

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2012-13 STAFF BUDGET BRIEFING

DEPARTMENT OF EDUCATION

(Except Public School Finance)

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:
Craig Harper, JBC Staff
December 1, 2011**

For Further Information Contact:

Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor
Denver, Colorado 80203
Telephone: (303) 866-2061
TDD: (303) 866-3472

**FY 2012-13 BUDGET BRIEFING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

**DEPARTMENT OF EDUCATION
(Except Public School Finance)**

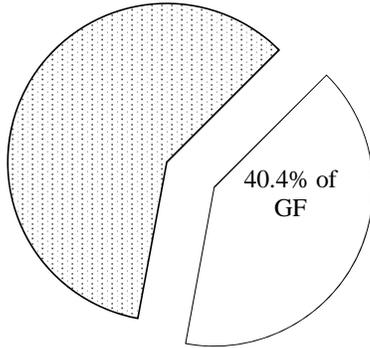
Table of Contents

Graphic Overview	1
Department Overview	4
Decision Items	7
Overview of Numbers Pages	10
Issues:	
Performance-based Goals and the Department's FY 2012-13 Budget Request	11
State Board of Education Request for Funding for New Assessments	23
Educator Effectiveness Implementation Requests	32
Educator Licensure Staffing Under H.B. 11-1201	37
Building Excellent Schools Today Funding	39
Appendices:	
A - Numbers Pages	
B - Summary of Major Legislation from 2011 Legislative Session	
C - Update on Long Bill Footnotes and Requests for Information (RFI):	
Reading Services for the Blind (footnote #9)	C-1
Categorical Programs (RFI #3)	C-2
Federal and Cash Funds FTE (RFI #5)	C-5
Funding for BOCES (EDU RFI #2)	C-5
D - State Auditor's Office Recommendations Not Entirely Implemented *	

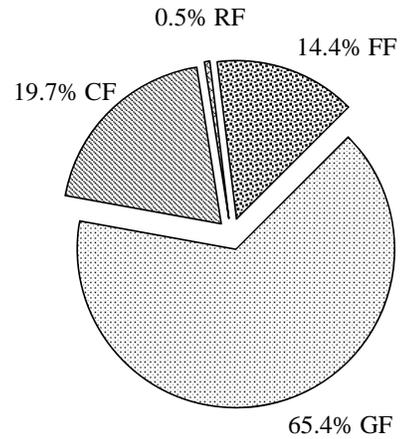
** The State Auditor's Office has not identified any outstanding recommendations for this department.*

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
GRAPHIC OVERVIEW**

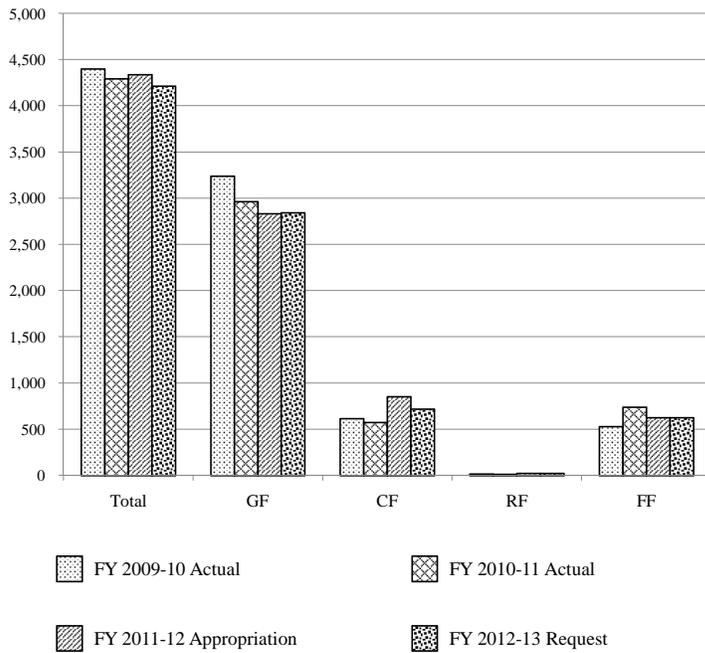
Department's Share of Statewide General Fund



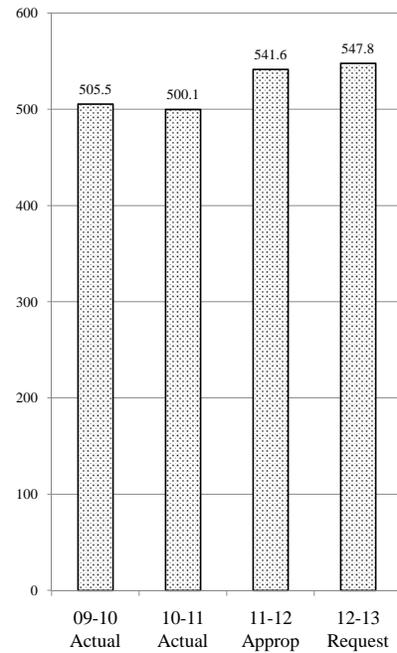
Department Funding Sources



**Budget History
(Millions of Dollars)**

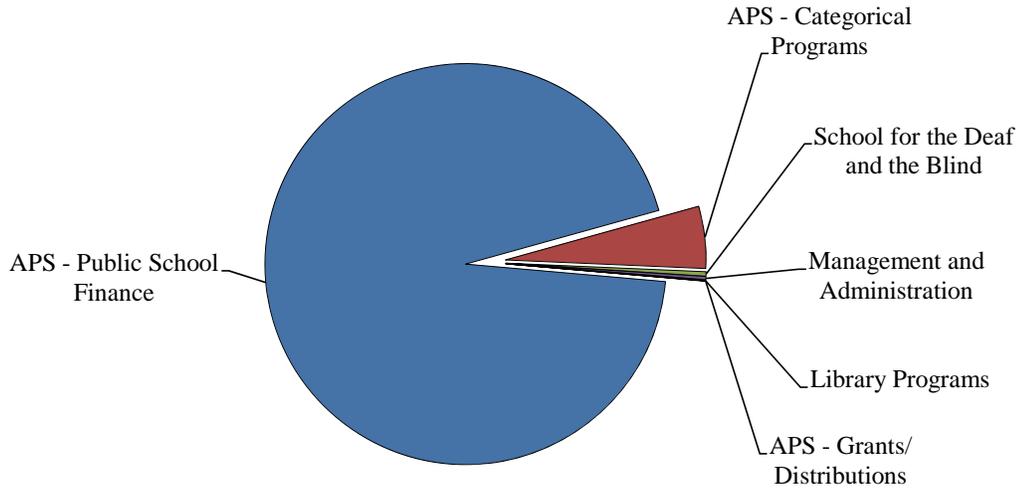


FTE History

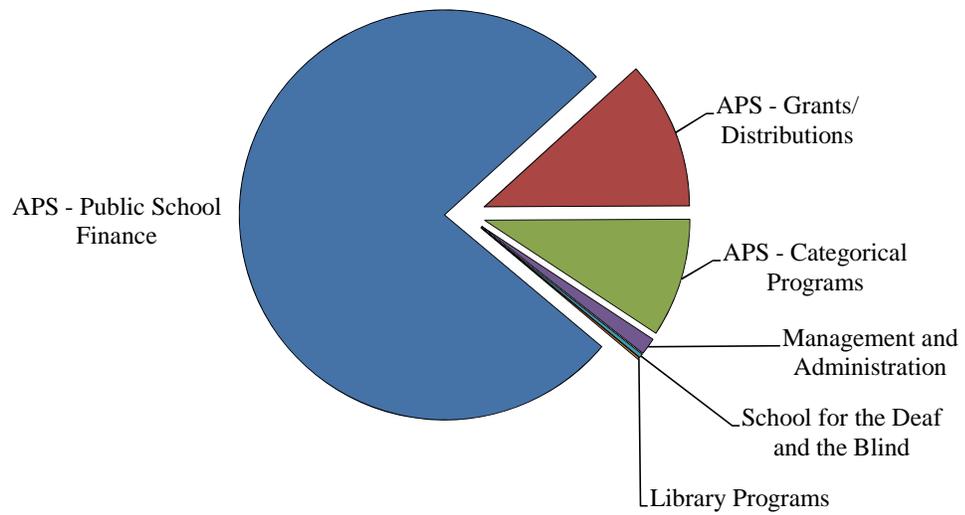


Unless otherwise noted, all charts are based on the FY 2011-12 appropriation.

Distribution of General Fund by Division

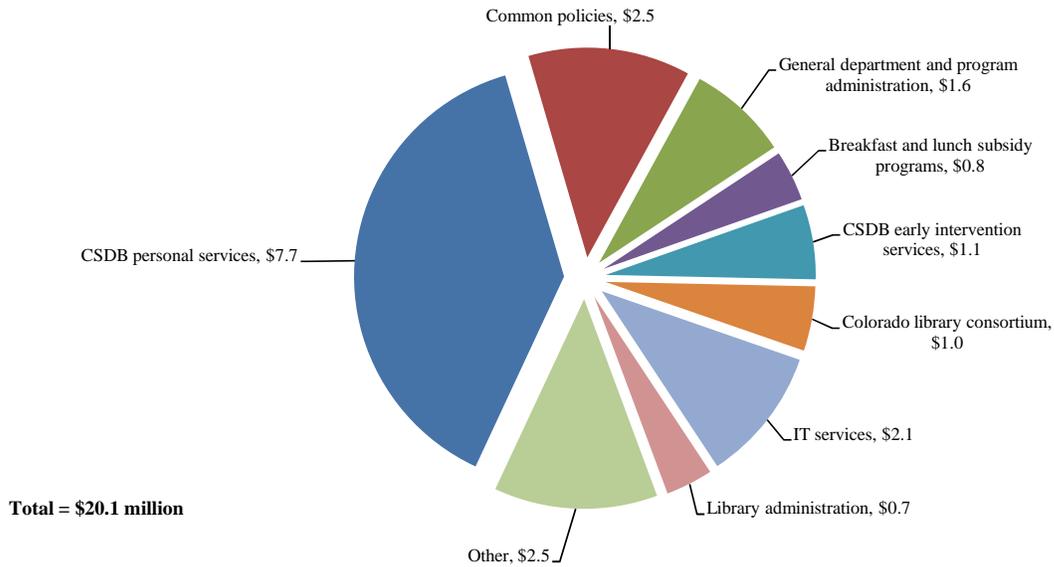


Distribution of Total Funds by Division

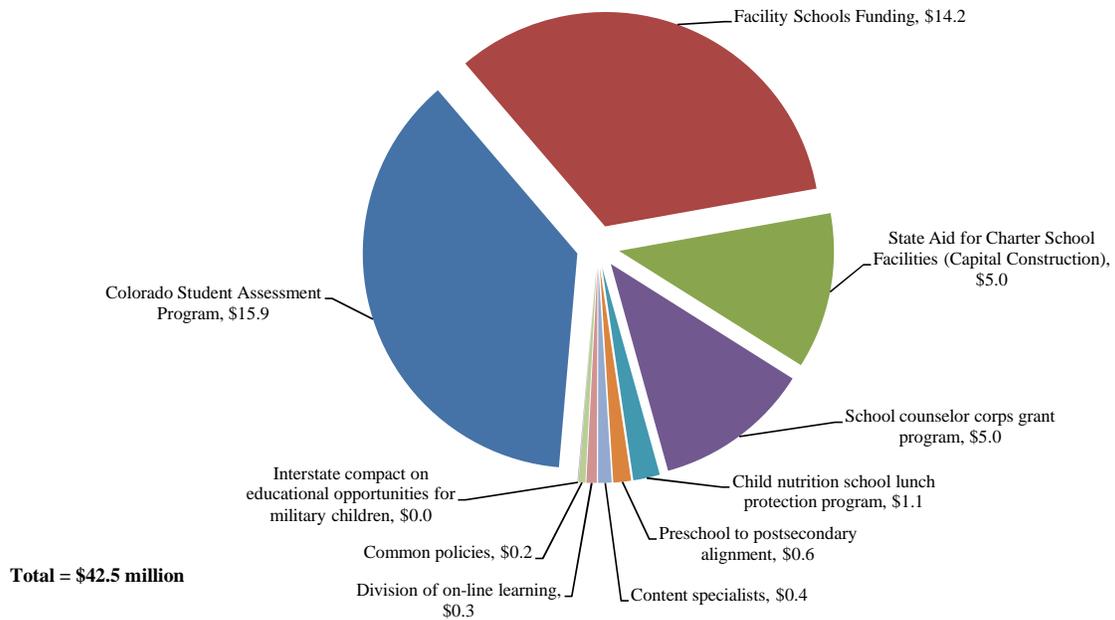


The following pie charts exhibit the distribution of General Fund and State Education Fund, excluding Public School Finance and Categorical Programs.

Distribution of General Fund (\$ millions)



Distribution of State Education Fund (\$ millions)



**FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education**

DEPARTMENT OVERVIEW

Key Responsibilities

The Commissioner of Education, who is appointed by the State Board of Education, is the chief state school officer and executive officer of the Department of Education. The Commissioner and department staff, under the direction of the elected members of the State Board of Education, have the following responsibilities:

- ▶ Supporting the State Board in its duty to exercise general supervision over public schools and K-12 educational programs operated by state agencies, including appraising and accrediting public schools, school districts, and the State Charter School Institute (Institute);
- ▶ Developing and maintaining state model content standards, and administering the associated Colorado student assessment program;
- ▶ Annually accrediting the school districts and the Institute and making education accountability data available to the public;
- ▶ Administering the public school finance act and distributing federal and state moneys appropriated or granted to the Department for public schools;
- ▶ Administering educator licensure and professional development programs;
- ▶ Administering education-related programs, including services for children with special needs, services for English language learners, the Colorado preschool program, public school transportation, adult basic education programs, and various state and federal grant programs;
- ▶ Supporting the State Board of Education in reviewing requests from school districts for waivers of state laws and regulations and in serving as the appellate body for charter schools;
- ▶ 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 and physically disabled; and
- ▶ Maintaining the Colorado virtual library and the state publications library.

The Department also includes three "type 1"¹ agencies:

- ▶ A seven-member Board of Trustees that is responsible for managing the Colorado School for the Deaf and the Blind, located in Colorado Springs;
- ▶ A nine-member State Charter School Institute Board that is responsible for authorizing and monitoring the operations of "institute charter schools" located within certain school districts; and
- ▶ A nine-member Public School Capital Construction Assistance Board that 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.

Factors Driving the Budget

Although local government revenues provide a significant source of funding for K-12 education in Colorado (e.g., an estimated \$1.9 billion for FY 2011-12), local funds are not reflected in the State's annual appropriations to the Department of Education. Appropriations to the Department of Education for FY 2011-12 consist of 65.4 percent General Fund, 19.7 percent cash funds, 14.4 percent federal funds, and less than one percent reappropriated funds. The following two sections discuss major factors driving the Department's budget outside of Public School Finance, which was discussed in a separate presentation by another analyst.

Categorical Programs

Programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation) have traditionally been referred to as "categorical" programs. Unlike public school finance funding, there is no legal requirement that the General Assembly increase funding commensurate with the number of students eligible for any particular categorical program. However, Section 17 of Article IX of the Colorado Constitution requires the General Assembly to increase *total state funding* for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years. For example, in calendar year 2010 the percentage change in the Denver-Boulder consumer price index was 1.9 percent, so the General Assembly was required to increase state funding for categorical programs by at least that amount (\$4,391,173) for FY 2011-12.

The General Assembly determines on an annual basis how to allocate the required increase among the various categorical programs. Since FY 2000-01, the General Assembly has increased annual state funding for categorical programs by \$93.3 million. In certain fiscal years, the General Assembly elected to increase state funding by more than the minimum constitutionally required amount,

¹ Pursuant to Section 24-1-105 (1), C.R.S., a type 1 agency exercises its prescribed powers and duties independently of the head of the department.

resulting in appropriations that are now \$35.3 million higher than the minimum amount that would have otherwise been required. The following table details the allocation of the \$93.3 million among categorical programs.

Increases in State Funding for Categorical Programs				
Long Bill Line Item	FY 2000-01 Appropriation	FY 2011-12 Appropriation	Total Increase in Annual Appropriation of State Funds Since FY 2000-01	
Special education - children with disabilities	\$71,510,773	\$129,797,797	\$58,287,024	81.5%
English Language Proficiency Program	3,101,598	13,085,778	9,984,180	321.9%
Public school transportation	36,922,227	50,378,042	13,455,815	36.4%
Career and technical education programs	17,792,850	23,584,498	5,791,648	32.6%
Special education - gifted and talented children	5,500,000	9,201,106	3,701,106	67.3%
Expelled and at-risk student services grant program	5,788,807	7,493,560	1,704,753	29.4%
Small attendance center aid	948,140	959,379	11,239	1.2%
Comprehensive health education	600,000	1,005,396	405,396	67.6%
Total	\$142,164,395	\$235,505,556	\$93,341,161	65.7%

Legislative Education Reform

Legislative reforms can also drive changes in the Department's budget by: (1) adding responsibilities for the Department, requiring additional staff or resources; and/or (2) forcing change in the Department's operations. The FY 2012-13 request includes two significant examples of legislative reforms driving the Department's budget request.

- ▶ Senate Bill 08-212 (CAP4K) required the Department to adopt new statewide model content standards and associated statewide assessments to measure students' progress relative to those standards. For FY 2012-13, the State Board of Education is requesting \$25.9 million General Fund to support the development of new assessments aligned with the statewide standards adopted in 2009.
- ▶ Senate Bill 10-191 makes changes to educator evaluation and tenure practices and requires the Department to develop model evaluation systems for educators and administrators. For FY 2012-13, the Department is requesting a total of \$8.1 million (including \$7.7 million General Fund) to continue the implementation of S.B. 10-191 and the development of a model evaluation system.

Both requests for FY 2012-13 are discussed in greater detail in issue briefs in this document (see page 23 for a discussion of the request for funding for new assessments and page 32 for a discussion of educator effectiveness).

