Is the fee on top of that?

7 MS. O'NEILL: Yes, yes, so the fee is on top
8 of that so they not only would take the -- they would be
9 applying for the fee but then they would also apply for
10 any of their placement or content assessment or it's not
11 really teacher assessment fees that are in addition to
12 that. So it would be kind of double whammied a little bit
13 there.

14 UNIDENTIFIED VOICE: Thanks.

15 CHAIRMAN DURHAM: Further questions?

16 MS. O'NEILL: Okay, let me, I'll go on really
17 briefly to overview a few of the options that we have. So
18 I will be quick with this but one of the things that we
19 really wanted to make sure that people knew is what are
20 some of the implications of the three different fees that
21 we kind of had up there which was the first option which
22 as you can see is maintain no fee increase. That means we
23 do nothing what that really means is the implications are
24 as under current conditions we will absolutely exceed our
25 revenues in the 15-16 year which will result in a cut in



1 services and expenditures. It means we'd have to look at
2 what services we're providing and who is providing those
3 services and we will have to decrease them in some way or
4 another. Increased license application times.

5 Dr. Schroeder I don't ever want to go back to
6 six months, but I am terribly afraid that as a result of
7 that we would definitely be increasing the licensure
8 turnaround times, of course we'd be looking at a budget
9 deficit, lack of support to the field and in particular
10 our roles is something that we could decrease not of
11 interest to me, but we certainly could do it. Then we
12 would be back here probably every year talking a little
13 bit about how we can help provide better service to our
14 applicants.

15 I'm going to go ahead and skip over the next
16 slide because this is really --

17 UNIDENTIFIED VOICE: Let me ask you to
18 clarify what is the effect as we increase the time
19 necessary for a teacher's license? What does that do at
20 the school district, the school level and school district
21 level because I think that's important for people to
22 understand please?

23 MS. O'NEILL: Thank you I think that, that's
24 really important you're right. When we increase the
25 amount of time that it actually takes for us to issue a



1 license we can cut in to actual funding that's supported
2 by our district. So we do highly qualified provisions,
3 part of highly qualified is that you have to have a
4 license in the area in which you are teaching, not
5 necessarily in the area you're teaching I'm sorry I
6 shouldn't say that. But you have to have a license by the
7 State of Colorado issued to you. If we begin to have
8 access times associated with that there are human
9 resources in our, at our district level have to submit all
10 of their highly qualified information in December, so that
11 begins, that's an open window for it. If they are
12 submitting and they don't have licenses in their hand then
13 that can affect the amount of title funding that comes to
14 them on the other side.

15 So we're not only -- we're literally
16 affecting a district's ability to fund. Not only that but
17 we're affecting students. If we know for a fact that it's
18 taking us six months to actually identify somebody for a
19 license or not this person may be in the classroom for six
20 months or longer and not actually be highly qualified
21 and/or have all of the requirements that we expect to be
22 in front of our students. So there's definitely some
23 implications that sit on the other side of that.

24 UNIDENTIFIED VOICE: Thank you.

25 CHAIRMAN DURHAM: Any further questions?



1 UNIDENTIFIED VOICE: She wasn't finished.

2 CHAIRMAN DURHAM: Oh you weren't finished I'm
3 sorry.

4 MS. O'NEILL: I'm sorry you know we need to
5 schedule me for like 45 minutes.

6 CHAIRMAN DURHAM: I'll catch up.

7 MS. O'NEILL: An hour, I don't know. I'm
8 going to skip the next one and go onto the staff request.
9 This one I do want to take just a moment to go over
10 because this is really the implications that would be
11 associated with a staff request which again right now
12 we're saying is a \$10 increase to our in-state educators
13 and then we will stratify this for the first time ever in
14 Colorado we would stratify it and we would actually do an
15 additional increase for our out-of-state of \$30.

16 So the increase in-state 10, increase out-of-
17 state is 30. The implications associated with this is
18 really that it's a limited cost for all of our in-state
19 educators. We have about a 51 percent rate of educators
20 in the State of Colorado applying for licenses, the
21 remainder of those are from out of state. So this would
22 be a cost, pretty minimal cost to our in-state folks.
23 Again please keep in mind that it takes about twice as
24 long to review an educator license from out-of-state as it
25 does in-state. This would ensure that we have a positive



1 fund balance to plan for future finance enhancements to
2 the Licensure and Educator Preparation Office.

