

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2022-23

DEPARTMENT OF EDUCATION (Programs *other than* School Finance and Categorical Programs)

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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DEPARTMENT OF EDUCATION

DEPARTMENT OVERVIEW

The elected members of the State Board of Education are responsible for the general supervision of public schools throughout Colorado. The Commissioner of Education, appointed by the State Board, advises the State Board concerning the operation and status of public schools and serves as the executive officer of the Department of Education. Among other tasks and responsibilities, the Department supports the Board in its duties by:

- accrediting public schools and school districts;
- developing and maintaining state model academic content standards and administering associated student assessments for certain subject areas and grade levels; and
- issuing school performance reports for every public school in the State.

The Department also administers a number of education-related programs, including: educator licensure and professional development; the School Finance Act and the distribution of state and federal funds to school districts; special education for children with disabilities; English language proficiency programs; the Colorado Preschool Program; educator effectiveness and evaluation programs; and adult basic education programs.

The Department includes three independent agencies: (1) the Board of Trustees for the Colorado School for the Deaf and the Blind; (2) the State Charter School Institute Board, which is responsible for authorizing and monitoring the operations of institute charter schools located within certain school districts; and (3) the Public School Capital Construction Assistance Board, which is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization and allocation of state financial assistance for school construction projects.

In addition to its responsibilities related to public schools, the Department's duties include promoting the improvement of library services statewide to ensure equal access to information, including providing library services to persons who reside in state-funded institutions and to persons who are blind or physically disabled.

SUMMARY: FY 2022-23 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF EDUCATION: RECOMMENDED CHANGES FOR FY 2022-23						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
Long Bill	\$6,918,890,299	\$4,489,701,918	\$1,308,755,646	\$71,939,548	\$1,048,493,187	630.6
Other legislation	295,326,646	10,593,927	284,395,932	380,103	(43,316)	6.6
CURRENT FY 2022-23 APPROPRIATION:	\$7,214,216,945	\$4,500,295,845	\$1,593,151,578	\$72,319,651	\$1,048,449,871	637.2
RECOMMENDED CHANGES						

DEPARTMENT OF EDUCATION: RECOMMENDED CHANGES FOR FY 2022-23						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Current FY 2022-23 Appropriation	\$7,214,216,945	4,500,295,845	\$1,593,151,578	\$72,319,651	\$1,048,449,871	637.2
S2 Healthy meals for all public school students	193,354	193,354	0	0	0	1.2
S3 Student transportation insurance premium	21,700	21,700	0	0	0	0.0
Nonprioritized common policy requests*	(142,809)	(79,540)	(28,933)	(34,336)	0	0.0
RECOMMENDED FY 2022-23 APPROPRIATION:	\$7,214,289,190	\$4,500,431,359	\$1,593,122,645	\$72,285,315	\$1,048,449,871	638.4
RECOMMENDED INCREASE/(DECREASE)	\$72,245	\$135,514	(\$28,933)	(\$34,336)	\$0	1.2
Percentage Change	0.0%	0.0%	(0.0%)	(0.0%)	0.0%	0.2%
FY 2022-23 EXECUTIVE REQUEST	\$7,214,289,190	\$4,500,431,359	\$1,593,122,645	\$72,285,315	\$1,048,449,871	638.4
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(0.0)

* Requested; recommendation pending.

REQUEST/RECOMMENDATION DESCRIPTIONS

S2 HEALTHY MEALS FOR ALL PUBLIC SCHOOL STUDENTS: The request includes \$193,354 General Fund (identified as General Fund Exempt) and 1.2 FTE, based on the fiscal note for H.B. 22-1414 (Healthy Meals for All Public School Students) and voter approval of the resulting Proposition FF. The staff recommendation is for \$193,354 General Fund and 1.2 FTE, consistent with the fiscal note. Because the amount for FY 2022-23 is relatively small and the actual revenue received due to Proposition FF for FY 2022-23 cannot be identified yet, staff has not classified this amount as General Fund Exempt.

S3 STUDENT TRANSPORTATION INSURANCE PREMIUM: The Colorado School for the Deaf and the Blind (CSDB) is requesting \$21,700 General Fund supplemental funding in FY 2022-23 in its operating expenses line item to cover the annual expense of an additional student transportation insurance policy. Staff recommends the request for \$21,700 General Fund.

NONPRIORITIZED COMMON POLICY REQUESTS: The request includes an increase of \$2,749 General Fund for the Department’s share of the DPA Variable vehicle adjustment and a reduction of \$145,588, including a reduction of \$82,289 General Fund, for the Department’s share of a nonprioritized adjustment for Real time billing in the Governor’s Office of Information Technology. The recommendation on these items is pending Committee common policy decisions.