5	Increase Spending Authority for Gifts, Grants, and Donations		
	Assistance to Public Schools	Total Funds	<u>\$1,800,000</u>
	The Department requests \$1.8 million in additional cash funds spending authority from gifts, grants, and donations (above the FY 2011-12 Long Bill amount) to ensure that the Department can fully utilize any and all private grant awards it receives. The request would continue a FY 2011-12 interim supplemental approved by the Joint Budget Committee on September 20, 2011. <i>Statutory authority: Section 22-2-107 (h), C.R.S.</i>	<i>FTE</i>	0.0
		CF	1,800,000
6	Vehicle Lease Payments Adjustment		
	School for the Deaf and the Blind	Total Funds	<u>\$3,623</u>
	The Department requests \$3,623 General Fund to replace a van for the School for the Deaf and Blind. Although the Department has submitted this request as a prioritized item, fleet replacement requests are generally classified as non-prioritized statewide decision items.	<i>FTE</i>	0.0
		GF	3,623
7	Educator Effectiveness - General Fund Transfer		
	Management and Administration	Total Funds	<u>\$7,700,000</u>
	The Department requests an appropriation of \$7.7 million General Fund and 4.5 FTE to support implementation of a new statewide educator effectiveness evaluation system pursuant to S.B. 10-191. The request would create a new Long Bill line item to appropriate the General Fund into the Great Teachers and Leaders Fund, which is continuously appropriated to the Department. The Department anticipates spending the \$7.7 million over a two year period (\$3.9 million in FY 2012-13 and \$3.8 million in FY 2013-14). For additional information on the request, see the issue brief beginning on page 32. <i>Statutory authority: Section 22-9-105.7, C.R.S.</i>	<i>FTE</i>	4.5
		GF	7,700,000
TOTAL REQUEST PRIORITY LIST			
		Total Funds	<u>(\$91,398,134)</u>
		<i>FTE</i>	4.5
		GF	8,380,438
		CF	<u>(99,778,572)</u>

**Colorado Department of Education
Fiscal Year 2012-13 Budget Request
Side by Side Comparison**

Fiscal Year 2012-13 Budget Request Decision Items				
State Board of Education Request				
CDE Priority	Description	State Board Approved Request	Governor's Request	Gov Priority
1	Total Program	\$ (109,144,451)	\$ (109,144,451)	R-1
2	Categoricals	\$ 8,242,694	8,242,694	R-2
3	Funding for New State Assessments	\$ 25,900,507	0	N/A
4	Funding for Educator Effectiveness	\$424,390 Non-Appropriated Transfer--Contingecy Reserve Fund		R-4
5	Increase in Spending Authority--Gifts, Grants, Donations	\$ 1,800,000	1,800,000	R-5
6	Fleet Replacement -- Colorado School for the Deaf and the Blind	\$ 3,623	3,623	R-6
7	Governor's Initiative: Educator Effectiveness Evaluation System Implementation General Fund Transfer to Great Teachers and Leaders Fund	\$ -	7,700,000	R-7
	Total All Funds	\$ (73,197,627)	\$ (91,398,134)	
2, 3, 6	Total General Fund	\$ 34,280,945	\$ 8,380,438	
1, 5	Total Cash Funding	\$ (99,778,572)	\$ (99,778,572)	
	Reappropriated Funds	\$ -	\$ -	
	Total Federal Funds	\$ -	\$ -	

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)**

OVERVIEW OF NUMBERS PAGES

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2011-12 appropriation and its FY 2012-13 request. The table includes changes associated with Public School Finance, which were previously presented by another analyst.

Table 1: Total Requested Change, FY 2011-12 to FY 2012-13 (millions of dollars)

Category	GF	GFE	CF	RF	FF	Total	FTE
FY 2011-12 Appropriation	\$2,549.5	\$284.2	\$853.1	\$23.3	\$625.9	\$4,336.0	541.6
FY 2012-13 Request	2,558.4	284.2	719.8	23.4	626.5	4,212.3	552.3
Increase / (Decrease)	\$8.9	\$0.0	(\$133.3)	\$0.1	\$0.6	(\$123.8)	10.7
Percentage Change	0.3%	0.0%	(15.6%)	0.3%	0.1%	(2.9%)	2.0%

The following table highlights categories of changes contained in the Department's FY 2012-13 budget request, as compared with the FY 2011-12 appropriation, including changes associated with Public School Finance.

Table 2: Total Department Requested Changes, FY 2011-12 to FY 2012-13 (millions of dollars)

Category	GF	CF	RF	FF	Total	FTE
Decision Items	\$8.4	(\$99.8)	0.0	0.0	(\$91.4)	4.5
Technical/Base Changes	0.4	(33.6)	0.0	0.6	(32.5)	6.2
TOTAL	\$8.8	(\$133.3)	\$0.0	\$0.6	(\$123.9)	10.7

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF EDUCATION
(Public School Finance subsection)**

BRIEFING ISSUE

ISSUE: Performance-based Goals and the Department's FY 2012-13 Budget Request

This issue brief summarizes the Department of Education report on its performance relative to its strategic plan and discusses how the FY 2012-13 budget request advances the Department's performance-based goals. Pursuant to the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act (H.B. 10-1119), the full strategic plan for the Department of Education can be accessed from the Office of State Planning and Budgeting web site.

The issue brief assumes that the performance-based goals are appropriate for the Department. Pursuant to the SMART Government Act legislative committees of reference are responsible for reviewing the strategic plans and recommending changes to the departments. The issue brief also assumes that the performance measures are reasonable for the performance-based goals. Pursuant to the SMART Government Act the State Auditor periodically assesses the integrity, accuracy, and validity of the reported performance measures.

Please note that the Department's full strategic plan includes three sections: one focusing on the Department's operations, one specific to the Colorado School for the Deaf and the Blind, and one specific to the State Charter School Institute. The strategic plan includes objectives and measures for each section, and staff is presenting each section separately below. Staff also notes that the Department is making significant changes to the strategic plan, including developing additional measures to better assess the Department's variety of objectives. The following discussion focuses specifically on the "official" strategic plan submitted by the Department with the caveat that the Department is currently working to revise and improve the plan.

DISCUSSION:

Department of Education

Performance-based Goals and Measures

The Department's five priority objectives are each discussed below.

1. High Academic Expectations (Standards and Assessments)

Overarching Ongoing Student Outcome Objectives:

- Increase the number of students who are proficient and advanced on the statewide assessment.
- Decrease achievement gaps between student subgroups on the statewide assessment.
- Ensure all students are meeting or are on track to meet growth targets per our Colorado Growth Model.

a. How is the Department measuring the specific goal/objective?

The strategic plan includes 18 measures targeting this objective. The majority of the first 16 measures focus on achievement gaps based on either minority status or income status. As shown in the following tables, the measures are categorized by: (1) either income or minority status; (2) content area (reading or math); and (3) the type of gap being measured (proficiency, "keep up," or "catch up"). The Department says that the achievement gap measures should be taken as a whole.

Proficiency Gap: Measured as the difference between the percentage of students rated as either proficient or advanced based on either minority status (non-minority vs minority) or income (free or reduced price lunch). For example, for the income status measure, the 29.2 percent gap shown for reading in FY 2008-09 is the result of 80.1 percent of non-free and reduced lunch students being either proficient or advanced while 55.2 percent of free and reduced price lunch students were either proficient or advanced. The target seeks narrow the gap each year.

Proficiency Gap Measures				
	FY 08-09	FY 09-10	FY 10-11	Benchmark*
Income Status				
Reading	29.2%	26.9%	26.9%	30.6%
Math	26.9%	26.5%	27.4%	27.2%
Minority Status				
Reading	29.2%	22.8%	25.6%	30.6%
Match	23.9%	26.5%	23.6%	27.2%

*The Department's goal is to annually narrow the gap. The benchmarks shown here are based on initial benchmarks under each measure.

Catch Up: Measured as the percentage of students in a certain group that currently score in the unsatisfactory or partially proficient categories who are on target to score proficient or advanced within three years. The Department's goal is to increase the percentage each year.

Catch Up Measures				
	FY 08-09	FY 09-10	FY 10-11	Benchmark*
Income Status				
Reading	29.4%	31.5%	25.8%	30.0%
Math	12.1%	11.4%	12.3%	15.0%
Minority Status				
Reading	29.5%	31.8%	25.9%	30.6%
Match	12.2%	11.1%	12.2%	15.0%
Statewide				
Reading	33.6%	34.9%	29.2%	30.3%
Math	13.9%	12.7%	13.5%	15.0%

*The Department's goal is to annually increase the percentage of students "catching up." The benchmarks shown here are based on initial benchmarks under each measure.

Keep Up: Measured as the percentage of students that currently score in the proficient or advanced categories on each statewide assessment and whose growth indicates that they will continue to do so. The Department's goal is to increase the percentage each year and increase the percentage of students whose growth indicates that they will remain at least proficient over the next three years.

Keep Up Measures				
	FY 08-09	FY 09-10	FY 10-11	Benchmark*
Income Status				
Reading	71.7%	72.7%	69.0%	80.5%
Math	49.8%	47.0%	50.6%	60.0%
Minority Status				
Reading	75.2%	75.8%	72.6%	80.5%
Match	54.6%	51.9%	55.6%	60.0%
Statewide				
Reading	82.0%	81.5%	81.5%	84.3%
Math	62.6%	60.7%	62.4%	65.5%

*The Department's goal is to annually increase the percentage of students "keeping up." The benchmarks shown here are based on initial benchmarks under each measure.

The strategic plan also includes measures of the statewide on-time graduation rate and the statewide dropout rate, with annual goals of increasing the graduation rate and decreasing the dropout rate.

Graduation and Dropout Rates			
	FY 08-09	FY 09-10	FY 10-11
Statewide Graduation	70.7%	72.4%	TBD
Statewide Dropout	3.6%	TBD	TBD

b. Is the Department meeting its objective, and if not, why?

No. Based on the data provided, it is difficult to see clear trends in either direction but there is not a clear trend toward improvement in the measures shown here.

c. How does the budget request advance the performance-based goal?

The Governor's request includes additional resources devoted to Educator Effectiveness (see the next objective) that the Department anticipates will eventually result in improvement in the measures shown above. In addition, the State Board is requesting \$25.9 million General Fund to develop new statewide assessments associated with updated statewide academic standards. However, the request as a whole reflects a reduction in Public School Finance funding from FY 2011-12 to FY 2012-13, which will decrease the resources available to schools and districts and could have a detrimental effect on the Department's objectives.

2. Educator Effectiveness

Long Term Objectives (following the design, piloting, and implementation of the educator effectiveness system required by S.B. 10-191 in FY 2011-12):

- Establish baseline statistics and over time increase the effectiveness of all educators as measured by the percentage of educators rated effective and highly effective.
- Establish baseline statistics and over time increase the number of educators who improve their performance (monitor movement from ineffective and partially effective categories to effective and highly effective categories).
- Monitor and decrease the teacher equity gap (the tendency of poor and minority students to have less effective teachers).
- Monitor and increase the effectiveness of new educators.

a. How is the Department measuring the specific goal/objective?

The Department is still in the process of developing the statewide educator effectiveness system pursuant to S.B. 10-191, as well as performance and baseline data associated with that system. The strategic plan does not include measures directly associated with educator effectiveness, although the Department's draft revised plan does include potential measures for this objective.

b. Is the Department meeting its objective, and if not, why?

Without current measures and data, staff cannot assess the Department's status.

c. How does the budget request advance the performance-based goal?

The Governor is requesting approximately \$425,000 cash funds to continue current educator effectiveness implementation efforts in FY 2012-13 and \$7.7 million General Fund, to be spent over the next two years, for additional implementation activities.

3. Accountability and Improvement

Objectives:

- Provide increased transparency and accessibility of school and district performance data through enhancements to SchoolView.
- Increase the number of districts/schools effectively using data to drive improvement, as evidenced by the quality of their district/school unified improvement plans and changes in student performance.
- Increase the number of districts/schools showing progress in their performance indicators.
- Increase the number of districts/schools that are able to move out of turnaround and priority improvement status.

a. How is the Department measuring the specific goal/objective?

The strategic plan does not include measures directly assessing this objective. While the achievement gap, graduation rate, and dropout rate measures discussed above are all applicable to some extent, they do not reflect an ability to assess the accountability or improvement of specific schools or districts. The Department is in the process of developing and/or selecting additional measures that would relate more directly to this objective.

b. Is the Department meeting its objective, and if not, why?

Without current measures and data, staff cannot assess the Department's status.

c. How does the budget request advance the performance-based goal?

The Governor's requested increase for educator effectiveness implementation and the State Board's request to develop assessments aligned with the new statewide academic standards could both advance the Department's goal over time by increasing the quality and quantity of performance and accountability information available to educators, schools, districts, parents, and the Department. In the near term, ongoing reductions to Public School Finance funding will decrease the resources available to schools and districts and may negatively impact the Department's goals.

4. Innovation and Choice

Objectives:

- Increase the quality and variety of choice options for Colorado students.
- Establish and implement quality standards for charter schools and charter school authorizers during the 2011-12 school year.

a. How is the Department measuring the specific goal/objective?

The strategic plan does not include measures directly assessing this objective, although the Department is in the process of developing and/or selecting additional measures that would relate more directly to this objective.

b. Is the Department meeting its objective, and if not, why?

Without current measures and data, staff cannot assess the Department's status.

c. How does the budget request advance the performance-based goal?

The Governor's requested increase for educator effectiveness implementation and the State Board's request to develop assessments aligned with the new statewide academic standards could both advance the Department's goal over time by increasing the quality and quantity of performance and accountability information available to educators, schools, districts, parents, and the Department. In the near term, ongoing reductions to Public School Finance funding will decrease the resources available to schools and districts and may negatively impact the Department's goals.

5. Organizational Excellence

Objectives:

- Implement and hit grant targets in the Statewide Longitudinal Data System Grant (a federal grant designed to help the state connect disparate state agency databases that track student data).
- Reduce cycle time on initial educator licenses to 14 days.
- Reduce cycle time on requests for proposal process.
- Implement automated data exchange to streamline school finance processes.
- Develop and implement a comprehensive communications plan to increase awareness and involvement in the state's education transformation work.
- Increase the quality and consistency of performance evaluations and new employee orientation.

a. How is the Department measuring the specific goal/objective?

The strategic plan includes one measure directly related to this goal: the average length of time required to process initial educator licenses. As stated above, the Department's objective is to reduce the average time to 14 days (two weeks). The following table reflects the Department's measure over the past three years.

Average Processing Time for Initial Educator Licenses				
	FY 08-09	FY 09-10	FY 10-11	Current Time*
Average Processing Time	18 weeks	20 weeks	16 weeks	4 weeks

*Current average as of November 18, 2011, reflecting the submission date of initial license requests that the licensure staff was processing that day based on a response to staff questions.

The strategic plan notes that the Department plans to add additional measures associated with this goal, including average processing time for license renewals.

b. Is the Department meeting its objective, and if not, why?

No. The Department is not meeting the stated goal of a 14 day processing time *but has shown very large decreases in the average wait time over the past two years*. As discussed in the issue brief beginning on page 37, the Department is utilizing authority provided by H.B. 11-1201 to hire additional licensure staff and reduce processing times. Thus far in FY 2011-12, those efforts appear to have improved the Department's performance, and the Department expects improvement to continue over the course of the year. Staff also notes that H.B. 11-1201 set a goal of reducing processing time to less than six weeks, and the Department is meeting that goal. The current strategic plan does not include measures that would allow staff to assess the Department's status with respect to the other Organizational Excellence objectives.

c. How does the budget request advance the performance-based goal?

The Department is utilizing additional authority provided by H.B. 11-1201, including continuous spending authority from the Educator Licensure Cash Fund, to improve the performance of the licensure staff. The Department is requesting the addition of informational appropriations of \$609,961 cash funds 6.5 FTE in the Long Bill to more accurately reflect actual licensure staffing in FY 2012-13. Given that the Department currently has continuous spending authority for the Educator Licensure Cash Fund, the request will not affect performance but would more accurately reflect the Department's anticipated expenditures in FY 2012-13.

Colorado School for the Deaf and the Blind (CSDB)

Performance-based Goals and Measures

The Department's five priority objectives are each discussed below. Staff also notes that CSDB has its own strategic plan with a variety of goals and measures. However, the CSDB section of the Department's document appeared to be more aligned with the goals of this particular issue brief.

1. Statewide and Regional Resource Network

Objective: Every eligible child in Colorado, birth to 21, who has been identified with a sensory disability will have increased quality learning experiences and successful integration into their chosen academic setting, post-secondary setting, and the community through collaboration between CSDB's statewide and Regional Resources Services Network, school districts, and families.

a. How is CSDB measuring the specific goal/objective?

The Department's strategic plan includes only three measures for CSDB, and none are directly related to this objective.

b. Is CSDB meeting its objective, and if not, why?

Without current measures and data, staff cannot assess the CSDB's status.

c. How does the budget request advance the performance-based goal?

The budget request does not include specific new funding or initiatives associated with CSDB.

2. Early Childhood

Objective: Colorado children who are deaf/hard of hearing or blind/visually impaired will demonstrate age-appropriate language, educational achievements, and developmental skills commensurate with those of their typically developing peers birth to age five. "Peers" can be represented by a given child's chronological age or developmental age.

a. How is CSDB measuring the specific goal/objective?

The Department's strategic plan includes only three measures for CSDB, and none are directly related to this objective.

b. Is CSDB meeting its objective, and if not, why?

Without current measures and data, staff cannot assess the CSDB's status.

c. How does the budget request advance the performance-based goal?

The budget request does not include specific new funding or initiatives associated with CSDB or early intervention services.

3. Academic Core

Objectives: Students will be prepared for acceptance and success in a post-secondary setting through the provision of a rigorous secondary curriculum with a focus on literacy,

mathematics, core academic content, and unique knowledge that promotes positive self-identity, communication skills, responsibility, cultural understanding, and independence.

a. How is CSDB measuring the specific goal/objective?

The Department's strategic plan includes a measure of the CSDB graduate rate, measured as the percentage of seniors who graduate. The Department's goal is a 100 percent graduation rate.