3 Increased support in customer service to our
4 rural districts, our educators, and mostly to our educator
5 preparation program would also allow us to increase our
6 ability to reduce the enforcement timelines resulting in
7 quicker response times for applicants and school
8 districts. I think there was a question on the table that
9 I neglected to answer. We have about 400 active
10 enforcement cases right now, 400 active, the most, the
11 longest is actually a 2011 case but it has been through,
12 it's been through a lot since 2011 but for the majority of
13 them it is 2013 that is really the longest, we really are
14 working on a lot of our educator preparator or our
15 educator enforcement pieces that are really in 2014 and
16 2015 but just so that you have an understanding of kind of
17 how many that really is.

18 The benefit of this as we've outlined here is
19 really no need to go for another fee increase for at least
20 five years, that was one of the stipulations that as we
21 started having this conversation I personally was
22 incredibly adamant about is I do not want to do this every
23 year, that is not fair to our applicants, it is not fair
24 to our educators. We really want to make it something
25 that they can, they can handle but that it's not -- it's



1 not completely unfair to them. This would provide us with
2 two folks to improve our services to educator preparation
3 and it would be 100 percent transparent that when we have
4 one person doing this work with 49 educator preparation
5 entities we are being nothing but reactive.

6 We are trying to be as proactive as we can,
7 but it is very difficult to do so we would like to turn
8 that to be very very proactive for educator preparation
9 programs. It would provide us with one FTE to address the
10 enforcement backlog and reduce our processing times. So
11 we think one more additional investigator in helping us
12 track down information and really digging into that would
13 help increase our ability to bring forward things in a
14 more timely manner. And then it would allow us to
15 continue our customer service and reduce turnaround time
16 for our educators to receive their license. The next
17 slide is really a cost breakdown of what that could look
18 like for us and what the actual financial implications
19 would be. I will not take the time to go over that in
20 detail but if there are any questions that pop up right
21 away please let us know.

22 You can see that the expected cash fund
23 balance is within our statutory limits and gives us some
24 leeway associated with that, but it certainly does not
25 overburden educators from the financial perspective. The



1 second option that I did want to talk about is what would
2 it take to just maintain the services that we really have
3 today and meet the needs, the absolute needs of increased
4 business which include rent, technology, cost of living.
5 That is an option of a \$20 out-of-state fee so that is an
6 option that we wanted to make sure was presented in front
7 of you, that you knew was very clearly there.

8 The implications of this is that that is no
9 increase for anyone in the State of Colorado that would be
10 an out-of-state increase only. It would support the
11 current services and the operations that we have today, it
12 would increase our ability to fund our applicant appeals
13 meaning we would be able to look at our enforcement
14 investigation cases and we would be able to fund the
15 continued appeals associated with that. However there
16 would also be no additional staff support for the two
17 areas that we feel that there is need for, educator
18 preparation and enforcement. There would be support for
19 continued technology implementation or enhancements for an
20 e-licensing system that is now five years old and again in
21 technology realm that's starting to get up there in every
22 day realm I absolutely don't consider five years old I
23 consider it I'm just going to stay at 40, I'm never going
24 five years older. I'm going to stay there forever.

25 So the benefits is no cost to Colorado



1 educators, we maintain our current level of customer
2 service and we can keep pace with the costs of the
3 increases and the costs that we cannot control in any way,
4 shape, or form. You can see on the next slide the budget
5 impact that would be associated with that and what the
6 expected cash fund balance would be. The last slide here
7 really outlines the proposed solution which again is that
8 \$10 in-state fee, the 20, 30 I apologize the \$30 out-of-
9 state fee that would really meet the needs and I've
10 already probably harped on this a little bit, so I'll skip
11 over that.

12 At this point in time what I will remind us
13 is that we really do not have to take action on this
14 today, it was informational. I want to encourage you to
15 ask or tell or instruct us to investigate any other
16 opportunities or options, or concerns that you might have
17 over the course of the next 30 days so that we could
18 potentially bring it back to you. Questions, feedback,
19 next steps, and tentative timelines I did want to give you
20 what a very tentative timeline could look like for this
21 which was Board of Action potentially in October there
22 would be a very large scale communication process
23 associated with it. We could potentially implement by
24 January 1, 2016 but we would absolutely want to be very
25 very clear with our communication process around then with



1 that.

