

Joint Budget Committee Hearing

Department of Education

January 5, 2016



COLORADO
Department of Education

**DEPARTMENT OF EDUCATION
FY 2016-17 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Tuesday, January 5, 2016
1:30 pm – 5:00 pm**

1:30-1:50 **INTRODUCTIONS AND OPENING COMMENTS**

1:50-2:00 **STATE BOARD OF EDUCATION PRIORITIES**

- 1. Please discuss the State Board of Education's priorities going forward, including any new initiatives and potential changes to the current educational systems (e.g., assessments, accountability, educator evaluation, etc.). Has the State Board's position on assessments, and the PARCC assessments in particular, changed? Please explain.*

Response:

SBE members look forward to discussing priorities and goals with the Committee during the hearing.

2:00-2:20 CATEGORICAL PROGRAMS, CATEGORICAL BUYOUT, AND DISTRICT REFUSAL TO PAY

[Background Information: As discussed during the FY 2016-17 JBC Staff Budget Briefing for the Department of Education (see the issue paper beginning on page 30 of the briefing document), three school districts have refused to pay categorical buyout amounts required by current law for FY 2014-15.]

2. *According to the JBC Staff briefing, the “total program categorical buyout” provision appears to be the major point of contention and yet the school districts are refusing to pay the entire categorical buyout amount. Please provide additional background on the issue. Is total program categorical buyout the issue? If so, why are the districts refusing to pay the full amount?*

Response:

The total program categorical buyout provision of statute is 22-54-104(5)(g) was added in 2010/2011. This section attempts to ensure that high property tax districts also share in the reduction of funding applied through the negative factor. High property tax districts do not absorb the full negative factor since state share payments are non-existent. Their total program is fully funded with local property taxes. If the district’s mill levy can also cover state categorical funds, they are required to levy for these funds, and then return the state funds that they had received to the department. In some instances, the mill levy does not fully fund the entire categorical funding the district received. In this case, the district is still required to return 100% of the state categorical funds they have received, and the shortfall is considered the “total program categorical buyout” which represents their share of the negative factor.

Three scenarios:

- 1) If a district can cover the full total program plus 100% of categorical funds, the district absorbs no negative factor.
- 2) If a district’s categorical buyout mill does not fully buy out the total categorical programs, then the difference between the amount generated by the mill levy and the total categorical program funding may be applied to the negative factor. A portion of the negative factor is absorbed.
- 3) A district may not be required to levy a categorical buyout mill, however local property taxes cover the majority of total program, therefore state share is very low. The state share becomes the negative factor plus any portion of categorical funds not to exceed the calculated negative factor. Up to the full amount of the negative factor is absorbed.

Additional Background:

Categorical funds are distributed to districts and BOCES primarily based upon prior year

information. Since these are known variables, the Department sends the funds to the districts early in the year. Districts fall in and out of categorical buyout positions from year to year. A district's categorical buyout position is not known until the final assessed values are determined in December. Statute requires districts to return the categorical funds to the department.

The districts have not provided clearly articulated explanations as to the reason for the refusal to pay. At the informal meeting held in July 2015 at Department offices, district superintendents indicated that they believe this is a legal issue and that legislation may be sought in order to address this issue. One district has indicated that they believe they are being required to repay the state with local funds.

3. *Please provide additional background on the legal disagreement at issue regarding categorical buyout. Are there constitutional issues at stake? Has the Department worked with the Attorney General's Office in relation to the districts' refusal to pay? Please explain.*

Response:

The Department has worked with its counsel in the Attorney General's Office to resolve this disagreement. To that end, the Department and its counsel have engaged in discussions with the districts' superintendents and their attorneys. It was agreed that those conversations would be confidential and the districts have not provided any written explanation of any legal grounds that may support their refusal to pay the entire categorical buyout amount. Consequently, no additional background on the legal disagreement or further explanation can be given at this time.

4. *What has the Department done to work with these districts to resolve the situation? Can the Department provide additional information on how we reached this point and why the districts are refusing to pay?*

Response:

All six categorical buyout districts were made aware of their status in December 2014. In early June 2015 emails detailing the categorical buyout amounts and process were sent to all categorical buyout districts. The Department was notified by four districts in late June that payments for the amounts owed for categorical buyouts would not be made. Department staff spent individual time via telephone and email explaining the process and related statutory authority to the districts. In July 2015, the Department held a meeting with the four districts to engage in a discussion, provide additional information and clarify outstanding questions or concerns. One of the four districts did pay amounts owed after this meeting.

In August 2015 the Department had still not received payment from three districts and sent individual letters requesting payment by September 15, 2015. The Attorney General's Office, Joint Budget Committee staff, and the school district board president were copied on these letters.

The districts then requested a meeting with the Attorney General's Office and Department staff which was held on October 23. Attendees from the districts were the school district superintendents and their attorneys. The dispute was not resolved, though CDE's counsel in the Attorney General's Office continues to communicate with counsel for the districts.

As of December 21, 2015, the Department has not received any of the outstanding categorical buyout revenues.

Pawnee School District (Weld County School District RE-12) included the following statement within their Management Discussion and Analysis section of the June 30, 2015 audited financial statements which may provide some insight into this district's refusal to pay:

WELD COUNTY SCHOOL DISTRICT RE-12
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2015
Economic Factors

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

- Every year our District depends primarily on local funds and a little on Federal funds. Recently state funding has experienced cutbacks and negative factors that have resulted in zero state funding for the District and an actual payment back to the state of an amount equal to the categorical funding of the District pursuant to law. There is a mill levy collected for this payment which is local money going to the state fund, which the district objects to and raises a question of legality. For the 2014-2015 year, the district was one of six who continued to collect this mill for categorical funding because the total program was able to be funded locally without state equalization. Pawnee School District and two others elected to put the funds in escrow not paying them back, but asking the state to reconsider the interpretation of the law demanding these payments. To date the districts involved have a team of lawyers working on changing this law by meeting with the State Attorney General and The State Board of Education. It is our hope that legislation will be introduced to make this a fairer element in the funding formula for all districts. It is of particular importance because student enrollment combined with local production of natural resources will be the future stability of finances in our District. With local production down in this year and a small increase in student enrollment, projections for next year are that the district would fall back into the equalization category and be subject to the negative factor. An increase in local production in the future would put the district back in the categorical situation.

5. *The JBC Staff is recommending that the Committee sponsor legislation directing the Department to withhold other sources of state funds to account (and compensate) for the unpaid categorical buyout amounts. What are examples of other state funds that the Department could/would withhold in that situation? Should such a bill specify funds to be withheld or provide flexibility to the Department? Is this legislation that could be put in place for the current year to respond to the refusal to pay in FY 2014-15?*

Response:

Potential sources of state funds that are distributed on a per pupil basis that could be withheld for refusal to pay:

- Any future state equalization payments (districts move in and out of categorical buyout)
- Small Rural Schools funding
- English Language Proficiency Act (ELPA) funding, which is on top of the categorical funding portion
- READ Act Funding

The bill should provide flexibility to the Department to withhold within specified funding streams, i.e., the listing above.

The Department believes legislation could be put in place for the current year. However, if funds for particular items have already been disbursed, withholding would need to occur in the next fiscal year.

6. *In Request R2 (Categorical Programs Increase), the allocations of funding increases among the categorical programs seem different from prior years. Please explain how the Department allocated the increases for FY 2016-17 and whether it was different from prior years. For example, is Transportation getting a larger share of the increase?*

Response:

The change in inflation between years caused the change in total funding increases required. The methodology for allocating the increase remained the same.

Section 17 of Article IX of the State Constitution requires that the General Assembly provide inflationary increases for categorical programs each year. The calculation for the requested increase is based on adjusting the FY 2015-16 appropriations for categorical programs by an inflation rate of 1.8 percent. The inflationary rate used the applicable rate for FY 2016-17 projected in the Office of Strategic Planning and Budgeting's September 2015 Economic Forecast. This results in an increase of approximately \$5.1 million over current State funding amounts.

In contrast, last year's inflationary estimate was 2.8 percent which required an increase of \$7.8 million.

The Department requests that the \$5.1 million inflationary adjustment be allocated to specific categorical programs based on their proportional percentage of "gap funding" between the revenues the programs receive from state and federal sources and the funding the school districts actually spend to support those programs. If no gap exists, as is the case for three of the categorical programs, no funding increase is requested for those programs in FY 2016-17.

The chart below illustrates the requests between the two fiscal years. The higher inflation rate in the prior year would cause the programs to receive more funding; however, the allocations among the programs on a percentage basis is similar between the years.

| REQUEST FY 16-17 | | | | REQUEST FY 15-16 | | |
|---|---|---------------------------|--------------|---|---------------------------|------------|
| Categorical Program | Inflation for FY2016-17 (Based on OSPB Sept 2015 CPI) | Total Request - FY2016-17 | % of Total | Inflation for FY 2015-16 (Based on OSPB Sep 2014 CPI) | Total Request - FY2015-16 | % of Total |
| Special Education Programs for Children with Disabilities | 1.80% | 2,861,298 | 55.56% | 2.80% | 4,360,819 | 55.96% |
| English Language Proficiency Programs | | 966,831 | 18.78% | | 1,400,568 | 17.97% |
| Public School Transportation | | 876,465 | 17.02% | | 1,345,141 | 17.26% |
| Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Educational Programs | | 333,213 | 6.47% | | 501,238 | 6.43% |
| Special Education Programs for Gifted and Talented Children | | 111,683 | 2.17% | | 184,373 | 2.37% |
| Expelled and At-risk Student Services Grant Program | | - | 0.00% | | - | 0.00% |
| Small Attendance Center Aid | | - | 0.00% | | - | 0.00% |
| Comprehensive Health Education | | - | 0.00% | | - | 0.00% |
| Total of all Categorical Programs as Reported | | | \$ 5,149,491 | | 100.00% | |

2:20-2:50 SCHOOL FINANCE

[Background Information: The FY 2016-17 JBC Staff Budget Briefing for the Department of Education included projections of the funding required for school finance from FY 2016-17 through FY 2019-20 under five different scenarios based on the September 2015 Legislative Council Staff Revenue Forecast (see the issue paper beginning on page 16 of the briefing document). The briefing also included an issue paper (beginning on page 37) presenting the school finance calculations for five school districts from FY 2014-15, in addition to the funding available to each district through local mill levy overrides.]

7. *Please discuss potential inequities in the current factors included in the school finance formula.*

Response:

The FY2016-17 Staff Budget Briefing document for the Department of Education presented a case study of school finance funding. This case study outlined the components of the formula, described the impacts of the factors on various school districts and outlined disparities and complications arising from local property tax wealth and the ability of districts to raise funds through override mill levies.

In addition to the issues raised in the briefing, some potential inequities exist from the following observations:

- 1) Small districts have less flexibility for providing services than larger districts. In larger districts, when financing issues arise, there are more options and choices to deal with funding shortfalls. In smaller districts, since a larger portion of their funding is used for fixed costs, there is less ability to address budget shortfalls using only variable cost reductions or reallocating resources. While the size factor attempts to account for these variations, as pointed out in the briefing document, “the size factor represented roughly 4.3 percent of total program funding in FY 2014-15, prior to the application of the negative factor.” The majority of districts within the state are small – 107 districts have fewer than 1,000 funded students.
- 2) The geographic locations and other factors of rural districts might limit the ability to offer as many services or opportunities to their students as larger metropolitan districts. For example, teacher shortages in rural areas are a concern which is not addressed through factors in the school finance formula. It is difficult for smaller districts to offer salaries that are competitive with larger districts that may also have mill levy overrides.

- 3) While the formula funds at-risk students based on free lunch and English Language eligibility, there are other risk factors that may require additional services for some students which are not included in the school finance formula.
- 4) The gap in state and federal revenues for categorical funding is significant which can create inequities. For example, special education services are partially funded through the Exceptional Children's Educational Act (ECEA) and the federal Individuals with Disabilities Education Act (IDEA). In 2013-14, state and federal funding covered approximately 40 percent of the costs of special education programs. The remaining 60 percent was covered through districts total program funding or other sources of revenue. This gap in funding was over \$520 million. For smaller districts, this can be a large percentage of a small budget.
- 5) The financing for capital outlay and facilities may be more difficult for smaller districts compared with larger districts. Given that smaller districts have less flexibility for funding fixed costs, when problems arise, such as a broken boiler or leaking roof, these repairs take a larger portion of the smaller-district budget. This creates a need to potentially have larger reserves or contingency plans to deal with maintenance issues.

In addition, smaller districts have lower tax bases in which to potentially raise enough local funds to build new facilities or purchase large capital outlay items such as buses.

8. *The JBC Staff briefing document mentions that the Agate School District has 11.5 actual pupils. Does Agate contract for services provided to additional students (such as high school students)? If so, do the funds for those students flow to Agate (within the 50.0 pupil allocation) or to the school district operating the high school which the students attend? Please explain.*

Response:

Agate School District contracts with and pays other school districts to provide high school opportunities for their students. Agate school district counts and receives the funding for these students. Amounts for services are negotiated between the districts.

9. *Please provide background on school districts' school finance mill levies. For example, how were the mill levies originally set? How have the levies changed over time? How can they be changed going forward?*

Response:

The 1988 School Finance Act set district mill levies each year with a uniform mill across all districts. See below:

| Year* | Uniform Levy |
|------------|--------------|
| CY 1989 | 36.810 |
| CY 1990 | 39.627 |
| CY 1991 | 38.300 |
| TFY 1992 | 40.080 |
| FY 1992-93 | 40.080 |

* School district fiscal years were calendar years until the transition year in 1992. Beginning in July 1992, school district fiscal years aligned to the state fiscal year.

