

JOINT BUDGET COMMITTEE



STAFF FIGURE SETTING FY 2020-21

DEPARTMENT OF EDUCATION

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

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HOW TO USE THIS DOCUMENT

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables. Decision items, both department-requested items and staff-initiated items, are discussed at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

DEPARTMENT OVERVIEW

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

- Accrediting public schools and school districts.
- Developing and maintaining state model academic content standards and administering associated student assessments for certain subject areas and grade levels.
- Issuing school and district performance reports for every public school and school district in the state.

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

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

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

SUMMARY OF STAFF RECOMMENDATIONS

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$5,851,129,906	\$4,190,124,616	\$999,232,465	\$42,327,029	\$619,445,796	605.4
SB 19-246 School finance	38,775,902	37,675,902	1,100,000	0	0	1.3
HB 19-1055 Public school capital construction assistance	80,656,559	0	80,656,559	0	0	0.0
HB 19-1262 Full-day kindergarten	173,972,108	173,972,108	0	0	0	0.0
HB 20-1244 (Supplemental Bill)	0	525,098	0	0	(525,098)	0.0
HB 20-1260 (Mid-year School Finance)	9,046,331	9,046,331	0	0	0	0.0
Other legislation	41,363,294	3,397,939	37,715,355	250,000	0	9.7
Long Bill supplemental	0	0	0	0	0	0.0

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$6,194,944,100	\$4,414,741,994	\$1,118,704,379	\$42,577,029	\$618,920,698	616.4
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$6,194,944,100	\$4,414,741,994	\$1,118,704,379	\$42,577,029	\$618,920,698	616.4
R1/BA1/BA2 Total program increase [requires legislation]	110,601,636	7,393,370	103,208,266	0	0	0.0
R2 Categorical programs increase	6,422,958	0	6,422,958	0	0	0.0
R3 CSDB teacher salary increase	79,329	79,329	0	0	0	0.0
R4 CSDB utilities	59,542	59,542	0	0	0	0.0
R5 Concurrent enrollment for educators [requires legislation]	0	0	0	0	0	0.0
R6 CPP Expansion [requires legislation]	0	0	0	0	0	0.0
R7 Departmental infrastructure	497,618	244,969	0	252,649	0	6.2
R8 CSI mill levy override equalization	0	0	0	0	0	0.0
R9 Empowering parents with school information	466,395	98,335	368,060	0	0	1.9
R10 Educator evaluations [requires legislation]	0	0	0	0	0	0.0
R11 Grants for early childhood facilities [requires legislation]	0	0	0	0	0	0.0
R12/BA3 Expand eligibility for school improvement [requires legislation]	0	0	0	0	0	0.0
BA4 Transfer GF to SEF [requires legislation]	0	0	0	0	0	0.0
BA5 Concurrent enrollment grant program increase	1,000,000	1,000,000	0	0	0	0.0
BA6 Student re-engagement grant program increase	0	0	0	0	0	0.0
BA7 Career development success program increase	0	0	0	0	0	0.0
Centrally appropriated items	3,081,354	1,219,998	589,524	502,673	769,159	0.0
Indirect cost assessment adjustments	560,364	0	63,422	0	496,942	0.0
Staff-initiated adjustments	527,865	0	767,943	(240,078)	0	(3.0)
Non-prioritized items	35,761	8,462	1,505	25,794	0	0.0
Fund source adjustments	0	(2,638)	0	2,638	0	0.0
Annualize prior year legislation	(8,545,763)	(17,969,367)	9,544,241	(218,717)	98,080	(0.2)
Annualize prior year budget actions	(4,960,822)	(4,502,948)	1,042,126	(1,500,000)	0	0.2
Other technical adjustments	(14,834)	0	(360)	0	(14,474)	0.0
TOTAL	\$6,304,755,503	\$4,402,371,046	\$1,240,712,064	\$41,401,988	\$620,270,405	621.5
INCREASE/(DECREASE)	\$109,811,403	(\$12,370,948)	\$122,007,685	(\$1,175,041)	\$1,349,707	5.1
Percentage Change	1.8%	(0.3%)	10.9%	(2.8%)	0.2%	0.8%
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$85,349,907	\$95,303,322	(\$16,423,624)	\$6,821,381	(\$351,172)	4.3

DESCRIPTION OF INCREMENTAL CHANGES

FY 2019-20

LONG BILL SUPPLEMENTAL: The recommendation includes a “net-zero” adjustment to the School for the Deaf and the Blind’s FY 2019-20 appropriation to move \$43,500 General Fund from the Personal Services line item to the Operating Expenses line item to allow the school to purchase reading curricula. The recommendation responds to findings in an independent program review of the school completed in 2019. The school plans to use vacancy savings available in FY 2019-20 to make the purchase this year so that the curricula (one for the School for the Deaf and one for the School for the Blind) are available for use in FY 2020-21.

FY 2020-21

R1/BA1/BA2 TOTAL PROGRAM INCREASE [REQUIRES LEGISLATION]: The Long Bill recommendation for the State Share of Districts Total Program Funding is pending based on the availability of data related to total program funding for FY 2020-21. Pursuant to current law, the final staff recommendation will include the state funding necessary to maintain the budget stabilization factor in FY 2020-21 at the final level approved for FY 2019-20 (\$572,396,894). The Governor’s request, which would reduce the dollar value of the budget stabilization factor by \$52.0 million, would require separate legislation.

R2 CATEGORICAL PROGRAMS INCREASE: The recommendation includes an increase of \$6,422,958 cash funds from the State Education Fund in order to increase total *state* spending on categorical programs 1.9 percent, based on the rate of inflation from CY 2019. The State Constitution requires the General Assembly to increase *total state funding* for all categorical programs (in aggregate) by at least the rate of inflation in FY 2020-21. The following table shows the allocation of the recommended increase among five categorical programs.

R2 STAFF RECOMMENDED INFLATIONARY INCREASES FOR CATEGORICAL PROGRAMS				
LONG BILL LINE ITEM	FY 2019-20 APPROPRIATION	STAFF RECOMMENDED CHANGE	FY 2020-21 STAFF REC. (STATE FUNDS)	PERCENT CHANGE
Special Education - Children with Disabilities	\$202,700,611	\$3,522,547	\$206,223,158	1.7%
English Language Proficiency Program	22,994,436	1,111,113	24,105,549	4.8%
Public School Transportation	60,480,645	1,102,084	61,582,729	1.8%
Career and Technical Education Programs	27,238,323	539,919	27,778,242	2.0%
Special Education - Gifted and Talented Children	12,697,199	147,295	12,844,494	1.2%
Expelled and At-risk Student Services Grant Program	9,493,560	0	9,493,560	0.0%
Small Attendance Center Aid	1,314,250	0	1,314,250	0.0%
Comprehensive Health Education	1,131,396	0	1,131,396	0.0%
Total	\$338,050,420	\$6,422,958	\$344,473,378	1.9%

R3 CSDB TEACHER SALARY INCREASE: The recommendation includes an increase of \$79,329 General Fund for salary increases for teachers employed at the Colorado School for the Deaf and the Blind (CSDB). Statute (Sec. 22-80-106.5, C.R.S.) requires the CSDB to compensate teachers based on the Colorado Springs District 11 salary schedule, using the CSDB’s salary policies to implement the salary schedule. To align with the revised District 11 salary schedule for FY 2019-20 (the CSDB salaries lag District 11 by one year), the request and recommendation would provide: (1) a 0.7 percent base salary increase; and (2) step increases based on experience.

R4 CSDB UTILITIES: The recommendation includes an increase of \$59,452 General Fund to accommodate projected increases in utility costs at CSDB in FY 2020-21, an increase of 9.5 percent above the FY 2019-20 appropriation. In response to a shortfall in FY 2018-19 (which the school absorbed through savings and deferred operating expenses), the General Assembly increased the appropriation by \$25,000 for FY 2019-20. However, the school’s projections still anticipate a shortfall of \$59,452 in FY 2020-21.

R5 CONCURRENT ENROLLMENT FOR EDUCATORS [REQUIRES LEGISLATION]: The recommendation does *not* include an increase of \$539,190 General Fund requested by the Governor’s Office to create a concurrent enrollment pilot program for future educators in response to the teacher shortage. Based on a model in the Cherry Creek School District, the Department has indicated that participating students would: (1) enroll in the program in 10th grade; (2) earn a paraprofessional credential while in high school; and (3) be able to complete a teaching credential in three years following high school.¹ The Committee should note that this request requires separate legislation and that the Governor’s Office is not requesting this as a JBC bill. Because it requires separate legislation and is not appropriate for inclusion in the Long Bill, staff recommends denying the budget request.

R6 CPP EXPANSION [REQUIRES LEGISLATION]: The recommendation does *not* include an increase of \$27.6 million General Fund requested by the Governor’s Office to add 6,515 half-day slots to the Colorado Preschool Program (CPP), which is funded through the State Share of Districts’ Total Program Funding line item. The requested increase in slots would represent a 22.2 percent increase above the existing authorization for 29,360 CPP slots, and the Governor’s Office estimates that the request would allow the CPP to serve approximately 50.0 percent of the students that would be eligible for the CPP (those meeting the risk factors specified in statute). The Committee should note that the number of CPP slots is specified in statute and this request requires separate legislation. The Governor’s Office is not requesting this as a JBC bill. Because it requires separate legislation and is not appropriate for inclusion in the Long Bill, staff recommends denying the budget request.

R7 DEPARTMENTAL INFRASTRUCTURE: The recommendation includes an increase of \$497,618 total funds, including \$244,969 General Fund and \$252,649 reappropriated funds, and 6.2 FTE in FY 2020-21 (annualizing to \$597,910 total funds and 6.5 FTE in FY 2021-2022 and beyond) to support additional Departmental administration staff. The request and recommendation respond to a cumulative increase in statutory requirements and workload for departmental administration. The recommendation includes the following five components: (1) \$186,376 General Fund and 1.8 FTE to support two additional information technology (IT) professional positions; (2) \$126,820 reappropriated funds and 2.0 FTE to support additional purchasing staff in response to growing procurement needs; (3) \$95,430 reappropriated funds and 1.0 FTE for an additional human resources specialist; (4) \$58,593 General Fund and 0.9 FTE intended to improve the coordination and efficiency of the Department’s grant making process; and (5) \$30,399 reappropriated funds and 0.5 FTE for payroll administration.

R8 CSI MILL LEVY OVERRIDE EQUALIZATION: The recommendation does not include a requested increase of \$10.0 million total funds, including \$5.0 million General Fund appropriated to the Mill Levy Equalization Fund created in H.B. 18-1375 and \$5.0 million reappropriated funds to appropriate those funds out of the cash fund, for mill levy override equalization payments to Colorado Charter School Institute (CSI) schools in FY 2020-21. The Department’s request would add to an appropriation of \$14.0 million total funds (including \$7.0 million General Fund and \$7.0 million reappropriated funds) provided in FY 2019-20. As a result, the proposed appropriation would distribute a total of \$12.0 million to CSI schools in FY 2020-21 for mill levy override equalization. For context, CSI staff estimates that complete equalization of override revenues for CSI schools (equaling

¹ Please note that the Department’s original request for R5 (and the JBC Staff Briefing Document covering this request) indicated that students would be able to complete a teaching credential in three *semesters* following high school. The Governor’s Office later corrected that information to state that participants could complete the credential in three years.

override revenues available per pupil in the schools' accounting districts) would require \$33.9 million General Fund in FY 2020-21.

R9 EMPOWERING PARENTS WITH SCHOOL INFORMATION: The recommendation includes an increase of \$466,395 total funds (\$98,355 General Fund) and 1.9 FTE in FY 2020-21 (annualizing to \$121,278 General Fund and 1.0 FTE in FY 2021-22) to improve data quality, accessibility, and transparency in SchoolView, the State's school and school district data dashboard. The recommendation for FY 2020-21 includes \$98,335 General Fund for one new permanent IT professional position, \$84,564 reappropriated funds for a position that would be funded for one year, and \$276,000 reappropriated funds for one-time costs for contract personnel.

R10 EDUCATOR EVALUATIONS [REQUIRES LEGISLATION]: The recommendation does *not* include an increase of \$500,000 General Fund and 0.9 FTE requested by the Governor's Office to improve evaluations and supports for educators. The Committee should note that this request requires separate legislation and that the Governor's Office is not requesting this as a JBC bill. Because it requires separate legislation and is not appropriate for inclusion in the Long Bill, staff recommends denying the budget request.

R11 GRANTS FOR EARLY CHILDHOOD FACILITIES [REQUIRES LEGISLATION]: The recommendation does *not* include an increase of \$10.0 million cash funds from the Public School Capital Construction Assistance Fund requested by the Governor's Office to support grants for the improvement and development of early childhood care and education facilities. The request proposes statutory change to authorize the use of B.E.S.T. funds for grants for both school-based *and* community-based (including non-profit and for profit) early childhood and preschool facilities. The Committee should note that this request requires separate legislation and that the Governor's Office is not requesting this as a JBC bill. Because it requires separate legislation and is not appropriate for inclusion in the Long Bill, staff recommends denying the budget request.

R12/BA3 EXPAND ELIGIBILITY FOR SCHOOL IMPROVEMENT [REQUIRES LEGISLATION]: The recommendation does *not* include an increase of \$5.0 million General Fund (\$1.0 million requested through R12 and \$4.0 million requested through BA3) requested by the Governor's Office to provide additional grants through the School Transformation Grant Program. The Governor's Office has proposed the \$1.0 million in R12 as an ongoing increase in funding and the \$4.0 million in BA3 as a one-time appropriation to be spent over a three-year period (through FY 2022-23). Under current law, only schools classified as Turnaround or Priority Improvement status (the lowest two categories) are eligible for transformation grant funds. The request proposes statutory change and additional funding to expand eligibility to include: (1) schools in the Improvement category that are close to Priority Improvement status; and (2) schools that are on "watch" status because they were recently classified as Turnaround or Priority Improvement status. Expanding eligibility for the grant funds requires statutory change through separate legislation and the Governor's Office is not requesting this as a JBC bill. Because it requires separate legislation and is not appropriate for inclusion in the Long Bill, staff recommends denying the budget request.

BA4 TRANSFER GF TO SEF [REQUIRES LEGISLATION]: The recommendation does *not* include a proposed transfer of \$12.0 million from the General Fund to the State Education Fund (requested by the Governor's Office). The Governor's Office is proposing a one-time (statutory) transfer to increase the ending balance/reserve in the State Education Fund by \$12.0 million (to a target of \$152 million).