PRIORITIZED SUPPLEMENTAL REQUESTS

S2 HEALTHY MEALS FOR ALL PUBLIC SCHOOL STUDENTS

	REQUEST	RECOMMENDATION
TOTAL	\$193,354	\$193,354
FTE	1.2	1.2
General Fund	0	193,354
General Fund Exempt	193,354	0
Cash Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of the passage of Proposition FF by the voters, which is data that was not available during the 2022 legislative session.

DEPARTMENT REQUEST: With the voter approval of Proposition FF, the Department requests supplemental funding, consistent with the fiscal note of HB 22-1414, of \$193,354 General Fund Exempt and 1.2 FTE. HB 22-1414 passed during the 2022 Legislative session and was conditional upon voter approval at the November 2022 election. The bill and referendum create the Healthy School Meals for All program to provide reimbursement for free meals to all public school students, offer local food purchasing grants, and increase employee wages.

The Office of State Planning and Budgeting also requests legislation related to this request as part of the supplemental package that would create a cash fund for this program and transfer the General Fund revenue into the cash fund. This will allow for the approximate \$50.4 million in revenue collected in FY 2022-23, as projected in the HB 22-1414 fiscal note, to be set aside in the cash fund and cover the estimated funding gap expected in FY 2023-24 when the program is fully operational. Once the cash fund is created, expenditures will be cash fund expenditures funded by General Fund revenue transfers to the fund.

STAFF RECOMMENDATION: Staff recommends that the Committee provide a supplemental General Fund appropriation of \$193,354 General Fund and 1.1 FTE for the Department of Education and \$14,786 reappropriated funds and 0.1 FTE for the Department of Law, consistent with the fiscal note for H.B. 22-1414. While a cash fund or other mechanism may be indicated for handling the revenue related to this program in FY 2023-24 (when \$115,282,874 is anticipated to be required), staff recommends deferring a decision about legislation until figure setting for the Department of Education for FY 2023-24.

STAFF ANALYSIS: The CDE School Nutrition Unit will administer the Healthy Meals for All Public School Students created by H.B. 22-1414 and Proposition FF. This unit currently administers the School Breakfast Program, National School Lunch Program, and other state and federal school nutrition programs. Current staffing levels are at capacity.

The fiscal note for H.B. 22-1414 identified a need for an appropriation of \$193,354 General Fund and 1.1 FTE to the Department of Education for FY 2022-23, with \$14,786 reappropriated to the

Department of Law to support 0.1 FTE, contingent on voter approval of Proposition FF. This amount is to support staffing for the Department of Education beginning in January 2023 to develop program rules and processes, provide outreach and training, and make related changes to information technology systems (\$70,000 of the total). The request and recommendation are consistent with the fiscal note in terms of the amount of funding.

OSPB has requested that the administrative funding for this program in FY 2022-23 be associated with a bill that would create a new cash fund to receive the Prop FF revenue. While staff believes legislation may be needed to clarify how this new revenue will be managed, OSPB has not yet provided staff with sufficient information to enable staff to make a recommendation on the request for legislation. Further, staff anticipates that it will not be possible to calculate actual Prop FF revenue until the end of FY 2022-23, and the Department must begin related administrative work more promptly.

S3 STUDENT TRANSPORTATION INSURANCE PREMIUM

	REQUEST	RECOMMENDATION
TOTAL	\$21,700	\$21,700
FTE	0.0	0.0
General Fund	21,700	21,700
Cash Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made. The Colorado School for the Deaf and the Blind only recently learned that its insurance was insufficient.

DEPARTMENT REQUEST: The Colorado School for the Deaf and the Blind (CSDB) is requesting \$21,700 General Fund for supplemental support for FY 2022-23 for the operating expenses line item to cover the annual expense of an additional student transportation insurance policy. Unbeknownst to CSDB until this fall, the school was not allowed to transport students in state vehicles under the State's insurance policy.

- CSDB requires an additional policy to provide coverage for the school when transporting students in its vehicles regardless of whether it is in state or out of state, so as not to expose the school and state to fiscal exposure of transporting students when they are not supposed to be in the state vehicles.
- The request represents an approximately 3.0% increase to the FY 2022-23 operating expenses budget. An associated budget amendment provides for a 3.5% increase to the FY 2023-24 budget with ongoing expenses remaining at the annual \$26,000 level.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request for \$21,700 General Fund for additional operating support for CSDB in FY 2022-23.