Beginning with the School Finance Act of 1994, districts were required to levy the lesser of the mill they levied in the prior year, the mill required to fully fund their total program funding or the mill as calculated under TABOR. At the time the 1994 Act was implemented, many of the districts total program mills were still at 40.080; however, mill levies ranged from 6.651(Gilpin) to 52.443 (Edison).

Mills began to ratchet down as a result of TABOR. In addition, increasing assessed valuations caused mill levies to continually decrease. Once a total program mill has been reduced, it cannot increase.

Beginning in FY 2007-08, legislation was passed to stabilize school district mill levies. The legislation capped mill levies at 27 mills and froze mill levies for districts with mill levies of 27 mills or less. Forty-four districts were required to reduce their mill levies to 27 mills. All other districts were frozen at their existing mill rate. The four districts which have not held a successful TABOR election were not required to freeze their mill levies and these district levies have decreased as a result of increasing assessed valuations. Districts which are able to fully fund total program can potentially have decreasing mill levies as well.

There is currently no way for districts to increase their total program mill levies. Districts may request voter approval for override mills to supplement their total program funding.

10. The JBC Staff briefing discussed that 62 school districts did not have mill levy overrides in FY 2014-15 (while 116 districts did collect at least some override revenue).

- a. Please provide a list of the districts that did and did not collect override moneys in FY 2014-15 or, if possible, a list of such districts for FY 2015-16. Please also include the amount of override revenue for each district.**

Response:

As of November 2015, there are 118 districts using overrides to generate an additional \$838 million in local revenues. On average, this results in an average increase of \$1,214 per pupil for districts with overrides. Of the 60 districts that do not have an override, 47 districts have less than 1,000 funded pupils. There are 107 districts with less than 1,000 funded pupils in the state. The following table illustrates the impact of override revenues for each district.

| County | District | FY 2015-16 Actual Funded Pupil Count | Total Program Per Pupil Funding (after Negative Factor) | Total Voter Approved Override | Override Per Pupil Funding | Total Per Pupil Funding including Voter Approved Override |
|---------------|--------------------|---|--|--------------------------------------|-----------------------------------|--|
| Adams | Mapleton | 8,262.3 | 7,274 | 4,884,050 | 591 | 7,865 |
| Adams | Adams 12 Five Star | 41,633.3 | 7,118 | 35,400,000 | 850 | 7,969 |
| Adams | Commerce City | 8,128.4 | 7,652 | 4,890,000 | 602 | 8,254 |
| Adams | 27J | 17,098.1 | 7,011 | 750,000 | 44 | 7,055 |
| Adams | Bennett | 1,024.1 | 7,545 | 1,200,000 | 1,172 | 8,717 |
| Adams | Strasburg | 971.3 | 7,501 | 300,000 | 309 | 7,810 |
| Adams | Westminster | 10,502.9 | 7,537 | 8,363,712 | 796 | 8,334 |
| Alamosa | Alamosa | 2,263.6 | 6,981 | - | - | 6,981 |

| County | District | FY 2015-16 Actual Funded Pupil Count | Total Program Per Pupil Funding (after Negative Factor) | Total Voter Approved Override | Override Per Pupil Funding | Total Per Pupil Funding including Voter Approved Override |
|---------------|------------------|---|--|--------------------------------------|-----------------------------------|--|
| Alamosa | Sangre De Cristo | 307.3 | 9,426 | - | - | 9,426 |
| Arapahoe | Englewood | 2,720.5 | 7,490 | 4,655,850 | 1,711 | 9,202 |
| Arapahoe | Sheridan | 1,430.7 | 8,433 | 1,000,000 | 699 | 9,132 |
| Arapahoe | Cherry Creek | 51,581.7 | 7,236 | 84,604,511 | 1,640 | 8,876 |
| Arapahoe | Littleton | 14,785.0 | 7,012 | 28,813,581 | 1,949 | 8,961 |
| Arapahoe | Deer Trail | 166.5 | 13,263 | 6,508 | 39 | 13,302 |
| Arapahoe | Aurora | 40,136.5 | 7,563 | 37,339,028 | 930 | 8,493 |
| Arapahoe | Byers* | 2,859.1 | 7,038 | 150,000 | 52 | 7,090 |
| Archuleta | Archuleta | 1,369.9 | 7,430 | - | - | 7,430 |
| Baca | Walsh | 147.0 | 12,577 | - | - | 12,577 |
| Baca | Pritchett | 50.0 | 14,595 | 100,000 | 2,000 | 16,595 |
| Baca | Springfield | 267.9 | 9,837 | - | - | 9,837 |
| Baca | Vilas | 63.2 | 12,406 | - | - | 12,406 |
| Baca | Campo | 50.0 | 14,500 | 154,646 | 3,093 | 17,593 |
| Bent | Las Animas | 499.6 | 7,836 | - | - | 7,836 |
| Bent | Mcclave | 252.0 | 9,865 | 125,783 | 499 | 10,365 |
| Boulder | St Vrain | 29,373.5 | 7,115 | 32,635,664 | 1,111 | 8,226 |
| Boulder | Boulder | 29,702.3 | 7,206 | 66,410,355 | 2,236 | 9,441 |
| Chaffee | Buena Vista | 918.7 | 7,482 | 2,044,227 | 2,225 | 9,707 |
| Chaffee | Salida | 1,203.2 | 7,179 | 2,497,712 | 2,076 | 9,255 |
| Cheyenne | Kit Carson** | 123.8 | 12,907 | 393,410 | 3,178 | 16,085 |
| Cheyenne | Cheyenne | 172.8 | 12,314 | 726,898 | 4,207 | 16,521 |
| Clear Creek | Clear Creek | 852.1 | 8,555 | 1,839,046 | 2,158 | 10,713 |

| County | District | FY 2015-16 Actual Funded Pupil Count | Total Program Per Pupil Funding (after Negative Factor) | Total Voter Approved Override | Override Per Pupil Funding | Total Per Pupil Funding including Voter Approved Override |
|---------------|-------------------|---|--|--------------------------------------|-----------------------------------|--|
| Conejos | North Conejos | 1,004.0 | 7,238 | 189,856 | 189 | 7,427 |
| Conejos | Sanford | 369.0 | 8,707 | - | - | 8,707 |
| Conejos | South Conejos | 215.3 | 11,828 | - | - | 11,828 |
| Costilla | Centennial | 227.5 | 11,110 | - | - | 11,110 |
| Costilla | Sierra Grande | 295.4 | 9,864 | 330,575 | 1,119 | 10,983 |
| Crowley | Crowley | 462.0 | 8,051 | - | - | 8,051 |
| Custer | Westcliffe | 376.4 | 8,882 | - | - | 8,882 |
| Delta | Delta | 4,847.6 | 7,033 | - | - | 7,033 |
| Denver | Denver | 85,584.6 | 7,582 | 129,959,655 | 1,518 | 9,101 |
| Dolores | Dolores* | 260.8 | 10,520 | 350,000 | 1,342 | 11,862 |
| Douglas | Douglas | 63,572.0 | 7,022 | 33,713,000 | 530 | 7,552 |
| Eagle | Eagle | 6,779.8 | 7,557 | 8,061,631 | 1,189 | 8,746 |
| Elbert | Elizabeth | 2,415.1 | 7,153 | - | - | 7,153 |
| Elbert | Kiowa | 306.6 | 9,989 | - | - | 9,989 |
| Elbert | Big Sandy | 287.3 | 10,184 | - | - | 10,184 |
| Elbert | Elbert | 205.1 | 11,982 | - | - | 11,982 |
| Elbert | Agate | 50.0 | 15,399 | - | - | 15,399 |
| El Paso | Calhan | 521.2 | 8,259 | - | - | 8,259 |
| El Paso | Harrison | 11,466.9 | 7,369 | 5,750,000 | 501 | 7,871 |
| El Paso | Widefield | 8,813.7 | 6,912 | 3,950,000 | 448 | 7,361 |
| El Paso | Fountain | 7,595.1 | 6,912 | 700,000 | 92 | 7,005 |
| El Paso | Colorado Springs | 30,010.3 | 7,189 | 30,398,822 | 1,013 | 8,202 |
| El Paso | Cheyenne Mountain | 4,858.5 | 6,912 | 5,157,461 | 1,062 | 7,974 |

| County | District | FY 2015-16 Actual Funded Pupil Count | Total Program Per Pupil Funding (after Negative Factor) | Total Voter Approved Override | Override Per Pupil Funding | Total Per Pupil Funding including Voter Approved Override |
|---------------|-------------------|---|--|--------------------------------------|-----------------------------------|--|
| El Paso | Manitou Springs** | 1,438.6 | 7,367 | 3,700,000 | 2,572 | 9,939 |
| El Paso | Academy | 23,701.6 | 6,906 | 26,750,862 | 1,129 | 8,034 |
| El Paso | Ellicott | 989.5 | 7,798 | - | - | 7,798 |
| El Paso | Peyton | 639.1 | 7,997 | - | - | 7,997 |
| El Paso | Hanover | 241.2 | 11,357 | - | - | 11,357 |
| El Paso | Lewis-Palmer | 5,942.0 | 6,912 | 4,000,000 | 673 | 7,586 |
| El Paso | Falcon | 21,839.3 | 6,950 | 7,500,000 | 343 | 7,293 |
| El Paso | Edison | 190.4 | 11,945 | - | - | 11,945 |
| El Paso | Miami-Yoder | 268.5 | 10,514 | 40,575 | 151 | 10,666 |
| Fremont | Canon City | 3,728.3 | 6,912 | - | - | 6,912 |
| Fremont | Florence | 1,450.5 | 7,125 | 350,000 | 241 | 7,366 |
| Fremont | Cotopaxi* | 202.7 | 11,509 | 110,000 | 543 | 12,051 |
| Garfield | Roaring Fork | 5,905.5 | 7,501 | 8,800,000 | 1,490 | 8,992 |
| Garfield | Rifle | 4,699.7 | 7,044 | 4,300,000 | 915 | 7,959 |
| Garfield | Parachute | 1,057.1 | 7,739 | 2,167,002 | 2,050 | 9,788 |
| Gilpin | Gilpin | 409.2 | 8,981 | 980,488 | 2,396 | 11,377 |
| Grand | West Grand | 441.8 | 8,704 | 550,000 | 1,245 | 9,949 |
| Grand | East Grand | 1,227.2 | 7,360 | 2,114,126 | 1,723 | 9,083 |
| Gunnison | Gunnison | 1,875.5 | 7,243 | 3,800,000 | 2,026 | 9,269 |
| Hinsdale | Hinsdale | 95.9 | 14,804 | - | - | 14,804 |
| Huerfano | Huerfano | 511.4 | 8,000 | - | - | 8,000 |
| Huerfano | La Veta | 213.6 | 10,973 | - | - | 10,973 |
| Jackson | North Park | 180.8 | 12,510 | - | - | 12,510 |

| County | District | FY 2015-16 Actual Funded Pupil Count | Total Program Per Pupil Funding (after Negative Factor) | Total Voter Approved Override | Override Per Pupil Funding | Total Per Pupil Funding including Voter Approved Override |
|---------------|-----------------|---|--|--------------------------------------|-----------------------------------|--|
| Jefferson | Jefferson | 81,422.2 | 7,097 | 113,302,585 | 1,392 | 8,489 |
| Kiowa | Eads | 159.6 | 11,917 | - | - | 11,917 |
| Kiowa | Plainview | 66.8 | 13,817 | 64,538 | 966 | 14,784 |
| Kit Carson | Arriba-Flagler | 165.6 | 11,972 | - | - | 11,972 |
| Kit Carson | Hi Plains | 111.3 | 12,911 | 139,360 | 1,252 | 14,163 |
| Kit Carson | Stratton | 180.8 | 11,560 | 119,200 | 659 | 12,219 |
| Kit Carson | Bethune | 117.3 | 13,225 | - | - | 13,225 |
| Kit Carson | Burlington | 714.9 | 7,438 | 270,068 | 378 | 7,815 |
| Lake | Lake | 1,023.6 | 7,708 | 667,783 | 652 | 8,361 |
| La Plata | Durango | 4,886.2 | 7,155 | 8,221,262 | 1,683 | 8,837 |
| La Plata | Bayfield | 1,293.3 | 7,515 | 2,051,357 | 1,586 | 9,101 |
| La Plata | Ignacio | 824.1 | 8,022 | 1,100,000 | 1,335 | 9,357 |
| Larimer | Poudre | 29,163.3 | 6,911 | 35,012,147 | 1,201 | 8,111 |
| Larimer | Thompson | 15,064.9 | 6,912 | 14,040,000 | 932 | 7,844 |
| Larimer | Estes Park | 1,068.3 | 7,641 | 1,921,000 | 1,798 | 9,439 |
| Las Animas | Trinidad | 1,149.2 | 7,659 | - | - | 7,659 |
| Las Animas | Primero | 188.8 | 11,706 | 428,695 | 2,271 | 13,977 |
| Las Animas | Hoehne | 356.9 | 8,886 | - | - | 8,886 |
| Las Animas | Aguilar | 111.9 | 13,610 | 29,636 | 265 | 13,875 |
| Las Animas | Branson | 443.9 | 6,883 | 205,000 | 462 | 7,345 |
| Las Animas | Kim | 50.0 | 13,740 | 199,998 | 4,000 | 17,740 |
| Lincoln | Genoa-Hugo | 157.5 | 14,109 | - | - | 14,109 |
| Lincoln | Limon | 493.8 | 7,868 | - | - | 7,868 |