As a statutory transfer, this request requires separate legislation and the Governor’s Office is not requesting this as a JBC bill. Thus, staff recommends denying the request.

BA5 CONCURRENT ENROLLMENT GRANT PROGRAM INCREASE: The recommendation includes a one-time increase of \$1.0 million General Fund for the Concurrent Enrollment Expansion and Innovation Grant Program created in S.B. 19-176 (Expanding Concurrent Enrollment Opportunities). The program offers grants to assist schools and school districts in offering concurrent enrollment opportunities and either initiating or strengthening partnerships with institutions of higher education. Senate Bill 19-176 requires all local education providers that enroll high school students to offer concurrent enrollment opportunities to all eligible students beginning in the 2020-21 school year. Senate Bill 19-176 appropriated \$1.5 million cash funds from the Marijuana Tax Cash Fund to support the grant program in FY 2019-20, which amount continues in FY 2020-21. The recommendation adds \$1.0 million General Fund on a one-time basis to assist concurrent enrollment partnerships in establishing or expanding concurrent enrollment opportunities for FY 2020-21.

BA6 STUDENT RE-ENGAGEMENT GRANT PROGRAM INCREASE: The recommendation does *not* include a one-time increase of \$2.0 million General Fund requested by the Governor’s Office for the Student Re-engagement Grant Program (to be spent over three years). Originally created in H.B. 09-1243 (Increase High School Graduation Rates) and funded through the Office of Dropout Prevention and Student Re-engagement, the program provides competitive multi-year (up to three-year) grants to high needs school districts and schools to implement evidence based practices to help sustain student engagement at the secondary level and to re-engage students that have dropped out. The grant program currently receives an annual appropriation of \$2.0 million cash funds from the Marijuana Tax Cash Fund, to which the request would add \$2.0 million General Fund on a one-time basis for FY 2020-21 (to be spent over three years).

BA7 CAREER DEVELOPMENT SUCCESS PROGRAM INCREASE: The recommendation does *not* include a one-time increase of \$2.0 million General Fund (requested by the Governor’s Office) to expand the Career Development Success Program. This program, created in H.B. 16-1289, pays incentives for participating school districts and charter schools when high school students complete a qualified workforce program. The requested \$2.0 million (one-time) increase would build on an ongoing increase of \$3.0 million that the General Assembly approved for FY 2019-20 and increase the total appropriation for the program from \$5.0 million in FY 2019-20 to \$7.0 million in FY 2020-21.

CENTRALLY APPROPRIATED LINE ITEMS: The recommendation includes a net increase of \$3,081,354 total funds (including \$1,121,998 General Fund) related to employee benefits and other centrally appropriated line items. Several line items are pending the Committee’s related common policies. The amounts in the following table represent the requested amounts for pending items.

CENTRALLY APPROPRIATED ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$1,614,492	\$517,941	\$262,640	\$201,661	\$632,250	0.0
Health, life, and dental	648,955	376,952	95,604	153,159	23,240	0.0
Legal services	325,305	188,040	128,918	8,347	0	0.0
Payments to OIT	249,301	107,001	37,120	105,180	0	0.0
Leased space adjustment	160,160	36,162	(4,343)	12,383	115,958	0.0
AED	131,702	51,350	34,613	33,343	12,396	0.0
SAED	131,702	51,350	34,613	33,343	12,396	0.0
CORE operations	81,078	21,098	90,095	(30,115)	0	0.0

CENTRALLY APPROPRIATED ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Capitol Complex leased space	37,213	11,164	4,458	7,238	14,353	0.0
Short-term disability	4,588	1,796	1,189	1,142	461	0.0
Workers' compensation	(117,928)	(52,675)	(15,389)	(7,969)	(41,895)	0.0
Administrative law judge services	(92,183)	0	(76,272)	(15,911)	0	0.0
PERA Direct Distribution	(67,796)	(64,946)	(3,722)	872	0	0.0
Payment to risk management / property funds	(21,234)	(21,234)	0	0	0	0.0
Shift differential	(4,001)	(4,001)	0	0	0	0.0
TOTAL	\$3,081,354	\$1,219,998	\$589,524	\$502,673	\$769,159	0.0

INDIRECT COST ASSESSMENT ADJUSTMENTS: The recommendation includes a net increase in the Department's indirect cost assessments.

STAFF-INITIATED ADJUSTMENTS: The recommendation includes a net increase of \$527,865 total funds (with no General Fund) associated with several staff-initiated adjustments. The increase is driven by an increase for facility school funding based on the Department's projections of facility school enrollment in FY 2020-21.

STAFF-INITIATED ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Facility schools adjustment	\$783,589	\$0	\$783,589	\$0	\$0	0.0
Schools of Choice transfer	0	0	0	0	0	0.0
Financial transparency adjustment	0	0	0	0	0	0.0
Technical adjustments	(255,724)	0	(15,646)	(240,078)	0	(3.0)
TOTAL	\$527,865	\$0	\$767,943	(\$240,078)	\$0	(3.0)

NON-PRIORITIZED ITEMS: The recommendation includes increases totaling \$35,761 total funds (including \$8,462 General Fund) for items requested by other agencies that impact this department. Some of these items are pending the Committee's related decisions. The amounts in the following table represent the requested amounts for pending items.

NON-PRIORITIZED ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 97-101 HCPF interagency agreement	\$23,383	\$0	\$0	\$23,383	\$0	0.0
OIT Budget request package	9,849	5,933	1,505	2,411	0	0.0
DPA Annual fleet vehicle request	2,529	2,529	0	0	0	0.0
Paid family leave	0	0	0	0	0	0.0
TOTAL	\$35,761	\$8,462	\$1,505	\$25,794	\$0	0.0

FUND SOURCE ADJUSTMENT: The recommendation includes a net-zero fund source adjustment to align the appropriation for personal services in the Colorado School for the Deaf and the Blind with anticipated facility school revenues.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes adjustments to reflect the FY 2020-21 impact of legislation impacting prior years, including the adjustments shown in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 19-1262 Full-day kindergarten	\$9,841,065	\$9,841,065	\$0	\$0	\$0	0.0
HB 19-1055 Public school capital construction financial assistance	8,164,203	0	8,164,203	0	0	0.0
HB 19-1017 K5 Social and Emotional Health	2,456,886	0	2,456,886	0	0	0.6
HB 19-1132 School incentives to use Colorado food and produce	506,313	506,313	0	0	0	0.1
HB 19-1002 Leadership professional development for school principals	478,686	478,686	0	0	0	0.1
HB 19-1277 Computer science grant program	250,000	250,000	0	0	0	0.0
SB 18-200 (PERA)	244,852	80,346	35,143	31,283	98,080	0.0
SB 19-199 READ Act implementation	73,506	62,393	11,113	0	0	0.3
HB 19-1171 Expand child nutrition school lunch protection	14,376	14,376	0	0	0	0.0
SB 19-204 Public school local accountability systems	1,170	1,170	0	0	0	0.1
HB 19-1236 Workforce diploma pilot program	21	21	0	0	0	0.0
HB 18-1306 Improving educational stability for foster youth	0	0	0	0	0	0.0
SB 19-246 School finance	(21,100,000)	(20,000,000)	(1,100,000)	0	0	(0.7)
HB 20-1260 Mid-year school finance	(9,046,331)	(9,046,331)	0	0	0	0.0
HB 19-1332 Disabled telephone users fund CTBL	(250,000)	0	0	(250,000)	0	0.0
HB 19-1120 Youth mental health education and suicide prevention	(69,842)	(69,842)	0	0	0	(0.3)
HB 18-1019 K12 accreditation weighted factors	(52,500)	(52,500)	0	0	0	0.0
SB 19-176 Expanding concurrent enrollment	(35,884)	(12,780)	(23,104)	0	0	(0.4)
HB 19-1110 Media literacy	(19,816)	(19,816)	0	0	0	0.0
SB 19-216 High school innovative learning pilot	(2,468)	(2,468)	0	0	0	0.0
TOTAL	(\$8,545,763)	(\$17,969,367)	\$9,544,241	(\$218,717)	\$98,080	(0.2)

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The recommendation includes adjustments to reflect the FY 2020-21 impact of budget actions and decision items included in prior year Long Bill appropriations. The table below summarizes each annualization for FY 2020-21.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 19-20 R4 Funding for school turnaround	\$117,194	\$117,194	\$0	\$0	\$0	0.0
FY 19-20 R3 Schools of choice	19,505	19,505	0	0	0	0.2
FY 19-20 R9 ELC educator talent priorities	(3,000,000)	(3,000,000)	1,500,000	(1,500,000)	0	0.0
FY 2019-20 R8 ELC career development priorities	(1,500,000)	(1,500,000)	0	0	0	0.0
FY 19-20 R5 CPP tax checkoff	(425,000)	0	(425,000)	0	0	0.0
FY 2019-20 Salary survey	(122,521)	(89,647)	(32,874)	0	0	0.0
Educator perception	(50,000)	(50,000)	0	0	0	0.0
TOTAL	(\$4,960,822)	(\$4,502,948)	\$1,042,126	(\$1,500,000)	\$0	0.2

OTHER TECHNICAL ADJUSTMENTS: The recommendation includes other minor technical adjustments, including: (1) a reduction of \$14,474 federal funds to align with estimated contract costs for the statewide assessment program in FY 2020-21 and (2) a reduction of \$360 cash funds from the State Education Fund to align with the State’s FY 2020-21 dues for the Interstate Compact on Educational Opportunity for Military Children.

MAJOR DIFFERENCES FROM THE REQUEST

The recommendation includes the following major differences from the *request*:

- *Budget Stabilization Factor:* A decrease of \$52.0 million total funds below the request. The actual funding recommendations for the State Share of Districts’ Total Program Funding are pending based on the availability of data related to total program funding in FY 2020-21. However, the request proposes to reduce the dollar value of the budget stabilization factor by \$52.0 million (from \$572.4 million in the current FY 2019-20 appropriation) to \$520.4 million in FY 2020-21. Based on current law, the staff recommendation for the *Long Bill* appropriation for school finance will maintain the budget stabilization factor at the current dollar amount from FY 2019-20 (\$572,396,894). As a result, the staff recommendation for the Long Bill appropriation will be \$52.0 million lower than the request’s targeted appropriation.
- *Preschool Related Requests:* A decrease of \$27.6 million General Fund below the request. With R6 (CPP Expansion), the request proposes an increase of \$27.6 million General Fund to support an additional 6,515 Colorado Preschool Program “slots.” However, that proposal requires statutory change through separate legislation, and is not appropriate for inclusion in the Long Bill.
- *CSI Mill Levy Equalization:* A decrease of \$10.0 million total funds (including \$5.0 million General Fund and the same amount of reappropriated funds) below the request based on the recommended denial of the Department’s request to increase CSI Mill Levy Equalization Funding by \$5.0 million General Fund above the FY 2019-20 appropriation.
- *Career Development Success Program:* A decrease of \$5.0 million General Fund below the request based on the recommended denial of that amount of additional (one-time) funding for the Career Development Success Program. The request proposes an increase of \$5.0 million General Fund on a one-time basis for the program in FY 2020-21.
- *Student Re-engagement Grant:* A decrease of \$2.0 million General Fund below the request based on the recommended denial of additional one-time funding for the Student Re-engagement Grant Program.

(1) MANAGEMENT AND ADMINISTRATION

This section includes funding for the State Board of Education, the Commissioner of Education, and general department administrative responsibilities including human resources, budgeting, accounting, information technology management, assessments, and data analyses. This section also includes funding for the Office of Professional Services, the Division of On-line Learning, and the State Charter School Institute. The following table summarizes the staff recommendation for this division.

MANAGEMENT AND ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 Appropriation						
SB 19-207 Long Bill	\$106,473,212	\$24,591,275	\$34,649,470	\$32,579,536	\$14,652,931	165.7
Other 2019 legislation	2,000	2,000	0	0	0	0.0
HB 20-1244 (Supplemental Bill)	0	525,098	0	0	(525,098)	0.0
TOTAL	\$106,475,212	\$25,118,373	\$34,649,470	\$32,579,536	\$14,127,833	165.7
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$106,475,212	\$25,118,373	\$34,649,470	\$32,579,536	\$14,127,833	165.7
R7 Departmental infrastructure	497,618	244,969	0	252,649	0	6.2
R8 CSI mill levy override equalization	0	0	0	0	0	0.0
R9 Empowering parents with school information	466,395	98,335	368,060	0	0	1.9
R10 Educator evaluations [requires legislation]	0	0	0	0	0	0.0
Staff-initiated adjustments	10,026,842	0	0	0	10,026,842	4.0
Centrally appropriated items	3,085,355	1,223,999	589,524	502,673	769,159	0.0
Indirect cost assessment adjustments	110,162	0	63,422	0	46,740	0.0
Non-prioritized items	9,849	5,933	1,505	2,411	0	0.0
Annualize prior year budget actions	(1,120,744)	(303,115)	(146,594)	(96,178)	(574,857)	0.2
Other technical adjustments	(14,474)	0	0	0	(14,474)	0.0
Annualize prior year legislation	(5,294)	(43,264)	15,749	14,845	7,376	0.0
TOTAL	\$119,530,921	\$26,345,230	\$35,541,136	\$33,255,936	\$24,388,619	178.0
INCREASE/(DECREASE)	\$13,055,709	\$1,226,857	\$891,666	\$676,400	\$10,260,786	12.3
Percentage Change	12.3%	4.9%	2.6%	2.1%	72.6%	7.4%
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$102,022)	\$5,330,868	(\$522,617)	\$5,017,539	(\$9,927,812)	(3.4)

DECISION ITEMS – MANAGEMENT AND ADMINISTRATION

→ R7 DEPARTMENTAL INFRASTRUCTURE

REQUEST: The request includes an increase of \$664,425 total funds, including \$318,561 General Fund and \$345,864 reappropriated funds, and 6.2 FTE in FY 2020-21 (annualizing to \$660,192 total funds and 6.5 FTE in FY 2021-2022 and beyond) to support additional Departmental administration staff. In response to increasing workload largely driven by additional statutory requirements, the FY 2020-21 request includes the following five components: (1) \$235,114 General Fund and 1.8 FTE to support two additional information technology (IT) professional positions; (2) \$188,496 reappropriated funds and 2.0 FTE to support additional purchasing staff in response to growing workload in terms of requests for proposals, etc.; (3) \$114,820 reappropriated funds and 1.0 FTE for an additional human resources specialist; (4) \$83,447 General Fund and 0.9 FTE to improve the coordination and efficiency of the Department’s grant making process; and (5) \$42,547 reappropriated funds and 0.5 FTE for payroll administration.