Percentage of Seniors Who Graduate*			
	FY 08-09	FY 09-10	FY 10-11
Graduation Rate	100.0%	100.0%	98.0%

*Please note that this measure is *not* comparable to the statewide graduate rate listed as a Department-wide performance measure. The CSDB rate measures the percentage of seniors who graduate in a given year while the Department-wide rate measures the percentage of a given class cohort of children that graduate from high school "on-time."

b. Is CSDB meeting its objective, and if not, why?

The Department did not meet the 100 percent graduation rate in FY 2010-11 but generally appears to meet that goal. Staff cannot assess CSDB's status regarding the overarching objective based on the single measure presented.

c. How does the budget request advance the performance-based goal?

The budget request does not include specific new funding or initiatives associated with CSDB.

4. Secondary Vocational Job Skills

Objectives: Students will acquire the necessary skills to enter the workforce or further vocational training.

a. How is CSDB measuring the specific goal/objective?

The Department's strategic plan includes a measure of the percentage of seniors completing on-the-job training while at CSDB. The CSDB's goal is to have all students, both deaf and blind, in the on-the-job-training program complete at least one paid job experience during their senior year.

Percentage of Seniors in the On-The-Job Training Program that Complete at Least One Paid Job Experience			
	FY 08-09	FY 09-10	FY 10-11
Percentage	100.0%	100.0%	98.0%

b. Is CSDB meeting its objective, and if not, why?

Yes, based on the measure, the CSDB generally appears to be meeting its objective. The Department reports that nine of the ten seniors in the current school year (2011-12) are participating in the on-the-job training program. If that percentage is typical, then it appears that the school is reaching most students through this objective and measure.

c. How does CSDB request advance the performance-based goal?

The budget request does not include specific new funding or initiatives associated with CSDB.

5. Transition

Objectives: Transition students (18-21 year olds) will have the knowledge, skills, motivation, and/or support to better themselves in order to be as responsible and independent as possible by maximizing their potential in the following areas: vocational/education, life skills, recreational/leisure, social/emotional, and self advocacy as measured by improvements towards goals established in their individualized transition plan (ITP).

a. How is CSDB measuring the specific goal/objective?

The Department's strategic plan includes a measure of the percentage of transition students placed in: (a) community jobs; (b) off-campus work study; (c) college programs; or (d) vocational training programs.

Percentage of Transition Students Placed			
	FY 08-09	FY 09-10	FY 10-11
Percentage	98.0%	100.0%	100.0%

b. Is CSDB meeting its objective, and if not, why?

Yes, based on the measure, the CSDB appears to be meeting its stated goal for the specific measure.

c. How does the budget request advance the performance-based goal?

The budget request does not include specific new funding or initiatives associated with CSDB.

6. Multiple Disabilities

Objectives: CSDB will develop cutting-edge curricula/programming, provided by highly qualified staff including the residential/student life staff program, for its students with multiple disabilities, including those considered to be high risk in the School for the Deaf and the School for the Blind, by utilizing any and all available resources.

a. How is CSDB measuring the specific goal/objective?

The Department's strategic plan includes only three measures for CSDB, and none are directly related to this objective.

b. Is CSDB meeting its objective, and if not, why?

Without current measures and data, staff cannot assess the CSDB's status.

c. How does the budget request advance the performance-based goal?

The budget request does not include specific new funding or initiatives associated with CSDB.

State Charter School Institute (CSI)

Performance-based Goals and Measures

The Institute's four priority objectives included in the Department's strategic plan are each discussed below.

1. Increase Academic Achievement for All Students

Objectives:

- Provide the technical assistance needed to assess ongoing programs, improve inclusion on federal and state grants and programs, and use data to improve academic outcomes for all enrolled students.
- Provide training programs for school boards of directors, school leadership, teaching and support staff in order to improve the quality of instruction.

a. How is the Institute measuring the specific goal/objective?

The Department's strategic plan includes two measures for the CSI and neither appears to be directly applicable to this goal. The second measure (discussed below with a different objective) counts the number of training sessions that CSI provides to CSI schools to ensure that schools have aligned curricula to Colorado State Standards.

b. Is the Institute meeting its objective, and if not, why?

Without current measures and data, staff cannot assess the CSI's status.

c. How does the budget request advance the performance-based goal?

The budget request does not include specific new funding or initiatives associated with CSI.

2. Improve Assistance Provided to Existing and Applying Schools

Objectives:

- Provide direction and assistance to existing schools to streamline the ongoing administrative and financial processes and reporting requirements that will improve the schools' viability and chances for long term success.
- Provide a streamlined process for groups to apply to CSI for new charter schools that will include application, review, approval, and contracting.
- Provide an ongoing forum for school leadership of both new and existing schools with CSI Board Members and Staff to discuss common problems and solutions.
- Provide training on an annual basis on topics of a general nature and of interest to a majority of schools and staff in areas of assessment, data analysis, finance, and other topics as they arise.

a. How is the Institute measuring the specific goal/objective?

The strategic plan includes one measure that appears to relate to this objective: the CSI's goal is to visit all CSI schools annually pursuant to the CSI Accountability Framework. The visits encompass issues involving academics, legal and institutional compliance, effective and efficient operations, and leadership and governance. While the measure is included in the strategic plan, the plan does not include any data with respect to the measure.

b. Is the Institute meeting its objective, and if not, why?

Without current measures and data, staff cannot assess the CSI's status.

c. How does the budget request advance the performance-based goal?

The budget request does not include specific new funding or initiatives associated with CSI.

3. Ensure that All Children Receive Quality Instruction

Objectives:

- Provide all students and staff with a better system to improve services to students with special or exceptional needs while not decreasing the overall program to all schools.
- Hold all Institute schools accountable regarding services required to meet the needs of special populations (including special education, gifted and talented, 504, English Language Learners, and students with health needs) by monitoring the provision of services, the hiring of necessary qualified staff, and the reporting and analysis of required data related to these populations and the general student population.

a. How is the Institute measuring the specific goal/objective?

Outside of the measure focused on training schools to align curricula to statewide standards (see the next objective), the Department's strategic plan does not include a measure that is directly relevant to this objective.

b. Is the Institute meeting its objective, and if not, why?

Without current measures and data, staff cannot assess the CSI's status.

c. How does the budget request advance the performance-based goal?

The budget request does not include specific new funding or initiatives associated with CSI.

4. Ensure that CSI is Implementing Standards Based Instruction Within All Schools

Objectives:

- Provide the assistance required to ensure that all schools are implementing curricula aligned to Colorado's state standards.
- Provide support to ensure that curricula are consistently and equitably taught by all teachers.
- Provide assistance to ensure that each school has developed curriculum maps and guides, and that these tools are effectively used by all teachers to plan instruction.
- Provide assistance to all schools and teachers in understanding and implementing data based instruction (via NWEA (MAP) assessments, CSAP, and additional formative classroom assessments).

a. How is the Institute measuring the specific goal/objective?

The strategic plan includes a measure of the number of training sessions that CSI provides to CSI schools to ensure that the schools have correctly aligned curricula to statewide standards and to ensure that each school is implementing standards based instruction.

b. Is the Institute meeting its objective, and if not, why?

While the measure is included in the strategic plan, the plan does not include any data with respect to the measure, and staff cannot assess CSI's status.

c. How does the budget request advance the performance-based goal?

The budget request does not include specific new funding or initiatives associated with CSI.

Other Staff Observations About Budget Request and Performance-based Goals

As noted previously, the Department is currently revising the strategic plan and developing additional measures that would better align with the Department's variety of objectives. Staff is optimistic that the revised plan will be more informative regarding the Department's priorities and progress in achieving objectives.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)**

BRIEFING ISSUE

ISSUE: State Board of Education Request for Funding for New Assessments.

Discusses the State Board of Education's request for \$25.9 million General Fund to support the development of a new system of statewide assessments.

SUMMARY:

- ❑ The State Board of Education (State Board) is requesting \$25.9 million General Fund in FY 2012-13 to support the development of statewide assessments aligned with statewide academic standards, adopted in December 2009, pursuant to S.B. 08-212 (CAP4K). The Office of State Planning and Budgeting rejected the Department's decision item request but the State Board has submitted the request to the Joint Budget Committee independent of the Governor's request.
- ❑ For FY 2011-12 and FY 2012-13, the Department is administering a transitional assessment (the TCAP) to allow for a move from the former Colorado Student Assessment Program (CSAP) to the new assessments in the 2013-14 school year. Delaying the implementation of the new assessments would require use of the TCAP for at least an additional year, and the Department is concerned about the potential negative effects that such a delay would have on statewide educational reform efforts and the availability of federal funds.
- ❑ Going forward, the state will need new assessments aligned with the model content standards adopted in 2009. The broad options available to for the Committee's consideration include: (1) funding the full request from either the General Fund or another source; (2) phasing in the new assessments over time to reduce the impact in FY 2012-13; and (3) going forward with assessments developed by one of two national consortia based on the national "Common Core" standards, which would still require the state to develop assessments for standards and content areas that go beyond the Common Core.

RECOMMENDATION:

Staff recommends that the Committee discuss the State Board's request at the Department's upcoming hearing, including: (1) the potential impacts of not funding the request on statewide school reform efforts; (2) the Governor's plan for going forward without funding the development of new assessments in FY 2012-13; and (3) the range of available options to either reduce the cost of assessments or reduce the impact on the General Fund by supporting the request with another fund source. Staff further recommends that the Committee consider the State Board's request during figure setting for FY 2012-13 and provide staff with clear direction on how (or whether) to address the request during figure setting.

DISCUSSION:

The State Board is requesting \$25.9 million General Fund in FY 2012-13 to support the development of statewide assessments aligned with the statewide academic standards adopted in December 2009 pursuant to S.B. 08-212 (CAP4K). The Office of State Planning and Budgeting denied the Department's request and is *not requesting any funding for the development of new assessments in FY 2012-13*. However, as an elected body, the State Board is submitting the request directly to the Joint Budget Committee for consideration during the FY 2012-13 budget process. The following is a brief discussion of the statutory requirements and the new standards driving the State Board's request, potential impacts of not funding the request, and available options to reduce the cost in FY 2012-13.

Background: Statewide Academic Standards and Assessments

Colorado's academic standards specify what the state expects students to know in each grade level. Standardized assessments measure students' knowledge with respect to the standards. Congress first required states to develop and adopt statewide standards and aligned assessments with the 1994 reauthorization of the Elementary and Secondary Education Act. Colorado adopted its first statewide academic standards (the Model Content Standards) in 1995 and began phasing in the Colorado Student Assessment Program (CSAP) with fourth grade reading and writing tests in 1997. The state continued the use of the CSAP, adding grade levels and content areas over time, through the spring of 2011.

As enacted in CAP4K in 2008, Section 22-7-1005 (1), C.R.S., required the State Board to adopt new statewide academic standards aligning preschool through postsecondary education by December 15, 2009. The statute requires new standards in at least the following areas: reading, writing, mathematics, science, history, geography, visual arts, performing arts, physical education, world languages, English language competency, economics, civics, and financial literacy. With a focus on creating "fewer, clearer, and higher" standards than had previously been in place, the State Board adopted the new standards as required in December 2009. The new standards detail expectations, by grade level, for what Colorado students should know, building toward a goal of "post secondary and workforce readiness" upon graduation from high school.

Section 22-7-1013 (1) (a), C.R.S., requires local education providers to adopt the new standards on or before December 15, 2011, and Sec. 22-7-1007 (1), C.R.S., specifies that local education providers shall administer the new assessments within two years of the adoption of such assessments.

The adopted standards include the national "Common Core" standards, an effort initiated and managed by the National Governor's Association and adopted by 45 states (and the District of Columbia) thus far. However, Colorado's standards also go beyond the Common Core by including additional content areas (the Common Core includes only English language arts and mathematics) and additional expectations within each content area that is covered by the Common Core.

Misalignment of Standards and Assessments

The adoption of new standards requires the development of new assessments to measure students' knowledge relative to the new standards. Section 22-7-1006 (1) (a), C.R.S., requires the State Board to adopt a new systems of assessments "on or before December 15, 2010, or as soon thereafter as

fiscally practicable." After an extensive public participation process, the State Board adopted a framework of assessment attributes on December 6, 2010 but has not yet received funds for the development of the new assessments.

Because the Colorado Student Assessment Program (CSAP) was aligned to the former statewide standards and would not be a viable assessment of the new standards, the Department is no longer administering the CSAP (spring 2011 was the final use of the former assessment). The Department is using a temporary assessment (Temporary Colorado Assessment Program, or TCAP) in spring 2012 and 2013 to allow time for: (1) the development of new assessments and (2) local education providers time to fully transition to the new standards before being held accountable for teaching the new standards. The TCAP only assesses areas of overlap between the "old" and "new" standards and therefore covers only a subset of both sets of standards. Under the State Board's request, the new assessment system would be used statewide for the first time in the 2013-2014 school year, a timeline which the Department feels will maintain the momentum of reform efforts while allowing sufficient time for education providers to transition to the new standards.

Effects of Misalignment on Statewide Reform Efforts

The Department believes that ongoing misalignment of standards and assessments (if the General Assembly rejects the request for new assessments) creates risk for the legislative reform efforts enacted in recent years, including S.B. 08-212 (CAP4K), H.B. 08-1168 (Financial Literacy), S.B. 09-163 (Education Accountability System), and S.B. 10-191 (Educator Effectiveness). In short, the Department is concerned that prolonged reliance on assessments that are not aligned to the statewide standards would slow or stall the momentum of statewide reform. A valid system of assessments is integral to all four reform efforts, as discussed below.

- ▶ *S.B. 08-212 (CAP4K)*: CAP4K requires the adoption of new standards aligning preschool through postsecondary education and the implementation of assessments to measure progress toward meeting those standards. The State Board has adopted the statewide standards, and all local education providers must do so by December 15, 2011, with full implementation no later than the 2013-14 school year. The Department believes that local education providers need time to fully transition instruction to the new standards but is concerned that use of the TCAP for more than two years will decrease the incentive for districts, schools, and educators to fully transition to *teaching* the new standards because the TCAP would continue to effectively test only the subset of the old standards that aligns with the new set.
- ▶ *H.B. 08-1168 (Financial Literacy)*: Section 22-7-406, C.R.S., requires the Department to include assessments of financial literacy in new mathematics assessments developed pursuant to S.B. 08-212. Neither the CSAP nor the TCAP include assessments associated with financial literacy.
- ▶ *S.B. 09-163 (Education Accountability System)*: As standard gauges of student progress and growth relative to the standards, assessments provide key data for the statewide accountability system for schools and districts. The accountability system implemented pursuant to S.B. 09-163 expects schools and districts to be fully transitioned to the new

standards for the 2013-14 school year but the assessment (TCAP) would not align with those standards, calling the validity of the accountability system into question.

- ▶ *S.B. 10-191 (Educator Effectiveness)*: The Department is creating a statewide educator effectiveness system pursuant to S.B. 10-191 (see the following issue brief). Senate Bill 10-191 directs that at least 50.0 percent of educator evaluations be based on student academic growth. As with the accountability system discussed above, requiring educators, schools, and districts to develop curricula and teach based on the new standards while assessing students based on the old standards would create a misalignment and could decrease the validity and fairness of the educator evaluation system.

In addition, according to the Department, longer-term use of the TCAP could risk the loss of Title I federal education funding (currently approximately \$320 million per year) because the state would not have assessments aligned to statewide standards. Department staff indicate that the U.S. Department of Education understands the need for a temporary assessment and transition period but would resist the use of such an assessment for more than two years.

Governor's Request

The Office of State Planning and Budgeting rejected the Department's request for assessment funding in FY 2012-13. The Governor's request is silent with respect to new assessments, and staff has been unable to determine how or whether the Governor's Office intends to proceed with new assessments.

State Board of Education Request

The assessment attributes adopted by the State Board and the Colorado Commission on Higher Education include several major changes from the CSAP.

- ▶ First, for the first time, the request would develop statewide interim (mid-year) assessments designed to provide feedback to educators, students, and families to better inform instruction during the school year.
- ▶ Second, related to the interim assessments, the State Board believes feedback on all assessments must be more timely. In an effort speed feedback, the Department's request plans for a transition to on-line testing over time, beginning with the field testing of new science assessments in FY 2012-13 and full implementation of the science assessments in 2014. The Department plans to administer all summative assessments on-line for the 2015-16 school year.
- ▶ Third, the request includes social studies assessments. The new system would require social studies tests in grades 3, 7, and 11.
- ▶ Fourth, the ACT is only current statewide test for students in grade 11; the request would require science and social studies tests that year as well.

- Fifth, in addition to adding subject matters and grades, the new assessments would be more rigorous, reflecting the new standards' requirement to teach some material in earlier grades and a focus on "21st century thinking skills."

The following table shows: (1) the assessments required by federal law; (2) the assessments required administered under the CSAP in 2011; (3) the summative (year-end) assessments included in the request; and (4) interim (mid-year) assessments included in the request.

Comparison of Required, Current, and Requested Assessments

Grade	Required by Federal Law	CSAP Administered in 2011*	Summative/ Readiness Assessments Requested	Interim Assessments Requested
3	Reading Math	Reading Writing Math	Reading Writing Math	Reading Writing Math
4	Reading Math	Reading Writing Math	Reading Writing Math Social Studies	Reading Writing Math Social Studies
5	Reading Math Science (grade 3, 4, or 5)	Reading Writing Math Science	Reading Writing Math Science	Reading Writing Math Science
6	Reading Math	Reading Writing Math	Reading Writing Math	Reading Writing Math
7	Reading Math	Reading Writing Math	Reading Writing Math Social Studies	Reading Writing Math Social Studies
8	Reading Math Science (grade 6, 7, 8, or 9)	Reading Writing Math Science	Reading Writing Math Science	Reading Writing Math Science
9		Reading Writing Math	Reading Writing Math	Reading Writing Math
10	Reading Math Science (grade 10, 11, or 12)	Reading Writing Math Science	Reading Writing Math	Reading Writing Math
11		ACT	Science Social Studies ACT	Science Social Studies

*Colorado also administers alternative assessments (the "CSAP-A") for children with disabilities who are unable to participate in the standard CSAP, even with accommodations. With limited exceptions, CSAP-A are generally

administered in the same grade levels as the CSAP. The Department utilizes federal special education funding (IDEA Part B) to support the development and administration of CSAP-A assessments.