| County | District | FY 2015-16 Actual Funded Pupil Count | Total Program Per Pupil Funding (after Negative Factor) | Total Voter Approved Override | Override Per Pupil Funding | Total Per Pupil Funding including Voter Approved Override |
|---------------|-----------------|---|--|--------------------------------------|-----------------------------------|--|
| Lincoln | Karval | 50.0 | 14,597 | - | - | 14,597 |
| Logan | Valley | 2,153.0 | 7,010 | 500,000 | 232 | 7,242 |
| Logan | Frenchman | 187.2 | 11,852 | 18,623 | 99 | 11,952 |
| Logan | Buffalo | 312.7 | 9,402 | - | - | 9,402 |
| Logan | Plateau | 172.2 | 12,092 | 481,496 | 2,796 | 14,888 |
| Mesa | Debeque | 140.0 | 12,991 | 5,222 | 37 | 13,028 |
| Mesa | Plateau Valley | 448.2 | 8,062 | 350,000 | 781 | 8,843 |
| Mesa | Mesa Valley | 21,744.2 | 6,912 | 8,619,667 | 396 | 7,309 |
| Mineral | Creede | 83.2 | 14,573 | 70,000 | 841 | 15,414 |
| Moffat | Moffat | 2,092.3 | 6,912 | 2,177,847 | 1,041 | 7,953 |
| Montezuma | Montezuma | 2,691.3 | 6,938 | - | - | 6,938 |
| Montezuma | Dolores | 720.0 | 7,716 | 390,000 | 542 | 8,258 |
| Montezuma | Mancos | 455.2 | 8,152 | 333,800 | 733 | 8,886 |
| Montrose | Montrose | 5,849.3 | 7,198 | - | - | 7,198 |
| Montrose | West End | 263.7 | 11,761 | 248,000 | 940 | 12,701 |
| Morgan | Brush | 1,449.1 | 7,412 | 400,000 | 276 | 7,688 |
| Morgan | Ft. Morgan | 2,973.7 | 7,316 | 550,000 | 185 | 7,501 |
| Morgan | Weldon | 219.6 | 11,497 | 9,618 | 44 | 11,541 |
| Morgan | Wiggins | 531.2 | 9,113 | - | - | 9,113 |
| Otero | East Otero | 1,311.5 | 7,672 | - | - | 7,672 |
| Otero | Rocky Ford | 798.1 | 8,050 | - | - | 8,050 |
| Otero | Manzanola | 136.1 | 13,470 | - | - | 13,470 |
| Otero | Fowler | 402.2 | 8,540 | - | - | 8,540 |

| County | District | FY 2015-16 Actual Funded Pupil Count | Total Program Per Pupil Funding (after Negative Factor) | Total Voter Approved Override | Override Per Pupil Funding | Total Per Pupil Funding including Voter Approved Override |
|---------------|-------------------|---|--|--------------------------------------|-----------------------------------|--|
| Otero | Cheraw | 203.0 | 11,529 | - | - | 11,529 |
| Otero | Swink | 368.4 | 8,880 | 15,862 | 43 | 8,923 |
| Ouray | Ouray | 175.3 | 13,655 | 155,000 | 884 | 14,539 |
| Ouray | Ridgway | 334.4 | 10,084 | 516,372 | 1,544 | 11,628 |
| Park | Platte Canyon | 979.2 | 7,714 | 550,204 | 562 | 8,275 |
| Park | Park | 569.1 | 8,229 | 757,953 | 1,332 | 9,561 |
| Phillips | Holyoke | 593.8 | 7,674 | 447,872 | 754 | 8,428 |
| Phillips | Haxtun | 300.0 | 9,050 | - | - | 9,050 |
| Pitkin | Aspen** | 1,667.4 | 9,394 | 5,606,942 | 3,363 | 12,757 |
| Prowers | Granada | 202.4 | 11,169 | - | - | 11,169 |
| Prowers | Lamar | 1,526.1 | 7,310 | - | - | 7,310 |
| Prowers | Holly | 275.1 | 9,446 | - | - | 9,446 |
| Prowers | Wiley | 242.4 | 10,226 | - | - | 10,226 |
| Pueblo | Pueblo City | 17,162.9 | 7,244 | - | - | 7,244 |
| Pueblo | Pueblo Rural | 9,157.3 | 6,912 | - | - | 6,912 |
| Rio Blanco | Meeker | 645.6 | 7,549 | 404,670 | 627 | 8,175 |
| Rio Blanco | Rangely | 494.8 | 7,698 | 671,263 | 1,357 | 9,054 |
| Rio Grande | Del Norte | 470.3 | 7,956 | 832,600 | 1,770 | 9,726 |
| Rio Grande | Monte Vista | 1,115.7 | 7,454 | 195,000 | 175 | 7,629 |
| Rio Grande | Sargent | 440.2 | 7,876 | 75,000 | 170 | 8,046 |
| Routt | Hayden | 372.1 | 9,492 | 905,473 | 2,433 | 11,926 |
| Routt | Steamboat Springs | 2,470.5 | 7,285 | 2,637,161 | 1,067 | 8,353 |
| Routt | South Routt | 360.6 | 9,694 | 914,457 | 2,536 | 12,230 |

| County | District | FY 2015-16 Actual Funded Pupil Count | Total Program Per Pupil Funding (after Negative Factor) | Total Voter Approved Override | Override Per Pupil Funding | Total Per Pupil Funding including Voter Approved Override |
|---------------|-------------------|---|--|--------------------------------------|-----------------------------------|--|
| Saguache | Mountain Valley | 126.0 | 13,336 | - | - | 13,336 |
| Saguache | Moffat | 195.5 | 13,257 | 164,087 | 839 | 14,096 |
| Saguache | Center | 650.6 | 8,257 | - | - | 8,257 |
| San Juan | Silverton | 67.3 | 15,534 | 19,818 | 294 | 15,828 |
| San Miguel | Telluride | 895.6 | 9,697 | 1,848,603 | 2,064 | 11,761 |
| San Miguel | Norwood | 258.5 | 11,081 | 431,302 | 1,668 | 12,750 |
| Sedgwick | Julesburg | 631.6 | 7,218 | - | - | 7,218 |
| Sedgwick | Revere | 136.6 | 13,010 | 74,229 | 543 | 13,554 |
| Summit | Summit | 3,294.9 | 7,564 | 6,162,349 | 1,870 | 9,434 |
| Teller | Cripple Creek | 341.9 | 9,447 | 584,000 | 1,708 | 11,156 |
| Teller | Woodland Park | 2,436.7 | 6,978 | 1,100,000 | 451 | 7,430 |
| Washington | Akron | 338.1 | 9,280 | - | - | 9,280 |
| Washington | Arickaree | 104.7 | 13,634 | 257,823 | 2,463 | 16,096 |
| Washington | Otis | 221.2 | 11,230 | - | - | 11,230 |
| Washington | Lone Star | 107.1 | 13,920 | - | - | 13,920 |
| Washington | Woodlin | 94.0 | 14,170 | 231,953 | 2,468 | 16,638 |
| Weld | Gilcrest | 1,864.3 | 7,259 | 3,904,000 | 2,094 | 9,353 |
| Weld | Eaton | 1,897.9 | 7,002 | 1,200,000 | 632 | 7,634 |
| Weld | Weld County Re-3J | 2,228.8 | 7,787 | 1,246,526 | 559 | 8,347 |
| Weld | Windsor | 5,232.1 | 6,912 | 2,595,350 | 496 | 7,409 |
| Weld | Johnstown | 3,588.3 | 6,912 | 500,000 | 139 | 7,052 |
| Weld | Greeley | 21,014.1 | 7,166 | - | - | 7,166 |
| Weld | Platte Valley | 1,129.4 | 8,423 | 2,491,537 | 2,206 | 10,629 |

| County | District | FY 2015-16 Actual Funded Pupil Count | Total Program Per Pupil Funding (after Negative Factor) | Total Voter Approved Override | Override Per Pupil Funding | Total Per Pupil Funding including Voter Approved Override |
|---|---------------|--------------------------------------|---|-------------------------------|----------------------------|---|
| Weld | Ft. Lupton | 2,229.2 | 7,495 | 2,675,000 | 1,200 | 8,695 |
| Weld | Ault-Highland | 820.7 | 7,644 | 900,000 | 1,097 | 8,741 |
| Weld | Briggsdale | 163.1 | 13,374 | 497,743 | 3,052 | 16,425 |
| Weld | Prairie | 191.4 | 13,287 | 75,000 | 392 | 13,679 |
| Weld | Pawnee | 83.0 | 14,648 | 130,000 | 1,566 | 16,215 |
| Yuma | Yuma 1 | 776.1 | 8,100 | 1,194,000 | 1,538 | 9,639 |
| Yuma | Wray Rd-2 | 658.3 | 7,781 | 400,000 | 608 | 8,389 |
| Yuma | Idalia Rj-3 | 191.8 | 12,008 | - | - | 12,008 |
| Yuma | Liberty J-4 | 69.0 | 15,026 | 292,380 | 4,237 | 19,264 |
| Total | | 853,253.5 | 7,293 | 838,597,464 | NA | NA |
| | | | | | | |
| * Brand new overrides passed in November 2015 | | | | | | |
| ** Additional overrides passed in November 2015 | | | | | | |

b. As discussed during the briefing, there may be multiple explanations for why a local district would not have a mill levy override (e.g., lack of political support, lack of local tax base, etc.). Is there a metric that would help identify districts in which a mill levy override is not possible (or not financially productive)?

Response:

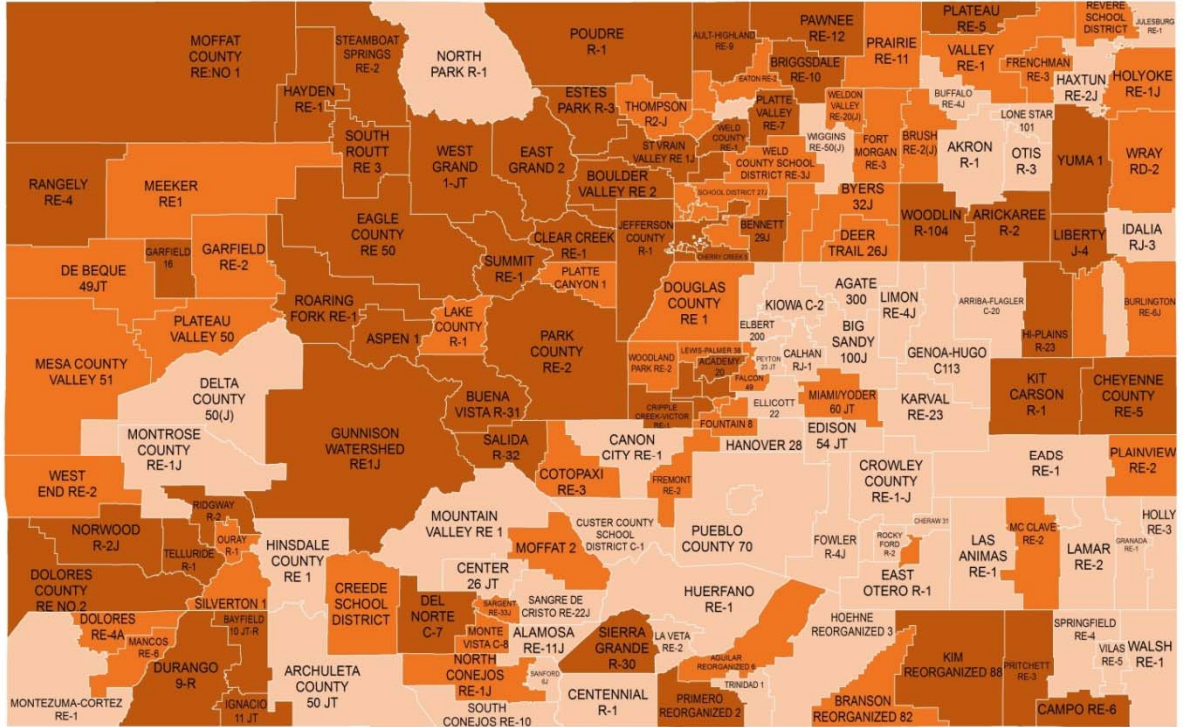
Many districts are unable to generate significant override revenues due to either the current override cap (25 percent of total program funding plus Cost of Living Amount) or very low assessed valuation. The table below shows the impact of these limitations.

| | District A (High AV & Large Total Program) | District B (Small AV & Small Total Program) | District C (High AV & Small Total Program) |
|---|---|--|---|
| Assessed Valuation (AV) | \$ 427,998,390 | \$3,255,194 | \$189,343,990 |
| Voter Approved Override | \$3,000,000 | \$3,000,000 | \$3,000,000 |
| Required Mills to Generate \$3 million | 7.009 | 921.604 | 15.844 |
| Override Limit (25% of Total Program) | \$14,188,540 | \$691,792 | \$608,759 |
| Required Mills to Generate Limit | 33.151 | 212.519 | 3.215 |
| Annual Tax Impact to Homeowner with Home Value of \$250,000 | \$660 | \$4,229 | \$64 |

Given that the majority of districts without mill levy overrides or lower per pupil amounts generated by overrides are small districts, there is an equity issue in the ability of small districts to obtain additional revenues locally.

The map below illustrates districts per pupil mill levy override revenues for 2015-16.