2 CHAIRMAN DURHAM: Questions, additional
3 questions, or comments from members of the Board? Yes Dr.
4 Scheffel.

5 MS. SCHEFFEL: Thanks for the presentation.
6 Do you have no support for technology apart from this B
7 structure I mean as being part of CVE you get no support
8 on technology?

9 MS. O'NEILL: Thank you for the question. We
10 do have IMS support, no IT support, but our system
11 actually is run by third party vendors, we are a 24/7
12 system, we are the only technically system that has to be
13 up and running 24 hours, 7 days a week every day of the
14 year. So we're actually supported by a third party vendor
15 that does the vast majority of that work.

16 MS. SCHEFFEL: And then your fees pay for
17 that?

18 MS. O'NEILL: Yes.

19 MS. SCHEFFEL: So what portion of it is paid
20 for in terms of the tech support is 70/30 or?

21 MS. O'NEILL: I can do some research on it Dr.
22 Scheffel. I mean at this point in time really it is just
23 our infrastructure meaning our internet connectivity. And
24 our support from a technical perspective would really be
25 the only services that we utilize from CDE everything else



1 is paid for my fees right down to purchasing the computers
2 and the servers and the software.

3 UNIDENTIFIED VOICE: Sorry I didn't know you
4 were referring to the split between CDE and licensing as
5 far as that goes. They really only get the basic network
6 services file, print services, in the move there was
7 configuration because of the geographic change. But once
8 they had that in place those aren't really ongoing costs,
9 the internet connectivity is about the same as it would be
10 here once you have it all set up. So it's comparable to
11 almost every other area and the department since they have
12 their licensing system posted separately that's a
13 different load on the infrastructure.

14 MS. SCHEFFEL: So is that a question of the
15 budget to pay for servers or keeping up the website or
16 what is it?

17 MS. O'NEILL: A little bit of everything
18 really what it goes is to our educational licenses
19 associated with the e-licensing system so that's a
20 recurring annual cost and yeah the actual e-licensing
21 system, it also goes to all of the hosting and the data
22 management. We have a database manager that we pay for in
23 a third party environment as well and then it also goes
24 for any enhancements. So e-licensing and I, this is a
25 very detailed conversation I'm happy to come back at



1 another time with more. But e-licensing is actually an
2 off-the-shelf system, it was not meant for educator
3 licensing, it was really meant for real estate. So any
4 changes that we want to ask for because it's an off-the-
5 shelf system requires custom programing on the other side.
6 It sits on the SQL server database, so we don't have SQL
7 server programmers in our office, so we have to contract
8 for that service as well with our third party. So it's a
9 fairly detailed I would have to say process associated
10 with that.

11 CHAIRMAN DURHAM: You don't pay overhead cost
12 recoveries to the department or to the state?

13 MS. O'NEILL: Give me that one more time I'm
14 sorry.

15 CHAIRMAN DURHAM: Overhead cost recoveries
16 are these a certain percentage of this fee income
17 allocated for overhead cost recovery.

18 UNIDENTIFIED VOICE: Yes sir, all cash funds
19 across the state there are some exceptions but by and
20 large the rule is that cash funds are assessed in indirect
21 costs, so they're assessed in net cost.

22 CHAIRMAN DURHAM: What's the percentage?

23 UNIDENTIFIED VOICE: I believe it's 12
24 percent this year, it might be 12.1 so don't quote me but
25 12 percent is your ball park.



1 CHAIRMAN DURHAM: So yeah we should take that
2 up with the JBC probably as to whether or not that's
3 excessive. But yes.

4 MS. RANKIN: I have a question is there a
5 certain time of year where you have a bump in the amount
6 and is there any temp help you get for that or how do you
7 handle that?

8 MS. O'NEILL: Thank you I appreciate that
9 question too Ms. Rankin. Yes the answer is yes there is
10 definitely a period of time in which we have a bump. So
11 beginning in April through about the end of August or at
12 least September we have a significant increase in the
13 number of applications and then we kind of have a little
14 bit of a breather and then starting again the first of
15 December through about the beginning of February. Any
16 time that a graduation occurs and large scale graduations.
17 So December/May and we start getting them. So we really
18 only have about a decrease of two maybe two-and-a-half
19 months where we don't have quite as much.

20 MS. RANKIN: So is part of your FTE to help
21 alleviate that kind of a situation or can people that know
22 they're going to graduate in June maybe apply in their
23 third year knowing they're going to make it so that it
24 doesn't cause that bump?