The following table outlines the costs of the development of the requested assessments in FY 2012-13 and the estimated costs of administration in FY 2013-14 and FY 2014-15. All costs are in addition to the FY 2011-12 CSAP appropriation of \$21.7 million (including \$15.9 million General Fund and \$5.9 million federal funds). The costs shown represent requested/anticipated General Fund expenditures over and above the FY 2011-12 appropriated level.

Cost Estimates for the FY 2012-13 State Board Request

	FY 2012-13 Request (System Development)	FY 2013-14 Estimate (Ongoing Administration)	FY 2014-15 Estimate (Ongoing Administration)
Summative Assessments	\$11,350,551	\$5,407,941	\$4,306,837
Spanish Literacy*	989,526	854,666	854,666
Interim Assessments	12,356,340	8,317,330	8,604,158
Alternate	615,282	633,740	652,753
ACT	54,639	110,917	168,884
English Lang. Proficiency	<u>534,169</u>	<u>774,913</u>	<u>909,385</u>
Total	\$25,900,507	\$16,099,507	\$15,496,683

* The Department plans to request a statutory change to eliminate the requirement for the Spanish Literacy assessment during the 2012 Session.

As is clear in the table, the proposed interim assessments drive a significant share of the cost in all three years. The CSAP system has never included interim assessments, so all of the costs of the interim assessments are additive and would not replace any of the existing administration costs.

Potential Options to Reduce Costs and General Fund Impact

Given the cost of the State Board's Request (\$25.9 million General Fund), the Committee may wish to consider alternatives to reduce cost and/or reduce the General Fund impact in FY 2012-13. The available options fall into three basic categories: (1) using an alternative fund source (State Public School Fund); (2) phasing in Colorado-specific assessments and delaying some costs; and (3) using tests developed by national consortia where applicable.

Alternative Fund Source - State Public School Fund

Given the magnitude of the State Board's request, the General Assembly may wish to consider funding the development of the new assessment system with another fund source. The FY 2011-12 School Finance Act (S.B. 11-230) deposited \$67.5 million in FY 2010-11 General Fund revenues into the State Public School Fund in case of need for mid-year changes in pupil enrollment, the at-risk pupil population, and/or changes in local tax revenues available for school finance in FY 2011-12. Depending on the need for mid-year adjustments, the General Assembly could reserve some or all of that fund balance for use in FY 2012-13. The balance represents one-time funding that would

be appropriate for system development in FY 2012-13. However, staff notes that ongoing administration costs in later years would almost certainly still require General Fund appropriations.

Delaying and Phasing in Colorado-specific Assessments

The Department has provided a range of options that would reduce costs in FY 2012-13 by delaying the implementation of specific components of the requested assessment system. The following table outlines the Department's estimated cost for each option. Each option is discussed in greater detail following the table.

Options to Reduce System Development Costs in FY 2012-13

Option/Description	FY 2012-13 Cost	FY 2013-14 Cost	FY 2014-15 Cost
(1) State Board Request	\$25,900,507	\$16,099,507	\$15,496,683
(2) Delay Interim	13,544,167	7,782,177	6,892,525
(3) Delay Interim and Spanish Literacy	12,554,641	6,927,511	6,037,859
(4) Delay Interim and Spanish Literacy, phase in writing and social studies	10,120,905	6,043,966	6,724,731
(5) Develop Only Science in FY 2012-13	3,910,736	10,975,466	7,021,338
(6) Delay Entire System*	0	10,803,890	6,883,021

* Estimates for Option 6 assume that the state adopts assessments developed by national consortia for reading, writing, and math, and develops the other assessments in FY 2013-14 for implementation in FY 2014-15.

1. *State Board Request:* Fund the system as requested, with \$25.9 million in development costs in FY 2012-13 and \$16.1 million in administration costs in FY 2013-14, the first year of implementation of the new assessments. This option complies with all requirements of CAP4K, includes interim assessments aligned to the summative assessments to provide timely mid-year feedback to improve instruction, aligns with statewide accountability efforts, and implements new assessments concurrent with requirements for educator effectiveness evaluations under S.B. 191.
2. *Delay Interim Assessments:* Develop and implement all summative (year-end) assessments as requested but delay the development and implementation of *statewide* interim assessments until a later date. This option would save \$12.4 million in state funds in FY 2012-13 and over \$8.3 million in administration costs in FY 2013-14 but would not provide interim assessments required by the assessment framework approved by the State Board and the Colorado Commission on Higher Education. Without statewide options for interim assessments, local districts would be expected to develop or commission their own, increasing local costs, which may be particularly problematic in rural areas. Finally, locally developed interim assessments may not align with the statewide summative assessments.
3. *Delay Interim Assessments and Spanish Literacy:* Similar to "Option 2" but also includes a delay of Spanish Literacy assessments, saving \$989,526 in FY 2012-13 and \$854,666 in FY

2013-14. The Department has indicated an intent to request a statutory change to eliminate the requirement for Spanish Literacy assessments during the 2012 Session, which would make this option equivalent to Option 2.

4. *Delay Interim and Spanish Literacy and Phase in Writing and Social Studies:* Similar to Option 3 except: (1) delays full implementation of the writing assessment one year, until 2015; and (2) delays social studies assessments for two years, until 2016.
5. *Develop Only Science Assessment in FY 2012-13:* Delay the development of *all other* summative assessments until FY 2013-14, for implementation in FY 2014-15. Only the science assessment would be available on schedule in FY 2013-14. This option would make progress toward the implementation of new assessments compatible with statutory requirements but would rely on the TCAP for all other tested subject areas, prolonging the misalignment of standards and assessments in all areas outside of science.
6. *Delay Entire System:* Deny the request for FY 2012-13 and move forward with the development of new assessments at a later date (the table assumes development in FY 2013-14 and administration in FY 2014-15). Delaying implementation by a year would save \$25.9 million in FY 2012-13. This option would require complete reliance upon the TCAP in FY 2013-14, extending the transition period and misalignment of standards by at least one year. In FY 2013-14, the state could either continue with development of Colorado-specific exams or adopt assessments developed by one of the national consortia (see next section) for the applicable content areas and develop state-specific assessments where necessary (assuming the consortia assessments are available on schedule in 2015).

Using National Consortia Assessments

Colorado is a member of two national consortia that are developing common summative assessments for English language arts and mathematics. Both Consortia are funded through Race to the Top grants from the U.S. Department of Education and seek to develop common assessments for states using the Common Core standards. Such a system would allow for easy and valid comparability between states and should reduce development and administration costs for each individual state because of the economies of scale achieved by the consortia.

The consortia assessments are based on the Common Core State Standards (referenced above), which Colorado has adopted as part of the new statewide standards. Both consortia intend to have assessments ready for implementation in FY 2014-15, one year later than the Department's plan under the request. Adopting consortium assessments for mathematics and English language arts *could* reduce costs for the state. In order to align with the new standards, Colorado would require assessments in all of the other content areas and would require "amplification" of the consortium tests to include any content (including science, social studies, and financial literacy) and skills that go beyond the Common Core standards.

A brief discussion of each of the consortia follows.

- ▶ *Partnership for Assessment of Readiness for College and Careers (PARCC):* PARCC includes assessments for grades 3 through 11, as required by Colorado's standards. The consortium intends to provide formative (early year diagnostic), interim, and summative assessments. According to the Department, PARCC intends to require states to administer all consortium assessments on-line in 2015, which the Department is concerned would not be viable in portions of Colorado without major investments in infrastructure and hardware.
- ▶ *SMARTER Balanced Assessment Consortium (SMARTER Balanced):* SMARTER Balanced includes assessments in grades 3 through 8 and 11 but does not include assessments in grades 9 and 10 as would be required in Colorado. Like PARCC, SMARTER Balanced is planning for formative, interim, and summative assessments that would be comparable between states. Although SMARTER Balanced does not include all of the grades necessary in Colorado, the consortium does intend to support a blend of on-line and paper-based tests, at least in the near term, which could be beneficial in Colorado.

The potential use of consortium-generated tests presents a trade-off for Colorado. A brief discussion of the pros and cons of each approach follows.

- ▶ *Pros of consortium-based assessments:* Using consortium-based assessments would allow for "benchmarking" and comparability between states and would likely reduce development and administration costs because those costs would be shared between all member states. Both consortia also anticipate reduced ongoing administration costs.
- ▶ *Cons of consortium-based assessments:* Colorado would sacrifice some control over assessments, as the tests would be designed and developed by a collection of states. Colorado would still need to develop assessments for all content areas and standards not included in the Common Core and thus not addressed through the consortium-based tests. In addition, the timing is somewhat uncertain and at least one year delayed from the Department's proposed schedule. Additional delays in assessment availability would prolong the use of the TCAP for the relevant tests.
- ▶ *Pros of Colorado-specific assessments:* The Department's request would align all assessments to the complete set of academic standards and retain control of assessment attributes, design, and format. The timing of assessment availability would also be more under Colorado's control, potentially reducing the duration of reliance upon the TCAP.
- ▶ *Cons of Colorado-specific assessments:* Development and administration costs are likely to be higher because Colorado would shoulder all development costs and the consortia anticipate reduced administration costs relative to the status quo. Data would not be clearly comparable with other states.

Given the magnitude of funding involved, staff recommends that the Committee discuss this issue at the Department's upcoming hearing and treat the request as a decision item during figure setting for FY 2012-13. Staff requests guidance from the Committee on how to treat the request during the figure setting process.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)**

BRIEFING ISSUE

ISSUE: Educator Effectiveness Implementation Requests.

Discusses the Department's two requests associated with the implementation of educator effectiveness legislation (S.B. 10-191) and provides a brief update on implementation efforts to date.

SUMMARY:

- ❑ The Department's Request includes two decision items associated with the ongoing implementation of S.B. 10-191 (Educator Effectiveness).
- ❑ Decision Item #4 requests a transfer of \$424,390 cash funds from the Contingency Reserve Fund to the Great Teachers and Leaders Fund, an increase of \$174,390 above state funding in FY 2010-11 and FY 2011-12, to continue current implementation efforts. The request would backfill one-time private grant funds that the Department is using to support implementation efforts in FY 2011-12.
- ❑ Decision Item #7 requests an appropriation of \$7.7 million General Fund into the Great Teachers and Leaders Fund to support additional implementation activities over the next two years (FY 2012-13 and FY 2013-14).

RECOMMENDATION:

Staff recommends that the Committee discuss the Department's educator effectiveness requests at the Department's upcoming hearing, including the effect of funding (or not funding) the new assessment system requested by the State Board of Education on the implementation of educator effectiveness programs.

DISCUSSION:

Background and Update on S.B. 10-191

Senate Bill 10-191 requires the State Board of Education to adopt guidelines for a system to evaluate the effectiveness of teachers, administrators, and other licensed personnel and requires all school districts and boards of cooperative educational services (BOCES) to adjust their local performance evaluation systems to meet or exceed the adopted guidelines. The bill requires at least 50.0 percent of educator evaluations to be based on student academic growth, with the remaining percentage based on observations and other data.

The State Board adopted rules implementing the bill November 9, 2011. The General Assembly will review those rules in legislation during the 2012 Session. The Department has also moved forward

with the development of guidelines and a model educator evaluation system. With a goal of full implementation statewide in FY 2013-14, thus far the Department has:

- ▶ Created and staffed the Educator Effectiveness Unit with 3.0 FTE as provided in S.B. 10-191;
- ▶ Selected 27 pilot districts to field test the evaluation model in the 2011-12 school year;
- ▶ Produced the model observational/professional practice evaluation for principals and assistant principals (50.0 percent of the evaluation rating) and trained all 27 pilot districts on the use of the Principal/Assistant Principal evaluation;
- ▶ Drafted a model teacher evaluation rubric for test piloting in several districts this year and testing in all pilot districts in FY 2012-13.
- ▶ Launched a resource bank identifying research, processes, tools, and policies that local education providers may use to implement the evaluation system; and
- ▶ Initiated a process to develop the student growth portion of the model evaluation through a regional process with experts, educators, and other staff.

When enacting S.B. 10-191, the General Assembly and the Department anticipated potential funding from federal Race to the Top (RTTT) grants to support implementation of S.B. 10-191. The bill allowed for a transfer of \$250,000 per year from the Contingency Reserve Fund to the Great Teachers and Leaders Fund for two years *if the Department did not receive federal grants to implement the bill*. Because the Department did not receive RTTT funds, the State Treasurer transferred \$250,000 into the Great Teachers and Leaders Fund in FY 2010-11 and again in FY 2011-12. As a result, the Department has supported the work thus far with a mix of cash funds transferred from the Contingency Reserve Fund and a total of \$195,000 in one-time external grant funding (\$170,000 from the Rose Foundation and \$25,000 from the Colorado Legacy Foundation).

FY 2012-13 Request

The Department's FY 2012-13 budget request includes two decision items associated with the implementation of S.B. 10-191 (Educator Effectiveness): Decision Item #4 and Decision Item #7.

Decision Item #4 - Requires Statutory Change

The Department requests a transfer of \$424,390 cash funds from the Contingency Reserve Fund to the Great Teachers and Leaders Fund to continue current implementation efforts. The request represents an increase of \$174,390 above *state* funding levels from FY 2010-11 and FY 2011-12 as enacted in S.B. 10-191. This request requires a statutory change to allow for the transfer in FY 2011-12; current law allows for transfers of \$250,000 in FY 2010-11 and FY 2011-12 but does not allow for a transfer in FY 2012-13.

The request represents an increase of \$174,390 above the amount transferred from the Contingency Fund in FY 2010-11 and FY 2011-12 but only \$55,978 above estimated expenditures in FY 2011-12 because of the one-time external grant funding the Department has used for implementation. In addition, expenditures in FY 2010-11 were lower than the transferred amount because the Department was not able to staff the Educator Effectiveness Unit immediately; the lower expenditures in FY 2010-11 left more than \$100,000 in the Great Teachers and Leaders Fund at

the end of FY 2010-11. The following table shows estimated expenditures for FY 2011-12 and requested expenditures in FY 2012-13.

Expense Description	FY 2011-12 Est.*	FY 2012-13 Request
Salaries and Benefits for 3.0 FTE	\$326,412	\$332,760
Leased Space, Phone, and Routine Operating Expenses	32,400	24,630
Travel**	<u>15,600</u>	<u>27,000</u>
Local	10,000	15,000
National	5,600	12,000
Program Evaluation	0	20,000
Pilot Implementation Costs	<u>0</u>	<u>20,000</u>
Training (3 trainings at \$3,000 each)	0	9,000
Tracking/Monitoring pilot results	0	5,000
Tech. Validation Performance Metrics	<u>0</u>	<u>6,000</u>
Total	\$368,412	\$424,390

*The estimate for FY 2011-12 is based on an estimate of 12 months of expenditures *with the Unit fully staffed*. Actual expenditures are likely to be lower because of vacancies in early FY 2011-12.

** Travel expenses in FY 2012-13 assume 10 local trips for 3.0 FTE at a cost of \$500 per trip per FTE and 2 national trips at a cost of \$2,000 per trip per FTE.

Staff raises the following points about this Decision Item #4:

- ▶ Senate Bill 10-191 provided for \$250,000 in annual state funding for FY 2010-11 and FY 2011-12 if the state did not receive RTTT funds. However, the bill did not address any years beyond FY 2011-12. Thus, the intent for FY 2012-13 is unclear.
- ▶ The Department exceeded available state funding when it fully staffed the Educator Effectiveness Unit in FY 2011-12; the annual salaries and benefits for the 3.0 FTE total over \$332,000 while the bill provided only \$250,000 per year. The FY 2012-13 request includes another \$91,630 in operating expenses in FY 2012-13.
- ▶ The Department was able to support the additional expenditures in FY 2011-12 with one-time grant funding and remaining fund balance from FY 2010-11 but the FY 2012-13 request is effectively asking the General Assembly to backfill the external grants with state funding.
- ▶ Given delays in hiring staff in FY 2010-11 and FY 2011-12, and the external funds received by the Department, the Great Teachers and Leaders Fund should end FY 2011-12 with a significant fund balance. Staff will explore opportunities to reduce any potential transfer into the Great Teachers and Leaders Fund in FY 2012-13 at figure setting.
- ▶ In addition, the request would continue to fund ongoing expenses of the Educator Effectiveness Unit with the Contingency Reserve Fund. Staff questions whether this is an appropriate fund source for ongoing expenses, particularly in light of the request in Decision Item #7 (see below).

Staff recommends that the Committee discuss this Decision Item with the Department at the upcoming hearing, including the request to backfill external grant funding with state funds and the request for ongoing use of the Contingency Reserve Fund to support the Educator Effectiveness staff when the Department is requesting \$7.7 million General Fund and 4.5 additional FTE to continue implementation of S.B. 10-191.

Decision item # 7

The Department also requests an appropriation of \$7.7 million General Fund into the Great Teachers and Leaders Fund in FY 2012-13 for additional educator effectiveness implementation activities. Although the full transfer would take place in FY 2012-13, the Department intends to spend the funds over two years (\$3.875 million in FY 2012-13 and \$3.825 million in FY 2013-14). The request includes 4.5 FTE that the Department says would be limited to the two-year term of the proposal.

This request was generated late in the executive branch's budget process, and the connection to Decision Item #4 (particularly the use of the Contingency Reserve Fund in Decision Item #4 and General Fund in Decision Item #7) is somewhat unclear. In addition, while the Governor and the Department are making this request, the State Board has *not* included this request in their priorities on the side-by-side comparison of requests on page 9. As a result, it appears that the State Board is requesting \$25.9 million General for assessments that the Governor is not requesting (as discussed in the previous issue brief) and the Governor is requesting \$7.7 million General Fund for educator effectiveness implementation that the State Board is not requesting.

As shown in the table on the following page, the Department's request for Decision Item #7 focuses on three major priorities which are described below.