Per Pupil Override Revenues, 2015-16

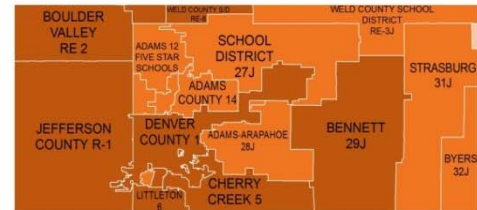


Legend

Per Pupil Override Revenues

- No override or zero
- 2. Override at \$1000 or less per pupil
- 3. Override greater than \$1000 per pupil

Prepared by CDE Staff, December 21, 2015



Potential metrics that might be considered to identify districts in which a mill levy override is not possible:

- Assessed Value per Pupil – average per pupil assessed values for districts with mill levy overrides is \$360,000 vs. \$132,000 for districts without. Statewide average AVs per pupil equal \$283,000.
- Size of district – a large percentage of the districts without overrides are small – see discussion above.
- Other potential metrics: Mobility rate; class of property that makes up assessed values; population demographics – i.e., large numbers of voters without school aged children.

11. Please explain how oil and gas revenues affect the local share of funding available to school districts, particularly those that are fully locally funded. Does a lag in oil and gas tax revenues affect the volatility of local share revenues?

Response:

Oil and gas production in some districts create significant amounts of assessed values for the district. Some districts have over 80 percent of their assessed value attributed to oil and gas. A few districts have such high valuations from all classes of property (e.g., residential, commercial, agricultural and oil and gas) that their property taxes fully fund the total program.

As assessed valuation increased with increased oil and gas production, some districts were able to lower their total program mill levies. However, with decreased production and values, mill levies must remain at the lower level with no ability to increase. This affects both the local and state share of total program funding.

Oil and gas producers report the prior year amount of annual production to county assessors by April 15 each year. Production in the prior year is used to determine the assessed valuation and is the basis for tax collections in the following school year. This results in a lag between production, market prices and the impact on the following year assessed values and tax collections.

Volatility of production and prices affect assessed values. Decreased production in 2015 will be reported in April 2016, and will drive lower oil and gas assessed valuations, resulting in lower property taxes collected during the 2016-2017 school year. This will lower the local share of total program with a corresponding need for increased state share.

2:50-3:00 RURAL SCHOOLS FUNDING AND COUNT DATE PROCEDURES

12. House Bill 15-1321 (Flexibility and Funding for Rural Schools) appropriated \$10.0 million in one-time funding for distribution to small rural school districts on a per pupil basis. As discussed during the JBC Staff briefing presentation, the Department has not yet distributed those funds. Please explain why the funds have not been distributed and the status of the funding/program. If money were provided again in a future budget, would school districts experience the same delay?

Response:

As per C.R.S. 22-54-137 (1) (b), this funding is based upon the funded pupil count for the 2015-16 budget year. Districts have until November 10 to certify counts to the department. After this date, the Department analyzes the data, contacts districts with discrepancies and goes through a duplicate count process. Final counts are not determined until mid-December. Verification of eligibility for the funding occurs at this time. Since warrants would be issued for this funding and many districts would not have staff in the buildings over the holidays, the funding will be released to districts the first week of January.

The Department did consider distributing funds based upon estimated pupil counts. However, since the count date for these funds was statutorily determined, using an estimate or an earlier date would have resulted in some districts potentially receiving too much or too little money. Therefore a true-up would need to occur to be in alignment with statute. Some districts would be required to refund dollars back to the Department if the student count came in lower than projected and this is burdensome to districts. Districts did have the ability to budget the funds at the beginning of the year.

The same delay would be experienced in a future budget unless the distribution was based upon the prior count year. Using the prior count year for calculations would allow for a distribution early in the budget year.

13. Please explain why the pupil count process takes so long. Is there another process or method that would accelerate the count process with the necessary level of accuracy to avoid the long lag time in establishing the pupil count? For distributions such as the rural school funding under H.B. 15-1321 would it make sense to use the prior year count? Please explain.

Response:

While the Student October count date is October 1st annually, November 10th is the legislatively mandated (22-54-112(2) (a), C.R.S.) date by which local education agencies must certify their pupil membership data. CDE immediately runs a duplicate count process to ensure that students are not submitted by more than one district resulting in more funding than allowed by statute and rule. CDE has worked diligently in the recent years with districts to decrease the amount of time it takes for this process. The Department also analyzes the data, and contacts districts if outliers exist that potentially need correcting. Districts have been appreciative of this outreach as it allows for improved data quality in their submissions. The data is finalized in December. However, CDE historically has released pupil membership data in January to ensure local education agency staff is available.

There are several possible avenues to accelerate the count process. For example, the public release of pupil membership data could be hastened. District staff may not be able to respond effectively to related media and constituent inquiries given the timing of winter break. Also, statutory dates could be moved forward. Districts may have difficulty performing the necessary quality control measures, which may adversely impact data quality. Finally, the implementation of a statewide student information system could facilitate a more efficient count process statewide. Although this would take time and resources to execute, the reporting uniformity would simplify the process tremendously in future years.

Distributions such as the rural school funding or other one time funding could be made on the prior year count. This would allow the Department to distribute funds earlier in the year. There is an argument that current year services should be funded with current year resources. However, this method does create a delay in the actual distribution of funds. Regardless when distributions are made, districts do have the ability to budget for anticipated funds and make purchases depending upon the district's cash flow situation.

3:00-3:10 BREAK

3:10-3:25 BUILDING EXCELLENT SCHOOLS TODAY (B.E.S.T.) FUNDING AND REVENUES

14. Contingent on the approval of Proposition BB in November 2015, H.B. 15-1367 (Retail Marijuana Taxes) transferred \$40.0 million from the Proposition AA Account of the General Fund to the Public School Capital Construction Assistance Fund on a one-time basis to support the B.E.S.T. Program. Please describe the status of those funds. Does the Department have spending authority for those funds in FY 2015-16? When and how does the Department intend to use the one-time funding? How do the Department and the Public School Capital Construction Assistance Board (B.E.S.T. Board) respond to the JBC Staff recommendation to delay the use of those funds until new data is available from the priority assessment?

Response:

The Department has been told by the Office of the State Controller that the transfer of the \$40.0 million from Proposition BB into the assistance fund will occur in mid-January 2016.

Consistent with other revenues deposited into the assistance fund, the Department will be required to request spending authority on Proposition BB funds. If the entire amount is not allocated in 2016, the funds would be available for future B.E.S.T. grant cycles.

The B.E.S.T. Board has begun preliminary discussions over when this one-time funding will be spent. There are some board members that feel the entire amount should be spent as soon as possible while others have considered spending the funds over the course of multiple grant cycles. The B.E.S.T. Board will use this one-time funding consistent with other assistance fund revenues to address the critical health and safety facility needs across the state.

The primary objective of the priority assessment is to gather data statewide which will result in an updated list of school capital improvement needs prioritized through statutory requirements. Pursuant to 22-43.7-109(5) C.R.S., the B.E.S.T. Board is to consider the financial assistance priority assessment as part of their overall review of grant applications. While the B.E.S.T. Board understands the JBC staff recommendation to delay the use of those funds until new data is available from the priority assessment, there is sufficient data to support a current need for facility funding today. The priority assessment completed in 2010 identified \$13.9 billion in capital improvement needs across the state and to-date the B.E.S.T. program has been able to address \$1.2 billion of that need. The current grant application and evaluation process also ensures projects awarded are well-planned and address urgent health and safety needs.

15. Some stakeholders are discussing increasing the current \$40.0 million cap on the state share of certificate of participation (C.O.P.) payments for the B.E.S.T. program in order to allow the program to issue additional C.O.P.'s. Are the Department and/or the B.E.S.T. Board pursuing an increase? How would the Department and/or the B.E.S.T. Board propose to increase the cap? Could it be done in a "stair step" fashion? Could the program restructure the existing C.O.P.'s to create an equilibrium and issue additional certificates on a more frequent and consistent basis? Please explain.

Response:

The B.E.S.T. Board has developed a legislative platform and the first objective on the legislative platform is to increase the C.O.P. cap in order to fund a larger scope of facility needs across Colorado.

The B.E.S.T. Board has the desire to leverage its existing revenue sources in order to provide a greater range of funding for capital improvement grants. The B.E.S.T. Board has evaluated financial models ranging from a \$5.0 million to \$20.0 million dollar increase in the cap to determine what would provide a sustainable finance structure for the B.E.S.T program. After evaluating the financial models it was evident that a \$20.0 million dollar increase in the C.O.P. cap allows the B.E.S.T. Board to provide a more sustainable approach to addressing large capital improvement needs across the state. The B.E.S.T. Board has the desire to finance projects in a "stair step" approach which would meet the goal of providing a sustainable finance model that could be used on a more frequent and consistent basis until existing C.O.P.'s were available for reissuance.

Increasing the C.O.P. cap will allow the B.E.S.T. Board to respond to projects that require major renovations or new facilities while using the cash grant fund for smaller projects with health and safety needs not requiring facility-wide improvements. Without increasing the C.O.P. cap, the program will continue to rely solely on royalties, rents, sales from the state school lands, and the excise taxes associated with the sale of marijuana.

The Department and the B.E.S.T. Board have had preliminary discussions with the Treasurer's office to investigate the restructuring of existing C.O.P.'s in order to issue additional certificates under the current cap. Due to the way in which existing C.O.P.'s were financed, and their associated call features, the options to restructure are very limited.

16. Statute authorizes the distribution of B.E.S.T. grants for technology improvements. Has the program ever provided grants for that purpose? If so, how many, to what districts, and how much funding was distributed?

Response:

For purposes of the B.E.S.T grant, technology improvements are defined as projects that are designed to incorporate technology into the educational environment. To date, the B.E.S.T. grant program has not awarded any standalone grants for technology. This is largely due to technology being prioritized in statute as the third tier of funding. Each grant cycle the number of tier one grants that address issues related to health, safety, security, exceed the dollar amount available for funding thus making it difficult to consider tier two or tier three grant projects. With that said, school replacement, new school or major renovation/addition projects do include technology improvements in order to deliver a 21st century program.

17. Please clarify when the C.O.P.'s already issued by the program will expire and allow the program to issue new certificates under the existing cap.

Response:

The C.O.P's already issued by the program were issued using wrapped debt financing making the earliest date of reissuance 2036. The wrapped debt financing allows for the principal to be paid during the final years of maturity. Therefore, earlier C.O.P. issuances do not mature any sooner than 2036.

**3:25-3:40 FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA)
REAUTHORIZATION – THE EVERY STUDENT SUCCEEDS ACT**

18. Please explain how the Department expects the recent reauthorization of the ESEA to impact the state budget.

- a. How does the Department expect the reauthorization, and the additional flexibility and authority granted to the states, to impact the need for state funding for items such as assessments, accountability, educator effectiveness, etc.?***

Response:

ESSA (Every Student Succeeds Act) created some additional flexibility and authority for states. Based on initial analyses, the Department believes that the flexibility allows Colorado to implement already existing state laws concerning assessment, accountability and educator effectiveness without the complication of coordinating with similar, but slightly different federal requirements that existed in No Child Left Behind and the ESEA waiver requirements. As such, the Department is hopeful that the requirements in current state law meet the requirements of ESSA.

However, there is one new requirement in ESSA specific to accountability. ESSA requires an additional non-academic indicator to factor into the school and district accountability system. This is not something currently in place in Colorado. Historically, such additional requests from the federal government are paid for with federal funds. On this detail as with others, CDE will have to wait for clear guidance from the USDE to give precise information about fiscal impact.

- b. How does the Department expect the reauthorization to affect federal funds distributed to Colorado under the ESEA?***

Response:

Based on the programs that have been retained, created, consolidated or eliminated in statute, and the levels at which Congress has authorized funding for those programs, the Department expects funding under the Every Student Succeeds Act (ESSA) to be similar to that which we currently have under No Child Left Behind in that the amount of funding will not be dramatically different nor will the activities that can be supported with the funds. Although the new law states that new programs are to be implemented in the 2016-2017 school year, the federal appropriations bill that was just passed by Congress provided funding only for current ESEA programs and included a rider stating that current ESEA programs are to be implemented for the 2016-2017 school year. Therefore, what is stated in the appropriations bill will need to be reconciled with what is in the new ESSA

law. Congress will be expected to appropriate funds for programs under the new ESSA law in fall of 2016. Those funds will be made available to states and school districts for the 2017-2018 school year.

Once funds have been appropriated, the Department expects a slight increase in Title I and Charter School funding and close to level funding under Title II, Title III, and the 21st Century Community Learning Center grant program. Some programs, like the School Improvement Grant, Reading First, Early Literacy, and the Math and Science Partnership have been eliminated under the new law. To a degree it appears that those cuts are made up for with increases in funding under other programs, particularly Title I. Some other programs have been consolidated into a new Title IVA - Student Support and Academic Enrichment grant program. This program restores some funding and support for prevention activities and activities related to school climate. The law also provides new funding in support of early childhood education.

19. Has the federal reauthorization changed the Department's views regarding accountability? For example, does the Department believe the State should make changes to the accountability system based on the flexibility provided in the reauthorization?

Response:

For the most part, the federal reauthorization of ESEA, now known as the Every Student Succeeds Act (ESSA), would enable the state to continue with its current accountability system without significant changes. Colorado is well positioned to take advantage of some of the new flexibility. The new law provides opportunity for a broader view of accountability, including a requirement for an additional school and district accountability indicator that can go beyond student performance measures. Overall, it has not changed our view and is in alignment with the direction the work is headed in.

Specifically, ESSA requires:

“(v)(I) For all public schools in the State, not less than one indicator of school quality or student success that—

“(aa) allows for meaningful differentiation in school performance;

“(bb) is valid, reliable, comparable, and statewide (with the same indicator or indicators used for each grade span, as such term is determined by the State); and

“(cc) may include one or more of the measures described in subclause (II).