RECOMMENDATION: Staff recommends approving an increase of \$497,618 total funds, including \$244,969 General Fund and \$252,649 reappropriated funds, and 6.2 FTE in FY 2020-21 (annualizing to \$597,910 total funds and 6.5 FTE in FY 2021-2022 and beyond) to support additional Departmental administration staff. The request and recommendation respond to a cumulative increase in statutory

requirements and workload for the departmental administration. The recommendation is \$166,807 total funds (and \$73,592 General Fund) below the request based largely on the Committee’s common policies not to fund centrally appropriated items associated with new FTE in the first year and to fund new FTE at the range minimum salaries (the recommendation funds the information technology positions above the range minimum but sets the rest of the positions at the range minimum for each classification). Finally, the recommendation includes minor technical corrections to some of the operating expenses requested through R7.

The following table summarizes the request and the recommendation by line item, as well as the estimated FY 2021-22 impact of the staff recommendation.

R7 – DEPARTMENTAL INFRASTRUCTURE						
LINE ITEM	FY 2020-21 REQUEST		FY 2020-21 STAFF REC.		FY 2021-22 IMPACT	
	\$	FTE	\$	FTE	\$	FTE
General Department and Program Admin.	\$429,311	4.4	\$311,242	4.4	\$368,878	4.5
General Fund ¹	83,447		58,593		73,987	
RF - Indirect Cost Recoveries	345,864		252,649		294,891	
Information Technology Services - GF	\$235,114	1.8	\$186,376	1.8	\$229,032	2.0
Total	\$664,425	6.2	\$497,618	6.2	\$597,910	6.5
General Fund	318,561		244,969		303,019	
RF - Indirect Cost Recoveries	345,864		252,649		294,891	

¹ The FY 2021-22 impact includes an estimated \$113,743 total funds that would actually be appropriated to centrally appropriated line items rather than to the programmatic lines.

ANALYSIS: The Department submitted request R7 based on increasing workload for the Department’s central administration. According to the Department, increasing statutory requirements associated with new legislation are a major driver of the workload. As the Committee knows (and as is evident by the number of new line items proposed in this figure setting document), the General Assembly has passed a large number of bills affecting the Department of Education in recent years. While those bills include appropriations to support new programs and may include funds to support new staff directly responsible for the new programs (if the additional workload requires new FTE), the incremental impact of each bill on the Department’s central administrative responsibilities is small. However, over time, those changes can have a cumulative effect on the Department’s central functions. The Department has submitted request R7 in response to that cumulative effect.

The request and recommendation affect two line items (the Information Technology Services line item and the General Department and Program Administration line item) and include five basic categories of position: (1) information technology; (2) purchasing; (3) human resources; (4) grants administration; and (5) payroll. Staff briefly summarizes the Department’s justification (and the staff recommendation) for each category of position below.

Information Technology Services (1.8 FTE)

The requested increase for the Information Technology Services line item includes \$235,114 General Fund and 1.8 FTE in FY 2020-21 (annualizing to \$245,274 General Fund and 2.0 FTE in subsequent years). The request includes the following two positions:

Quality Assurance: The request includes a new position to establish a “quality assurance” program (the Department does not currently have IT staff dedicated to quality assurance and testing). The position

would lead testing efforts for the Department’s high priority data and reporting systems to ensure proper system function and security. The request proposes a salary of \$90,000 per year (which is above the range minimum (\$56,316 for an IT professional) based on the qualifications required to start the quality assurance program.

- *Staff Recommendation:* Staff recommends approving the position (0.9 FTE in FY 2020-21 and 1.0 FTE in subsequent years) and the requested salary. Recent experience in the JBC Staff offices has demonstrated the value of having experienced testers for information technology systems. Particularly given the quantity and the sensitive nature of the Department’s data, staff recommends approving the position as requested (though excluding centrally appropriated amounts and including technical corrections to operating costs).

Enterprise Security and Integration: The request includes a second position intended to help the information technology unit manage the increasing number of information technology programs and tools in the Department. Based on the request, programmatic staff at the Department appear to have significant flexibility to acquire new information technology tools without centralized oversight or approval. In some cases, that means multiple programs are independently acquiring tools that would be more efficient to purchase collectively. In other cases, the current system may present data security risks. The requested position is intended to provide additional support and to centrally administer enterprise tools for use by multiple units and programs. The request proposes a salary of \$90,000 per year for this position.

- *Staff Recommendation:* Staff recommends approving the position (0.9 FTE in FY 2020-21 and 1.0 FTE in subsequent years). However, based on additional conversations with the Department, staff recommends reducing the annual salary to \$80,000 based on the expected qualifications for this position. Staff is highly uncertain that the flexibility for separate units to acquire significant information technology tools and systems without management from the IT staff makes sense, particularly given the nature of the Department’s data. However, regardless of whether the information technology staff has more oversight of the process, staff agrees that the proposed position makes sense to (at least) improve the security and efficiency of the current system.

In considering these requests, the Committee should note that pursuant to S.B. 19-253 (Exempt CDE From OIT) the Department operates independent of the Governor’s Office of Information Technology (OIT). As a result, the Department is responsible for its information technology needs. In total, including the associated operating and common policy calculations, staff recommends approving an increase of \$186,376 General Fund and 1.8 FTE for the Information Technology Services line item. The following table summarizes the components of the request and recommendation for this line item.

R7 - DEPARTMENTAL INFRASTRUCTURE						
	FY 2020-21 REQUEST		FY 2020-21 STAFF REC.		FY 2021-22 IMPACT	
	\$GF	FTE	\$GF	FTE	\$GF	FTE
Information Technology Services						
Salaries	\$164,987	1.8	\$155,826	1.8	\$170,004	2.0
PERA (10.9%)	17,984		16,985		17,255	
Medicare (1.45%)	2,392		2,259		2,465	
AED (5.0%) 1	8,249		0		8,500	
SAED (5.0%) 1	8,249		0		8,500	
STD (0.019%) 1	2,805		0		323	
Estimated HLD 1	20,084		0		20,084	

R7 - DEPARTMENTAL INFRASTRUCTURE						
	FY 2020-21 REQUEST		FY 2020-21 STAFF REC.		FY 2021-22 IMPACT	
	\$GF	FTE	\$GF	FTE	\$GF	FTE
Subtotal, Personal Services - General Fund	\$224,750	1.8	175,070	1.8	\$227,132	2.0
Operating Expenses						
Supplies (\$500)	\$917		\$1,000		\$1,000	
Computer (\$1,230)	2,255		2,460		0	
Office Equipment (\$3,473)	6,367		6,946		0	
Telephone (\$450/FTE)	825		900		900	
Subtotal, Operating Expenses - GF	\$10,364		\$11,306		\$1,900	
Total, Request R7 - IT Services - GF	\$235,114	1.8	\$186,376	1.8	\$229,032	2.0

¹ These amounts would be addressed through centrally appropriated line items rather than within the Information Technology Services line item.

The remainder of the positions requested (representing \$429,311 total funds and 4.4 FTE in FY 2020-21) are proposed and recommended in the General Department and Program Administration line item. In total, staff recommends approving an increase of \$311,242 total funds (\$58,593 General Fund) and 4.4 FTE for this line item.

Purchasing (2.0 FTE)

The request includes 2.0 new purchasing/procurement FTE based on significant increases in the Department's procurement workload. According to the request, the Department historically completed between two and four requests for proposals (RFPs) per year. However, that number has increased significantly in recent years, largely driven by new legislation. For example, the Department reports that it will have to complete at least 17 RFPs in FY 2019-20 (including, for example, several contracts associated with S.B. 19-199 (READ Act Implementation Measures), as well as a variety of contracts required by other bills). The Department also notes that each RFP will then require the negotiation of 17 new contracts). The Department expects the increased workload to continue. The Department has requested salaries of \$63,324 for each position (\$11,916 above the range minimum for the Purchasing Agent III classification) based on the salaries of the existing positions.

- *Staff Recommendation:* Staff recommends approving the requested positions but at the range minimum salary (\$51,408) based on the Committee's common policy. The Department's procurement workload has clearly increased dramatically, and staff does not see an indication of that workload declining. Staff agrees that additional staff appear to be necessary to manage the current (and anticipated) workload. Including the operating and common policy amounts for these positions, staff recommends a total increase of \$126,820 reappropriated funds and 2.0 FTE in FY 2020-21 for the two purchasing positions.

Human Resources

The request includes an additional 1.0 FTE human resources specialist. The Department reports that it currently has 3.0 human resources FTE and that this staff has not kept pace with the Department's growth. Based on a reported 410.2 FTE in FY 2019-20 (excluding the School for the Deaf and the Blind and the Charter School Institute), that equates to 136.7 FTE per human resources employee. According to the Department, the best practice recommendation (from the Society for HR Management) is a ratio of 100:1. The proposed addition would reduce the ratio to 102.5:1 based on the current FTE count. Based on the responsibilities of the proposed position, the Department has requested it is an HR Specialist V but has requested the range minimum salary of \$79,908 per year.

- *Staff Recommendation:* Staff recommends approving the additional position at the requested classification and the requested (range minimum) salary. As with the other requests in this line item, legislation and budgetary decision items that add FTE do create an incremental increase in workload. Staff agrees that the cumulative growth in staffing warrants the additional position. Including operating and common policy amounts for the position, staff recommends a total increase of \$95,430 reappropriated funds and 1.0 FTE associated with this position.

Grants Administration

The request includes an increase of \$67,441 General Fund and 0.9 FTE for an additional position (classified as an Accountant II) to improve the Department's competitive grant process. The Department has seen rapid growth in the number of competitive grant programs in recent years, with sixteen bills creating or modifying competitive grants in the 2019 Session alone. While appropriations for individual grant programs may include FTE (or partial FTE) that are responsible for the details of the specific program, the bills do not include additional FTE for the grant making process itself because the incremental increase in workload for each bill does not warrant additional staff. The Department has a Competitive Grants Office with responsibilities for portions of the process and a Grants Fiscal Office that actually manages grant notifications and payments. As a result, each competitive grant program requires the coordination of three separate entities and the increasing number of programs is challenging the existing structure. The Department is requesting the new position to improve the coordination and integration of these groups. The position is requested at an annual salary of \$60,000 per year (\$8,592 above the range minimum of \$51,408).

- Staff recommends approving the position but at the range minimum annual salary of \$51,408 based on the Committee's common policy. Although staff is not entirely convinced that the proposed position will solve the problem (it seems possible that both of the grant units may need additional resources rather than a new position operating between the various parties), staff agrees that the Department's growing workload related to competitive grants warrants additional support. If the Committee approves the position, then staff intends to continue to work with the Department to maximize the use of the new resources. Including operating and common policy amounts for the position, staff recommends a total increase of \$58,593 General Fund and 0.9 FTE associated with this position for FY 2020-21.

Payroll

Finally, the request includes an additional 0.5 FTE for payroll administration (requested as an Accountant I position), to be supported with reappropriated funds from indirect cost recoveries. The Department currently has 1.0 FTE managing payroll for all 410.2 FTE in the central Department, without an automated timekeeping system. The Department believes that the addition of a part-time payroll position will provide adequate support. The Department is requesting a salary of \$24,000, equating to \$48,000 if the position were full-time (which is above the range minimum of \$44,496 for a full-time position).

- Staff recommends approving the position but at the range minimum annual salary of \$44,496 (\$22,248 for the 0.5 FTE) based on the Committee's common policy.

The following table summarizes the request and staff recommendation for the General Department and Program Administration line item (all five positions).

R7 - DEPARTMENTAL INFRASTRUCTURE						
	FY 2020-21 REQUEST		FY 2020-21 STAFF REC.		FY 2021-22 IMPACT	
	\$	FTE	\$	FTE	\$	FTE
General Department and Program Administration						
Salaries	285,554	4.4	252,093	4.4	256,380	4.5
PERA (10.9%)	31,126		27,478		27,945	
Medicare (1.45%)	4,140		3,656		3,718	
AED (5.0%) ¹	14,277		0		12,819	
SAED (5.0%) ¹	14,277		0		12,819	
STD (0.019%) ¹	4,854		0		487	
Estimated HLD ¹	50,210		0		50,210	
Subtotal, Personal Services - General Fund	404,438	4.4	\$283,227	4.4	\$364,378	4.5
Operating Expenses						
Supplies (\$500)	\$2,200		\$2,250		\$2,250	
Computer (\$1,230)	5,412		6,150		0	
Office Equipment (\$3,473)	15,281		17,365		0	
Telephone (\$450/FTE)	1,980		2,250		2,250	
Subtotal, Operating Expenses	\$24,873		\$28,015		\$4,500	
Total, Request R7 - General Dept. Admin.	\$429,311	4.4	\$311,242	4.4	\$368,878	4.5
General Fund	83,447		58,593		73,987	
Reappropriated Funds	345,864		252,649		294,891	

¹ These amounts would be addressed through centrally appropriated line items rather than within the General Department and Program Administration line item.

→ R8 CSI MILL LEVY OVERRIDE EQUALIZATION

REQUEST: The request includes an increase of \$10.0 million total funds (including \$5.0 million General Fund appropriated to the Mill Levy Equalization Fund created in H.B. 18-1375 and \$5.0 million reappropriated funds to appropriate those funds out of the cash fund) for mill levy equalization payments to Colorado Charter School Institute (CSI) schools in FY 2020-21. Using the cash fund created in H.B. 17-1375 (Distributing Mill Levy Override Revenue to Charter Schools), the request adds to an appropriation of \$14.0 million total funds (including \$7.0 million General Fund and \$7.0 million reappropriated funds) provided in FY 2019-20. As a result, the proposed appropriation would distribute a total of \$12.0 million to CSI schools in FY 2020-21 for mill levy equalization.

RECOMMENDATION: Staff recommends that the Committee deny the request for an increase in mill levy equalization funding and provide a continuation level of funding (\$7.0 million General Fund) in FY 2020-21. Staff agrees that the request: (1) responds to significant inequities between some CSI schools and the other (district) schools within their accounting districts and (2) raises legitimate concerns about the equitable treatment of schools and students within school districts. However, staff also notes that equalizing funding for CSI schools based on their accounting districts' overrides would exacerbate disparities between CSI schools in different districts because of the wide variation in overrides among the accounting districts. As in previous years, staff continues to recommend that the General Assembly enact legislation that would clarify its intent with respect to CSI mill levy equalization, potentially as part of a larger discussion of systemic (and growing) inequities in a school finance system that is increasingly reliant upon mill levy overrides.