1. *Measures of student growth (\$1.2 million per year and 1.0 FTE):* Senate Bill 10-191 requires at least 50.0 percent of evaluations to be based on student growth but the state does not have a statewide model for assessing student growth for this purpose. The request would develop, test, and implement growth measures for all grades and content areas; develop content collaboratives to support district use of growth measures and assessments to evaluate educators and improve instruction. The estimated costs include 1.0 FTE to coordinate the planned content collaboratives, funds to offset the expenses of content collaborative members, and funds to contract with assessment experts and conduct peer reviews to validate measures and assessments. According to the Department, if the Department does not develop these measures, local education providers will have to do so, likely at significant expense which may not be possible for many districts.
2. *Model statewide educator evaluation system(\$1.5 million per year and 2.0 FTE):* The bill and the Department's rules implementing the bill require the development of a model system, including system components (rubrics, rating and weighting systems, and tools) and providing training. The request would also provide support to pilot districts and then all districts in the implementation of the model system, including professional development activities, continued development of a resource bank for educator effectiveness tools, monitoring of system implementation and the communication of lessons learned in other districts. The 2.0 FTE would increase staff support to pilot districts for the duration of the

pilot phase. Given district interest in training opportunities and in participating in the pilot program, the Department expects an overwhelming majority of districts will adopt the state's model system rather than developing their own. Again, the Department sites savings to districts from the Department developing the system.

3. *Data systems and Reporting (approximate \$1.1 million per year and 1.5 FTE)*: The funds would allow the Department to design and implement an on-line performance management portal that districts could use to keep track of evaluation data, share the data with teachers, and report to the Department. Based on work with the pilot districts, the Department believes that districts will need systems to assist with collection and management of evaluation data. A statewide performance management system would allow districts to avoid the costs required to develop their own systems.

Stepping back from the details, Decision Item #7 seeks to develop statewide and model systems to implement S.B. 10-191 with a goal of creating a consistent system statewide without imposing these additional costs on local education providers. Given anticipated high costs for fully implementing S.B. 10-191 statewide (Augenblick Palaich, and Associates, Inc., has estimated a total cost of approximately \$50 million), the Department's request seeks to cover a portion of those costs. The Department is also pursuing the current round of Race to the Top grant funds for implementation of the bill.

As discussed in the previous issue brief, the Department is also concerned about the impact that delays in implementation of new statewide assessments would have on the implementation of S.B. 10-191, particularly on efforts to develop student growth measures.

Staff recommends that the Committee discuss the requests to implement S.B. 10-191 at the Department's upcoming hearing. Staff specifically recommends that the Committee ask the Department to discuss the impacts that different funding scenarios for new statewide assessments would have on the implementation of S.B. 10-191.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)**

BRIEFING ISSUE

INFORMATIONAL ISSUE: Educator Licensure Staffing Under H.B. 11-1201

Provides an overview of the Department's implementation of H.B. 11-1201 and related improvements in processing times for educator licenses.

DISCUSSION:

Background on Educator Licensure and H.B. 11-1201

The Department's Office of Professional Services (Office) is responsible for reviewing, evaluating, and approving/denying applications for educator licenses in Colorado, including investigating and responding to issues raised through comprehensive fingerprint background checks conducted by the Colorado Bureau of Investigation.

The Office is cash funded through licensure application fees. Section 22-60.5-112(1), C.R.S., authorizes the State Board of Education to adjust application fees to cover the Office's direct and indirect costs. Prior to FY 2011-12, the General Assembly annually appropriated funds in the Educator Licensure Cash Fund to support the Office.

Over the past several years, the Office has made a variety of changes to speed the license approval process, including moving in stages from a paper-only process to allowing applicants to download applications for submission by mail, and finally to a fully on-line application process. However, the backlog of license applications, including initial licenses that are required before districts may hire a teacher that is new to teaching in Colorado, continued to grow.

In response to persistent license backlogs and district and school concerns about the ability to approve licenses in time to hire new teachers for the fall, the General Assembly enacted H.B. 11-1201 during the 2011 Session. The bill streamlined specific aspects of the application process and continuously appropriated funds in the Educator Licensure Cash Fund to the Department for a three-year period (FY 2011-12 through FY 2013-14). In combination with an application fee increase approved by the State Board of Education this spring, the legislation has provided the Office with additional resources and allowed for additional staff and reduced license processing times.

Staffing Changes Under H.B. 11-1201

Although it is not requested as a specific decision item, the Department is asking the General Assembly to reflect an increase of \$609,961 cash funds and 6.2 FTE in the FY 2012-13 Long Bill for informational purposes to reflect the Office's anticipated expenditures and staffing. Under the continuous appropriation provided by H.B. 11-1201, the Department has already begun hiring additional staff, and the increase is not necessary to allow the Office to use the additional funding

or hire more employees. Rather, the Department is making the request for reporting and transparency purposes.

According to the Department, the Office has used the additional authority from H.B. 11-1201 to hire four more staff members to address the backlog, including:

- ▶ 1.0 FTE to assist with reporting/revenue tracking associated with reporting on the implementation of the bill; and
- ▶ three contract staff to perform other functions associated with the backlog.

The Office estimates a need for approximately 5.0 to 6.0 FTE for additional application evaluators to continue to address the backlog. According to the Department, all staff hired under H.B. 11-1201 are under time-limited contracts ending June 30, 2014, as required by the bill.

Changes in Processing Times

The Office has shown improvement in permit processing times with the additional staff allowed for by H.B. 11-1201. During fall 2010, the average processing time was 16 to 20 weeks for an average initial license application. The Department reports that the Office has reduced the average processing time to four to five weeks, roughly one-fourth of the time required at this time last year. Enacted in Sec. 20-60.5-112 (1) (b) (II), H.B. 11-1201 specifies a goal of six weeks or less to issue or renew educator licenses, and the Department appears to be meeting that goal now.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)**

BRIEFING ISSUE

INFORMATIONAL ISSUE: Limiting Building Excellent Schools Today (BEST) Program Revenues from State Land Board Lands.

Provides a brief discussion of the Building Excellent Schools Today (BEST) program in relation to a staff recommendation to limit State Land Board revenues diverted to BEST in FY 2012-13 and beyond.

DISCUSSION:

During the JBC Staff Briefing on the State Land Board (part of the Department of Natural Resources briefing on November 16, 2011), staff recommended that the Committee introduce legislation in 2012 that would limit the amount of State Land Board revenues: (1) allocated to the Building Excellent Schools Today Program in FY 2012-13 and beyond and (2) "swept" into the State Public School Fund to support annual appropriations for Public School Finance. This issue responds to questions asked by the Committee during that briefing regarding limiting revenues allocated to the BEST program.

The Committee asked about the assessed need for public school capital construction funding (provided by the BEST program). Staff has also included information related to the BEST program's expenditures and certificate of participation (C.O.P.) obligations.

Assessed Need: As required by Sec. 22-43.7-108, C.R.S., the Public School Capital Construction Assistance Board and the Division of Capital Construction Assistance conducted a needs assessment for the BEST Program in FY 2009-10. Statewide, the assessment identified \$17.9 billion in total needs between 2010 and 2018, including:

- ▶ \$9.4 billion in current condition/deferred maintenance needs in 2010;
- ▶ \$4.5 billion in educational suitability needs in classroom facilities in 2010; and
- ▶ \$3.9 billion in additional capital renewal needs between 2010 and 2018.

Program Spending: Through FY 2011-12, the BEST program will have provided \$61.2 million in cash grants and issued \$563.8 million in bonds for certificates of participation for a total of \$625.1 million in assistance (see table on the following page).

BEST Program Funding and Spending FY 2008-09 through FY 2011-12

	Trust Land Revenue	Cash Grants Awarded	Value of Bonds Issued	Life of Bonds (years)	Total Repayment Cost*
FY 2008-09	\$35,195,168	\$18,909,191	\$87,145,000	15	\$87,145,000
FY 2009-10	33,196,010	14,382,384	99,872,853	20	153,944,953
FY 2010-11	60,261,217	11,512,909	217,454,700	20	315,251,049
FY 2011-12 to date	<u>18,605,404</u>	<u>16,483,298</u>	<u>159,307,993</u>	<u>20</u>	<u>237,619,641</u>
Total	\$147,257,799	\$61,287,782	\$563,780,546	N/A	\$793,960,643

*Total repayment cost includes an estimated \$617.2 in state funds and \$176.8 million in local funds.

As shown above, the BEST program has created \$794.0 million in obligations over the over the next 20 years, including an estimated \$176.8 million local payments. **That obligation will require approximately \$35.2 million (approximately \$27.4 million in state funds) in payments in FY 2011-12 and will grow to \$37.8 million (approximately \$29.4 million state funds) in FY 2014-15 and beyond.** Program staff believe that current statute limits the state share of annual C.O.P. payments to \$40.0 million per year, which they estimate would allow for approximately \$180 million in additional bond issuances before the state share would reach the limit.

State Land Board revenues make up the vast majority of BEST revenues, accounting for 98.9 percent of "new" state revenues, excluding interest and local matching funds in FY 2010-11. For planning purposes, the program assumes \$35.0 million per year in State Land Board revenues. Revenues above that level are either awarded as cash grants or held for future C.O.P. payments. In FY 2010-11, the program received 60.2 million from the State Land Board.

Staff Recommendation Revisited: As discussed during the briefing for the Department of Natural Resources, staff recommends that the Committee introduce legislation during the 2012 Session to limit the distribution of State Land Board revenues to the BEST program in FY 2012-13 and beyond to increase deposits to the Permanent Fund.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
 Department of Education
 (Except Public School Finance)
 Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

DEPARTMENT OF EDUCATION Robert Hammond, Commissioner

(1) MANAGEMENT AND ADMINISTRATION

This section provides funding and staff for: the State Board of Education; the administration of a variety of education-related programs and for the general department administration, including human resources, budgeting, accounting, information management, and facilities maintenance. This section also includes funding for the Office of Professional Services and the Division of On-line Learning, as well as funding associated with the State Charter School Institute. The primary source of cash funds is the Educator Licensure Cash Fund and reappropriated funds consist primarily of indirect cost recoveries and transfers of funds from various cash- and federally-funded line items. Federal funds are from a variety of sources.

(A) Administration and Centrally-Appropriated Line Items

State Board of Education	<u>267,099</u>	<u>285,444</u>	<u>282,837</u>	<u>290,998</u>
<i>FTE</i>	2.0	2.0	2.0	2.0
General Fund	267,099	285,444	282,837	290,998
General Department and Program Administration	<u>3,552,289</u>	<u>3,565,982</u>	<u>3,733,261</u>	<u>3,810,886</u>
<i>FTE</i>	33.0	32.1	39.6	39.6
General Fund	2,160,169	2,092,763	1,553,500	1,604,896
Cash Funds	92,233	116,580	169,039	170,596
Reappropriated Funds	1,299,887	1,356,639	2,010,722	2,035,394
Office of Professional Services	<u>1,765,442</u>	<u>1,542,627</u>	<u>2,061,483</u>	<u>2,694,311</u>
<i>FTE</i>	22.2	20.7	23.9	30.1
Cash Funds	1,765,442	1,542,627	2,061,483	2,694,311
Division of On-line Learning	<u>238,574</u>	<u>226,081</u>	<u>334,134</u>	<u>337,334</u>
<i>FTE</i>	2.4	2.0	3.3	3.3
Cash Funds	238,574	226,081	334,134	337,334

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)
Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Health, Life, and Dental	<u>2,642,463</u>	<u>2,537,559</u>	<u>3,140,202</u>	<u>3,091,525</u>	
General Fund	1,432,921	1,379,708	1,450,460	1,311,943	
Cash Funds	84,288	95,480	241,795	303,426	
Reappropriated Funds	186,393	73,100	377,766	295,732	
Federal Funds	938,861	989,271	1,070,181	1,180,424	
Short-term Disability	<u>43,717</u>	<u>27,174</u>	<u>52,767</u>	<u>58,757</u>	
General Fund	21,845	1,000	21,124	19,713	
Cash Funds	3,286	1,951	6,088	5,786	
Reappropriated Funds	0	5,745	5,237	6,419	
Federal Funds	18,586	18,478	20,318	26,839	
S.B. 04-257 Amortization Equalization Disbursement	<u>580,925</u>	<u>704,407</u>	<u>830,745</u>	<u>1,062,265</u>	
General Fund	288,373	275,835	330,197	356,385	
Cash Funds	43,245	55,516	96,286	104,605	
Reappropriated Funds	0	88,481	82,859	116,055	
Federal Funds	249,307	284,575	321,403	485,220	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>369,981</u>	<u>452,564</u>	<u>665,531</u>	<u>912,884</u>	
General Fund	177,137	140,309	263,308	306,268	
Cash Funds	27,028	41,279	77,371	89,895	
Reappropriated Funds	10,000	64,270	66,582	99,735	
Federal Funds	155,816	206,706	258,270	416,986	

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
 Department of Education
 (Except Public School Finance)
 Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Workers' Compensation	<u>284,799</u>	<u>267,313</u>	<u>280,433</u>	<u>471,792</u>	
General Fund	112,458	119,340	107,181	180,318	
Cash Funds	12,211	23,029	24,539	41,283	
Reappropriated Funds	43,885	24,573	34,437	57,936	
Federal Funds	116,245	100,371	114,276	192,255	
Legal Services	<u>349,921</u>	<u>257,395</u>	<u>423,976</u>	<u>423,976</u>	
General Fund	168,075	134,613	210,625	210,625	
Cash Funds	178,366	107,843	160,354	160,354	
Reappropriated Funds	3,480	14,939	52,997	52,997	
Administrative Law Judge Services	<u>56,177</u>	<u>63,725</u>	<u>36,017</u>	<u>63,293</u>	
Cash Funds	26,759	34,303	29,800	52,368	
Reappropriated Funds	29,418	29,422	6,217	10,925	
Payment to Risk Management and Property Funds	<u>104,085</u>	<u>30,477</u>	<u>53,752</u>	<u>77,725</u>	
General Fund	90,111	26,385	43,770	77,725	
Cash Funds	5,160	1,511	3,403	0	
Reappropriated Funds	8,814	2,581	6,579	0	
Capitol Complex Leased Space	<u>555,362</u>	<u>538,886</u>	<u>561,093</u>	<u>624,643</u>	
General Fund	107,165	103,425	81,077	90,260	
Cash Funds	51,356	94,638	59,364	66,088	
Reappropriated Funds	121,935	70,948	144,089	160,409	
Federal Funds	274,906	269,875	276,563	307,886	
Reprinting and Distributing Laws Concerning Education	<u>32,610</u>	<u>34,109</u>	<u>35,480</u>	<u>35,480</u>	
Cash Funds	32,610	34,109	35,480	35,480	

*This line item includes a decision item.

FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)
Appendix A: Numbers Pages

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Emeritus Retirement	<u>5,386</u>	<u>5,386</u>	<u>5,387</u>	<u>5,387</u>	
General Fund	5,386	5,386	5,387	5,387	
Feasibility Study Concerning Creation and Operation of State Residential Schools	<u>42,356</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	42,356	0	0	0	
Total Funds - (A) Administration and Centrally- Appropriated Line Items	10,891,186	10,539,129	12,497,098	13,961,256	11.7%
FTE	<u>59.6</u>	<u>56.8</u>	<u>68.8</u>	<u>75.0</u>	<u>9.0%</u>
General Fund	4,873,095	4,564,208	4,349,466	4,454,518	2.4%
Cash Funds	2,560,558	2,374,947	3,299,136	4,061,526	23.1%
Reappropriated Funds	1,703,812	1,730,698	2,787,485	2,835,602	1.7%
Federal Funds	1,753,721	1,869,276	2,061,011	2,609,610	26.6%
(B) Information Technology					
Information Technology Services	<u>0</u>	<u>0</u>	<u>2,708,158</u>	<u>2,738,547</u>	
FTE			23.0	23.0	
General Fund	0	0	2,082,473	2,112,862	
Reappropriated Funds	0	0	625,685	625,685	
Purchase of Services from Computer Center	<u>45,860</u>	<u>45,635</u>	<u>144,254</u>	<u>193,548</u>	
General Fund	45,860	45,635	144,254	193,548	
Multiuse Network Payments	<u>35,952</u>	<u>0</u>	<u>28,398</u>	<u>97,664</u>	
General Fund	35,952	0	28,398	97,664	

*This line item includes a decision item.

FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)
Appendix A: Numbers Pages

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Information Technology Asset Maintenance	<u>303,540</u>	<u>303,427</u>	<u>303,830</u>	<u>303,830</u>	
General Fund	303,540	303,427	303,830	303,830	
Disaster Recovery	<u>7,387</u>	<u>13,783</u>	<u>19,722</u>	<u>19,722</u>	
General Fund	7,387	13,783	19,722	19,722	
Information Technology Services	<u>868,059</u>	<u>1,431,090</u>	<u>0</u>	<u>0</u>	
<i>FTE</i>	9.8	9.7			
General Fund	830,056	806,717	0	0	
Reappropriated Funds	38,003	624,373	0	0	
School Accountability Reports and State Data Reporting System	<u>1,257,200</u>	<u>1,281,151</u>	<u>0</u>	<u>0</u>	
<i>FTE</i>	6.3	6.4			
General Fund	1,257,200	1,281,151	0	0	
Total Funds - (B) Information Technology	2,517,998	3,075,086	3,204,362	3,353,311	4.6%
<i>FTE</i>	<u>16.1</u>	<u>16.1</u>	<u>23.0</u>	<u>23.0</u>	(0.0%)
General Fund	2,479,995	2,450,713	2,578,677	2,727,626	5.8%
Reappropriated Funds	38,003	624,373	625,685	625,685	0.0%

(C) Assessments and Data Analyses

Colorado Student Assessment Program	<u>21,422,184</u>	<u>21,415,429</u>	<u>21,710,217</u>	<u>21,735,589</u>	*
<i>FTE</i>	15.0	16.2	11.8	11.8	
General Fund	0	0	0	0	
Cash Funds	15,717,448	15,584,332	15,879,370	15,885,363	
Federal Funds	5,704,736	5,831,097	5,830,847	5,850,226	

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
 Department of Education
 (Except Public School Finance)
 Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Federal Grant for State Assessments and Related Activities	<u>2,161,644</u>	<u>2,161,644</u>	<u>2,247,224</u>	<u>2,247,224</u>	
<i>FTE</i>	5.7	5.7	5.7	5.7	
Federal Funds	2,161,644	2,161,644	2,247,224	2,247,224	
Longitudinal Analyses of Student Assessment Results	<u>255,792</u>	<u>249,102</u>	<u>7,698,006</u>	<u>7,703,411</u>	
<i>FTE</i>	2.9	2.2	3.0	3.0	
General Fund	255,792	249,102	280,906	286,311	
Federal Funds	0	0	7,417,100	7,417,100	
Preschool to Postsecondary Education Alignment	<u>716,891</u>	<u>397,943</u>	<u>563,176</u>	<u>567,685</u>	
<i>FTE</i>	2.6	2.3	3.5	3.5	
Cash Funds	716,891	397,943	563,176	567,685	
Transfer to Great Teachers and Leaders Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,700,000</u>	*
<i>FTE</i>	0.0	0.0	0.0	4.5	
General Fund	0	0	0	7,700,000	
Total Funds – (C) Assessments and Data Analyses	24,556,511	24,224,118	32,218,623	39,953,909	0.0%
<i>FTE</i>	<u>26.2</u>	<u>26.4</u>	<u>24.0</u>	<u>28.5</u>	<u>18.8%</u>
General Fund	255,792	249,102	280,906	7,986,311	0.0%
Cash Funds	16,434,339	15,982,275	16,442,546	16,453,048	0.1%
Federal Funds	7,866,380	7,992,741	15,495,171	15,514,550	0.1%

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
 Department of Education
 (Except Public School Finance)
 Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
(D) State Charter School Institute					
State Charter School Institute Administration, Oversight, and Management	<u>1,692,911</u>	<u>1,327,971</u>	<u>1,502,339</u>	<u>1,502,339</u>	
<i>FTE</i>	11.8	9.2	10.7	10.7	
Reappropriated Funds	1,692,911	1,327,971	1,502,339	1,502,339	
Institute Charter School Assistance Fund	<u>0</u>	<u>0</u>	<u>550,000</u>	<u>550,000</u>	
Cash Funds	0	0	550,000	550,000	
Other Transfers to Institute Charter Schools	<u>1,924,569</u>	<u>1,630,348</u>	<u>2,013,615</u>	<u>2,013,615</u>	
Reappropriated Funds	1,924,569	1,630,348	2,013,615	2,013,615	
Transfer of Federal Moneys to Institute Charter Schools	<u>5,729,547</u>	<u>3,760,840</u>	<u>5,730,000</u>	<u>5,730,000</u>	
<i>FTE</i>	4.1	4.3	4.5	4.5	
Reappropriated Funds	5,729,547	3,760,840	5,730,000	5,730,000	
Department Implementation of Section 22-30.5-501 et seq., C.R.S.	<u>195,665</u>	<u>184,989</u>	<u>210,014</u>	<u>210,014</u>	
<i>FTE</i>	2.8	2.9	2.6	2.6	
Reappropriated Funds	195,665	184,989	210,014	210,014	
Total Funds - (D) State Charter School Institute	9,542,692	6,904,148	10,005,968	10,005,968	0.0%
<i>FTE</i>	<u>18.7</u>	<u>16.4</u>	<u>17.8</u>	<u>17.8</u>	<u>0.0%</u>
Cash Funds	0	0	550,000	550,000	0.0%
Reappropriated Funds	9,542,692	6,904,148	9,455,968	9,455,968	0.0%

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
 Department of Education
 (Except Public School Finance)
 Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Total Funds - (1) Management and Administration	47,508,387	44,742,481	57,926,051	67,274,444	16.1%
<i>FTE</i>	<u>120.6</u>	<u>115.7</u>	<u>133.6</u>	<u>144.3</u>	8.0%
General Fund	7,608,882	7,264,023	7,209,049	15,168,455	110.4%
Cash Funds	18,994,897	18,357,222	20,291,682	21,064,574	3.8%
Reappropriated Funds	11,284,507	9,259,219	12,869,138	12,917,255	0.4%
Federal Funds	9,620,101	9,862,017	17,556,182	18,124,160	3.2%

(2) ASSISTANCE TO PUBLIC SCHOOLS

This section provides funding that is distributed to public schools and school districts, as well as funding for Department staff who administer this funding or who provide direct support to schools and school districts.

(A) Public School Finance

Administration	<u>1,332,914</u>	<u>1,452,478</u>	<u>1,473,395</u>	<u>1,501,265</u>	
<i>FTE</i>	15.4	15.0	18.5	18.5	
Cash Funds	0	64,790	20,418	20,418	
Reappropriated Funds	1,332,914	1,387,688	1,452,977	1,480,847	
State Share of Districts' Total Program Funding	<u>3,518,869,631</u>	<u>3,206,198,052</u>	<u>3,336,347,674</u>	<u>3,192,359,720</u>	*
General Fund	3,076,191,636	2,636,387,224	2,387,670,327	2,387,670,327	
General Fund Exempt	0	161,444,485	284,175,417	284,175,417	
Cash Funds	442,677,995	408,366,343	664,501,930	520,513,976	
Hold-Harmless On-line Charters	<u>0</u>	<u>0</u>	<u>0</u>	<u>676,815</u>	*
General Fund	0	0	0	676,815	

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
 Department of Education
 (Except Public School Finance)
 Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Hold-harmless Full-day Kindergarten Funding	<u>7,698,050</u>	<u>6,925,561</u>	<u>6,869,056</u>	<u>6,695,513</u>	*
Cash Funds	7,698,050	6,925,561	6,869,056	6,695,513	
District Per Pupil Reimbursements for Juveniles Held in Jail	<u>0</u>	<u>17,626</u>	<u>100,000</u>	<u>100,000</u>	
Cash Funds	0	17,626	100,000	100,000	
Education Stabilization Funds from the State Fiscal Stabilization Fund in ARRA	<u>0</u>	<u>49,148,594</u>	<u>0</u>	<u>0</u>	
Federal Funds	0	49,148,594	0	0	
Education Jobs Fund Program	<u>0</u>	<u>153,039,578</u>	<u>0</u>	<u>0</u>	
Federal Funds	0	153,039,578	0	0	
Accelerating Students Through Concurrent Enrollment Program (ASCENT) Administration	<u>2,397</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Federal Funds	2,397	0	0	0	
Declining Enrollment Study	<u>160,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	160,000	0	0	0	
State Share Correction for Local Share Overpayments in Prior Fiscal Years	<u>3,684,365</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	3,684,365	0	0	0	

*This line item includes a decision item.

FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)
Appendix A: Numbers Pages

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Total Funds - (A) Public School Finance	3,531,747,357	3,416,781,889	3,344,790,125	3,201,333,313	(4.3%)
<i>FTE</i>	<u>15.4</u>	<u>15.0</u>	<u>18.5</u>	<u>18.5</u>	<u>0.0%</u>
General Fund	3,076,191,636	2,636,387,224	2,387,670,327	2,388,347,142	0.0%
General Fund Exempt	0	161,444,485	284,175,417	284,175,417	0.0%
Cash Funds	454,220,410	415,374,320	671,491,404	527,329,907	(21.5%)
Reappropriated Funds	1,332,914	1,387,688	1,452,977	1,480,847	1.9%
Federal Funds	2,397	202,188,172	0	0	0.0%

(B) Categorical Programs

(I) District Programs Required by Statute

Special Education - Children with Disabilities	<u>269,814,937</u>	<u>272,304,048</u>	<u>288,628,104</u>	<u>292,926,144</u>	*
<i>FTE</i>	71.3	71.2	64.5	64.5	
General Fund	70,784,064	71,216,792	71,572,347	71,572,347	
Cash Funds a/	56,578,061	56,145,333	58,225,450	62,523,490	
Reappropriated Funds	0	0	101,812	101,812	
Federal Funds	142,452,812	144,941,923	158,728,495	158,728,495	
English Language Proficiency Program	<u>22,328,316</u>	<u>21,739,150</u>	<u>24,377,497</u>	<u>25,597,023</u>	*
<i>FTE</i>	6.4	6.2	4.6	4.6	
General Fund	3,051,644	3,088,808	3,101,598	3,101,598	
Cash Funds a/	9,069,556	9,307,545	9,984,180	11,203,706	
Federal Funds	10,207,116	9,342,797	11,291,719	11,291,719	

*This line item includes a decision item.

FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)
Appendix A: Numbers Pages

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Total Funds - (I) District Programs Required by Statute	292,143,253	294,043,198	313,005,601	318,523,167	1.8%
<i>FTE</i>	<u>77.7</u>	<u>77.4</u>	<u>69.1</u>	<u>69.1</u>	(0.0%)
General Fund	73,835,708	74,305,600	74,673,945	74,673,945	0.0%
Cash Funds	65,647,617	65,452,878	68,209,630	73,727,196	8.1%
Reappropriated Funds	0	0	101,812	101,812	0.0%
Federal Funds	152,659,928	154,284,720	170,020,214	170,020,214	0.0%

(II) Other Categorical Programs

Public School Transportation	<u>50,106,914</u>	<u>50,777,960</u>	<u>50,828,042</u>	<u>52,487,015</u>	*
<i>FTE</i>	2.0	2.0	2.0	2.0	
General Fund	36,342,243	37,419,163	36,922,227	36,922,227	
Cash Funds a/	13,764,671	13,358,797	13,905,815	15,564,788	
Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education	<u>23,189,191</u>	<u>23,296,124</u>	<u>23,584,498</u>	<u>24,146,598</u>	*
General Fund	17,715,890	17,727,636	17,792,850	17,792,850	
Cash Funds a/	5,473,301	5,568,488	5,791,648	6,353,748	
Special Education Programs for Gifted and Talented Children	<u>8,988,280</u>	<u>9,057,765</u>	<u>9,201,106</u>	<u>9,442,886</u>	*
<i>FTE</i>	0.0	0.4	0.5	0.5	
General Fund	5,485,160	5,456,826	5,500,000	5,500,000	
Cash Funds a/	3,503,120	3,600,939	3,701,106	3,942,886	

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)
Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Expelled and At-risk Student Services Grant Program	<u>7,325,776</u>	<u>7,108,239</u>	<u>7,493,560</u>	<u>7,755,835</u>	*
<i>FTE</i>	1.7	1.0	1.0	1.0	
General Fund	5,771,023	5,651,021	5,788,807	5,788,807	
Cash Funds	1,554,753	1,457,218	1,704,753	1,967,028	
Small Attendance Center Aid	<u>959,379</u>	<u>959,379</u>	<u>959,379</u>	<u>959,379</u>	
General Fund	716,252	765,582	787,645	787,645	
Cash Funds a/	243,127	193,797	171,734	171,734	
Comprehensive Health Education	<u>988,246</u>	<u>955,578</u>	<u>1,005,396</u>	<u>1,005,396</u>	
<i>FTE</i>	0.9	0.6	1.0	1.0	
General Fund	300,000	300,000	300,000	300,000	
Cash Funds	688,246	655,578	705,396	705,396	
Total Funds - (II) Other Categorical Programs	91,557,786	92,155,045	93,071,981	95,797,109	2.9%
<i>FTE</i>	<u>4.6</u>	<u>4.0</u>	<u>4.5</u>	<u>4.5</u>	<u>0.0%</u>
General Fund	66,330,568	67,320,228	67,091,529	67,091,529	0.0%
Cash Funds	25,227,218	24,834,817	25,980,452	28,705,580	10.5%
Total Funds - (B) Categorical Programs	383,701,039	386,198,243	406,077,582	414,320,276	2.0%
<i>FTE</i>	<u>82.3</u>	<u>81.4</u>	<u>73.6</u>	<u>73.6</u>	<u>(0.0%)</u>
General Fund	140,166,276	141,625,828	141,765,474	141,765,474	0.0%
Cash Funds	90,874,835	90,287,695	94,190,082	102,432,776	8.8%
Reappropriated Funds	0	0	101,812	101,812	0.0%
Federal Funds	152,659,928	154,284,720	170,020,214	170,020,214	0.0%

*This line item includes a decision item.

FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)
Appendix A: Numbers Pages

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

a/ In some districts, local tax revenues more than offset the amount needed for total program funding pursuant to the statutory formula. In these cases, pursuant to Section 22-54-107 (2), C.R.S., the excess tax revenues are used to offset state funding of categorical programs (referred to as “categorical buyout”). For FY 2010-11, four affected districts spent a total of \$787,283 in local tax revenues for various categorical programs; the General Fund appropriation for each of these programs was reduced by the same amount, and these state funds were instead distributed to other districts to offset public school transportation expenses.

(C) Grant Programs, Distributions, and Other Assistance

(I) Health and Nutrition

Federal Nutrition Programs	<u>138,867,055</u>	<u>147,405,447</u>	<u>156,616,096</u>	<u>156,631,328</u>
<i>FTE</i>	8.5	9.4	9.0	9.0
General Fund	64,409	81,764	80,528	82,327
Federal Funds	138,802,646	147,323,683	156,535,568	156,549,001
State Match for School Lunch Program	<u>2,472,644</u>	<u>2,472,644</u>	<u>2,472,644</u>	<u>2,472,644</u>
Cash Funds	2,472,644	2,472,644	2,472,644	2,472,644
Child Nutrition School Lunch Protection Program	<u>739,790</u>	<u>688,274</u>	<u>850,000</u>	<u>850,000</u>
Cash Funds	739,790	688,274	850,000	850,000
Start Smart Nutrition Program Fund	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>
General Fund	700,000	700,000	700,000	700,000
Start Smart Nutrition Program	<u>696,019</u>	<u>679,996</u>	<u>843,495</u>	<u>843,495</u>
Cash Funds	0	6,015	143,495	143,495
Reappropriated Funds	696,019	673,981	700,000	700,000

*This line item includes a decision item.

FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)
Appendix A: Numbers Pages

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
S.B. 97-101 Public School Health Services	<u>129,115</u>	<u>71,662</u>	<u>140,388</u>	<u>142,073</u>	
<i>FTE</i>	1.3	0.6	1.4	1.4	
Reappropriated Funds	129,115	71,662	140,388	142,073	
School Breakfast Program	<u>500,000</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	
General Fund	500,000	500,000	0	0	
Total Funds - (I) Health and Nutrition	144,104,623	152,518,023	161,622,623	161,639,540	0.0%
<i>FTE</i>	<u>9.8</u>	<u>10.0</u>	<u>10.4</u>	<u>10.4</u>	<u>0.0%</u>
General Fund	1,264,409	1,281,764	780,528	782,327	0.2%
Cash Funds	3,212,434	3,166,933	3,466,139	3,466,139	0.0%
Reappropriated Funds	825,134	745,643	840,388	842,073	0.2%
Federal Funds	138,802,646	147,323,683	156,535,568	156,549,001	0.0%
(II) Capital Construction					
Division of Public School Capital Construction Assistance	<u>650,749</u>	<u>656,517</u>	<u>861,273</u>	<u>874,523</u>	
<i>FTE</i>	6.2	6.8	9.0	9.0	
Cash Funds	650,749	656,517	861,273	874,523	
Public School Capital Construction Assistance Board - Lease Payments	<u>3,535,000</u>	<u>11,816,671</u>	<u>29,000,000</u>	<u>29,000,000</u>	
Cash Funds	3,535,000	11,816,671	29,000,000	29,000,000	
Financial Assistance Priority Assessment	<u>7,595,721</u>	<u>75,936</u>	<u>164,793</u>	<u>164,793</u>	
Cash Funds	7,595,721	75,936	164,793	164,793	

*This line item includes a decision item.

FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)
Appendix A: Numbers Pages

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
State Aid for Charter School Facilities	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	
Cash Funds	5,000,000	5,000,000	5,000,000	5,000,000	
Total Funds - (II) Capital Construction	16,781,470	17,549,124	35,026,066	35,039,316	0.0%
FTE	<u>6.2</u>	<u>6.8</u>	<u>9.0</u>	<u>9.0</u>	<u>0.0%</u>
Cash Funds	16,781,470	17,549,124	35,026,066	35,039,316	0.0%
(III) Reading and Literacy					
Read-to-Achieve Grant Program	<u>4,403,643</u>	<u>5,383,445</u>	<u>4,391,241</u>	<u>4,391,241</u>	
FTE	0.9	1.0	1.0	1.0	
Cash Funds	4,403,643	5,383,445	4,391,241	4,391,241	
Federal Title I Reading First Grant	<u>3,962,715</u>	<u>1,483,688</u>	<u>0</u>	<u>0</u>	
FTE	6.8	0.7			
Federal Funds	3,962,715	1,483,688	0	0	
Family Literacy Education Grant Program	<u>33,875</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Reappropriated Funds	33,875	0	0	0	
Total Funds - (III) Reading and Literacy	8,400,233	6,867,133	4,391,241	4,391,241	0.0%
FTE	<u>7.7</u>	<u>1.7</u>	<u>1.0</u>	<u>1.0</u>	<u>0.0%</u>
Cash Funds	4,403,643	5,383,445	4,391,241	4,391,241	0.0%
Reappropriated Funds	33,875	0	0	0	0.0%
Federal Funds	3,962,715	1,483,688	0	0	0.0%

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
 Department of Education
 (Except Public School Finance)
 Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
(IV) Professional Development and Instructional Support					
Content Specialists	<u>431,192</u>	<u>375,144</u>	<u>434,102</u>	<u>441,808</u>	
<i>FTE</i>	3.9	3.5	5.0	5.0	
Cash Funds	431,192	375,144	434,102	441,808	
Office of Dropout Prevention and Student Reengagement	<u>0</u>	<u>150,172</u>	<u>3,000,000</u>	<u>3,000,000</u>	
<i>FTE</i>	0.0	2.0	2.3	2.3	
Cash Funds	0	0	0	0	
Federal Funds	0	150,172	3,000,000	3,000,000	
Closing the Achievement Gap	<u>1,800,000</u>	<u>1,800,000</u>	<u>0</u>	<u>0</u>	
Cash Funds	1,800,000	1,800,000	0	0	
School Leadership Academy Program	<u>42,469</u>	<u>71,488</u>	<u>0</u>	<u>0</u>	
General Fund	0	71,488	0	0	
Cash Funds	42,469	0	0	0	
Financial Literacy	<u>3,528</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	3,528	0	0	0	
Colorado History Day	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	10,000	0	0	0	

*This line item includes a decision item.

FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)
Appendix A: Numbers Pages

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Total Funds - (IV) Professional Development and Instructional Support	2,287,189	2,396,804	3,434,102	3,441,808	0.2%
<i>FTE</i>	<u>3.9</u>	<u>5.5</u>	<u>7.3</u>	<u>7.3</u>	<u>0.0%</u>
General Fund	0	71,488	0	0	0.0%
Cash Funds	2,287,189	2,175,144	434,102	441,808	1.8%
Federal Funds	0	150,172	3,000,000	3,000,000	0.0%

(V) Facility Schools

Facility Schools Unit and Facility Schools Board	<u>202,313</u>	<u>198,681</u>	<u>256,344</u>	<u>258,575</u>	
<i>FTE</i>	1.5	2.5	3.0	3.0	
Reappropriated Funds	202,313	198,681	256,344	258,575	
Facility School Funding	<u>15,975,523</u>	<u>14,179,339</u>	<u>14,222,000</u>	<u>14,222,000</u>	
Cash Funds	15,975,523	14,179,339	14,222,000	14,222,000	
Total Funds - (V) Facility Schools	16,177,836	14,378,020	14,478,344	14,480,575	0.0%
<i>FTE</i>	<u>1.5</u>	<u>2.5</u>	<u>3.0</u>	<u>3.0</u>	<u>0.0%</u>
Cash Funds	15,975,523	14,179,339	14,222,000	14,222,000	0.0%
Reappropriated Funds	202,313	198,681	256,344	258,575	0.9%

(V) Summer and After-school Programs

Summer School Grant Program	<u>15,236</u>
<i>FTE</i>	0.2

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
 Department of Education
 (Except Public School Finance)
 Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Cash Funds	15,236				
Dropout Prevention Activity Grant Program	<u>83,460</u>				
Cash Funds	83,460				
Total Funds - (V) Summer and After-school Programs	98,696	0.0%			
<i>FTE</i>	<u>0.2</u>	<u>0.0%</u>			
Cash Funds	98,696	0.0%			

(VI) Other Assistance

Appropriated Sponsored Programs	<u>225,238,648</u>	<u>230,030,904</u>	<u>280,780,000</u>	<u>282,580,000</u>	*
<i>FTE</i>	70.3	70.4	74.0	74.0	
Cash Funds	1,173,326	1,198,306	1,300,000	3,100,000	
Reappropriated Funds	0	4,475,388	4,480,000	4,480,000	
Federal Funds	224,065,322	224,357,210	275,000,000	275,000,000	
School Counselor Corps Grant Program	<u>4,993,650</u>	<u>4,988,422</u>	<u>5,000,000</u>	<u>5,000,000</u>	
<i>FTE</i>	1.0	0.9	1.0	1.0	
Cash Funds	4,993,650	4,988,422	5,000,000	5,000,000	
Contingency Reserve Fund	<u>130,152</u>	<u>3,981,551</u>	<u>1,000,000</u>	<u>1,000,000</u>	*
General Fund	0	2,946,551	0	0	
Cash Funds	130,152	1,035,000	1,000,000	1,000,000	
Supplemental On-line Education Services	<u>480,000</u>	<u>480,000</u>	<u>480,000</u>	<u>480,000</u>	
Cash Funds	480,000	480,000	480,000	480,000	

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
 Department of Education
 (Except Public School Finance)
 Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Interstate Compact on Educational Opportunity for Military Children	<u>18,411</u>	<u>20,046</u>	<u>22,832</u>	<u>22,832</u>	
Cash Funds	18,411	20,046	22,832	22,832	
Supplemental On-line Education Grant Program	<u>50,000</u>	<u>49,998</u>	<u>0</u>	<u>0</u>	
Cash Funds	50,000	49,998	0	0	
Regional Service Cooperatives	<u>1,008,079</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	1,008,079	0	0	0	
School Awards Program	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Cash Funds	250,000	0	0	0	
Total Funds - (VI) Other Assistance	232,168,940	239,550,921	287,282,832	289,082,832	0.6%
FTE	<u>71.7</u>	<u>71.3</u>	<u>75.0</u>	<u>75.0</u>	0.0%
General Fund	0	2,946,551	0	0	0.0%
Cash Funds	8,103,618	7,771,772	7,802,832	9,602,832	23.1%
Reappropriated Funds	0	4,475,388	4,480,000	4,480,000	0.0%
Federal Funds	224,065,322	224,357,210	275,000,000	275,000,000	0.0%
Total Funds - (C) Grant Programs, Distributions, and Other Assistance	420,018,987	433,260,025	506,235,208	508,075,312	0.4%
FTE	<u>101.0</u>	<u>97.8</u>	<u>105.7</u>	<u>105.7</u>	0.0%
General Fund	1,264,409	4,299,803	780,528	782,327	0.2%
Cash Funds	50,862,573	50,225,757	65,342,380	67,163,336	2.8%
Reappropriated Funds	1,061,322	5,419,712	5,576,732	5,580,648	0.1%

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
 Department of Education
 (Except Public School Finance)
 Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Federal Funds	366,830,683	373,314,753	434,535,568	434,549,001	0.0%
Total Funds - (2) Assistance to Public Schools	4,335,467,383	4,236,240,157	4,257,102,915	4,123,728,901	(3.1%)
<i>FTE</i>	<u>198.7</u>	<u>194.2</u>	<u>197.8</u>	<u>197.8</u>	<u>0.0%</u>
General Fund	3,217,622,321	2,782,312,855	2,530,216,329	2,530,894,943	0.0%
General Fund Exempt	0	161,444,485	284,175,417	284,175,417	0.0%
Cash Funds	595,957,818	555,887,772	831,023,866	696,926,019	(16.1%)
Reappropriated Funds	2,394,236	6,807,400	7,131,521	7,163,307	0.4%
Federal Funds	519,493,008	729,787,645	604,555,782	604,569,215	0.0%

(3) LIBRARY PROGRAMS

This section provides funding for various library-related programs. Library programs are primarily funded with General Fund and federal funds. Cash funds include grants and donations. Transfers from the Disabled Telephone Users Fund support privately operated reading services for the blind and are reflected as reappropriated funds.

Administration	<u>842,611</u>	<u>818,202</u>	<u>978,884</u>	<u>999,598</u>
<i>FTE</i>	12.7	12.8	14.3	14.3
General Fund	747,162	741,018	729,661	749,598
Cash Funds	95,449	77,184	249,223	250,000
Federal Library Funding	<u>2,948,328</u>	<u>2,747,133</u>	<u>3,031,787</u>	<u>3,031,787</u>
<i>FTE</i>	21.7	22.0	23.8	23.8
Federal Funds	2,948,328	2,747,133	3,031,787	3,031,787

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
 Department of Education
 (Except Public School Finance)
 Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Broadband Technology Opportunities Program	<u>0</u>	<u>1,220,294</u>	<u>1,219,460</u>	<u>1,219,460</u>	
<i>FTE</i>		2.1	4.5	4.5	
Cash Funds	0	279,295	443,274	443,274	
Federal Funds	0	940,999	776,186	776,186	
Colorado Library Consortium	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	
General Fund	1,000,000	1,000,000	1,000,000	1,000,000	
Colorado Virtual Library	<u>359,766</u>	<u>359,489</u>	<u>379,796</u>	<u>379,796</u>	
General Fund	359,766	359,489	359,796	359,796	
Cash Funds	0	0	20,000	20,000	
Colorado Talking Book Library, Building Maintenance and Utilities Expenses	<u>70,660</u>	<u>70,650</u>	<u>70,660</u>	<u>70,660</u>	
General Fund	70,660	70,650	70,660	70,660	
Reading Services for the Blind	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	
Reappropriated Funds	250,000	250,000	250,000	250,000	
Total Funds - (3) Library Programs	<u>5,471,365</u>	<u>6,465,768</u>	<u>6,930,587</u>	<u>6,951,301</u>	<u>0.3%</u>
<i>FTE</i>	<u>34.4</u>	<u>36.9</u>	<u>42.6</u>	<u>42.6</u>	<u>0.0%</u>
General Fund	2,177,588	2,171,157	2,160,117	2,180,054	0.9%
Cash Funds	95,449	356,479	712,497	713,274	0.1%
Reappropriated Funds	250,000	250,000	250,000	250,000	0.0%
Federal Funds	2,948,328	3,688,132	3,807,973	3,807,973	0.0%

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
 Department of Education
 (Except Public School Finance)
 Appendix A: Numbers Pages**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
--	----------------------	----------------------	-----------------------------	-----------------------	------------------------------

(4) SCHOOL FOR THE DEAF AND THE BLIND

This section provides operational funding for the Colorado School for the Deaf and the Blind (CSDB), which provides educational services for hearing impaired/deaf and visually impaired/blind children. The primary source of funding is the General Fund. For each student eligible for funding under the School Finance Act, the CSDB receives funding from each student's "home" school district. Reappropriated funds reflect program funding that would otherwise be paid to the home school district (from the Facility School Funding section above), as well as federal funds transferred from local school districts. Cash funds consist of fees paid by individuals for workshops and conferences and housing reimbursements.

(A) School Operations

Personal Services	<u>9,094,022</u>	<u>8,981,005</u>	<u>9,008,608</u>	<u>9,205,925</u>	
<i>FTE</i>	138.7	135.4	141.3	141.3	
General Fund	7,707,110	7,694,132	7,729,984	7,927,301	
Reappropriated Funds	1,386,912	1,286,873	1,278,624	1,278,624	
Early Intervention Services	<u>1,171,904</u>	<u>1,144,440</u>	<u>1,149,775</u>	<u>1,165,533</u>	
<i>FTE</i>	10.0	10.0	10.0	10.0	
General Fund	1,171,904	1,144,440	1,149,775	1,165,533	
Shift Differential	<u>65,638</u>	<u>65,530</u>	<u>65,755</u>	<u>84,142</u>	
General Fund	65,638	65,530	65,755	84,142	
Operating Expenses	<u>417,277</u>	<u>417,256</u>	<u>417,277</u>	<u>417,277</u>	
General Fund	417,277	417,256	417,277	417,277	
Vehicle Lease Payments	<u>26,729</u>	<u>25,617</u>	<u>23,043</u>	<u>26,666</u>	*
General Fund	26,729	25,617	23,043	26,666	
Utilities	<u>514,532</u>	<u>522,594</u>	<u>554,810</u>	<u>554,810</u>	
General Fund	514,532	522,594	554,810	554,810	

*This line item includes a decision item.

FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)
Appendix A: Numbers Pages

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Allocation of State and Federal Categorical Program Funding	<u>111,279</u>	<u>119,842</u>	<u>170,000</u>	<u>170,000</u>	
<i>FTE</i>	0.1	0.1	0.4	0.4	
Reappropriated Funds	111,279	119,842	170,000	170,000	
Medicaid Reimbursements for Public School Health Services	<u>105,269</u>	<u>133,329</u>	<u>150,000</u>	<u>150,000</u>	
<i>FTE</i>	1.1	1.3	1.5	1.5	
Reappropriated Funds	105,269	133,329	150,000	150,000	
Total Funds - (A) School Operations	11,506,650	11,409,613	11,539,268	11,774,353	2.0%
<i>FTE</i>	<u>149.9</u>	<u>146.8</u>	<u>153.2</u>	<u>153.2</u>	0.0%
General Fund	9,903,190	9,869,569	9,940,644	10,175,729	2.4%
Reappropriated Funds	1,603,460	1,540,044	1,598,624	1,598,624	0.0%

(B) Special Purpose

Fees and Conferences	<u>15,555</u>	<u>5,485</u>	<u>120,000</u>	<u>120,000</u>	
Cash Funds	15,555	5,485	120,000	120,000	
Outreach Services	<u>521,631</u>	<u>503,107</u>	<u>1,025,000</u>	<u>1,025,000</u>	
<i>FTE</i>	2.4	2.3	5.4	5.4	
Cash Funds	403,280	370,815	755,000	755,000	
Reappropriated Funds	118,351	132,292	270,000	270,000	
Tuition from Out-of-state Students	<u>55,185</u>	<u>0</u>	<u>200,000</u>	<u>200,000</u>	
Cash Funds	55,185	0	200,000	200,000	

*This line item includes a decision item.

FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)
Appendix A: Numbers Pages

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Request	Request vs. Appropriation
Grants	<u>751,801</u>	<u>527,111</u>	<u>1,200,000</u>	<u>1,200,000</u>	
<i>FTE</i>	5.2	4.2	9.0	9.0	
Reappropriated Funds	751,801	527,111	1,200,000	1,200,000	
Total Funds - (B) Special Purpose	<u>1,344,172</u>	<u>1,035,703</u>	<u>2,545,000</u>	<u>2,545,000</u>	0.0%
<i>FTE</i>	<u>7.6</u>	<u>6.5</u>	<u>14.4</u>	<u>14.4</u>	<u>0.0%</u>
Cash Funds	474,020	376,300	1,075,000	1,075,000	0.0%
Reappropriated Funds	870,152	659,403	1,470,000	1,470,000	0.0%
Total Funds - (4) School for the Deaf and the Blind	<u>12,850,822</u>	<u>12,445,316</u>	<u>14,084,268</u>	<u>14,319,353</u>	1.7%
<i>FTE</i>	<u>157.5</u>	<u>153.3</u>	<u>167.6</u>	<u>167.6</u>	<u>0.0%</u>
General Fund	9,903,190	9,869,569	9,940,644	10,175,729	2.4%
Cash Funds	474,020	376,300	1,075,000	1,075,000	0.0%
Reappropriated Funds	2,473,612	2,199,447	3,068,624	3,068,624	0.0%
Total Funds - Department of Education	<u>4,401,297,957</u>	<u>4,299,893,722</u>	<u>4,336,043,821</u>	<u>4,212,273,999</u>	(2.9%)
<i>FTE</i>	<u>511.2</u>	<u>500.1</u>	<u>541.6</u>	<u>552.3</u>	<u>2.0%</u>
General Fund	3,237,311,981	2,801,617,604	2,549,526,139	2,558,419,181	0.3%
General Fund Exempt	0	161,444,485	284,175,417	284,175,417	0.0%
Cash Funds	615,522,184	574,977,773	853,103,045	719,778,867	(15.6%)
Reappropriated Funds	16,402,355	18,516,066	23,319,283	23,399,186	0.3%
Federal Funds	532,061,437	743,337,794	625,919,937	626,501,348	0.1%

*This line item includes a decision item.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)**

APPENDIX B: SUMMARY OF MAJOR LEGISLATION

- ❑ **S.B. 11-109 (Shaffer/Solano): Public Education Fund Tax Checkoff.** Establishes a new state income tax check-off programs for support of the Colorado Preschool Program. Requires contributions to be credited to the newly created Public Education Fund, and requires the General Assembly to appropriate moneys in the Fund to the Department of Revenue for related administrative costs and to the Department of Education for use in the Colorado Preschool Program. This check-off will be the fourth of five new check-offs that will be added to the income tax return as existing check-offs are eliminated.

- ❑ **S.B. 11-156 (Lambert/Becker): FY 2010-11 General Fund Reserve Reduction.** Reduces the statutorily required General Fund reserve for FY 2010-11 from 4.0 percent to 2.3 percent of General Fund appropriations. Requires the State Treasurer to transfer General Fund moneys that exceed the 2.3 percent reserve requirement to the State Education Fund; this transfer is to be made when the State Controller publishes the State Comprehensive Annual Financial Report for FY 2010-11. Initial estimates indicate that this bill will result in a transfer of \$245 million from the General Fund to the State Education Fund in late 2011. *[Update: The Legislative Council Staff's September 2011 Economic and Revenue Forecast indicates that \$226.9 million will be transferred to the State Education Fund and \$67.5 million will be transferred to the State Public School Fund pursuant to this act and S.B. 11-230.]*

- ❑ **S.B. 11-157 (Steadman/Ferrandino): Modifications to School Finance Act.** Adjusts appropriations to the Departments of Education and Higher Education for FY 2010-11 to reflect the availability of federal Education Jobs Funds and save \$156.3 million General Fund. With respect to the Department of Education, the bill:
 - increases the cash funds appropriation for school districts' total program funding by \$22.9 million cash funds¹ to offset a local revenue shortfall;
 - reflects the availability of \$156.3 million from the federal Education Jobs Fund², and decreases the General Fund appropriation for districts' total program funding by the same amount;

¹ This appropriation comes from reserves in the State Public School Fund, which consists of federal mineral lease revenues, state public school lands revenues, and school district audit recoveries.

² The Department has allocated these federal funds based on the school finance formula.

- shifts \$60.0 million federal American Recovery and Reinvestment Act of 2009 (ARRA) moneys from higher education to K-12 education, and shifts \$60.0 million General Fund from K-12 education to higher education³; and
- reduces the appropriation from the State Education Fund for Hold-harmless Full-day Kindergarten Funding by \$4,460 to better reflect anticipated expenditures.

The following table details all of the above described appropriation adjustments.

Senate Bill 11-157: FY 2010-11 Appropriations					
	Total State and Federal Funds	General Fund	Cash Funds	Federal Funds	Reapprop. Funds
<u>Section 3: Department of Education</u>					
<i>Mid-year Adjustments to School Finance Appropriations:</i>					
State Share of Districts' Total Program Funding	\$22,929,650	\$0	\$22,929,650	\$0	\$0
Hold-harmless Full-day Kindergarten Funding	<u>(4,460)</u>	<u>0</u>	<u>(4,460)</u>	<u>0</u>	<u>0</u>
Subtotal	22,925,190	0	22,925,190	0	0
<i>Adjustments Related to Federal Funds:</i>					
State Share of Districts' Total Program Funding	(216,358,164)	(216,358,164)	0	0	0
Education Stabilization Funds from the State Fiscal Stabilization Fund in ARRA	60,026,613	0	0	60,026,613	0
Education Jobs Fund Program	<u>156,331,551</u>	<u>0</u>	<u>0</u>	<u>156,331,551</u>	<u>0</u>
Subtotal	0	(216,358,164)	0	216,358,164	0
Subtotal: Education	22,925,190	(216,358,164)	22,925,190	216,358,164	0
<u>Section 4: Department of Higher Education</u>					
College Opportunity Fund Program, Fee-for-service Contracts with State Institutions	57,602,465	57,602,465	0	0	0
Various Governing Boards	(57,602,465)	0	0	(57,602,465)	57,602,465
Local District Junior College Grants	0	1,365,801	0	(1,365,801)	0
Division of Occupational Education, Area Vocational School Support*	<u>0</u>	<u>1,058,347</u>	<u>0</u>	<u>(1,058,347)</u>	<u>0</u>
Subtotal: Higher Education	0	60,026,613	0	(60,026,613)	57,602,465
Total Adjustments	22,925,190	(156,331,551)	22,925,190	156,331,551	57,602,465

³ These federal moneys must be allocated proportionally between K-12 and higher education based on the relative shortfall in state funding compared to FY 2008-09 appropriations.