STAFF ANALYSIS: As reflected in the request, in fall 2022 the CSDB learned that it had been transporting students without appropriate insurance while investigating whether CSDB could use their state vehicles to provide transportation for deaf and blind students to participate in regional basketball and goalball tournaments in New Mexico. Unbeknownst to CSDB for years, the school was not supposed to have students in state vehicles as the students are not covered under the State’s insurance policy. Risk Management stated that CSDB must have the additional student transportation insurance policy for the school’s state vehicles carrying students. CSDB has not had an accident involving an injury to a student while riding in a state vehicle. The current operating budget does not support this unexpected insurance premium.

Based on guidance from State Risk Management, CSDB has purchased a supplemental private insurance policy for transporting its students. Risk Management referred CSDB to an insurance provider to provide a supplemental policy similar to the supplemental policy purchased by the Colorado community college system for transporting its students.

JBC Staff inquired whether the additional costs for the new policy could be absorbed in the CSDB budget at least for FY 2022-23. CSDB provided data indicating that it has expended half of its operating expenses budget as of the end of December 2022, and that it would have been over-budget if not for a supply chain assistance grant it has received to help cover the growth in food costs. Given the constraints on the CSDB operating budget and the clear need for this policy, staff recommends the requested supplemental appropriation.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items when it makes decisions regarding common policies.

DEPARTMENT’S PORTION OF STATEWIDE SUPPLEMENTAL REQUEST					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
DPA Variable vehicle adjustments	\$2,749	\$2,749	\$0	\$0	0.0
OIT Supp. Real time billing	(145,558)	(82,289)	(28,933)	(34,336)	0.0
DEPARTMENT’S TOTAL	(\$142,809)	(\$79,540)	(\$28,933)	(\$34,336)	0.0
STATEWIDE SUPPLEMENTAL REQUESTS					

STAFF RECOMMENDATION: The staff recommendation for these requests is pending Committee action on common policy supplementals. Staff will include the corresponding appropriations in the Department's supplemental bill based on Committee action on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.

*JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision*

Appendix A: Numbers Pages

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
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DEPARTMENT OF EDUCATION

Dr. Katy Anthes, Commissioner

S2 Healthy meals for all public school students

(1) MANAGEMENT AND ADMINISTRATION

(A) Administration and Centrally-Appropriated Line Items

Legal Services	<u>1,193,264</u>	<u>1,039,485</u>	<u>14,786</u>	<u>14,786</u>	<u>1,054,271</u>
General Fund	696,266	608,285	14,786	14,786	623,071
Cash Funds	466,777	404,980	0	0	404,980
Reappropriated Funds	30,221	26,220	0	0	26,220
Federal Funds	0	0	0	0	0

(2) ASSISTANCE TO PUBLIC SCHOOLS

(C) Grant Programs, Distributions, and Other Assistance

(I) Health and Nutrition

Healthy Meals for All Public School Students	<u>0</u>	<u>0</u>	<u>178,568</u>	<u>178,568</u>	<u>178,568</u>
FTE	0.0	0.0	1.2	1.2	1.2
General Fund	0	0	178,568	178,568	178,568

Total for S2 Healthy meals for all public school students	1,193,264	1,039,485	193,354	193,354	1,232,839
FTE	<u>0.0</u>	<u>0.0</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>
General Fund	696,266	608,285	193,354	193,354	801,639
Cash Funds	466,777	404,980	0	0	404,980
Reappropriated Funds	30,221	26,220	0	0	26,220
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2022-23
Staff Working Document - Does Not Represent Committee Decision

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
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S3 Student transportation insurance premium

(4) SCHOOL FOR THE DEAF AND THE BLIND

(A) School Operations

Operating Expenses	<u>668,291</u>	<u>733,291</u>	<u>21,700</u>	<u>21,700</u>	<u>754,991</u>
General Fund	668,291	733,291	21,700	21,700	754,991
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Total for S3 Student transportation insurance premium	668,291	733,291	21,700	21,700	754,991
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	668,291	733,291	21,700	21,700	754,991
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Totals Excluding Pending Items					
EDUCATION					
TOTALS for ALL Departmental line items	7,077,629,672	7,214,216,945	215,054	215,054	7,214,431,999
<i>FTE</i>	<u>606.9</u>	<u>637.2</u>	<u>1.2</u>	<u>1.2</u>	<u>638.4</u>
General Fund	3,236,339,446	3,411,348,306	215,054	215,054	3,411,563,360
General Fund Exempt	1,045,914,612	1,088,947,539	0	0	1,088,947,539
Cash Funds	1,360,478,823	1,593,151,578	0	0	1,593,151,578
Reappropriated Funds	36,263,860	72,319,651	0	0	72,319,651
Federal Funds	1,398,632,931	1,048,449,871	0	0	1,048,449,871