*ANALYSIS:**Background – CSI*

The State Charter School Institute (CSI) is a statewide charter school authorizer, functioning as an independent agency in the Department of Education. Governed by a nine-member board, the CSI is allowed to authorize charter schools located within a school district's boundaries if the school district has not retained exclusive chartering authority (ECA). With the permission of the geographic district, CSI can also authorize schools within districts that have retained ECA. There are 40 CSI schools operating in FY 2019-20, located in 15 different school districts and serving more than 18,000 students.

CSI schools are funded through the School Finance Act based on the per pupil revenues for schools in the geographic district in which each school is located. However, as state-authorized schools, CSI schools do not receive *any* local share of school finance revenue and per pupil funding for CSI students is entirely supported by the State. Similarly, CSI schools do not have access to local school districts' mill levy override revenues. As a result, CSI schools located in school districts with significant override revenues do not have access to the same level of per pupil funding as their accounting districts.

H.B. 17-1375

Historically, district-authorized charter schools' access to local mill levy override revenues has varied depending on the district authorizing the school. House Bill 17-1375 requires all districts to share override revenues with district-authorized charter schools beginning in FY 2019-20. Under the bill, beginning in FY 2019-20, districts must either:

- distribute at least 95 percent of the district's override revenues to each district-authorized charter school (or innovation school) on an equal per pupil basis; or
- create and implement a plan that distributes mill levy dollars based on "meeting the needs of and equitably supporting the education" of all students in the district. In effect, the "plan" option allows districts to target the override revenues based on student needs, regardless of the type of school the student is attending.

As noted above, state-authorized CSI schools do not have access to local override revenues. In response, H.B. 17-1375 created the Mill Levy Equalization Fund to support *state* payments to CSI schools to equalize the local override revenues available in CSI schools' geographic districts. As enacted in the bill, Section 22-30.5-513.1 (1)(b), C.R.S., directs the CSI to distribute any appropriations from the Mill Levy Equalization Fund on an equal per pupil basis to all CSI schools except that no school may receive more per pupil than the total amount of override revenue per pupil in the school's geographic district. As a result, the provision limits the distribution to each CSI school to no more than the geographic district's override revenues per pupil.

Request R8 – CSI Mill Levy Override Equalization

With request R8, the Department is seeking an increase of \$5,000,000 General Fund to support mill levy equalization payments for CSI schools in FY 2020-21. Building on an appropriation of \$7,000,000 General Fund from FY 2019-20, the request proposes a total appropriation of \$12,000,000 General Fund for this purpose in FY 2020-21. As with the FY 2019-20 appropriation, the proposal would appropriate the General Fund into the Mill Levy Equalization Fund and then reappropriate that amount back out of the cash fund to support the actual equalization payments. As a result, the request would require an appropriation of \$24.0 million total funds (\$12.0 million General Fund and \$12.0 million reappropriated funds) but would only distribute \$12.0 million to the schools.

As the Committee has discussed with respect to appropriations for FY 2018-19 and FY 2019-20, the General Assembly's intent with respect to CSI mill levy equalization remains unclear. House Bill 17-1375 created the cash fund and specified that state equalization funds (per pupil) would not exceed override funds for schools in the district. However, the bill does not specify a goal with respect to matching or a timeline to achieve equalization. Staff notes the following.

- The General Assembly appropriated \$7.0 million General Fund in FY 2019-20. Staff's recommendation assumes that the General Assembly probably intends to appropriate at least that amount for FY 2020-21.
- Based on current estimates of district override revenues, CSI staff estimate that "full equalization" for all CSI schools in FY 2020-21 would require \$35.1 million (thereby setting an upper limit for any potential appropriation).
- The Department is requesting an increase of \$5.0 million General Fund (for a total appropriation of \$12.0 million General Fund) for FY 2020-21. While the \$5.0 million moves closer to fully funding equalization, staff is not aware of any rationale or justification for the specific dollar amount other than (presumably) General Fund balancing priorities.
- Without a clear indication of intent from the General Assembly, and without a clear rationale for the request amount, staff recommends maintaining a continuation appropriation of \$7.0 million General Fund (and \$7.0 million reappropriated funds for a total of \$14.0 million).

Points to Consider

To be clear, staff agrees that the request responds to significant funding differences between some CSI schools and the other (district) schools within their accounting districts and raises legitimate concerns about the equitable treatment of schools and students within school districts. However, staff also notes that the proposed solution (equalizing funding for CSI schools based on their accounting districts' overrides) only addresses one piece of a system with multiple layers of inequity. Staff offers the following points for the Committee's consideration.

- *Layers of Inequity:* As noted above, staff agrees that the CSI override equalization system (and the budget request) respond to legitimate concerns about inequity within single school districts (comparing CSI schools to other schools in the same district). However, funding equalization for CSI schools based on their accounting districts' overrides raises similar concerns about the equitable treatment of schools and students *within CSI*. On a per pupil basis, override revenues in the accounting districts containing CSI schools range from a low of \$39 per pupil in Brighton to a high of \$2,683 per pupil in Colorado Springs District 11, a difference of \$2,643 per pupil. Under the request, Brighton would receive \$39 per pupil while all other CSI schools would receive \$662 per pupil. As a result, addressing inequity within geographic districts exacerbates inequity within CSI and provides another example of disparities associated with districts' degree of reliance on overrides. How does the General Assembly wish to balance local equity vs. equity within CSI?
- *Targeting Student Needs:* House Bill 17-1375 authorizes local school districts to target mill levy override revenues to specific student needs as part of the districts' revenue sharing plans. The provisions related to CSI instead require distribution of a flat per pupil amount to all students in all CSI schools (within the limit tied to override revenues per pupil in the accounting district). Should the General Assembly authorize (or require) CSI to develop a plan targeting equalization revenues to student needs?
- *State Budget Impact:* The General Assembly appropriated \$7.0 million General Fund for this purpose in FY 2019-20. The Department's request would increase that appropriation to \$12.0 million for FY 2020-21. For context, CSI estimates that full equalization would require approximately \$35.1

million. Staff also notes that the “full funding” amount is likely to continue to grow each year with increases in assessed value and the passage of additional overrides in CSI accounting districts.

- *No Additional State Revenues:* Staff also notes that local districts inherently receive *more revenue* from overrides; it is the additional revenue generated by overrides that is in question for local districts. The State, however, has no control over local overrides (beyond statutory caps on override revenues for each district) and does not have any mechanism to generate additional revenues to support the equalization payments. Rather, any equalization payments made by the State must come at the expense of other state priorities such as reducing the budget stabilization factor. How should the State balance equalization of override revenues for CSI schools vs. the level of the budget stabilization factor?

Based on these points, staff continues to recommend that the General Assembly consider potential legislation to clarify the intent of the CSI Mill Levy Equalization effort and potentially set a path forward for override equalization. Given the lack of additional revenues available to provide the override equalization, the General Assembly could consider building CSI equalization into a larger effort to address the multiple levels of inequity in the current system (such as uniform mill levy legislation or a broader initiative to equalize mill levy overrides between school districts).

Although staff is not recommending an increase to the mill levy equalization appropriation for FY 2020-21, continuing a practice from the FY 2019-20 figure setting process, staff offers four illustrative options for the Committee’s consideration:

- *Option 1 - No funding:* Eliminate the appropriation for FY 2020-21, making the General Fund available for other purposes (a change of \$7.0 million below the FY 2018-19 appropriation and \$12.0 million below the Department’s request).
- *Option 2 - Staff recommendation (continuation funding):* Continue the FY 2019-20 funding level (\$7.0 million General Fund).
- *Option 3 - Department request (increase \$5.0 million General Fund):* Provide the requested increase of \$5.0 million General Fund (for a total appropriation of \$12.0 million General Fund in FY 20-21).
- *Option 4 - Full equalization (increase of approximately \$28.1 million General Fund):* Based on CSI’s estimates for FY 2020-21, full equalization would require a total appropriation of approximately \$35.1 million General Fund (an increase of \$28.1 million above the FY 2019-20 appropriation and \$23.1 million above the Department’s request).

For illustrative purposes, the table on the following pages shows the amount of equalization funding that would go to each CSI school (on a per pupil basis and total funding) under each option. (Note: The table does not include option 1, under which schools would receive no equalization.)

ESTIMATED DISTRIBUTIONS FOR CSI MILL LEVY EQUALIZATION OPTIONS										
DISTRICT	CSI SCHOOL	PROJECTED FY 2020-21 FUNDED PUPIL COUNT	DISTRICT OVERRIDE FUNDING PER PUPIL	OPTION 2: \$7.0 MILLION		OPTION 3: REQUEST (\$12.0 MILLION)		OPTION 4: FULL FUNDING (\$35.1 MILLION)		
				PER PUPIL DIST.	TOTAL DIST.	PER PUPIL DIST.	TOTAL DIST.	PER PUPIL DIST.	TOTAL DIST.	
Adams 12	Academy of Charter Schools	1,839.0	\$1,666	\$386	\$708,997	\$662	\$1,217,421	\$1,666	\$3,064,676	
Adams 12	Global Village Academy - Northglenn	873.2	1,666	386	336,649	662	578,060	1,666	1,455,179	
Adams 12	The Pinnacle Charter School	2,022.0	1,666	386	779,550	662	1,338,568	1,666	3,369,644	
Aurora	Colorado Early Colleges - Aurora	342.5	2,577	386	132,045	662	226,736	2,577	882,698	
Aurora	Montessori Del Mundo Charter School	308.0	2,577	386	118,745	662	203,897	2,577	793,784	
Aurora	New America School - Lowry	278.0	2,577	386	107,179	662	184,037	2,577	716,468	
Aurora	New Legacy Charter High School	97.0	2,577	386	37,397	662	64,214	2,577	249,990	
Aurora	Visions Performing Arts Academy (New School)	80.0	2,577	386	30,843	662	52,960	2,577	206,178	
Brighton	High Point Academy	705.0	39	39	27,497	39	27,497	39	27,497	
CO Springs	Coperni 3	220.0	2,683	386	84,818	662	145,640	2,683	590,210	
CO Springs	Colorado Military Academy	495.5	2,683	386	191,032	662	328,022	2,683	1,329,313	
CO Springs	Colorado Springs Charter Academy	430.0	2,683	386	165,780	662	284,661	2,683	1,153,591	
CO Springs	Colorado Springs Early Colleges	568.5	2,683	386	219,176	662	376,348	2,683	1,525,155	
CO Springs	Colorado International Language Academy	357.0	2,683	386	137,636	662	236,335	2,683	957,749	
CO Springs	James Irwin Charter Academy	326.0	2,683	386	125,684	662	215,813	2,683	874,583	
CO Springs	Launch High School	77.0	2,683	386	29,686	662	50,974	2,683	206,573	
CO Springs	Coperni 2	192.0	2,683	386	74,023	662	127,104	2,683	515,092	
CO Springs	Mountain Song Community School	330.6	2,683	386	127,458	662	218,858	2,683	886,924	
CO Springs	Thomas MacLaren State Charter School	853.1	2,683	386	328,899	662	564,754	2,683	2,288,672	
Commerce City	Community Leadership Academy/ Victory Prep	767.5	695	386	295,898	662	508,086	695	533,672	
Douglas	ASCENT Academy - Douglas County	562.0	1,125	386	216,670	662	372,045	1,125	632,019	
Douglas	Colorado Early Colleges Douglas County	631.0	1,125	386	243,272	662	417,723	1,125	709,615	
Durango	Animas High School	208.0	2,289	386	80,191	662	137,696	2,289	476,141	
Durango	Mountain Middle School	242.5	2,289	386	93,492	662	160,535	2,289	555,116	
Eagle	Stone Creek School	321.0	2,429	386	123,756	662	212,503	2,429	779,616	
Jefferson	Goldenview	653.6	1,777	386	251,985	662	432,684	1,777	1,161,720	
Mesa Valley	Caprock Academy	864.6	735	386	333,333	662	572,367	735	635,204	
Mesa Valley	Monument View Montessori	42.0	735	386	16,192	662	27,804	735	30,857	
Poudre	Ascent Academy - Northern Colorado	372.4	2,033	386	143,573	662	246,530	2,033	757,107	
Poudre	Axis International Academy	182.3	2,033	386	70,283	662	120,683	2,033	370,625	
Poudre	Colorado Early College Fort Collins	1,285.5	2,033	386	495,604	662	851,003	2,033	2,613,483	
Poudre	Colorado Early College - Fort Collins West	34.5	2,033	386	13,301	662	22,839	2,033	70,140	
Poudre	Colorado Early College - Windsor	115.3	2,033	386	44,452	662	76,329	2,033	234,410	
Poudre	Academy of Arts & Knowledge	205.7	2,033	386	79,304	662	136,174	2,033	418,198	
Roaring Fork	Ross Montessori School	292.0	1,539	386	112,576	662	193,305	1,539	449,453	
Roaring Fork	Two Rivers Community School	349.0	1,539	386	134,551	662	231,039	1,539	537,189	
Salida	Salida Montessori Charter School	86.0	1,604	386	33,156	662	56,932	1,604	137,977	

ESTIMATED DISTRIBUTIONS FOR CSI MILL LEVY EQUALIZATION OPTIONS									
DISTRICT	CSI SCHOOL	PROJECTED FY 2020-21 FUNDED PUPIL COUNT	DISTRICT OVERRIDE FUNDING PER PUPIL	OPTION 2: \$7.0 MILLION		OPTION 3: REQUEST (\$12.0 MILLION)		OPTION 4: FULL FUNDING (\$35.1 MILLION)	
				PER PUPIL DIST.	TOTAL DIST.	PER PUPIL DIST.	TOTAL DIST.	PER PUPIL DIST.	TOTAL DIST.
Steamboat	Mountain Village Montessori Charter School	120.0	1,438	386	46,264	662	79,440	1,438	172,618
Westminster 50	Crown Pointe Charter Academy	469.0	2,595	386	180,816	662	310,479	2,595	1,217,043
Westminster 50	Early College of Arvada	335.0	2,595	386	129,154	662	221,771	2,595	869,316
Westminster 50	Ricardo Flores Magon Academy	257.0	2,595	386	99,082	662	170,134	2,595	666,908
	Total	18,790.3			\$7,000,000		\$12,000,000		\$35,122,404

→ R9 EMPOWERING PARENTS WITH SCHOOL INFORMATION

REQUEST: The Governor’s Office is requesting an increase of \$499,745 General Fund and 1.8 FTE in FY 2020-21 (annualizing to \$232,869 General Fund and 2.0 FTE in FY 2021-22) to improve data quality, accessibility, and transparency in SchoolView, the State’s school and school district data dashboard. The request for FY 2020-21 includes the following components: (1) \$223,745 for two new IT professional positions (one of which is permanent and one of which is proposed as a two-year position) and (2) \$276,000 for one-time costs for contract programming personnel. Federal law requires all states to have school, district, and state report cards that provide access to information about school performance. According to the Department, the current system (created in 2010 using 2008 Oracle technology) no longer connects to some of the Department’s data and is increasingly obsolete, costly, and difficult to maintain. Finally, the Department reports that the U.S. Department of Education’s Office of Civil Rights has found SchoolView to be out of compliance with federal accessibility requirements associated with the Americans with Disabilities Act.