25 MS. O'NEILL: I think there's probably two



1 different answers. One is we do hire additional temp help
2 mostly to help answer the phones over the course of that
3 period, we usually don't hire them for evaluations, but we
4 hire them for phone help, customer service support. But
5 also by law they actually have to have their degree in
6 their hand when we issue a license so it it's kind of a
7 little bit of a catch 22 for them, they can come in they
8 have 90 days from the point in time in which they submit
9 an application to the point in time in which we close it
10 if they do not provide us all of the documentation so that
11 it does not stay open for infinity.

12 MS. RANKIN. Thank you.

13 CHAIRMAN DURHAM: Any further questions?

14 MS. GOFF: Just one quickly.

15 CHAIRMAN DURHAM: Yes, Ms. Goff.

16 MS. GOFF: I'm interested in knowing
17 ballpark's good ratio of in-state to out-of-state license
18 especially new license or renewals.

19 MS. O'NEILL: You bet, I think we run right
20 around 49 percent a little, just under 49 percent of out-
21 of-state initial licensure candidates and then we run
22 about 51 percent in-state. So we are actually in a
23 business term we are an import and an export state, so we
24 bring them in, and we export them. So it's a little bit
25 of both for us. It's interesting it's one of the few



1 states that I know of that we really run a pretty close
2 50/50 in-state and out-of-state candidates.

3 MS. GOFF: is that an ongoing trend?

4 MS. O'NEILL: Yeah, I don't think it's
5 changed since, yeah.

6 MS. GOFF: That's good to know, thank you.

7 CHAIRMAN DURHAM: Go ahead.

8 UNIDENTIFIED VOICE: I guess I wanted to make
9 a comment that I certainly, I definitely agree with the
10 staff recommendation that we only do this once every five
11 years, I just don't think it makes sense to make this an
12 ongoing thing. I think it's up to us to talk about
13 whether we're ready to do, to expand services or not
14 expand services. I will mention that I was, my husband
15 was asking me last night what we would be talking about,
16 so we sort of went into this because he was once a
17 teacher. He said you charge the same for in-state and
18 out-state, he said when you get a fishing license it costs
19 a heck of a lot more for out-of-state I'm not sure there's
20 an analogy I think he was talking hunting license too but
21 anyway.

22 I think generally it's unusual that we've had
23 the same as you have pointed out it costs twice as much so
24 I'm kind of curious why we're not charging twice as much.
25 In other words being a cost accountant type I have that in



1 my head but on the other hand we're not, we're not
2 providing a license for a highly compensated profession
3 so.

4 CHAIRMAN DURHAM: If you're trying to
5 attract, trying to attract teachers to the state you may
6 not want to create a disincentive for applying so there's
7 probably some reason for not allocating full costs.

8 UNIDENTIFIED VOICE: I agree.

9 CHAIRMAN DURHAM: Yes Ms. Rankin.

10 MS. RANKIN: I just have one more quick
11 question. How much does it cost for one more terabyte?

12 MS. O'NEILL: The storage server that we
13 would be looking at is about \$4000.

14 MS. RANKIN: Thank you.

15 MS. O'NEILL: You bet.

16 CHAIRMAN DURHAM: Any additional questions?
17 So your request is then to have this on the agenda for
18 approval in the form of the staff recommended option for
19 the next meeting?

20 MS. O'NEILL: That would be our next step if
21 there's no other, nothing else that comes forward in the
22 next month with folks asking us to take an investigative
23 look at any other options that we may have. But that
24 would be the request Mr. Chair yes.

25 CHAIRMAN DURHAM: Thank you. All right we'll



1 include that then for the next meeting. Okay if it's
2 everybody's pleasure to proceed, a short break.

3 UNIDENTIFIED VOICE: Two minutes. Very
4 short.

5 CHAIRMAN DURHAM: Five, very short, five-
6 minute break.

7 (Meeting adjourned)

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C E R T I F I C A T E

I, Kimberly C. McCright, Certified Vendor and Notary, do hereby certify that the above-mentioned matter occurred as hereinbefore set out.

I FURTHER CERTIFY THAT the proceedings of such were reported by me or under my supervision, later reduced to typewritten form under my supervision and control and that the foregoing pages are a full, true and correct transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 25th day of January, 2018.

/s/ Kimberly C. McCright
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Certified Vendor and Notary Public

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