



Colorado General Assembly
Joint Budget Committee

Joint Budget Committee Staff

FY 2014-15 Budget Briefing Summary

Department of Education

The Department of Education supports the State Board of Education in its duty to exercise general supervision over public schools, including accrediting public schools and school districts. The Department distributes state and federal funds to school districts, and it administers a variety of education-related programs, including educator licensure, education programs for children with special needs, English language proficiency programs, the Colorado Preschool Program, and a variety of grant programs. The Department develops and maintains state model content standards, and administers associated assessments. The Department also includes three independent agencies: (1) the Board of Trustees for the Colorado School for the Deaf and the Blind; (2) the State Charter School Institute Board, which is responsible for authorizing and monitoring institute charter schools; and (3) the Public School Capital Construction Assistance Board, which is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization of state financial assistance for school construction projects. The Department's FY 2013-14 appropriation represents 20.7 percent of statewide operating appropriations and 38.3 percent of statewide General Fund appropriations.

FY 2013-14 Appropriation and FY 2014-15 Request

Department of Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$4,562,558,440	\$3,100,348,494	\$808,055,536	\$28,629,576	\$625,524,834	561.6
SB 13-260 (School Finance)	85,524,410	0	85,524,410	0	0	0.0
Other legislation	<u>287,766</u>	<u>167,673</u>	<u>120,093</u>	<u>0</u>	<u>0</u>	<u>2.2</u>
TOTAL	\$4,648,370,616	\$3,100,516,167	\$893,700,039	\$28,629,576	\$625,524,834	563.8
FY 2014-15 Requested Appropriation						
FY 2013-14 Appropriation	\$4,648,370,616	3,100,516,167	\$893,700,039	\$28,629,576	\$625,524,834	563.8
R1 Increase total program	222,301,498	73,600,000	148,701,498	0	0	0.0
R2 Categorical programs increase	6,990,344	0	6,990,344	0	0	0.0
R3 Core network and IT refresh	3,070,988	3,070,988	0	0	0	4.6
R4 State assessments	3,845,283	75,600	3,769,683	0	0	0.0
R5 College and career readiness	234,606	234,606	0	0	0	1.8
R6 Educator recognition and perception	124,800	124,800	0	0	0	0.0
R7 State support for English language learners	429,345	429,345	0	0	0	4.1
R8 Early literacy assessment tool	2,819,373	0	2,819,373	0	0	1.0

Department of Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
R9 Start smart nutrition program	397,505	250,000	(102,495)	250,000	0	0.0
R10 BEST gross debt appropriation	8,000,000	0	8,000,000	0	0	0.0
R11 Salary increase for CSDB teachers	126,671	126,671	0	0	0	0.0
Non-prioritized requested changes	86,160	86,160	0	0	0	0.0
Annualize prior year funding	12,492,310	492,143	(2,287,631)	(5,644)	14,293,442	0.5
Centrally appropriated line items	2,076,987	373,592	429,255	195,718	1,078,422	0.0
Statewide IT common policy adjustments	32,250	32,250	0	0	0	0.0
Fund source adjustments	0	0	0	0	0	0.0
Informational funds adjustment	<u>(3,394,983)</u>	<u>0</u>	<u>290,000</u>	<u>1,215,017</u>	<u>(4,900,000)</u>	<u>0.0</u>
TOTAL	\$4,908,003,753	\$3,179,412,322	\$1,062,310,066	\$30,284,667	\$635,996,698	575.8
Increase/(Decrease)	\$259,633,137	\$78,896,155	\$168,610,027	\$1,655,091	\$10,471,864	12.0
Percentage Change	5.6%	2.5%	18.9%	5.8%	1.7%	2.1%

Summary of Issues Presented to the Joint Budget Committee

Lobato v. Colorado Supreme Court Decision: In May, 2013, the Colorado Supreme Court overturned the district court ruling in the *Lobato* case and ruled that the State's school finance system is constitutional. The ruling affirms the authority of the General Assembly to establish educational funding and policy.

School Finance Act Funding Projections: The General Assembly faces two basic decisions with respect to school finance appropriations in FY 2014-15 and beyond. First, how much should Colorado spend on school finance in FY 2014-15 and beyond? Second, given the anticipated availability of one-time funding from the State Education Fund, how should the General Assembly manage the State Education Fund and support potential increases in appropriations? The Governor is proposing a total increase of \$222.1 million in state spending on total program (including \$73.6 million General Fund and \$148.5 million cash funds from the State Education Fund). The Governor is proposing to maintain the negative factor as a constant dollar amount and to maintain a long-term fund balance in the State Education Fund of \$400 million to provide an additional reserve for K-12 education.

Core Network and Information Technology Decision Item: The Department is requesting \$3.1 million General Fund and 4.6 FTE in FY 2014-15, with ongoing costs of \$1.7 million General Fund and 5.0 FTE in FY 2015-16 and beyond, to update and improve the Department's information technology systems. The FY 2014-15 request includes \$1.4 million in one-time costs for hardware and software purchases; and \$1.6 million for ongoing costs associated with the requested FTE, ongoing hardware and software maintenance, and contract services. The Department reports that the combination of outdated and obsolete equipment and increasing data needs associated with recent reform legislation make the request a critical priority for FY 2014-15.

State Support for English Language Learners: The Department is requesting an increase of \$429,345 General Fund and 4.1 FTE to provide additional support to school districts for their English Language Learner (ELL) programs in FY 2014-15 (increasing to \$441,612 and 4.5 FTE in FY 2015-16 and beyond). The request seeks to improve training and technical assistance for schools serving ELL students. The request does not include statutory changes to the English Language Proficiency Act and does not include additional funding for schools and districts serving ELL students.

Early Literacy Assessment Tool Funding: The Department is requesting \$2.8 million cash funds from the State Education Fund and 1.0 FTE to provide ongoing funding for the Early Literacy Assessment Tool (ELAT). The General Assembly provided one year of funding for the tool through H.B. 12-1345 (2012 School Finance Bill) to support early literacy assessment requirements created in H.B. 12-1238 (READ Act). School districts are using the tool for the first time in FY 2013-14, and the Department is seeking ongoing funding for FY 2014-15 and beyond.

Standardized Assessment Update: The Department is requesting an increase of \$3.8 million total funds (including \$75,600 General Fund and \$3,769,683 cash funds from the State Education Fund) to support the continued development and administration of new standardized assessments. The request includes funds to: (1) administer new consortium-based assessments in mathematics and English language arts; (2) adjust for anticipated changes in the number of students taking the ACT and the English language proficiency assessment; and (3) provide one-time funding to align the Colorado Growth Model and the state accountability systems with the new assessments. This issue brief also discusses the Department's assumptions regarding Colorado school districts' readiness to administer new on-line assessments.

Building Excellent Schools Today Funding and Status: The Building Excellent Schools Today (BEST) program is the State's primary public school capital construction assistance program. The program is facing changes from three sources: (1) the program is approaching the statutory cap on lease purchase payments; (2) the passage of Proposition AA in November 2013 will provide additional revenue to the program from recreational marijuana beginning in FY 2013-14; and (3) a recent report from the State Auditor's Office expressed concerns about the operations of the program and recommended a variety of changes.

For More Information

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To read the entire briefing: http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/2013-14/edubrf.pdf