The Committee should note that although the Governor’s Office submitted this request independent of the State Board of Education, the State Board has now voted to support the request as part of the Department’s FY 2020-21 budget request.

RECOMMENDATION: Staff recommends that the Committee approve an increase of \$466,395 total funds (including \$98,335 General Fund and \$368,060 cash funds from the Indirect Costs Excess Recovery Fund) and 1.9 FTE for request R9. The recommendation includes the following changes from the request:

- *Line items:* The request proposes to appropriate the entire amount associated with R9 to the Longitudinal Analyses of Student Assessment Results line item. Because the permanent FTE and the contract services are information technology focused, the staff recommendation would appropriate those amounts (a total of \$374,335 and 0.9 FTE in FY 2020-21) to the Information Technology Services line item. The staff recommendation would support the term-limited position (a total of \$85,388 and 1.0 FTE) in the Longitudinal Analyses line item.
- *Fund Sources:* The Governor’s Office submitted the entire request as General Fund. However, staff notes that the Department has a significant balance in the Indirect Cost Excess Recovery Fund (\$1.1 million as of June 30, 2019). The staff recommendation would use that fund source to support the one-time costs associated with this request (a total of \$361,388 in FY 2020-21). The Indirect Cost Excess Recovery Fund is appropriate to support these one-time costs and the recommendation reduces the General Fund impact in FY 2020-21.
- *Term-limited FTE:* The Department requested a two-year term for the temporary FTE proposed in this request. Staff recommends approving that position as a one-year position (FY 2020-21 only). If the position remains necessary beyond FY 2020-21 then staff would recommend that the Department propose an extension as part of the FY 2021-22 budget process. This change reduces the cost in year two.
- *Common Policy Items:* Finally, pursuant to the Committee’s common policies, the staff recommendation does not include centrally appropriated items associated with the new FTE in the first year (a reduction of \$38,315 total funds below the request). The recommendation also includes technical corrections to the operating amounts requested with the new FTE. Finally, the recommendation does not apply the pay date shift to the temporary position because it is funded with the Indirect Costs Excess Recovery Fund rather than General Fund.

The following table summarizes the request and the staff recommendation, by line item, for request R9.

R9 - EMPOWERING PARENTS WITH SCHOOL INFORMATION						
LINE ITEM	FY 2020-21 REQUEST		FY 2020-21 STAFF REC.		FY 2021-22 IMPACT	
	\$	FTE	\$	FTE	\$	FTE
Information Technology Services	\$0	0.0	\$374,335	0.9	\$121,278	1.0
General Fund ¹	0		98,335		121,278	
Cash Funds - Indirect Cost Excess Recovery	0		276,000		0	
Longitudinal Analyses of Student Assessment Results	\$499,745	1.8	\$92,060	1.0	\$0	0
General Fund ¹	499,745		0		0	
Cash Funds - Indirect Cost Excess Recovery	0		92,060		0	
Total	\$499,745	1.8	\$466,395	1.9	\$121,278	1.0
General Fund	499,745		98,335		121,278	
Cash Funds - Indirect Cost Excess Recovery	0		368,060		0	

¹ The FY 2021-22 impact includes an estimated \$19,213 General Fund that would actually be appropriated to centrally appropriated line items rather than to Information Technology Services.

ANALYSIS:

The request is seeking funds to improve the data quality, accessibility, and transparency in SchoolView, the State’s school and district data “dashboard.”² The Department created the dashboard in 2010 to provide access to data for policymakers, researchers, communities (and families), and school districts. Federal law requires all states to have school, district, and state report cards that provide parents, students, educators, and the general public with easily accessible information about school performance, the performance of disaggregated groups of students, and student conduct. According to the Department, the existing SchoolView system is out of date and no longer adequately supports the current School Accountability frameworks.

The Department points to several issues/problems with the current SchoolView system:

- The system uses Oracle Application Development Framework technology from 2008 and is now difficult and costly to maintain due to the age and complexity of the technology.
- The Department reports that it has been unable to maintain access to all of the relevant data through the existing system without significant modifications.
- Pieced together with additions and modifications to previous systems, SchoolView was originally intended to serve district administrators and other audiences with significant institutional knowledge. However, the system does not appear to be well suited to a more general audience without that institutional knowledge.
- Relying on static data reports for the available information, the system has not kept up with public expectations for interactive and accessible information.
- The U.S. Department of Education Office of Civil Rights found the system to be out of compliance with the accessibility requirements of the Americans with Disabilities Act. The Department reports that it is difficult to meet these needs given the age of the technology.

The Department reports that it has worked over the past seven years to improve sections of the data infrastructure underlying the system. It will continue to do so as resources allow but is requesting this infusion of funds to accelerate the update and improvement of the system and allow for the

² SchoolView is available at: <https://www.cde.state.co.us/schoolview>

connection of all of the relevant data to the Department’s reporting system. The request for \$499,745 General Fund and 1.8 FTE in FY 2020-21 includes the following components (all of which are requested as appropriations to the Longitudinal Analyses of Student Assessment Results line item):

- \$223,745 and 1.8 FTE to support departmental staff (including personal services and operating costs). The requested positions include one permanent ETL database developer position and one web developer/communications position that would be limited to two years.
- \$276,000 in one-time contract funds, assuming a rate of \$100 per hour (which the Department reports is consistent with its previous experience with this type of project).

Staff Response

While staff does not have the expertise to evaluate the technical side of the current system, staff agrees that the current dashboard is challenging to use. The data can be difficult to find and the system is not user friendly. For example, finding a graduation rate for a specific school on the current site takes a total of six steps (clicks) that are not intuitive unless one is very familiar with the site. Given that a key goal of the system is to provide public information in a useful way, staff agrees that the current system falls short of that goal. Staff also agrees that moving to a visual digital reporting tool would be far more conducive to the public’s use of the site.

Staff recommends approval of an increase of \$466,395 total funds (including \$98,335 General Fund and \$368,060 cash funds from the Indirect Costs Excess Recovery Fund) and 1.9 FTE for FY 2020-21, with that amount split between the two line items as described in the “Recommendation” section above. In alignment with the request, the staff recommendation includes the following annual salaries: (1) \$90,000 General Fund for the permanent FTE (\$82,494 in the first year); and (2) \$80,000 for the term-limited FTE (with the full cost in the first year because it is not General Fund).

In significant changes from the request, the staff recommendation would: (1) limit the term-limited position to one year rather than two as proposed in the request (with the expectation that the Department will return with an explanation if an extension to two years is necessary); and (2) support all of the one-time costs (the contract expenses and the costs associated with the term-limited FTE) with cash funds from the Indirect Cost Excess Recovery Fund rather than the General Fund. Finally, the recommendation includes minor technical corrections and changes to align with the Committee’s common policies for new FTE. The following table provides additional detail on the recommended appropriations.

R9 - EMPOWERING PARENTS WITH SCHOOL INFORMATION						
	FY 2020-21 REQUEST		FY 2020-21 STAFF REC.		FY 2021-22 IMPACT	
	\$	FTE	\$	FTE	\$	FTE
Information Technology Services & Longitudinal Analyses of Student Assessment Results						
Salaries	\$155,822	1.8	\$162,494	1.8	\$90,000	1.0
PERA (10.9%)	16,985		17,712		9,810	
Medicare (1.45%)	2,259		2,356		1,305	
AED (5.0%) 1	7,791		0		4,500	
SAED (5.0%) 1	7,791		0		4,500	
STD (0.019%) 1	2,649		0		171	
Estimated HLD 1	20,084		0		10,042	
Subtotal, Personal Services - General Fund	\$213,381	1.8	\$182,562	1.8	\$120,328	1.0
General Fund	213,381		92,682		120,328	
Cash Funds - Indirect Cost Excess Recovery	0		89,880		0	

R9 - EMPOWERING PARENTS WITH SCHOOL INFORMATION						
	FY 2020-21 REQUEST		FY 2020-21 STAFF REC.		FY 2021-22 IMPACT	
	\$	FTE	\$	FTE	\$	FTE
Operating Expenses						
Supplies (\$500)	\$917		\$1,000		\$500	
Computer (\$1,230)	2,255		2,460		0	
Office Equipment (\$3,473)	6,367		3,473		0	
Telephone (\$450/FTE)	825		900		450	
Subtotal, Operating Expenses - GF	\$10,364		\$7,833		\$950	
General Fund	10,364		5,653		950	
Cash Funds - Indirect Cost Excess Recovery	0		2,180		0	
Contract Programming (\$100/hour) CF						
General Fund	276,000		0			
Cash Funds - Indirect Cost Excess Recovery	0		276,000			
Total, Request R9	\$499,745	1.8	\$466,395	1.8	\$121,278	1.0
General Fund	499,745		98,335		121,278	
Cash Funds - Indirect Cost Excess Recovery	0		368,060		0	

1 These amounts would be addressed through centrally appropriated line items rather than within the Information Technology Services and Longitudinal Analyses of Student Assessment Results line items.

R9 - EMPOWERING PARENTS WITH SCHOOL INFORMATION						
	FY 2020-21 REQUEST		FY 2020-21 STAFF REC.		FY 2021-22 IMPACT	
	\$	FTE	\$	FTE	\$	FTE
Information Technology Services & Longitudinal Analyses of Student Assessment Results						
Salaries	\$155,822	1.8	\$155,822	1.8	\$90,000	1.0
PERA (10.9%)	16,985		17,712		9,810	
Medicare (1.45%)	2,259		2,356		1,305	
AED (5.0%) ¹	7,791		0		4,500	
SAED (5.0%) ¹	7,791		0		4,500	
STD (0.019%) ¹	2,649		0		171	
Estimated HLD ¹	20,084		0		10,042	
Subtotal, Personal Services - General Fund	\$213,381	1.8	\$175,890	1.8	\$120,328	1.0
General Fund	213,381		92,682		120,328	
Cash Funds - Indirect Cost Excess Recovery	0		83,208		0	
Operating Expenses						
Supplies (\$500)	\$917		\$1,000		\$500	
Computer (\$1,230)	2,255		2,460		0	
Office Equipment (\$3,473)	6,367		3,473		0	
Telephone (\$450/FTE)	825		900		450	
Subtotal, Operating Expenses - GF	\$10,364		\$7,833		\$950	
General Fund	10,364		5,653		950	
Cash Funds - Indirect Cost Excess Recovery	0		2,180		0	
Contract Programming (\$100/hour) CF						
General Fund	276,000		0			
Cash Funds - Indirect Cost Excess Recovery	0		276,000			
Total, Request R9	\$499,745	1.8	\$459,723	1.8	\$121,278	1.0
General Fund	499,745		98,335		121,278	
Cash Funds - Indirect Cost Excess Recovery	0		361,388		0	

R9 - EMPOWERING PARENTS WITH SCHOOL INFORMATION

	FY 2020-21 REQUEST		FY 2020-21 STAFF REC.		FY 2021-22 IMPACT	
	\$	FTE	\$	FTE	\$	FTE

¹ These amounts would be addressed through centrally appropriated line items rather than within the Information Technology Services and Longitudinal Analyses of Student Assessment Results line items.

→ R10 EDUCATOR EVALUATIONS

REQUEST: The Governor’s Office is requesting an increase of \$500,000 General Fund and 0.9 FTE in FY 2020-21 (annualizing to \$500,000 and 1.0 FTE in FY 2021-22 and beyond) to improve evaluations and supports for educators. The request includes three components: (1) \$282,788 and 0.9 FTE to provide free training for school district *evaluators* to improve evaluations; (2) \$66,000 to offer a repository of differentiated evaluation rubrics targeting school districts’ different evaluation needs; and (3) \$151,212 to provide grants to school districts looking to experiment with innovative approaches to evaluation such as video evaluations and peer evaluations. The Committee should note that this request requires separate legislation and that the Governor’s Office is not requesting this as a JBC bill.

RECOMMENDATION: Staff recommends denying the request as part of the budget process. As noted above, the proposal requires separate legislation and is therefore not appropriate for inclusion in the Long Bill. The request indicates that the Governor’s Office will work in partnership with the Department to introduce legislation aligned with the request. Staff is not currently aware of such a bill having been introduced for the 2020 Session.

ANALYSIS:

The Governor’s Office is proposing this increase in an effort to improve evaluations and supports for educators under the Educator Effectiveness Program established in S.B. 10-191 (Principal and Teacher Effectiveness). The bill requires annual evaluations of teachers and principals based on: (1) student growth and (2) observed professional practice. The request responds to concerns raised by the field through the Department’s biennial survey of educators (including the 2018 Teaching and Learning Conditions Colorado (TLCC) survey) and a stakeholder process convened by the Governor’s Office in 2019.

The request includes three components that respond to concerns raised through the feedback processes: (1) additional training for evaluators; (2) differentiated evaluation rubrics; and (3) a pilot program to support innovative approaches to evaluation.

Training for Evaluators: Responding to educators’ concerns about their evaluators’ ability to conduct effective evaluations, the request includes \$282,788 General Fund and 0.9 FTE (annualizing to 1.0 FTE in subsequent years) to provide free training for school district *evaluators* to improve evaluations. Under the current system, districts pay the Department for these training opportunities and the Department reports that many districts opt out (potentially because of the cost). The Department intends to offer approximately 20 regionally-based trainings (serving an estimated 1,000 evaluators) per year. This portion of the request includes the following components:

- \$110,000 for “convening expenses” for the training sessions, including space, food, and materials.