“(II) For purposes of subclause (I), the State may include measures of—

“(III) student engagement;

“(IV) educator engagement;

“(V) student access to and completion of advanced coursework;

“(VI) postsecondary readiness;

“(VII) school climate and safety; and

“(VIII) any other indicator the State chooses that meets the requirements of this clause.

The new direction coincides with work the Department and representatives from the field have been doing over the past year and a half to enhance and improve upon our state school and district accountability system, for both the short and long term. The Department is planning to release updated performance frameworks in fall 2016. (At this point in time, the revisions and recommendations do not include this additional indicator, as the requirement had not existed until the passage of ESSA. It may be possible to add this for 2016, depending upon the measures that are selected.) Furthermore, some Colorado districts have been working together to explore measures and metrics to hold themselves accountable for a wider set of indicators. CDE is supporting this work as well. The learning from these groups can be used to inform decisions around what measures to include in the new additional indicator.

The Department believes that it is very helpful to the public, parents, schools, districts and other stakeholders to have a single accountability system. When there are separate federal

and state systems, then mixed messages about performance can occur. For example, when the state produced the School Accountability Reports, SARs, and federal Adequate Yearly Progress (AYP) determinations, different messages about performance often were reported. With the support from stakeholders, CDE would recommend broadening our state system to include the new additional indicator required in ESSA, with the additional benefit of ensuring a single state/federal accountability system.

An initial review of state law indicates that there may be room in the existing state statute to include the new indicator, with adjustments made to State Board of Education rules. However, a closer legal analysis would be necessary to determine if/where policy changes would need to be documented, if the state decides to go in this direction.

3:40-3:55 EDUCATOR LICENSURE FEE INCREASE

[Background Information: As discussed in the JBC Staff Budget Briefing, in November 2015 the State Board of Education approved an educator licensure fee increase. Taking effect March 1, 2016, the new fees will increase resident license application fees from \$80 per license to \$90 and non-resident application fees from \$80 per license to \$110. The fee increase will generate additional revenues subject to TABOR.]

20. Please provide an update on the backlog (if any) of license applications and enforcement actions. What is driving the need for the fee increase?

Response:

As of December 21, 2015, there are currently 3,782 applications pending review and processing. There are 238 applications that are with enforcement and either are actively being researched or are awaiting additional information from the applicant.

The driving need for the fee increase is twofold:

- 1) The need to bring the eLicensing software and infrastructure up to meet the needs of licensure applicants and the department, which include decreasing an issue with very slow speeds and streamlining usability for applicants. The eLicensing system currently is a slightly modified off-the-shelf licensing system that was not initially meant for educator licensing. Any modification to the existing system is cost and time intensive because it requires custom modification by the software vendor and then testing and implementation by the CDE and their third party database management team, Colorado Interactive. The current structure of the eLicensing system can be moderately enhanced but without larger scale technology enhancements the educator licensing office will continue to experience technology lag and the applicants will experience usability issues with the applications.
- 2) The need to ensure the office's ability to meet increasing business costs and customer service needs. The office supports over 49 educator preparation entities across the state of Colorado, answered 34,406 phone calls, responded to 41,360 emails, and reviewed 37,505 applications last year, issuing 33,627 licenses. The enforcement team reviewed 2,795 new cases. The everyday business costs have increased over the last five years including an increase in rent costs, technology infrastructure costs, phone call center costs, legal fees and employee cost of living increases. Additionally, with a stronger focus on educator preparation and only one single FTE to support the review and authorization of over 49 educator preparation entities, the call for expanded support from our deans of education and alternative education preparation directors has increased significantly.

21. Please provide additional information on the criminal enforcement efforts of the licensing staff. Why does the office have criminal enforcement staff? Why is the enforcement workload growing? Please explain the process and the need for criminal enforcement staff.

Response:

The enforcement staff consists of four full-time team members and one part-time supervisor. This team oversees nearly 3,000 investigations each year. The denial, annulment, suspension or revocation of a license is a requirement of the Colorado Department of Education pursuant to the Colorado Educator Licensing Act and the requirements are specifically outlined in C.R.S. 22-60.5-107. The enforcement team is tasked with reviewing and ensuring that all educators who apply for a license have a fingerprint-based history on file with the Colorado Bureau of Investigation (CBI) and with the Federal Bureau of Investigation (FBI). The enforcement team processes and tracks all fingerprint-based information. They also clear or recommend denials, suspensions and revocations of licenses based on Colorado Revised State Statute. The enforcement team exists to ensure the safety of all of our students by researching potentially negative and/or illegal conduct, such as sexual assault, child abuse, etc., associated with educators wishing to receive a Colorado license or educators who currently hold a license.

While Colorado is not experiencing a significant increase in the number of cases going to the enforcement team, we are seeing an increase in the complexity associated with the cases in which our educators may be involved. It is these complexities that increase the workload of the enforcement team—and the legal team (the Attorney General’s office) which is also paid for by these fees. There are many factors that influence the need for deeper commitment of cost and time in these investigations. For example, complexities occur when we have an educator who chooses not to disclose a felony offense, which in turn causes the enforcement team to contact the arresting agencies and acquire the correct documentation in order to conduct a proper and thorough investigation. The time and cost involved in reaching out to all arresting entities ultimately increases the individual costs in personnel associated with that one enforcement issue. Additionally, educators, and their legal counsel, are becoming more aggressive about appealing cases to the administrative courts. Each applicant for licensure has the right to appeal any case in which the Board of Education has voted to deny, revoke or suspend a license. The due process timeline can extend from months to years and involves costs associated with the Attorney General’s office and additional enforcement staff hours. Lastly, the costs associated with the preparation of educator licensure hearings in the administrative courts has increased – primarily due to more aggressive tactics being used by the educator’s legal counsel. In one particular case, the legal counsel required depositions to be taken prior to the hearing. This has not been the standard practice. This requirement has increased the legal costs and time associated with many cases.

3:55-4:15 K-12 AND HIGHER EDUCATION LINKAGE

[Background Information: During the FY 2016-17 JBC Staff Briefing for the Department of Higher Education, the Committee discussed a JBC Staff issue paper proposing that every student graduating from high school should have a technical or associate's degree before graduating. During the discussion, the Committee asked that the following questions be addressed during the FY 2016-17 budget hearings for both the Department of Higher Education and the Department of Education.]

22. *What does the Department think about the idea that every student should have a technical or associate's degree before leaving school?*

Response:

This is a question of community priority. Data about the earning potential of people with some amount of postsecondary education versus a high school diploma indicate that it is significantly advantageous for people to achieve a higher level of education. It is not the Department's role to speculate on Colorado community priorities. If the legislature is interested in statewide views on this question, the Department is well-positioned to engage people through a variety of means to find out what Coloradoans think about this question.

23. *Are high school and postsecondary goals aligned? How do we measure what we value in the two systems? Does K-12 match what Higher Ed wants?*

Response:

Colorado's Academic Standards and Graduation Guidelines effectively capture the outcomes of the K-12 system and align to the CCHE admissions and remedial policies. Both systems value college and career readiness. Collectively, we measure this through K-12 Colorado Measures of Academic Success, graduation and drop-out rates, and college going, persistence and remediation rates. Together this data set suggests a common view of readiness. DHE talks about gaps in readiness in terms of attainment gap. CDE talks about gaps in readiness in terms of achievement gap. Both systems agree that we have significant gaps and that our gaps include similar groups of students.

24. *Should we really need "some college" to graduate high school or does K-12 simply need to change?*

Response:

Colorado's Academic Standards and Graduation Guidelines effectively capture the outcomes of the K-12 system and align to the CCHE admissions and remedial policies. Both systems value college and career readiness. Collectively, we measure this through K-12 Colorado Measures of Academic Success, graduation and drop-out rates, and college going, persistence and remediation rates. Together this data set suggests a common view of readiness. DHE talks about gaps in readiness in terms of attainment gap. CDE talks about gaps in readiness in terms of achievement gap. Both systems agree that we have significant gaps and that our gaps include similar groups of students.

College readiness for K12 can be measured by the numbers of students requiring remediation before taking college-level coursework. Many high school graduates are under-prepared for the college-level English and mathematics coursework in their chosen degree path, as well as competencies, such as critical thinking, determination, organization, time management, and so on. The chosen degree path matters, because while a student might be college-ready to complete a Career and Technical Education (CTE) certificate, they may not be ready for the different level of math required for a bachelor's degree in engineering, for instance.

25. *Are workforce ready and college ready the same thing today?*

Response:

C.R.S. defines workforce ready and college ready as being the same. The skills that assist with success in higher education also are valued by employers. There is a body of research that strongly suggests expectations of business and employers are the same expectations as higher education institutions.

4:15-4:30 OTHER QUESTIONS

26. Please provide an update on the distribution of funds under H.B. 12-1238 (the READ Act). How much funding is the Department distributing per pupil under the READ Act? How do those funds flow to the districts? Does the Department ensure that funds flow to the school with the student in need of additional services? If so, how?

Response:

For the 2015-2016 school year, Local Education Providers (LEPs) received \$905.88 in per-pupil intervention moneys for each student identified with a significant reading deficiency. Pursuant to 22-7-1210 (5) C.R.S., the fund amount allocated is divided by the number of students reported as having a significant reading deficiency. This creates a per-pupil allocation. The per-pupil allocation is then multiplied by the number of students reported with a significant reading deficiency who received services in the prior year. The Department distributes funds via warrants to LEPs by early September, and LEPs are required to utilize the funds as set forth in statute.

To ensure the funds are appropriately used, each spring LEPs report the number of students identified with a significant reading deficiency and which intervention services were provided for each student. LEPs are obligated to ensure that funds are utilized as intervention support for students with SRD designation as reported to the department.

27. Please provide an update on the Department's work to improve blended learning opportunities through the Supplemental Online Education Grant Program in cooperation with the Mountain BOCES. Please describe the program's funding and the status of the Department's efforts.

Response:

The Supplemental Online program is appropriated at \$480,000, which is authorized by 22-5-119, C.R.S. This section requires the Department to designate, through an RFP process a BOCES (Board of Cooperative Education Services) that will provide the students of Colorado with access to quality supplemental online coursework. The Department ran an RFP in November of 2014 to select a BOCES to run the Supplemental On-line program and selected the Mountain BOCES.

After being selected, the Mountain BOCES has since created an input group and run its own RFP process that began in February of 2015 and concluded in June of 2015 to identify a course provider. The BOCES selected Colorado Digital Learning Solutions, along with a partnership among eLearn Collaborative and the CD BOCES to offer supplemental courses this year. This is the only funding in Colorado that currently invests specifically in supplemental online courses used to offer students a blended learning experience. CDE is not facilitating any other blended learning initiative. The Department provides informal technical assistance to online schools, including those that offer blended programming.

28. Please provide an update on the Department's progress in implementing H.B. 15-1323 (Changes to Assessments in Public Schools).

Response:

H.B. 15-1323 State Assessment Requirements:

1. The Department shall administer state assessments in English language arts and mathematics to all students enrolled in grades 3-9 and in science once in elementary, middle and high school. No assessments will be given in 12th grade.
 - Testing for these assessments is scheduled to occur between April 11th and April 29th. Districts may request to start up to three weeks earlier to compensate for technology limitations.
 - The 10th and 11th grade ELA and math (PARCC) assessments have been discontinued.
 - The high school science assessment was moved from fall of 12th grade to spring of 11th grade.
2. The Department shall apply to the Federal Department of Education for a waiver allowing the 9th grade English language arts and mathematics assessments to satisfy federal testing requirements.
 - CDE made this request and it was denied. However, under the recent reauthorization of the Elementary and Secondary Education Act (Every Student Succeeds Act or ESSA), 9th grade may be used to satisfy federal high school testing requirements. (Previously, only grades 10-12 were approved for high school assessments.)
3. The Department shall provide a pencil-and-paper format for any computer-based assessment.
 - Through their district assessment coordinators, local education providers may order paper versions of computer-based assessments through the vendors.
4. The Department shall select a 10th grade assessment aligned to the Colorado Academic Standards and the 11th grade college entrance exam. Both exams will be competitively bid.
 - A request for proposals was released this fall with proposals due December 4th.
 - Two vendors submitted proposals which were reviewed by a fifteen member committee.
 - The review committee was composed of members from across the state and representing superintendents, assessment experts, content experts, special population educators, guidance counselors and higher education.

- The committee's decision was further informed by two content alignment groups.
 - An intent to award the 10th grade and college entrance exams to College Board has been announced.
 - We are working with the vendor on a contract for administration this spring.
 - Given the timing, we are investigating a transition approach for this year's 11th graders.
5. A local education provider may administer an assessment in a language other than English for up to five years to a student who is an English learner, if allowed by a waiver from the Federal Department of education.
- No waiver is required to allow English learners who have not yet achieved sufficient English proficiency to take the mathematics, science or social studies assessments in their native language for up to five years.
6. The Department shall administer reading and writing in Spanish for students enrolled in 3rd and 4th grade.
- The new Colorado Spanish Language Arts assessments will be administered this spring.
7. A student who is an English language learner enrolled in a school in the U.S. for fewer than 12 months is not required to take the English language arts assessment.
- This is acceptable to the Federal Department of Education.

If allowed by waiver from the Federal Department of Education, scores from students who are English learners in their first 24 months in a school in the U.S. do not have to be included in achievement calculations.