Finally, the bill makes three related statutory changes to the School Finance Act:

1. *Supplemental Kindergarten Enrollment Definition.* Specifies that the supplemental kindergarten enrollment factor will be maintained at 0.58 FTE for FY 2010-11 and for future fiscal years (consistent with the appropriation for FY 2010-11).
 2. *Modify Total Program Funding for FY 2010-11.* Establishes total program funding for FY 2010-11 based on the appropriation changes described above. The appropriation adjustments in the bill essentially hold school districts harmless as reductions in state funding are offset by available federal funds. States the General Assembly's intent that various distributions and allocations⁴, shall be calculated prior to the \$216.4 million reduction in state funding, thereby simplifying calculations and holding the recipients of certain distributions and allocations harmless as well.
 3. *Clarify Mid-year Adjustment to State Budget Stabilization Factor.* Clarifies that in FY 2011-12, mid-year adjustments to the state budget stabilization factor shall maintain total program funding at the level initially established in the 2011 legislative session.
- ☐ **S.B. 11-184 (Steadman/Ferrandino): Tax Amnesty Program.** Establishes a temporary tax amnesty program that allows taxpayers to pay certain overdue taxes to the State without penalty and at a reduced interest rate. Transfers a portion of the moneys collected through the tax amnesty program, estimated to total \$9.7 million, to the State Education Fund on December 31, 2011.
- ☐ **S.B. 11-230 (Bacon/Massey): Annual School Finance Bill.** Amends the "Public School Finance Act of 1994" and other statutory provisions to provide funding for school districts for FY 2011-12, making the following changes:
- Increases the statewide *base per pupil funding* from \$5,529.71 to \$5,634.77 (1.9 percent) to account for the annual change in the Denver-Boulder consumer price index in CY 2010.
 - Renames the state budget stabilization factor, which was created through H.B. 10-1369, the "*negative factor*" and extends application of this factor indefinitely beyond FY 2011-12. For FY 2011-12, reduces the specified minimum total program funding amount that results after the application of the negative factor by \$227.5 million;

⁴ These distributions and allocations include the following: Hold-harmless full-day kindergarten funding; small attendance center aid; facility school funding; per-pupil reimbursements for students in local jails; per-pupil funding for multi-district on-line programs and the Accelerating Students Through Concurrent Enrollment (ASCENT) Program; district allocations to child care providers for the Colorado preschool program; and district allocations to charter schools.

does not specify the total program funding amount for FY 2012-13 or any subsequent fiscal year.

- Extends for an additional two years (FY 2011-12 and FY 2012-13) the requirement that certain *revenues related to state trust lands* that would otherwise be credited to the Public School ("Permanent") Fund be transferred to the State Public School Fund (SPSF). Initial estimates indicate that this provision will make another \$36.0 million available for appropriation for FY 2011-12. [This temporary transfer was initially authorized by two budget-balancing bills sponsored by the Joint Budget Committee: S.B. 09-260 and S.B. 10-150.]
- Modifies S.B. 11-156, which requires the State Treasurer to transfer General Fund moneys that exceed the 2.3 percent statutory reserve requirement to the State Education Fund. Specifically, requires the State Treasurer to *transfer from the General Fund to the State Public School Fund* (SPSF) an amount equal to the additional estimated revenue (i.e., the amount by which the Office of State Planning and Budgeting's June 2011 estimate of General Fund revenues for FY 2010-11 exceeds the Office's March 2011 estimate); except the transfer to the SPSF shall not exceed \$67.5 million. States the General Assembly's intent that the moneys transferred to the SPSF be available for appropriation during FY 2011-12 to account for mid-year changes in pupil enrollment, the at-risk pupil population, and changes in local tax revenues available for school finance. Requires all remaining excess General Fund reserve moneys to be transferred to the State Education Fund, as required by S.B. 11-156.
- States that the assessed valuation used to determine a *school district's limit of bonded indebtedness* is the assessed valuation certified on the December 10 prior to the date on which the bonds are issued.
- Extends a requirement that the Legislative Council Staff calculate the additional interest earned on severance taxes paid monthly instead of quarterly to September 1, 2015. The added interest, up to \$1,500,000, is transferred to the *Public School Energy Efficiency Fund*.

As detailed in the following table, modifies several appropriations for FY 2011-12.

Senate Bill 11-230: FY 2011-12 Appropriations		
Purpose	Amount	Fund Source
<i>Section 14: Adjustments Related to Statutory Changes to School Finance Formula</i>		
(1) Management and Administration, State Charter School Institute Administration, Oversight, and Management	(\$481)	Reappropriated Funds - Transfer from State Share of Districts' Total Program Funding line item
(2), (3), and (4) Public School Finance, State Share of Districts' Total Program Funding	(284,810,465)	General Fund

Senate Bill 11-230: FY 2011-12 Appropriations		
Purpose	Amount	Fund Source
	36,000,000	Cash Funds - State Public School Fund (available pursuant to Sections 8, 9, and 10 of the bill)
	<u>22,379,885</u>	Cash Funds - State Education Fund (SEF)
	(226,430,580)	Total Funds
(5) Public School Finance, Hold-harmless Full-day Kindergarten Funding	(329,897)	Cash Funds - SEF
(6) Grant Programs, Distributions, and Other Assistance, Facility School Funding	(653,000)	Cash Funds - SEF
(7) and (8) Colorado School for the Deaf and the Blind, Personal Services	57,335	General Fund
	(57,335)	Reappropriated Funds - Transfer from Facility School Funding line item
Section 15: Fund Source Adjustments Unrelated to Statutory Changes		
(1) and (2) Public School Finance, State Share of Districts' Total Program Funding	(175,946,870)	General Fund
	<u>175,946,870</u>	Cash Funds - SEF
	0	Total Funds
Totals	<u>(\$227,413,958)</u>	Total Funds
	(460,700,000)	General Fund
	197,343,858	State Education Fund
	36,000,000	State Public School Fund
	(57,816)	Reappropriated Funds

Also adjusts footnote #7 in the 2011-12 Long Bill (S.B. 11-209) to reduce the amount of funding that the Department of Education may use to fund students in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program to \$4,443,980.

- ❑ **H.B. 11-1121 (Ramirez/King K.):** Enacts the "Safer Schools Act of 2011", which prohibits a school district, charter school, or Institute charter school from employing a person in a nonlicensed position if that person has been convicted of certain enumerated felonies, including drug and domestic violence felonies. Allows a person to seek reconsideration of the denial of employment, and authorizes the school district or school to hire the person after assessing safety risks. Appropriates \$83,383 cash funds from the Educator Licensure Cash Fund and 0.9 FTE to the Department of Education for FY 2011-12, and appropriates \$11,005 from reappropriated funds transferred from the Department of Education to the Department of Law.
- ❑ **H.B. 11-1201 (Hamner/Nicholson):** Modifies administrative procedures related to professional educator license renewals. Continuously appropriates moneys in the Educator Licensure Cash Fund to the Department of Education for three fiscal years (FY 2011-12

through FY 2013-14). Requires the Department to annually report expenditures from the Fund and the Department's progress in meeting the goal of reducing to six weeks or less the processing time for issuing or renewing an educator license. Requires the annual Long Bill for each fiscal year to reflect estimated expenditures from the Fund for informational purposes.

- ❑ **H.B. 11-1254 (Priola/Steadman):** Makes a number of changes concerning bullying prevention and education activities and policies. Establishes the School Bullying Prevention and Education Grant Program to provide funding to public schools and facility schools for activities related to bullying prevention and education. Continuously appropriates moneys in the newly created School Bullying Prevention and Education Cash Fund to the Department of Education to implement the grant program. This fund will consist of gifts, grants and donations received and any moneys (other than General Fund moneys) made available by the General Assembly. Requires the Department to make publicly available evidence-based practices and other resources for educators and other professionals engaged in bullying prevention and education.

- ❑ **H.B. 11-1277 (Massey/Bacon):** Makes a number of statutory changes involving K-12 education. Modifies reporting requirements and oversight functions related to online schools and the Division of Online Learning. Decreases the cash funds appropriation from the State Education Fund for the Division of On-line Learning for FY 2011-12 by \$35,173 and 0.2 FTE. Allows school districts and boards of cooperative services (BOCES) that are affected by a bill that imposes any new mandate or increase in the level of service for an existing mandate to submit to the Legislative Council Staff a brief summary of the fiscal impact of the bill on the district's or BOCES' budget. Requires the Legislative Council Staff to: (1) include any brief summary received from a district or BOCES with the fiscal analysis that is prepared for the bill; and (2) request from the Department of Education information regarding the impact of proposed legislation on school districts and BOCES and to consider the information received when completing the local government fiscal impact section of the fiscal note.

**FY 2012-13 Joint Budget Committee Staff Budget Briefing
Department of Education
(Except Public School Finance)**

**APPENDIX C: UPDATE OF FY 2011-12
LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION**

Long Bill Footnotes

- 9 Department of Education, Library Programs, Reading Services for the Blind** -- This appropriation is for the support of privately operated reading services for the blind, as authorized by Section 24-90-105.5, C.R.S. It is the intent of the General Assembly that \$200,000 of this appropriation be used to provide access to radio and television broadcasts of locally published and produced materials and \$50,000 of this appropriation be used to provide telephone access to digital transmissions of nationally published and produced materials.

Comment: The Department of Education indicates that it is in compliance with this footnote. The Department annually contracts with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. Broadcasts are provided in Boulder, Louisville, and Lafayette and are available on local cable as a standard radio frequency at 98.9 KHzs. AINC is currently working through cable associations with the cities to expand local coverage. In the FY 2009-10 update and annual evaluation of the AINC progress made to the Department, the expansion of AINC broadcasts on local cable systems in the rural areas of Colorado continues to be a high priority and is expanding its outreach services. The services provided by AINC are also made available through the internet, telephone, and podcasts.

For FY 2011-12, the Department was appropriated \$250,000 total funds. Of this appropriation, \$200,000 will be used for contracts with Audio Information Network of Colorado for the purposes described above, and \$50,000 was used to purchase additional services from the National Federation for the Blind (NFB) for its Newslines service, which provides eligible Coloradans access to newspapers nationwide and a few magazines via touch tone telephone, internet, and by email. Newslines services now includes television listings (based on an individual's zip code); the NFB indicates that this additional service has increased use of their Newslines service nationwide significantly. Anyone who is a patron of the Colorado Talking Book Library (CTBL) is eligible to access Newslines services. The CTBL is able to sign patrons up for the Newslines service through their existing database.

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

3. **Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.** -- The Department of Education is requested to work with the Department of Higher Education and to provide to the Joint Budget Committee information concerning the distribution of state funds available for each categorical program, excluding grant programs. The information for special education programs for children with disabilities, English language proficiency programs, public school transportation, career and technical education, and small attendance center aid is requested to include the following: (a) a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2010-11 and the maximum allowable distribution pursuant to state law and/or State Board of Education rule; and (b) a comparison of the state and federal funding distributed to each district or administrative unit for each program in fiscal year 2009-10 and actual district expenditures for each program in fiscal year 2009-10. The information for special education programs for gifted and talented children is requested to include a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2009-10 and actual district expenditures in fiscal year 2009-10.

Comment: The Department provided the requested information. The request includes two portions, one detailing distributions in relation to maximum statutory reimbursement formulas in FY 2010-11 and one focused on the percentage of total expenditures on categorical programs supported by state and federal funds in FY 2009-10. Staff has had difficulty reconciling data associated with the statutory reimbursement formulas in FY 2010-11 but will present that information at figure setting. The second portion of the request, detailing state and federal revenues in relation to total expenditures, is summarized below.

Background Information. Section 17 of Article IX of the Colorado Constitution requires the General Assembly to increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years. The General Assembly determines on an annual basis how to finance this increase, and how to allocate the required increase among the various categorical programs. The annual Long Bill includes the minimum required increase in state funding for categorical programs. Thus, the Joint Budget Committee makes a recommendation to the General Assembly each year concerning the allocation of these funds. This footnote is intended to provide the Committee with data to inform this decision.

Please note that pursuant to S.B. 07-199 [Section 22-55-107 (3), C.R.S.], the House and Senate Education Committees may submit to the Joint Budget Committee a joint recommendation regarding the allocation of the required state funding increase for categorical programs for the next budget year. The Joint Budget Committee is required to

consider such a recommendation when developing the Long Bill for the following budget year. The Education Committees have not submitted any such recommendation to date.

Percent of Actual Expenditures Covered by State and Federal Funds. Table I provides a comparison of actual district expenditures for categorical programs to available state and federal funding in FY 2009-10. Based on the availability and relevance of district expenditure data, the table excludes data for three programs: Expelled and At-risk Student Services Grant Program, Small Attendance Center Aid, and Comprehensive Health Education. Unless otherwise noted, data is derived from the Department's response to this request for information.

This analysis indicates that districts spent \$850 million in FY 2009-10 on five categorical programs, over and above state and federal funding made available for these programs – the equivalent of 15.2 percent of districts' total program funding for FY 2009-10. Districts spent the largest portion of their total program funding to provide special education services to children with disabilities (\$472 million), followed by public school transportation services (\$155 million), and English language proficiency programs (\$134 million).

TABLE I: Categorical Program Revenues and Expenditures: FY 2009-10

	(a)	(b)	(c) = (a)+(b)	(d)	(e) = (c)/(d)	(f)=(d)-(c)
Long Bill Line Item	State Funds	Federal Funds	Total State and Federal Funds	Total District Expenditures	State/Federal Share of Expenditures	Local Share of Expenditures
District Programs Required by Statute:						
Special Education - Children With Disabilities a/	\$151,099,287	\$209,574,138	\$360,673,425	\$832,945,032	43.3%	\$472,271,607
English Language Proficiency Program	12,121,200	8,922,879	21,044,079	155,046,411	13.6%	134,002,332
Other Categorical Programs:						
Public School Transportation	51,052,049	0	51,052,049	205,975,209	24.8%	154,923,160
Colorado Vocational Act Distributions	23,107,128	5,436,369	28,543,497	90,307,460	31.6%	61,763,963
Special Education - Gifted and Talented Children	8,820,454	0	8,820,454	35,387,421	24.9%	26,566,967
Total						\$849,528,029

a/ State funding includes Public School Finance Act funding for preschool children with disabilities.

5. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2011 information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2010-11. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2011-12.

Comment: The Governor's May 11, 2011, letter to the Joint Budget Committee states that departments will "Comply within the November 1 budget request - Within the schedules customarily submitted to the Joint Budget Committee on November 1 (specifically the Schedule 3 and Schedule 14), departments report the actual number of FTE positions used during the most recently completed two fiscal years, and supply an estimate of anticipated FTE in the current and future years. In spite of my objection to the Joint Budget Committee's inclusion of FTE in the Long Bill, departments are directed to continue providing appropriate FTE data within the November 1 budget request for the purposes of assisting the General Assembly in analyzing departments' expenditures."

DEPARTMENT OF EDUCATION

2. **Department of Education, Assistance to Public Schools, Grant Programs and Other Distributions** -- The Department is requested to provide information to the Joint Budget Committee by November 1, 2011, concerning the allocation of funding to eligible boards of cooperative services (BOCES) pursuant to Section 22-2-122 (3), C.R.S. Specifically, the Department is requested to detail the sources of funds and the allocations made to each BOCES in fiscal years 2009-10 and 2010-11.

Comment: The Department complied with the request and submitted the requested information, which is shown in following tables.

Summary of FY 2009-10 BOCES Grant Writing Allocations Pursuant to Sec. 22-2-122 (3), C.R.S.

Specific BOCES	Total Allocations	Expelled and At-Risk Students	Read-to-Achieve	State School Counselor Corp Grant
East Central	\$25,979	\$1,208	\$3,282	\$21,489
Mountain	8,870	8,870		
Centennial	16,473	16,473		
Northeast	15,206	15,206		
Pikes Peak	10,137	10,137		
San Juan	5,069	5,069		
San Luis Valley	17,741		17,741	
South Central	16,473	16,473		
Southeastern	16,473		16,473	
Southwest	5,069		5,069	

Specific BOCES	Total Allocations	Expelled and At-Risk Students	Read-to-Achieve	State School Counselor Corp Grant
Northwest	8,870			8,870
Rio Blanco	2,534		2,534	
Uncompaghre	6,336			6,336
Santa Fe Trail	6,336			6,336
Front Range	<u>6,969</u>	<u>0</u>	<u>0</u>	<u>6,969</u>
Total	\$168,535			

Summary of FY 2009-10 BOCES Grant Writing Allocations Pursuant to Sec. 22-2-122 (3), C.R.S.

Specific BOCES	Total Allocations	Expelled and At-Risk Students	Read-to-Achieve	State School Counselor Corp Grant
East Central	\$29,392	\$4,680	\$1,253	\$23,459
Mountain	10,037	10,037		
Centennial	18,639	18,639		
Northeast	17,206	17,206		
Pikes Peak	12,904	12,904		
San Juan	11,470	11,470		
San Luis Valley	20,073		20,073	
South Central	17,206		17,206	
Southeastern	17,206		17,206	
Northwest	10,037			10,037
Rio Blanco	2,868			2,868
Uncompaghre	7,169		7,169	
Santa Fe Trail	8,603			8,603
Front Range	<u>5,018</u>	<u>0</u>	<u>0</u>	<u>5,018</u>
Total	\$187,828	\$74,936	\$62,907	\$49,985