- \$84,788 and 0.9 FTE (annualizing to \$93,574 and 1.0 FTE in subsequent years) to support an additional position to coordinate the trainings.
- \$48,000 for professional experts to conduct the trainings (assuming consulting costs of \$1,200 per day).
- \$28,000 for travel costs to allow the Department’s regional educator effectiveness staff to attend and support the training sessions.
- \$12,000 to contract with a professional development expert to create the training program.

Differentiated Rubrics: The request includes \$66,000 to offer a repository of differentiated evaluation rubrics targeting school districts’ different evaluation needs. The Department’s model evaluation system (RANDA) houses 11 standardized rubrics that the Department has developed to evaluate educators and school support personnel (teachers, principals/assistant principals, and specialized service professionals). Districts may also create their own evaluation rubrics. However, if a district creates its own rubric then it must pay RANDA to develop the rubric in the system and then pay an annual maintenance fee to house and update the rubric. The request includes \$66,000 to design, develop, and integrate five new model evaluation rubrics for specific populations (based on consultation with stakeholders to select the five additional rubrics that would be most useful). The goal is to increase flexibility in the system and reduce costs to districts that want to be able to use different rubrics for their specific needs.

Pilot Program for Innovative Approaches to Evaluation: The request includes \$151,212 to support grants to allow school districts to experiment with innovative approaches to evaluation (such as peer evaluations and video evaluations). According to the Department, research shows that these approaches have proven to be predictive of student achievement and can be more reliable than both standard classroom evaluations and student growth measures. However, both approaches have additional costs (including “protected release time” for peer evaluators and potential equipment costs for video evaluations). The proposal would require participating districts to evaluate their results, providing information to the Department on the benefits of the alternative approaches.

As noted above, the request requires separate legislation and the Governor’s Office is not requesting this as a JBC Bill. As the request requires separate legislation and is not appropriate for inclusion in the Long Bill, staff recommends denying the budget request.

→ STAFF INITIATED SCHOOLS OF CHOICE ADJUSTMENT

REQUEST: The Department is requesting a continuation appropriation of \$335,009 General Fund and 2.6 FTE for the Schools of Choice line item. The request annualizes the FY 2019-20 decision item that created the line item but does not include any adjustments related to federal funds dedicated to charter schools.

RECOMMENDATION: In order to consolidate all of the Schools of Choice Unit funding and staff into a single line item, staff recommends reflecting an appropriation of \$10,361,851 total funds and 6.8 FTE in the Schools of Choice line item. The recommendation includes the following specific fund sources: (1) \$335,009 General Fund (as requested) and 2.8 associated FTE; and (2) \$10,026,842 federal funds and 4.0 associated FTE that were previously reflected in the Appropriated Sponsored Programs line item in the Assistance to Public Schools section of the Long Bill.

- Following up on the discussion from the FY 2019-20 budget process, the recommendation moves funds and FTE that are directly related to federal charter school grants (and under the supervision of the Schools of Choice Unit) into the Schools of Choice line item. The recommendation seeks to align the Long Bill appropriation for Schools of Choice with the actual practice in the Department. The following table shows the impact on both relevant line items.

STAFF INITIATED SCHOOLS OF CHOICE ADJUSTMENT				
	FY 2019-20 APPROPRIATION	FY 2020-21 DEPT. REQUEST	STAFF RECOMMENDED ADJUSTMENT ¹	FY 2020-21 STAFF REC.
Schools of Choice	\$315,504	\$335,009	\$10,026,842	\$10,361,851
FTE	<u>2.6</u>	<u>2.6</u>	<u>4.2</u>	<u>6.8</u>
General Fund	315,504	335,009	0	335,009
Federal Funds	0	0	10,026,842	10,026,842
Appropriated Sponsored Programs	\$278,567,221	\$278,781,496	(\$10,026,842)	\$268,754,654
FTE	<u>66.1</u>	<u>66.1</u>	<u>(4.0)</u>	<u>62.1</u>
Cash Funds	2,738,464	2,750,984	0	2,750,984
Reappropriated Funds	651,922	651,922	0	651,922
Federal Funds	275,176,835	275,378,590	(10,026,842)	265,351,748
Total (both line items)	\$278,882,725	\$279,116,505	\$0	\$279,116,505
FTE	68.7	68.7	0.2	68.9
General Fund	315,504	335,009	0	335,009
Cash Funds	2,738,464	2,750,984	0	2,750,984
Reappropriated Funds	651,922	651,922	0	651,922
Federal Funds	275,176,835	275,378,590	0	275,378,590

¹ The staff recommended adjustment to the Schools of Choice line item includes an addition of 0.2 FTE to annualize the FY 2019-20 decision item (R3). The addition is a technical correction to the request and is not part of this adjustment.

ANALYSIS:

The General Assembly added the Schools of Choice line item to the FY 2019-20 Long Bill to support the Schools of Choice Unit’s ongoing support and oversight of charter schools statewide under the Charter Schools Act (Sections 22-30.5-101 through 22-30.5-704, C.R.S.). The Act defines the Department’s responsibilities with respect to charter schools, which include:

- Providing technical assistance to schools, districts, and other stakeholders to ensure proper implementation of state law as it applies to charter schools.
- Providing the State Board of Education with information and support regarding statutory waiver requests that are included in executed and/or renewed charter contracts (generally between 50 and 100 Board agenda items per year).
- Providing administrative support to the State Board for rulemaking related to charter school waivers, quality standards for charter schools and charter school authorizers, and charter schools applying for both federal and state grant programs.
- Providing information and responding to questions related to charter school appeals submitted to the State Board as well as challenges to exclusive chartering authority.
- Informing rulemaking and the implementation of rules related to charter school food authorities.
- Collecting data about charter schools and maintaining a public repository of information related to charter schools in Colorado.
- Collecting a variety of data, and generating a variety of reports, regarding charter school performance and outcomes as well as recommendations regarding legislative change related to charter schools.

- Coordination of proposals to operate independent charter schools to include the request for proposal, review committee, and recommendations.

Prior to FY 2019-20, federal funds from the Charter School Program grant (reflected in the Appropriated Sponsored Programs line item in the Assistance to Public Schools section) supported the Schools of Choice Unit. However, the federal funds are specifically tied to the support of new (start-up) or expanding charter schools and are not appropriate for the ongoing support and oversight of established schools. With a growing population of charter schools (more than 250 schools statewide, representing roughly 13 percent of the student population), the Department faced an increasing workload to support the State Board of Education and assist the schools, authorizers, and other stakeholders. While the number of schools continues to grow, the annual number of new schools and school expansions has been decreasing, resulting in a decline in the federal funds available to support the Schools of Choice Unit's activities.

The General Assembly added the Schools of Choice line item to the FY 2019-20 Long Bill to support the appropriation of state funds for the Schools of Choice Unit. For FY 2019-20, the Long Bill included \$315,504 General Fund and 2.6 FTE in the new line item but did not include the associated federal funds. However, at that time staff committed to work with the Department for the FY 2020-21 budget process to develop a structure that would consolidate all of the Schools of Choice Unit's charter school activities (including state-funded staff, federally funded staff, and the federal grants distributed to schools) into a single line item.

The staff recommendation for FY 2020-21 consolidates all of the associated funds and FTE into the Schools of Choice line item and aligns with the Department's management of the relevant programs.

LINE ITEM DETAIL — MANAGEMENT AND ADMINISTRATION

(A) ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS

STATE BOARD OF EDUCATION

The Colorado Constitution charges the State Board of Education with the "general supervision of the public schools of the state". The Board has numerous powers and duties specified in state law. Each congressional district elects one Board member; the Board also includes one at-large member in years when Colorado has an even number of congressional districts. Members serve six-year terms without compensation but are entitled to reimbursement for any necessary expenses incurred in the performance of their duties as members. These expenses generally include: (1) travel (in state and out of state, mileage, meals and lodging); (2) attendance at official functions; and (3) reimbursement for office related expenses.

STATUTORY AUTHORITY: Section 22-2-107, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$354,167 General Fund and 2.0 FTE, including the following changes from the FY 2019-20 appropriation.

- An increase of increase of \$5,232 General Fund to annualize FY 2019-20 salary survey increases.

- An increase of \$1,062 General Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request. The following table shows the recommended changes from the FY 2019-20 appropriation.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, STATE BOARD OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$347,873	\$347,873	\$0	\$0	\$0	2.0
TOTAL	\$347,873	\$347,873	\$0	\$0	\$0	2.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$347,873	\$347,873	\$0	\$0	\$0	2.0
Annualize prior year budget actions	5,232	5,232	0	0	0	0.0
Annualize prior year legislation	1,062	1,062	0	0	0	0.0
TOTAL	\$354,167	\$354,167	\$0	\$0	\$0	2.0
INCREASE/(DECREASE)	\$6,294	\$6,294	\$0	\$0	\$0	0.0
Percentage Change	1.8%	1.8%	n/a	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$354,167	\$354,167	\$0	\$0	\$0	2.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

GENERAL DEPARTMENT AND PROGRAM ADMINISTRATION

This line item provides funding and staff for the management and administration of a variety of education and library-related programs, and for general department administration, including human resources, budgeting, accounting, and information management. As a “program line,” This line item supports both personal services and operating expenses. The source of cash funds for this line item is general education development (GED) program fees. Sources of reappropriated funds include indirect cost recoveries and transfers from various cash- and federally-funded line items in other sections of the budget.

STATUTORY AUTHORITY: Article IX of the State Constitution; Sections 22-2-105 through 109, C.R.S.; and much of Title 22 of the Colorado Revised Statutes.

REQUEST: The Department requests an appropriation of \$5,091,317 total funds (including \$2,052,567 General Fund) and 39.0 FTE, including the following changes from the FY 2019-20 appropriation:

- An increase of \$429,311 total funds (including \$83,447 General Fund and \$345,864 reappropriated funds) and 4.4 FTE associated with request R7 (Departmental Infrastructure, discussed above).
- An increase of \$115,866 total funds to annualize FY 2019-20 salary survey increases.
- An increase of \$21,774 total funds to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of \$4,973,248 total funds (including \$2,027,713 General Fund) and 39.0 FTE. In addition to the requested annualizations, the

recommendation includes an increase of \$311,242 total funds (\$58,593 General Fund) and 4.4 FTE associated with request R7 (Departmental Infrastructure, discussed above).

This line item supports much of the Department's central administration and management staff. While gauging the performance of the various employees and units supported by this line item is difficult based on the Department's performance measures, the roles of these units are essential to the ongoing function of the Department. Staff requests permission to work with Department staff to calculate the allocation of indirect cost recoveries between this line item and the associated centrally appropriated line items if changes are necessary based on the Committee's common policies.³ The following table shows the recommended changes from the FY 2019-20 appropriation.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, GENERAL DEPARTMENT AND PROGRAM ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$4,524,366	\$1,920,748	\$182,422	\$2,421,196	\$0	34.6
TOTAL	\$4,524,366	\$1,920,748	\$182,422	\$2,421,196	\$0	34.6
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$4,524,366	\$1,920,748	\$182,422	\$2,421,196	\$0	34.6
R7 Departmental infrastructure	311,242	58,593	0	252,649	0	4.4
Annualize prior year budget actions	115,866	40,207	3,180	72,479	0	0.0
Annualize prior year legislation	21,774	8,165	542	13,067	0	0.0
TOTAL	\$4,973,248	\$2,027,713	\$186,144	\$2,759,391	\$0	39.0
INCREASE/(DECREASE)	\$448,882	\$106,965	\$3,722	\$338,195	\$0	4.4
Percentage Change	9.9%	5.6%	2.0%	14.0%	n/a	12.7%
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$118,069	\$24,854	\$0	\$93,215	\$0	0.0

OFFICE OF PROFESSIONAL SERVICES

This office is responsible for administration of the Colorado Educator Licensure Act and is funded entirely through fees paid by educators seeking licenses, endorsements, and authorizations. Section 22-60.5-112, C.R.S., authorizes the State Board of Education to adjust fees charged for licensing purposes annually, if necessary, so that the revenue generated approximates the direct and indirect costs of administering the Colorado Educator Licensing Act. Fee revenues are deposited into the Educator Licensure Cash Fund.

Prior to FY 2011-12, funding for the Office of Professional Services was subject to annual appropriation. However, Section 22-60.5-112 (1) (b) (I), C.R.S. (as modified by H.B. 18-1100 (Educator Licensure Cash Fund, a JBC Bill), continuously appropriates funds in the Educator Licensure Cash Fund to the Department from FY 2011-12 through FY 2020-21.

³ These centrally appropriated line items include the following: Health, Life, and Dental; Short-term Disability; AED; SAED; Workers' Compensation; Payment to Risk Management and Property Funds; and Capitol Complex Leased Space.

STATUTORY AUTHORITY: Sections 22-60.5-101, 22-2-109, and 22-9-101, C.R.S.

REQUEST: The Department requests an appropriation of \$2,813,601 cash funds and 25.0 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$52,437 to annualize salary survey increases provided under the continuous appropriation in FY 2019-20.
- \$8,945 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request. This appropriation will be reflected in the Long Bill for informational purposes only. Staff notes that barring statutory change to extend the continuous appropriation of the Educator Licensure Cash Fund, this line item will again be subject to annual appropriation in FY 2021-22. The following table shows the recommended changes from the FY 2019-20 (informational) appropriation.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, OFFICE OF PROFESSIONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$2,752,219	\$0	\$2,752,219	\$0	\$0	25.0
TOTAL	\$2,752,219	\$0	\$2,752,219	\$0	\$0	25.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$2,752,219	\$0	\$2,752,219	\$0	\$0	25.0
Annualize prior year budget actions	52,437	0	52,437	0	0	0.0
Annualize prior year legislation	8,945	0	8,945	0	0	0.0
TOTAL	\$2,813,601	\$0	\$2,813,601	\$0	\$0	25.0
INCREASE/(DECREASE)	\$61,382	\$0	\$61,382	\$0	\$0	0.0
Percentage Change	2.2%	n/a	2.2%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$2,813,601	\$0	\$2,813,601	\$0	\$0	25.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

DIVISION OF ON-LINE LEARNING

Senate Bill 07-215 changed the oversight, structure, and funding of public school on-line education. This act required the State Board of Education to establish quality standards for on-line programs. The act also created the Division of On-line Learning in the Department to support on-line programs, certify multi-district programs, and document and track complaints about on-line programs. Finally, S.B. 07-215 also created a nine-member On-line Learning Advisory Board to report to the State Board on the operations of on-line programs and to provide policy recommendations.