- Exempting achievement scores for English learners who have been in the U.S. less than 24 months is acceptable to the Federal Department of Education, as long as the student is included in growth calculations in Year 2. This requires the student to participate in the English language arts assessment in Year 1. (Scores achieved in Year 1 do not have to be included in achievement calculations in Year 1.)
- The waiver to the achievement calculation requirement conflicts with the legislative expectation that English language learners in a school in the U.S. for fewer than 12 months don't have to take the English language arts assessment in that first year.
- The Department continues to work with districts on an acceptable solution to this issue.
- It is unclear as to whether legislative action will be required.

8. The Department is required to administer social studies assessments once in elementary, once in middle school and once in high school on a sampling with each school participating once in three years.
 - Given the amount of change with high school assessments this year, after meeting with stakeholders, the decision was made not to sample high school this year. Assuming no change to state law, approximately 50 percent of high schools will participate in 2017 and 50 percent will participate in 2018.
 - Selected elementary and middle schools were notified in the fall of their participation for this spring's social studies assessments.

29. Please provide an update on the Department's use of Proposition BB funds for the School Bullying Prevention and Education Program and the Student Re-engagement Grant Program.

- a. Will the Department be able to disburse grant funds in the current fiscal year?**

Response:

For the Student Re-engagement grant, which is funded through an annual appropriation, and existed within rules prior to the passage of BB, CDE believes it will be able to disburse those funds by June 30, 2016.

The School Bullying Prevention and Education Program did not have rules established as the program had not previously been funded. Rulemaking is underway now, and we expect an efficient process. The Department plans to run the request for proposal (RFP) process this fiscal year and to distribute grant funds to fund programs for the 2016-17 school year. The School Bullying Prevention Fund is continuously appropriated, so they do not have to be expended by June 30, 2016, so after the rules are finalized, the Department plans to make awards and establish an ongoing schedule for this grant program.

- b. Will the new applications be burdensome enough that school districts with limited resources are at a disadvantage when applying? Is there a way to construct the applications to avoid that scenario? Please explain.**

Response:

CDE has made a concerted effort to streamline applications as much as is possible while maintaining clear ways to assessing the quality of the ideas submitted against the statutory priorities of competitive grants. Staff feels confident that it can design RFPs for these grant programs that ensure alignment with statutory intent and are not unnecessarily burdensome for applicants. Additionally, CDE provides technical assistance for grant writing in general, as well as for specific grant opportunities.

30. Request R3 (CPP Tax Checkoff) seeks \$72,025 from a tax checkoff to support professional development programs for Colorado Preschool Program (CPP) providers.

a. How many people will the Department's efforts serve?

Response:

With these funds, the Department estimates that it can provide professional development in research-based instructional practices to 750 preschool teachers. Furthermore, the Department will provide follow-up toolkits to each of the 174 preschool administrators to support implementation in classrooms.

b. Will the tax checkoff sunset?

Response:

Yes, the tax checkoff is set to sunset pursuant to section 39-22-4202 C.R.S. which put a five-year limit on the voluntary contribution to the fund. The first year the program appeared as a checkoff option was the 2013 Colorado Income Tax Form.

c. Is it collecting a stable amount of funding, and will it collect enough to meet the threshold to stay on the tax return?

Response:

While the amount of funding year-to-year cannot be described as stable, since it relies on taxpayer elections/contributions on the state tax form, the tax checkoff contributions have met the minimum threshold to remain on the tax form for the five year statutory period.

4:30-5:00 COLORADO SCHOOL FOR THE DEAF AND THE BLIND (CSDB)

4:30-4:45 CSDB INTRODUCTIONS AND OPENING COMMENTS

4:45-5:00 QUESTIONS SPECIFIC TO CSDB

[Background Information: The FY 2016-17 JBC Staff Briefing for the Department of Human Services (Services for People with Disabilities) discussed coordination of services for deaf and hard of hearing children in K-12 education. In 2002 the Department of Education published "A Blueprint for Closing the Gap: Developing a Statewide System of Service Improvements for Students who are Deaf and Hard of Hearing" as a plan for improving the education of children who are deaf and hard of hearing in Colorado. The Commission awarded a grant in 2013 to the Colorado Association of the Deaf, Colorado Hands & Voices, and the Rocky Mountain Deaf School to revisit the 2002 blueprint. What came of that group was a report called the "Seven Agreements for Closing Colorado's Gap in Deaf Education." The report's authors believed the agreements could "make a measureable difference in the educational outcomes for the next generation of Colorado's deaf or hard of hearing students." The Colorado Commission for the Deaf and Hard of Hearing (Commission) supports the seven agreements while the Department of Education and the Colorado School for the Deaf and Blind are not supportive of the agreements. The Commission's second recommendation is to create a permanent, full-time Coordinator of Educational Advancement and Partnership position within the Commission or another state agency (most likely Education) to support the Deaf Education Steering Committee which would implement the seven agreements as well as the recommendations make in the Blueprint document.]

31. Do the Department and the CSDB agree that there is a need for a Committee and a staff person?

Response:

The Colorado School for the Deaf and the Blind (CSDB) and the Colorado Department of Education Exceptional Student Services Unit (ESSU) do not agree that there is a need for a Committee and a full-time staff member. CSDB and the ESSU staff were not involved in the writing of the Seven Agreements. The Seven Agreements conflict with Federal Regulations (IDEA) and State Board Rules (ECEA) on the provisions of providing services for students with disabilities and specifically students who are Deaf or hard of hearing.

Per C.R.S. 20-80-102(2a-h), CSDB serves as a statewide resource to school districts and families in Colorado. CSDB responds to requests for services, and feedback surveys indicate individuals and school districts are overwhelmingly satisfied or very satisfied with services provided by CSDB staff who have specialized training in the area of deafness.

The CDE ESSU currently facilitates an Advisory Committee for Deaf Education which

receives oversight and support through a CDE-funded specialist for Deaf Education. Representation on this committee reflects the broader community involved in educating deaf students ages 3-21. The purview of the Commission is 21- adult years.

32. If the Department and the CSDB agree, which Department should house the Committee and staff person?

Response:

Not applicable, please see the response to question #31.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

QUESTIONS SPECIFIC TO THE DEPARTMENT OF EDUCATION

1. *House Bill 12-1345 (School Finance) allocated \$120,000 to fund a rural liaison position and another \$50,000 to fund the Department's support for the Rural Education Council, which was also created by the bill (Section 22-5-122 (5) (a), C.R.S.).*

a. How is that money being spent? How is the liaison's time being spent? How is the Council's time being spent?

Response:

The \$120,000 allowed the hiring of an additional CDE staff person in the Field Services Office to work in the facilitation and support of the Rural Education Council, to advocate for the Council's recommendations, to manage the HB 12-1345 funding for BOCES (Board of Cooperative Educational Services) to assist in the implementation and meeting of state educational priorities, and to support rural school districts. This funding has allowed Field Services to expand its support of rural districts from levels prior to this funding.

The \$50,000 is used to fund the work of the Rural Education Council. These dollars are spent on associated travel costs for Council members to participate in meetings of the Council, associated supplies, and to participate in national rural conferences including making presentations at conferences. The funds are also used to pay associated travel costs for presentations of the Rural Education Council work at local Colorado professional association conferences on education.

With 80 percent of Colorado's school districts recognized as rural, the Rural Education Council provides the Commissioner of Education and the Colorado Department of Education advice and counsel on issues unique to rural school districts. The Rural Education Council meets a minimum of four times per year at locations across the state. The Council is comprised of one rural superintendent from each of the state's eight regions, two rural school board members, two rural principals, a rural teacher, and a representative from the Colorado Association of School Executives, the Colorado BOCES Association, the Rural Alliance and the Colorado Association of School Boards. The Council serves as an active forum for the Colorado Department of Education to engage with and support rural school districts.

- b. How else is the Department serving rural schools and students? What percentage of the Department's time and funding is spent on rural services? What is the nature of those services?*

Response:

The work specified above has been instrumental in how else the Department has better served rural schools and students over time. Using the time and funding specified in part a, the Department has worked with the Rural Education Council to establish priorities and the BOCES (a key mechanism to assist rural systems) to accomplish an alignment of HB 12-1345 funding to assist with meeting local rural needs related to implementing educational priorities in educator effectiveness, district/school accreditation and accountability, Colorado academic standards, assessments, the READ Act, and professional staff recruitment and retention. As a result of these funds, it makes it possible for CDE to have staff at almost all rural superintendent meetings and BOCES meetings to directly solicit needs and support requests. This direct information is then used to better target CDE technical assistance offerings in rural parts of the state. Support for rural districts is integrated with our overall support for all school districts so it is difficult to determine what percentage of CDE's time and funding is devoted only to rural districts.

- c. Rural districts are calling for more regionally based services. What services is the Department currently providing regionally and/or on-site in rural districts? What is the cost of those services? What is the level of rural participation in the Department's support services?*

Response:

The Department provides training to BOCES in their application for the HB 12-1345 funding annually. CDE trainings in key educational initiatives such as assessment, educator effectiveness, and academic standards are more regionalized than in past years. The Department costs associated with the training opportunities provided regionally are managed by the respective units of CDE in the provision of such services. Because of the increased emphasis in CDE service and customer support, the Department is able to engage more than was done historically with rural districts. This increased emphasis was a priority communicated to CDE by the Rural Education Council. Through continued interaction with the Rural Education Council in the shaping of recommendations and priorities, CDE plans to further improve its support to the rural portions of our state.

The units at CDE have given extra effort to work directly with rural districts within their districts and regions. For example, our instructional specialists have worked directly with educators prioritizing support for rural and small rural districts in

implementing the Colorado Academic Standards. The staff has worked with teachers in more than 120 of the 178 school districts with a higher concentration in rural districts.

Another example is the Educator Effectiveness which team has provided over 70 rural districts with direct trainings, technical assistance and professional learning communities in their home districts. Much of the work of the educator effectiveness team in creating and supporting the State Model Evaluation System was created for rural districts that do not have the time or resources to create their own system. With the recent addition of the Colorado online performance management system, 131 districts are using this system to implement the requirements of SB 191 and CDE staff are their direct “help desk” for this work and system. In addition, CDE is creating, hosting and facilitating more networks and professional learning communities for rural districts on topics that are of interest to them. For example, the Department has five different regional learning communities that focus on using measures of student learning in the teaching and learning cycle.

The work of CDE over the past two years has garnered over 30 support letters from rural districts expressing their gratitude for the direct services of the standards, educator effectiveness and communications team in helping to implement key pieces of legislation. These are just a few examples of how the Department directly supports rural districts.

Again, because of the integrated nature of CDE support to districts, it is difficult to determine the specific costs for services provided to rural districts.

- d. Does the Department have a strategic plan for serving rural schools and students? If so, what will it cost and how long will it take to accomplish those goals?*

Response:

The Department has an overarching strategic plan which informs the services provided to all districts. As the key strategy for addressing the needs of rural districts, the Commissioner and the Department will continue to engage with the Rural Education Council in gathering ongoing feedback on the unique needs of rural communities and school districts throughout the state and how those needs can be better supported by the Department. The Department’s ongoing emphasis is to continue working within its budgetary allocations to strategize in concert with the Rural Education Council to meet these needs. As provided in the examples noted above, this strategy continues to impact and demonstrate progress in the Department’s efforts to work more effectively with rural school districts.

QUESTIONS COMMON TO ALL DEPARTMENTS

1. *Provide a list of any legislation that the Department has: (a) not implemented or (b) partially implemented. Explain why the Department has not implemented or has only partially implemented the legislation on this list.*

Response:

The Department has identified several education statutes that were intended to be implemented with gifts, grants or donations or other resources that have not ultimately been made available. While CDE has attempted to meet the intent of such statutes, where possible, there are some that have not been fully implemented. Please find a description of these areas below.

Section 22-7-707 (3) requires CDE to annually report on the Teacher Development Grant Program, including the list of grant recipients, summary of the progress made by grant recipients, and information about the effectiveness of the program. CDE has not received funding to administer this grant program and so has no available data to report.

Section 22-27.5-106 (2) requires CDE to provide an annual report on the number and amounts of Dropout Prevention Activity Program grants awarded, a description of the programs that received grants, the number of students participating in each program, and the student dropout rates of the schools at which the programs were operated. CDE has not received funding to administer this grant program for the past four years and so has no available data to report.

Section 22-29-104 requires CDE to annually provide a summary of any reports submitted by districts concerning any character education program they have developed. It is optional for districts to submit a report on these programs. CDE has never received a report from any district and so has never had any available information to summarize.

Section 22-69-106 (1) requires CDE to provide a report on the Alternative Teacher Compensation Grant Program, “so long as grant moneys were awarded to at least one school district pursuant to the grant program during the preceding calendar year.” CDE has not received funding to administer this grant program for the past three years and so has no available data to report.

Section 22-93-103 (4) requires CDE to annually report on administration of the School Bullying Prevention and Education Grant Program, including the number of grant recipients, amounts awarded, the number of students receiving services under the grant program and any gifts or donations received to administer the program. CDE recently received sufficient funding for this program as a result of the passage of Proposition BB in November 2015. The Department is in the process of drafting rules to administer the grant program. CDE will report on the administration of the program after the first round of grants has been awarded.

Section 22-2-109(7) requires CDE to administer a survey to superintendents who employ principals who (1) have a principal authorization, (2) have an initial principal license, or have obtained a professional principal license without first holding an initial principal license and who are in their first three years of employment as a principal. The law also requires the State Board of Education to submit to the House and Senate Education Committees an annual written summary report of the survey. The legislation is intended to provide an opportunity to assess the quality and effectiveness of principal preparation programs or alternative forms of principal preparation and to solicit feedback from superintendents concerning the principal licensure standards. To CDE staff's knowledge, the survey of superintendents has never been administered due to lack of funding. The intent of the legislation is partially met, however, through the department's process for reviewing traditional and alternative educator preparation programs for reauthorization, which process includes gathering feedback from various stakeholders, including, when available, educators who work for and the superintendents who supervise graduates of principal preparation programs. Reports concerning the effectiveness of approved educator preparation programs are presented biennially to the House and Senate Education Committees. Additionally, this statute was in place prior to the passage of Principal and Teacher Effectiveness (SB 10-191). In implementing SB 10-191, CDE will be collecting and monitoring information about the performance of all principals on the State Principal Quality Standards.

