



**COLORADO**  
Department of Education

Colorado State Board of Education

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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. DYL: 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. EMMERSON: 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. DYL: If I --

4 MADAM CHAIR: Go ahead Tony.

5 MR. DYL: 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 district, 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. DYL: 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 1<sup>st</sup> 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

Kimberly C. McCright

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