STATUTORY AUTHORITY: Section 22-30.7-101 et seq., C.R.S.

REQUEST: The Department requests a continuation appropriation of \$379,368 cash funds from the State Education Fund and 3.3 FTE for FY 2020-21, including the following changes from the FY 2019-20 appropriation:

- \$5,956 to annualize FY 2019-20 salary survey increases.
- \$1,016 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies. The following table shows the recommended changes from the FY 2019-20 appropriation.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, DIVISION OF ON-LINE LEARNING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$372,396	\$0	\$372,396	\$0	\$0	3.3
TOTAL	\$372,396	\$0	\$372,396	\$0	\$0	3.3
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$372,396	\$0	\$372,396	\$0	\$0	3.3
Annualize prior year budget actions	5,956	0	5,956	0	0	0.0
Annualize prior year legislation	1,016	0	1,016	0	0	0.0
TOTAL	\$379,368	\$0	\$379,368	\$0	\$0	3.3
INCREASE/(DECREASE)	\$6,972	\$0	\$6,972	\$0	\$0	0.0
Percentage Change	1.9%	n/a	1.9%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$379,368	\$0	\$379,368	\$0	\$0	3.3
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

SCHOOLS OF CHOICE

At the Department’s request (FY 2019-20 request R3, Schools of Choice Unit), the General Assembly added this line item to the FY 2019-10 Long Bill to support the staff carrying out the Department’s responsibilities under the State’s Charter Schools Act (Sections 22-30.5-101 through 22-30.5-704, C.R.S.).

STATUTORY AUTHORITY: Section 22-30.5-101 through 22-30.5-704, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$335,009 General Fund and 2.6 FTE for this line item. The request includes an increase of \$19,505 General Fund to reflect the FY 2020-21 impact of adding this line item in FY 2019-20.

RECOMMENDATION: Staff recommends approving an appropriation of \$10,361,851 total funds and 6.8 FTE. The recommendation includes the following specific fund sources: (1) \$335,009 General Fund (as requested) and 2.8 associated FTE; and (2) \$10,026,842 federal funds and 4.0 associated FTE that were previously reflected in the Appropriated Sponsored Programs line item in the Assistance to Public Schools section of the Long Bill.

- As discussed above with the Staff Initiated Schools of Choice Adjustment, the recommendation moves federal funds and FTE associated with federal charter schools grants (and under the supervision of the Schools of Choice Office) from the Appropriated Sponsored Programs line item to the Schools of Choice line item to align the Long Bill with the Department’s organization.

- The recommendation also includes 0.2 FTE as part of the annualization of FY 2019-20 R3 (Schools of Choice) as a technical correction to the request.

The following table shows the recommended changes from the FY 2019-20 appropriation.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, SCHOOLS OF CHOICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$315,504	\$315,504	\$0	\$0	\$0	2.6
TOTAL	\$315,504	\$315,504	\$0	\$0	\$0	2.6
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$315,504	\$315,504	\$0	\$0	\$0	2.6
SI Schools of Choice Adjustment	10,026,842	0	0	0	10,026,842	4.0
Annualize prior year budget actions	19,505	19,505	0	0	0	0.2
TOTAL	\$10,361,851	\$335,009	\$0	\$0	\$10,026,842	6.8
INCREASE/(DECREASE)	\$10,046,347	\$19,505	\$0	\$0	\$10,026,842	4.2
Percentage Change	3,184.2%	6.2%	n/a	n/a	n/a	161.5%
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$10,026,842)	\$0	\$0	\$0	(\$10,026,842)	(4.2)

HEALTH, LIFE, AND DENTAL

This line item provides funding for the employer's share of the cost of group benefit plans providing health, life, and dental insurance for state employees.

STATUTORY AUTHORITY: Pursuant to Section 24-50-611, C.R.S., and defined in Section 24-50-603 (9), C.R.S.

REQUEST: The Department requests \$6,709,144 total funds (including \$2,546,147 General Fund) for FY 2020-21. The request includes an increase of \$648,956 total funds (including \$376,953 General Fund) above the FY 2019-20 appropriation based on OSPB's common policies for health, life, and dental benefits.

RECOMMENDATION: Staff recommends approving an appropriation of \$6,709,143 total funds (including \$2,546,146 General Fund), in alignment with the Committee's common policy regarding employer contribution rates for Health, Life, and Dental. The recommendation represents an increase of \$648,955 total funds (including \$376,952 General Fund) above the FY 2019-20 appropriation.

SHORT-TERM DISABILITY

This line item provides funding for the employer's share of state employees' short-term disability insurance premiums.

STATUTORY AUTHORITY: Pursuant to Section 24-50-611, C.R.S., and defined in Section 24-50-603 (13), C.R.S.

REQUEST: The Department requests an appropriation of \$82,789 total funds (including \$26,558 General Fund) for FY 2020-21. The request includes an increase of \$3,776 total funds (including \$1,535 General Fund) above the FY 2019-20 appropriation based on OSPB's common policies for short-term disability.

RECOMMENDATION: Staff recommends approving an appropriation of \$83,601 total funds (including \$26,819 General Fund), in alignment with the Committee's common policy to apply a rate of 0.17 percent of employee base salaries. The recommendation represents an increase of \$4,588 total funds (\$1,796 General Fund) above the FY 2019-20 appropriation.

S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

Pursuant to S.B. 04-257, this line item provides additional funding to increase the state contribution to the Public Employees' Retirement Association (PERA).

STATUTORY AUTHORITY: Section 24-51-411, C.R.S.

REQUEST: The Department requests an appropriation of \$2,448,136 total funds (including \$788,898 General Fund) for FY 2020-21. The request includes an increase of \$107,750 total funds (including \$43,666 General Fund) above the FY 2019-20 appropriation based on OSPB's common policies.

RECOMMENDATION: Staff recommends approving an appropriation of \$2,472,088 total funds (including \$796,582 General Fund), based on the Committee's common policy to apply a contribution rate of 5.0 percent of base salaries. The recommendation represents an increase of \$131,702 total funds (\$51,350 General Fund) above the FY 2019-20 appropriation. Staff requests permission to adjust the appropriation amount, as necessary, based on the Committee's final decisions regarding total compensation common policies.

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

Pursuant to S.B. 06-235, this line item provides additional funding to increase the state contribution for PERA.

STATUTORY AUTHORITY: Section 24-51-411, C.R.S.

REQUEST: The Department requests an appropriation of \$2,448,136 total funds (including \$788,898 General Fund) for FY 2020-21. The request includes an increase of \$107,750 total funds (including \$43,666 General Fund) above the FY 2019-20 appropriation based on OSPB's common policies.

RECOMMENDATION: Staff recommends approving an appropriation of \$2,472,088 total funds (including \$796,582 General Fund), based on the Committee's common policy to apply a contribution rate of 5.0 percent of base salaries. The recommendation represents an increase of \$131,702 total funds (\$51,350 General Fund) above the FY 2019-20 appropriation. Staff requests permission to adjust the appropriation amount, as necessary, based on the Committee's final decisions regarding total compensation common policies.

PERA DIRECT DISTRIBUTION

The General Assembly added this line item to the FY 2019-20 Long Bill to provide a common policy allocation payment for the state portion of the PERA Direct Distribution created in Section 24-51-414, C.R.S., enacted in S.B. 18-200.

STATUTORY AUTHORITY: Section 24-51-414, C.R.S.

REQUEST: The Department is requesting an appropriation of \$1,220,885 total funds (including \$393,423 General Fund) for this line item in FY 2020-21. Please note that the request only reflects the direct distribution directly associated with Department of Education staff – not the education system as a whole.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies for FY 2020-21. Staff requests permission to adjust the appropriation amount, as necessary, based on the Committee’s final decisions regarding common policies.

SALARY SURVEY

Prior to FY 2017-18, the Department used this line item to pay for annual increases for salary survey and senior executive positions for all of the Department’s employees (with the exception of teachers at the School for the Deaf and the Blind). For FY 2017-18 and FY 2018-19, the Long Bill appropriation divided salary survey funding into two line items, one supporting salary increases for the Department’s classified employees and one for the Department’s exempt (at-will) employees, both of which are discussed below. The FY 2019-20 Long Bill consolidated the line items back into a single Salary Survey line item.

STATUTORY AUTHORITY: Section 24-50-104, C.R.S.

REQUEST: The Department requests an appropriation of \$1,076,326 total funds (including \$345,293 General Fund) for FY 2020-21. The request reflects an estimated 2.0 percent salary survey increase.

RECOMMENDATION: Staff recommends approving an appropriation of \$1,614,492 total funds (including \$517,941 General Fund), which aligns with the Committee’s common policies for salary survey in FY 2020-21. For reference purposes the following table reflects the Department’s estimated distribution of classified and at-will FTE (not head count) in FY 2019-20.

DEPARTMENT OF EDUCATION CLASSIFIED AND AT-WILL POSITIONS (APPROXIMATE FTE)			
AGENCY	TOTAL	CLASSIFIED	AT-WILL
Charter School Institute	27.2	0.0	27.2
Public School Capital Construction	15.0	1.0	14.0
School for the Deaf and the Blind	154.5	85.1	69.4
Main Department of Education	457.4	56.5	400.9
Total	654.1	142.6	511.5

MERIT PAY

This line item funds pay increases relating to employee performance evaluations.

STATUTORY AUTHORITY: Section 24-50-104 (1) (c), C.R.S.

REQUEST: Pursuant to OSPB's common policies, the Department is not requesting any funding for merit pay increases for FY 2019-20.

RECOMMENDATION: Pursuant to the Committee's common policies, staff is not recommending a merit pay increase for FY 2020-21.

PARENTAL LEAVE (NEW LINE ITEM REQUESTED)

The Department is proposing the creation of this line item to cover the cost to backfill critical positions for a leave policy providing eight weeks of paid leave birth, adoption, or foster placement for new-parent employees.

STATUTORY AUTHORITY: None.

REQUEST: Pursuant to OSPB's common policies, the Department is requesting an appropriation of \$67,392 total funds (including \$57,379 General Fund) for the proposed line item in FY 2020-21.

RECOMMENDATION: Consistent with the Committee's common policy, staff recommends denying the request for an appropriation in FY 2020-21.

WORKERS' COMPENSATION

This line pays the Department's estimated share for inclusion in the State's workers' compensation program for state employees. This program is administered by the Department of Personnel and Administration.

STATUTORY AUTHORITY: Section 24-30-1510.7, C.R.S.

REQUEST: The Department requests \$328,159 total funds (including \$146,579 General Fund) for FY 2020-21 based on OSPB's common policies. The request represents a decrease of \$117,928 total funds (including a decrease of \$52,675 General Fund) below the FY 2019-20 appropriation.

RECOMMENDATION: The staff recommendation for the dollar amount for this line item is pending the Committee's common policy decision for FY 2020-21. Staff requests permission to adjust all pending line items and apply a fund split once the Committee establishes the relevant common policies.

LEGAL SERVICES

This line item provides funding for the Department to purchase legal services from the Department of Law.

STATUTORY AUTHORITY: Sections 24-31-101 (1)(a) and 24-75-112 (1)(i), C.R.S.

REQUEST: Based on preliminary estimates of hourly legal rates from the Department of law, the Department requests \$1,226,593 total funds (including \$709,025 General Fund) for the purchase of legal services in FY 2020-21, which represents an increase of \$325,305 total funds (\$188,040 General Fund) above the FY 2019-20 appropriation.

RECOMMENDATION: The staff recommendation for the dollar amount for this line item is pending the Committee's decision regarding the legal rate for FY 2020-21.

ADMINISTRATIVE LAW JUDGE SERVICES

This line item provides funding for the Department to purchase services from the Department of Personnel and Administration, Administrative Hearings Division.

STATUTORY AUTHORITY: Sections 24-30-1001 (3) and 24-30-1002, C.R.S.

REQUEST: The Department requests \$141,413 total funds (including no General Fund) for FY 2020-21, including a decrease of \$92,183 total funds below the FY 2019-20 appropriation, to align with OSPB's common policies for administrative law judge services.

RECOMMENDATION: The staff recommendation for the dollar amount for this line item is pending the Committee's common policy decision for FY 2020-21. Staff requests permission to adjust all pending line items and apply a fund split once the Committee establishes the relevant common policies.

PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

This line item provides funding for the Department's share of the statewide costs for two programs operated by the Department of Personnel and Administration: (1) the liability program, and (2) the property program. The state's liability program pays liability claims and expenses brought against the State. The property program provides insurance coverage for state buildings and their contents.

STATUTORY AUTHORITY: Sections 24-30-1510 and 24-30-1510.5, C.R.S.

REQUEST: The Department requests \$427,153 General Fund for FY 2020-21. The request represents a decrease of \$21,234 below the FY 2019-20 appropriation based on OSPB's common policies.

RECOMMENDATION: The staff recommendation for the dollar amount for this line item is pending the Committee's common policy decision for FY 2020-21. Staff requests permission to adjust all pending line items once the Committee establishes the relevant common policies.

LEASED SPACE

The General Assembly added this line item to the FY 2015-16 Long Bill to support all of the Department's appropriations for the purchase of leased space outside of the Capitol Complex.

STATUTORY AUTHORITY: Section 22-2-112, C.R.S.

REQUEST: The Department requests \$1,081,722 total funds (including \$51,056 General Fund) to support leased space costs in FY 2020-21. The official request does not reflect any change from the FY 2019-20 appropriation because the Department was awaiting additional lease information at the time of the request.

RECOMMENDATION: Based on updated and corrected lease cost information provided by the Department, staff recommends an appropriation of \$1,241,882 total funds (including \$87,218 General Fund) for leased space costs in FY 2020-21. The following table shows the Department’s lease costs and square footage usage for each of the three private lease locations for FY 2019-20 and FY 2020-21.

SUMMARY OF PROJECTED LEASED SPACE COSTS					
LOCATION	FY 2019-20 LEASE COSTS	SPACE (SQ. FT.)	FY 2020-21 LEASE COSTS	SPACE (SQ. FT.)	APPROXIMATE FTE
1560 Broadway	\$635,004	28,625	\$1,025,873	38,515	129.7
1580 Logan St.	287,262	11,957	152,337	2,322	9.0
6000 East Evans Ave.	159,456	9,039	63,672	9,039	30.0
Total	\$1,081,722	49,621	\$1,241,882	49,876	168.7

CAPITOL COMPLEX LEASED SPACE

This line item supports payments to the Department of Personnel and Administration for the costs of maintaining state buildings that are part of the capitol complex.