Section 22-2-108(4) requires the state board to submit an annual report detailing the total amount of federal funds received by the State Board of Education in the prior fiscal year, accounting how the funds were used, specifying the federal law or regulation that governs the use of the federal funds, if any, and providing information regarding any flexibility the board has in using the federal funds. To CDE staff's knowledge, this report has never been funded or completed. The department's annual budget submission to the JBC does include a schedule that lists out most, if not all, federal funds received and/or distributed by CDE and the period of their availability. In addition, as part of the Elementary and Secondary Act flexibility waiver process, CDE staff has provided extensive information regarding the flexibility the board and Department have in the implementation of federal programs and the use of federal funds and that flexibility was reflected in Colorado's approved ESEA flexibility request. The recent reauthorization of the Elementary and Secondary Act, the Every Student Succeeds Act, signed into law by the President on December 10th, may offer additional flexibility to Colorado. CDE staff will work with the board and the state legislature to ensure that Colorado takes advantage of whatever flexibility is available that is supportive of student learning.

Section 22-36-106(2)(b) requires that CDE make information available to the public about the enrollment options which are available throughout the public school system in Colorado. CDE is then required to study and evaluate the available enrollment options and, based upon that study, to make a report to the House and Senate Education Committees each January. The department's public portal, SchoolView, provides detailed information about the performance of all public schools in Colorado, and also provides information about the courses and programs offered by each school. A study of enrollment options, however, has never been funded or reported to the House and Senate Education Committees.

Additionally, there are other grant programs that were created by the legislature in the past but have not been funded recently. These programs do not require CDE to report information to the legislature, but are also not currently being implemented. These include:

- Closing the Achievement Gap Program (sections 22-7-611 to 22-7-613, C.R.S.);
- Summer School Grant Program (sections 22-7-801 to 22-8-807, C.R.S.);
- Principal Development Scholarship Program (sections 22-9.5-101 to 22-9.5-104, C.R.S.);
- Early Childhood Educator Development Scholarship Program (sections 22-9.7-101 to 22-9.7-104);
- Second Chance Program for Problem Students (sections 22-52-101 to 22-52-107, C.R.S.);
- Colorado Information Technology Education Grant Program (sections 22-81.5-101 to 22-81.5-107, C.R.S.); and
- Healthy Choices Dropout Prevention Pilot Program (sections 22-82.3-101 to 22-82.3-110, C.R.S.).

2. *Please provide a detailed description of all program hotlines administered by the Department, including:*
- a. *The purpose of the hotline;*
 - b. *Number of FTE allocated to the hotline;*
 - c. *The line item through which the hotline is funded; and*
 - d. *All outcome data used to determine the effectiveness of the hotline.*

Response:

The Department does not administer any hotlines.

3. *Describe the Department's experience with the implementation of the new CORE accounting system.*

Response:

In general, as noted in the response provided by the Office of State Planning and Budgeting (OSPB) and during other hearings this year, many of the challenges represent temporary 'growing pains' that inevitably come with implementation. Those challenges will give way to improvement as we move forward. The Department is optimistic that once the challenges have been surmounted CORE will provide many improvements and efficiencies.

- a. *How has the implementation improved business processes in the Department?*

Response:

- The attachments function to document transactions is a significant improvement over the past.
- As some of the wrinkles are ironed out and addressed, the reporting in CORE will also facilitate management and external reporting; however, there are still some issues to be resolved before those efficiencies are realized.
- The PB Core Budget module has streamlined many aspects of the budget request, and it promises to continue to do so as we move forward. Many of the schedules and processes to develop the schedules will be much more efficient as we move forward with PB CORE.

- b. *What challenges has the Department experienced since implementation and how have they been resolved (i.e. training, processes, reports, payroll)?*

Response:

- Timeliness of payroll continues to be the Department's biggest challenge with CORE. Payroll has impacted the Department's ability to provide internal

management reporting, as well as external reports.

For FY2015-16 the Department has put some workarounds in place to provide management reporting, but it creates additional workload, and requires systems outside of CORE to report and track the payroll.

- The grants module presents the other major challenge in the current year. The Department receives federal funding on a 27 month cycle, so there is often significant ‘carryover’ from one fiscal year to the next. The grant balances from 2014-15 have not been loaded into the system to date. Similar to the payroll, this has made it more difficult to close the grants that ended September 30, 2015.

c. What impact have these challenges had on the Department’s access to funding streams?

Response:

The biggest impact has been on the Department’s ability to draw and close out federal funds followed closely by delaying internal management reporting. However, federal closeouts have the most visible impact. Until the payroll is recorded in the system, it is not possible to draw down from the federal payment systems. Also, it creates issues with the grants that expired September 30, 2015. However, the Department is confident there are ways to estimate payroll and otherwise close out grants prior to the end of the liquidation period on December 31, 2015.

d. How has the implementation of CORE affected staff workload?

Response:

Short-term staff workload has increased significantly in some areas. However, it is not possible to determine where the ‘growing pains’ mentioned earlier leave off, and permanent increases begin. It is likely that there will be some increases in workload due to things like the additional data entry requirements that exist in CORE relative to the legacy system, but those increases may be offset by efficiencies that arise in other areas that are still being implemented or developed.

e. Do you anticipate that CORE implementation will result in the need for a permanent increase in staff? If so, indicate whether the Department is requesting additional funding for FY 2016-17 to address it.

Response:

The Department is not requesting a permanent increase in staff for FY2016-17. However, since there are still major areas of implementation, such as the payroll and grants modules discussed above, it remains to be seen what the ‘normal’ workload will be.

4. *If the Department receives federal funds of any type, please provide a detailed description of any federal sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2015-16.*

Response:

In its letter to CDE regarding our request for an Elementary and Secondary Education Act flexibility waiver, the United States Department of Education (USDE) placed conditions on its one-year approval. To receive approval to implement ESEA flexibility beyond the 2015-2016 school year, Colorado must (excerpt from USDE letter):

- *Submit to ED, no later than February 29, 2016, evidence that each local educational agency (LEA) and school that has been granted a waiver by the Colorado Board of Education under the Colorado Innovation Schools Act of 2008 is meeting all ESEA flexibility requirements.*
- *Submit to ED, no later than February 29, 2016, evidence that Colorado has developed and is implementing a process to determine that each LEA and school that receives a waiver granted by the Colorado Board of Education under the Colorado Innovation Schools Act of 2008 is meeting all ESEA flexibility requirements.*

In addition to the conditions discussed above, this renewal is subject to Colorado's commitment to:

- *Provide to ED, by February 29, 2016, additional information on its progress in carrying out the high-quality plan set forth in its ESEA flexibility request, including timeline and milestones, that will lead to implementation of high-quality statewide assessments in English language arts (ELA) and mathematics in high school that are aligned to its college- and career-ready standards in the 2015-2016 school year and each year thereafter.*
- *Demonstrate, during ED's monitoring and follow-up of ESEA flexibility implementation, that Colorado is implementing the plan set forth in its ESEA flexibility request to ensure that priority and focus schools that have not met the State's exit criteria and are identified in the State's next cohort of priority and focus schools will be prepared to implement more rigorous interventions by the start of the 2016-2017 school year.*
- *Demonstrate, during ED's monitoring and follow-up of ESEA flexibility implementation, that Colorado is implementing the plan set forth in its ESEA flexibility request, including timeline and milestones, which will lead to inclusion of student growth in teacher and principal evaluation and support systems based on State assessments administered no later than the 2015-2016 school year and each year thereafter.*

It is important to note that, after CDE received the letter referenced above, Congress passed and the President signed, a reauthorization of the ESEA. Under the new law, approved ESEA flexibility waivers will expire effective August 1, 2016 rendering the conditions above obsolete.

In addition, pursuant to the release of the 2014-2015 statewide assessment participation rates, CDE received a letter from the USDE, received December 1, 2015, outlining the Title I of the ESEA requirements for statewide assessments and student participation. Specifically, they addressed the requirement that all students must participate in the state assessments and that at least 95% of students must participate for the purposes of school and district accountability. In its letter, the USDE asked CDE to respond with its plan to hold schools and districts accountable for low participation rates and its plan to increase assessment participation in Colorado's schools and districts by January 5, 2016. Text from the USDE letter is as follows:

In its response, the SEA should demonstrate that it has taken or will take appropriate actions to enforce the requirements of the ESEA and describe how such actions will specifically address the problem that occurred in 2014-2015 and ensure that all students participate in Statewide assessments during the 2015-2016 school year and each year thereafter. Depending on the extent of the non-participation and other relevant factors, examples of such actions could include some combination of:

- *Lowering an LEA's or school's rating in the State's accountability system or amending the system to flag an LEA or school with a low participation rate.*
- *Counting non-participants as non-proficient in accountability determinations.*
- *If the State has received ESEA flexibility, identifying a school that misses participation rate targets over multiple years as a priority or focus school.*
- *Requiring an LEA or school to develop an improvement plan, or take corrective actions to ensure that all students participate in the Statewide assessments in the future, and providing the SEA's plan to review and monitor such plans.*
- *Requiring an LEA or school to implement additional interventions aligned with the reason for inadequate student participation, even if the State's accountability system does not officially designate schools for such interventions.*
- *Designating an LEA or school as "high risk," or a comparable status under the State's laws and regulations, with clear explanations for the implications of such a designation.*
- *Withholding or directing use of State aid and/or funding flexibility.*

5. *Does the Department have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated October 2015 (link below)? What is the Department doing to resolve the outstanding high priority recommendations?*

[http://www.leg.state.co.us/OSA/coauditor1.nsf/All/4735187E6B48EDF087257ED0007FE8CA/\\$FILE/1542S%20Annual%20Report.%20Status%20of%20Outstanding%20Audit%20Recommendations,%20As%20of%20June%2030,%202015.%20Informational%20Report.%20October%202015.pdf](http://www.leg.state.co.us/OSA/coauditor1.nsf/All/4735187E6B48EDF087257ED0007FE8CA/$FILE/1542S%20Annual%20Report.%20Status%20of%20Outstanding%20Audit%20Recommendations,%20As%20of%20June%2030,%202015.%20Informational%20Report.%20October%202015.pdf)

Response:

No. The Department has no outstanding high priority audit recommendations.

6. *Is the Department spending money on public awareness campaigns related to marijuana? How is the department working with other state departments to coordinate the campaigns?*

Response:

No, there are no expenditures on public awareness campaigns.

7. *Based on the Department's most recent available record, what is the FTE vacancy rate by department and by division? What is the date of the report?*

Response:

Please refer to the November 30, 2015 coordinated response from the Office of State Planning and Budgeting

8. *For FY 2014-15, do any line items in your Department have reversions? If so, which line items, which programs within each line item, and for what amounts (by fund source)? What are the reasons for each reversion? Do you anticipate any reversions in FY 2015-16? If yes, in which programs and line items do you anticipate this reversions occurring? How much and in which fund sources do you anticipate the reversion being?*

Response:

Please refer to the November 30, 2015 coordinated response from the Office of State Planning and Budgeting.

9. *Are you expecting an increase in federal funding with the passage of the FFY 2015-16 federal budget? If yes, in which programs and what is the match requirement for each of the programs?*

Response:

As noted in question #18 above, funding levels for FFY2015-16 are expected to stay relatively stable, and the Department does not expect any significant changes in federal funding.

10. *For FY 2014-15, did your department exercise a transfer between lines that is allowable under state statute? If yes, between which line items and programs did this transfer occur? What is the amount of each transfer by fund source between programs and/or line items? Do you anticipate transfers between line items and programs for FY 2015-16? If yes, between which line items/programs and for how much (by fund source)?*

Response:

Other than transfers of centralized appropriations for Health, Life, Dental, and similar lines, the Department did not exercise transfers between lines allowable under statute. The Department does not anticipate transfers between lines in FY2015-16.

**DEPARTMENT OF EDUCATION
FY 2016-17 JOINT BUDGET COMMITTEE HEARING AGENDA**

**Tuesday, January 5, 2016
1:30 pm – 5:00 pm**

1:30-1:50 INTRODUCTIONS AND OPENING COMMENTS

1:50-2:00 STATE BOARD OF EDUCATION PRIORITIES

1. Please discuss the State Board of Education’s priorities going forward, including any new initiatives and potential changes to the current educational systems (e.g., assessments, accountability, educator evaluation, etc.). Has the State Board’s position on assessments, and the PARCC assessments in particular, changed? Please explain.

2:00-2:20 CATEGORICAL PROGRAMS, CATEGORICAL BUYOUT, AND DISTRICT REFUSAL TO PAY

[Background Information: As discussed during the FY 2016-17 JBC Staff Budget Briefing for the Department of Education (see the issue paper beginning on page 30 of the briefing document), three school districts have refused to pay categorical buyout amounts required by current law for FY 2014-15.]

2. According to the JBC Staff briefing, the “total program categorical buyout” provision appears to be the major point of contention and yet the school districts are refusing to pay the entire categorical buyout amount. Please provide additional background on the issue. Is total program categorical buyout the issue? If so, why are the districts refusing to pay the full amount?
3. Please provide additional background on the legal disagreement at issue regarding categorical buyout. Are there constitutional issues at stake? Has the Department worked with the Attorney General’s Office in relation to the districts’ refusal to pay? Please explain.
4. What has the Department done to work with these districts to resolve the situation? Can the Department provide additional information on how we reached this point and why the districts are refusing to pay?
5. The JBC Staff is recommending that the Committee sponsor legislation directing the Department to withhold other sources of state funds to account (and compensate) for the unpaid categorical buyout amounts. What are examples of other state funds that the Department could/would withhold in that situation? Should such a bill specify funds to be withheld or provide flexibility to the Department? Is this legislation that could be put in place for the current year to respond to the refusal to pay in FY 2014-15?

6. In Request R2 (Categorical Programs Increase), the allocations of funding increases among the categorical programs seem different from prior years. Please explain how the Department allocated the increases for FY 2016-17 and whether it was different from prior years. For example, is Transportation getting a larger share of the increase?

2:20-2:50 SCHOOL FINANCE

[Background Information: The FY 2016-17 JBC Staff Budget Briefing for the Department of Education included projections of the funding required for school finance from FY 2016-17 through FY 2019-20 under five different scenarios based on the September 2015 Legislative Council Staff Revenue Forecast (see the issue paper beginning on page 16 of the briefing document). The briefing also included an issue paper (beginning on page 37) presenting the school finance calculations for five school districts from FY 2014-15, in addition to the funding available to each district through local mill levy overrides.]

7. Please discuss potential inequities in the current factors included in the school finance formula.
8. The JBC Staff briefing document mentions that the Agate School District has 11.5 actual pupils. Does Agate contract for services provided to additional students (such as high school students)? If so, do the funds for those students flow to Agate (within the 50.0 pupil allocation) or to the school district operating the high school which the students attend? Please explain.
9. Please provide background on school districts' school finance mill levies. For example, how were the mill levies originally set? How have the levies changed over time? How can they be changed going forward?
10. The JBC Staff briefing discussed that 62 school districts did not have mill levy overrides in FY 2014-15 (while 116 districts did collect at least some override revenue).
 - a. Please provide a list of the districts that did and did not collect override moneys in FY 2014-15 or, if possible, a list of such districts for FY 2015-16. Please also include the amount of override revenue for each district.
 - b. As discussed during the briefing, there may be multiple explanations for why a local district would not have a mill levy override (e.g., lack of political support, lack of local tax base, etc.). Is there a metric that would help identify districts in which a mill levy override is not possible (or not financially productive)?

11. Please explain how oil and gas revenues affect the local share of funding available to school districts, particularly those that are fully locally funded. Does a lag in oil and gas tax revenues affect the volatility of local share revenues?

2:50-3:00 RURAL SCHOOLS FUNDING AND COUNT DATE PROCEDURES

12. House Bill 15-1321 (Flexibility and Funding for Rural Schools) appropriated \$10.0 million in one-time funding for distribution to small rural school districts on a per pupil basis. As discussed during the JBC Staff briefing presentation, the Department has not yet distributed those funds. Please explain why the funds have not been distributed and the status of the funding/program. If money were provided again in a future budget, would school districts experience the same delay?
13. Please explain why the pupil count process takes so long. Is there another process or method that would accelerate the count process with the necessary level of accuracy to avoid the long lag time in establishing the pupil count? For distributions such as the rural school funding under H.B. 15-1321 would it make sense to use the prior year count? Please explain.

3:00-3:10 BREAK

3:10-3:25 BUILDING EXCELLENT SCHOOLS TODAY (B.E.S.T.) FUNDING AND REVENUES

14. Contingent on the approval of Proposition BB in November 2015, H.B. 15-1367 (Retail Marijuana Taxes) transferred \$40.0 million from the Proposition AA Account of the General Fund to the Public School Capital Construction Assistance Fund on a one-time basis to support the B.E.S.T. Program. Please describe the status of those funds. Does the Department have spending authority for those funds in FY 2015-16? When and how does the Department intend to use the one-time funding? How do the Department and the Public School Capital Construction Assistance Board (B.E.S.T. Board) respond to the JBC Staff recommendation to delay the use of those funds until new data is available from the priority assessment?
15. Some stakeholders are discussing increasing the current \$40.0 million cap on the state share of certificate of participation (C.O.P.) payments for the B.E.S.T. program in order to allow the program to issue additional C.O.P.'s. Are the Department and/or the B.E.S.T. Board pursuing an increase? How would the Department and/or the B.E.S.T. Board propose to increase the cap? Could it be done in a "stair step" fashion? Could the program restructure the existing C.O.P.'s to create an equilibrium and issue additional certificates on a more frequent and consistent basis? Please explain.

16. Statute authorizes the distribution of B.E.S.T. grants for technology improvements. Has the program ever provided grants for that purpose? If so, how many, to what districts, and how much funding was distributed?
17. Please clarify when the C.O.P.'s already issued by the program will expire and allow the program to issue new certificates under the existing cap.

3:25-3:40 FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA) REAUTHORIZATION – THE EVERY STUDENT SUCCEEDS ACT

18. Please explain how the Department expects the recent reauthorization of the ESEA to impact the state budget.
- a. How does the Department expect the reauthorization, and the additional flexibility and authority granted to the states, to impact the need for state funding for items such as assessments, accountability, educator effectiveness, etc.?
 - b. How does the Department expect the reauthorization to affect *federal* funds distributed to Colorado under the ESEA?
19. Has the federal reauthorization changed the Department's views regarding accountability? For example, does the Department believe the State should make changes to the accountability system based on the flexibility provided in the reauthorization?

3:40-3:55 EDUCATOR LICENSURE FEE INCREASE

[Background Information: As discussed in the JBC Staff Budget Briefing, in November 2015 the State Board of Education approved an educator licensure fee increase. Taking effect March 1, 2016, the new fees will increase resident license application fees from \$80 per license to \$90 and non-resident application fees from \$80 per license to \$110. The fee increase will generate additional revenues subject to TABOR.]

20. Please provide an update on the backlog (if any) of license applications and enforcement actions. What is driving the need for the fee increase?
21. Please provide additional information on the criminal enforcement efforts of the licensing staff. Why does the office have criminal enforcement staff? Why is the enforcement workload growing? Please explain the process and the need for criminal enforcement staff.

3:55-4:15 K-12 AND HIGHER EDUCATION LINKAGE

[Background Information: During the FY 2016-17 JBC Staff Briefing for the Department of Higher Education, the Committee discussed a JBC Staff issue paper proposing that every student

graduating from high school should have a technical or associate's degree before graduating. During the discussion, the Committee asked that the following questions be addressed during the FY 2016-17 budget hearings for both the Department of Higher Education and the Department of Education.]

22. What does the Department think about the idea that every student should have a technical or associate's degree before leaving school?
23. Are high school and postsecondary goals aligned? How do we measure what we value in the two systems? Does K-12 match what Higher Ed wants?
24. Should we really need "some college" to graduate high school or does K-12 simply need to change?
25. Are workforce ready and college ready the same thing today?

4:15-4:30 OTHER QUESTIONS

26. Please provide an update on the distribution of funds under H.B. 12-1238 (the READ Act). How much funding is the Department distributing per pupil under the READ Act? How do those funds flow to the districts? Does the Department ensure that funds flow to the school with the student in need of additional services? If so, how?
27. Please provide an update on the Department's work to improve blended learning opportunities through the Supplemental Online Education Grant Program in cooperation with the Mountain BOCES. Please describe the program's funding and the status of the Department's efforts.
28. Please provide an update on the Department's progress in implementing H.B. 15-1323 (Changes to Assessments in Public Schools).
29. Please provide an update on the Department's use of Proposition BB funds for the School Bullying Prevention and Education Program and the Student Re-engagement Grant Program.
 - a. Will the Department be able to disburse grant funds in the current fiscal year?
 - b. Will the new applications be burdensome enough that school districts with limited resources are at a disadvantage when applying? Is there a way to construct the applications to avoid that scenario? Please explain.
30. Request R3 (CPP Tax Checkoff) seeks \$72,025 from a tax checkoff to support professional development programs for Colorado Preschool Program (CPP) providers.

- a. How many people will the Department's efforts serve?
- b. Will the tax checkoff sunset?
- c. Is it collecting a stable amount of funding, and will it collect enough to meet the threshold to stay on the tax return?

4:30-5:00 COLORADO SCHOOL FOR THE DEAF AND THE BLIND (CSDB)

4:30-4:45 CSDB INTRODUCTIONS AND OPENING COMMENTS

4:45-5:00 QUESTIONS SPECIFIC TO CSDB

[Background Information: The FY 2016-17 JBC Staff Briefing for the Department of Human Services (Services for People with Disabilities) discussed coordination of services for deaf and hard of hearing children in K-12 education. In 2002 the Department of Education published "A Blueprint for Closing the Gap: Developing a Statewide System of Service Improvements for Students who are Deaf and Hard of Hearing" as a plan for improving the education of children who are deaf and hard of hearing in Colorado. The Commission awarded a grant in 2013 to the Colorado Association of the Deaf, Colorado Hands & Voices, and the Rocky Mountain Deaf School to revisit the 2002 blueprint. What came of that group was a report called the "Seven Agreements for Closing Colorado's Gap in Deaf Education." The report's authors believed the agreements could "make a measureable difference in the educational outcomes for the next generation of Colorado's deaf or hard of hearing students." The Colorado Commission for the Deaf and Hard of Hearing (Commission) supports the seven agreements while the Department of Education and the Colorado School for the Deaf and Blind are not supportive of the agreements. The Commission's second recommendation is to create a permanent, full-time Coordinator of Educational Advancement and Partnership position within the Commission or another state agency (most likely Education) to support the Deaf Education Steering Committee which would implement the seven agreements as well as the recommendations make in the Blueprint document.]

31. Do the Department and the CSDB agree that there is a need for a Committee and a staff person?
32. If the Department and the CSDB agree, which Department should house the Committee and staff person?

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

QUESTIONS SPECIFIC TO THE DEPARTMENT OF EDUCATION

1. House Bill 12-1345 (School Finance) allocated \$120,000 to fund a rural liaison position and another \$50,000 to fund the Department's support for the Rural Education Council, which was also created by the bill (Section 22-5-122 (5) (a), C.R.S.).

- a. How is that money being spent? How is the liaison's time being spent? How is the Council's time being spent?
- b. How else is the Department serving rural schools and students? What percentage of the Department's time and funding is spent on rural services? What is the nature of those services?
- c. Rural districts are calling for more regionally based services. What services is the Department currently providing regionally and/or on-site in rural districts? What is the cost of those services? What is the level of rural participation in the Department's support services?
- d. Does the Department have a strategic plan for serving rural schools and students? If so, what will it cost and how long will it take to accomplish those goals?

QUESTIONS COMMON TO ALL DEPARTMENTS

1. Provide a list of any legislation that the Department has: (a) not implemented or (b) partially implemented. Explain why the Department has not implemented or has only partially implemented the legislation on this list.
2. Please provide a detailed description of all program hotlines administered by the Department, including:
 - a. The purpose of the hotline;
 - b. Number of FTE allocated to the hotline;
 - c. The line item through which the hotline is funded; and
 - d. All outcome data used to determine the effectiveness of the hotline.
3. Describe the Department's experience with the implementation of the new CORE accounting system.
 - a. How has the implementation improved business processes in the Department?
 - b. What challenges has the Department experienced since implementation and how have they been resolved (i.e. training, processes, reports, payroll)?
 - c. What impact have these challenges had on the Department's access to funding streams?
 - d. How has the implementation of CORE affected staff workload?
 - e. Do you anticipate that CORE implementation will result in the need for a permanent increase in staff? If so, indicate whether the Department is requesting additional funding for FY 2016-17 to address it.
4. If the Department receives federal funds of any type, please provide a detailed description of any federal sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2015-16.
5. Does the Department have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated October 2015 (link below)? What is the department doing to resolve the outstanding high priority recommendations?

[http://www.leg.state.co.us/OSA/coauditor1.nsf/All/4735187E6B48EDF087257ED0007FE8CA/\\$FILE/1542S%20Annual%20Report.%20Status%20of%20Outstanding%20Audit%20Recommendations,%20As%20of%20June%2030,%202015.%20Informational%20Report.%20October%202015.pdf](http://www.leg.state.co.us/OSA/coauditor1.nsf/All/4735187E6B48EDF087257ED0007FE8CA/$FILE/1542S%20Annual%20Report.%20Status%20of%20Outstanding%20Audit%20Recommendations,%20As%20of%20June%2030,%202015.%20Informational%20Report.%20October%202015.pdf)

6. Is the department spending money on public awareness campaigns related to marijuana? How is the department working with other state departments to coordinate the campaigns?
7. Based on the Department's most recent available record, what is the FTE vacancy rate by department and by division? What is the date of the report?
8. For FY 2014-15, do any line items in your Department have reversions? If so, which line items, which programs within each line item, and for what amounts (by fund source)? What are the reasons for each reversion? Do you anticipate any reversions in FY 2015-16? If yes, in which programs and line items do you anticipate this reversions occurring? How much and in which fund sources do you anticipate the reversion being?
9. Are you expecting an increase in federal funding with the passage of the FFY 2015-16 federal budget? If yes, in which programs and what is the match requirement for each of the programs?
10. For FY 2014-15, did your department exercise a transfer between lines that is allowable under state statute? If yes, between which line items and programs did this transfer occur? What is the amount of each transfer by fund source between programs and/or line items? Do you anticipate transfers between line items and programs for FY 2015-16? If yes, between which line items/programs and for how much (by fund source)?