STATUTORY AUTHORITY: Section 24-30-1104, C.R.S.

REQUEST: The Department requests \$730,601 total funds (including \$219,180 General Fund) for FY 2020-21 based on OSPB’s common policy for Capitol Complex Leased Space. The request includes an increase of \$37,213 total funds (including \$11,164 General Fund) above the FY 2019-20 appropriation.

RECOMMENDATION: The staff recommendation for the dollar amount for this line item is pending the Committee’s common policy decision for FY 2020-21. Staff requests permission to adjust all pending line items and apply a fund split once the Committee establishes the relevant common policies.

REPRINTING AND DISTRIBUTING LAWS CONCERNING EDUCATION

Section 22-2-112 (1)(i), C.R.S., requires the Department to "cause to be reprinted annually laws enacted by the general assembly concerning education...and to furnish copies thereof to interested persons." By statute, the State Public School Fund supports all publishing costs. Prior to FY 2010-11, this appropriation identified the source of funding as rental income earned on state education trust lands that is credited to the State Public School Fund. Pursuant to H.B. 10-1369, the revenue source is now interest and investment income earned on the Public School ("Permanent") Fund that is credited to the State Public School Fund.

STATUTORY AUTHORITY: Section 22-2-112 (1)(i), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$35,480 cash funds from the State Public School Fund for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. This appropriation is required by current law.

LINE ITEMS INCLUDED IN NUMBERS PAGES BECAUSE OF PRIOR YEAR FUNDING

SALARY SURVEY FOR CLASSIFIED EMPLOYEES

The General Assembly created this line item in the FY 2017-18 Long Bill to reflect salary survey increases (if provided) associated with classified employees at the Department of Education, including the Colorado School for the Deaf and the Blind (CSDB) and the State Charter School Institute (CSI). In FY 2019-20, the General Assembly again consolidated salary survey appropriations for classified and at-will employees into a single Salary Survey line item.

SALARY SURVEY FOR EXEMPT EMPLOYEES

The General Assembly created this line item in the FY 2017-18 Long Bill to reflect salary survey increases (if provided) associated with exempt (at-will) employees at the Department of Education, including the Colorado School for the Deaf and the Blind (CSDB) and the State Charter School Institute (CSI). In FY 2019-20, the General Assembly again consolidated salary survey appropriations for classified and at-will employees into a single Salary Survey line item.

MERIT PAY FOR CLASSIFIED EMPLOYEES

The General Assembly created this line item in the FY 2017-18 Long Bill to reflect merit pay increases associated with classified employees at the Department of Education, including the Colorado School for the Deaf and the Blind (CSDB) and the State Charter School Institute (CSI). In FY 2019-20, the General Assembly again consolidated salary survey appropriations for classified and at-will employees into a single Salary Survey line item. If the General Assembly provided merit pay appropriations then staff would recommend again consolidating those appropriations in to a single Merit Pay line item.

MERIT PAY FOR EXEMPT EMPLOYEES

As discussed above (Staff Initiated Separation of Salary Survey and Merit Pay for Classified and Exempt Employees), staff is recommending the creation of this line item in the FY 2017-18 Long Bill to reflect merit pay increases (if provided) associated with exempt (at-will) employees at the Department of Education, including the Colorado School for the Deaf and the Blind (CSDB) and the State Charter School Institute (CSI). If the General Assembly provided merit pay appropriations then staff would recommend again consolidating those appropriations in to a single Merit Pay line item.

(B) INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY SERVICES

This line item provides funding and staff related to information technology support functions and includes funding and staff that were previously appropriated to the School Accountability Reports and State Data Reporting System line item, which was merged into the Information Technology Services line item in FY 2011-12.

Senate Bill 00-186 required the Department of Education to establish a state data reporting system, including computer capabilities and procedures, to produce school report cards (later renamed school accountability reports or "SARs"). The bill required the Department to prepare and distribute hard copies of each school's SAR, and to establish and maintain a web site that provides access to each school's SARs.

As a program line, this line item includes funding for both personal services and operating expenses. Sources of reappropriated funds include transfers from various line items in other sections of the budget.

STATUTORY AUTHORITY: Section 22-2-112, C.R.S.

REQUEST: The Department requests \$4,809,029 total funds (including \$4,174,578 General Fund) and 32.7 FTE for FY 2020-21. The request includes the following changes from the FY 2019-20 appropriation:

- An increase of \$235,114 General Fund and 1.8 FTE associated with request R7 (Departmental Infrastructure).
- An increase of \$69,906 total funds to annualize FY 2019-20 salary survey appropriations.
- An increase of \$14,092 total funds to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of \$23,800 General Fund to reflect the FY 2020-21 impact of H.B. 18-1306 (Improving Educational Stability for Foster Youth).

RECOMMENDATION: Staff recommends approving an appropriation of \$5,134,626 total funds (including \$4,224,175 General Fund) and 33.6 FTE for FY 2020-21. The recommendation is \$325,597 total funds and \$49,597 General Fund below the request for this line item based on modifications to requests R7 (Departmental Infrastructure) and R9 (Empowering Parents with School Information), both of which are discussed above. The remainder of the recommendation aligns with the request and is consistent with the Committee's common policies. The following table shows the recommended changes from the FY 2019-20 appropriation.

MANAGEMENT AND ADMINISTRATION, INFORMATION TECHNOLOGY, INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$4,513,717	\$3,883,101	\$0	\$630,616	\$0	30.9
TOTAL	\$4,513,717	\$3,883,101	\$0	\$630,616	\$0	30.9
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$4,513,717	\$3,883,101	\$0	\$630,616	\$0	30.9
R9 Empowering parents with school information	374,335	98,335	276,000	0	0	0.9
R7 Departmental infrastructure	186,376	186,376	0	0	0	1.8

MANAGEMENT AND ADMINISTRATION, INFORMATION TECHNOLOGY, INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions	69,906	66,631	0	3,275	0	0.0
Annualize prior year legislation	(9,708)	(10,268)	0	560	0	0.0
TOTAL	\$5,134,626	\$4,224,175	\$276,000	\$634,451	\$0	33.6
INCREASE/(DECREASE)	\$620,909	\$341,074	\$276,000	\$3,835	\$0	2.7
Percentage Change	13.8%	8.8%	0.0%	0.6%	n/a	8.7%
FY 2020-21 EXECUTIVE REQUEST	\$4,809,029	\$4,174,578	\$0	\$634,451	\$0	32.7
Request Above/(Below) Recommendation	(\$325,597)	(\$49,597)	(\$276,000)	\$0	\$0	(0.9)

CORE OPERATIONS

This line item funds the Department’s share of costs for the statewide accounting system (CORE) used by the State Controller to record all state revenues and expenditures.

STATUTORY AUTHORITY: Section 24-30-209, C.R.S.

REQUEST: The Department requests \$327,125 total funds (including \$126,702 General Fund) for FY 2020-21 based on OSPB’s common policies. The request represents an increase of \$81,078 total funds above the FY 2019-20 appropriation.

RECOMMENDATION: The staff recommendation for the dollar amount for this line item is pending the Committee’s common policy decision for FY 2020-21. Staff requests permission to adjust all pending line items and apply a fund split once the Committee establishes the relevant common policies.

INFORMATION TECHNOLOGY ASSET MAINTENANCE

This line item provides funding for the Department to implement an asset management plan to achieve and maintain a standard information technology environment. Money is used to pay for critical hardware and software maintenance contracts, as well as the replacement of equipment (e.g., servers, switches, printers, or personal computers).

STATUTORY AUTHORITY: Section 22-2-112, C.R.S.

REQUEST: The Department requests \$969,147 General Fund for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies for FY 2020-21.

DISASTER RECOVERY

This line item provides funding for the equipment, disks, and tapes necessary to implement a disaster recovery plan. The Department uses the funds for: equipment and supplies; offsite tape rotation; and server lease payments.

STATUTORY AUTHORITY: Section 22-2-112, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$19,722 General Fund, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request.

PAYMENTS TO OIT

This line item, created in FY 2014-15, supports various payments to the Governor’s Office of Information Technology (OIT) for services provided to the Department.

STATUTORY AUTHORITY: Section 24-27.5-104, C.R.S.

REQUEST: The Department requests \$1,232,631 total funds (including \$530,752 General Fund) based on OSPB’s common policies. The request represents an increase of \$259,150 total funds above the FY 2019-20 appropriation.

RECOMMENDATION: The staff recommendation for the dollar amount for this line item is pending the Committee’s common policy decision for FY 2020-21. Staff requests permission to adjust all pending line items and apply a fund split once the Committee establishes the relevant common policies.

(C) ASSESSMENTS AND DATA ANALYSES

Background Information: Pursuant to H.B. 93-1313 and subsequent legislation, the Department developed educational model content standards in twelve subject areas and, each year since 1997, has administered student assessments in several subject areas and grades. The costs associated with administering the assessments include initial and ongoing development of the exams, printing and mailing of the exams (for paper versions), teacher training related to exam administration, scoring, and score reporting. The total cost of assessments thus directly relates to the number of subject areas and grade levels assessed each year.

Please note that the federal *No Child Left Behind Act*, passed by Congress in December 2001, required Colorado to implement four new assessments: mathematics assessments for third and fourth grade students; a science assessment for third, fourth or fifth grade students (Colorado chose fifth grade); and a science assessment for tenth, eleventh, or twelfth grade students (Colorado originally chose tenth grade but is now administering the exam in grade 11). House Bill 03-1306 [Section 22-7-409 (1) (g), C.R.S.] required the Department to develop and administer these four new assessments if the State received sufficient moneys from the federal government through the *No Child Left Behind Act*.

Senate Bill 08-212 [Section 22-7-1001 et seq., C.R.S.] expanded and connected instructional standards and assessments from preschool into college. The act required Colorado to:

- Establish definitions for school readiness and postsecondary and workforce readiness (PWR).
- Expand and revise P-13 standards to incorporate 21st Century skills, reflect PWR, and be internationally competitive.

- Launch a PWR assessments pilot program.
- Adopt new assessments which measure the newly adopted standards.
- Require all school boards to adopt pathways that lead to PWR and create endorsements for high school diplomas.
- Revise higher education admission requirements as necessary to incorporate the use of newly created standards and assessments that reflect college and workforce readiness.

As required by the act, the State Board of Education adopted new academic standards in 2009, conducted a PWR assessments pilot program, and approved the attributes of a new statewide assessment system that would align with the new standards. The adopted standards include the national "Common Core" standards, an effort initiated and managed by the National Governor's Association. However, Colorado's standards also go beyond the Common Core by including: (1) additional content areas beyond English language arts and mathematics; and (2) additional expectations within each content area that is covered by the Common Core.

The adoption of new standards requires the development of new assessments to measure students' knowledge relative to the new standards. Section 22-7-1006 (1) (a), C.R.S., required the State Board to adopt a new systems of assessments "on or before December 15, 2010, or as soon thereafter as fiscally practicable." After an extensive public participation process, the State Board adopted a framework of assessment attributes on December 6, 2010.

Because the Colorado Student Assessment Program (CSAP) was aligned to the former statewide standards and would not be a viable assessment of the new standards, the Department discontinued use of the CSAP (spring 2011 was the final use of the former assessment). The Department used a temporary assessment (Temporary Colorado Assessment Program, or TCAP) for reading, writing, and mathematics in spring 2012, 2013, and 2014 to allow time for: (1) the development of new assessments and (2) local education providers to fully transition to the new standards before being held accountable for teaching the new standards. The TCAP only assessed areas of overlap between the "old" and "new" standards and therefore covered only a subset of both sets of standards.

In order to align the State's system of assessments with the current standards, Colorado moved forward with a new set of assessments, titled the Colorado Measures of Academic Success (CMAS).

- In FY 2013-14, Colorado started administering new state-specific science and social studies assessments. The science assessment replaced the TCAP, and the social studies assessment represents the State's first statewide standardized assessment in social studies.
- In FY 2014-15, Colorado started administering consortium-based assessments for mathematics and English language arts. Pursuant to H.B. 12-1240, Colorado became a governing member of the Partnership for Assessment of Readiness for College and Careers (PARCC) in August 2012. The General Assembly provided additional funds to develop items specific to the Colorado standards in FY 2013-14 and 2014-15. The Department began administering the PARCC assessments, including the items specific to the Colorado standards in spring 2015.

House Bill 15-1323 (Changes to Statewide Assessments), enacted during the 2015 Session, made further changes to the statewide assessment system. Specifically, the bill:

- Eliminates the PARCC/CMAS assessments in mathematics and English Language Arts for grades 10 and 11;
- Requires the Department to administer a 10th grade college entrance preparation exam (the Department is administering the PSAT in FY 2015-16, which replaces the 10th grade PARCC/CMAS assessments in mathematics and English language arts);
- Requires the Department to continue to administer a college entrance exam to students in 11th grade and to administer the writing portion of the exam when requested to do so by students. Please note that the Department continued to administer the ACT to 11th graders in FY 2015-16 but has now transitioned to the SAT.

A second bill enacted during the 2015 Session, S.B. 15-056 (Frequency of Statewide Social Studies Testing) allows the Department to administer the statewide social studies assessment on a sampling basis.

House Bill 17-1181 (Required State Assessment for Ninth-grade Students), enacted in 2017, eliminates the statewide assessments in English language arts and mathematics that were previously administered to ninth grade students and instead requires school districts to administer the pre-college entrance exam that is aligned with the pre-college entrance exam administered in tenth grade and the college entrance exam administered in eleventh-grade. As a result, beginning in FY 2017-18 school districts are administering the PSAT in ninth- and tenth grade and the SAT in eleventh grade. The following table shows the planned assessments for FY 2019-20 by grade level based on current law, as modified by H.B. 15-1323 and H.B. 17-1181, as well as the current federal requirements under the Every Student Succeeds Act.

ANTICIPATED FY 2020-21 STATEWIDE ASSESSMENT SCHEDULE		
GRADE	COLORADO MEASURES OF ACADEMIC SUCCESS* (STATE REQUIREMENTS)	EVERY STUDENT SUCCEEDS ACT FEDERAL REQUIREMENTS
3	English language arts, including Spanish language arts math	reading/language arts math
4	English language arts, including Spanish language arts math social studies (sampled once in elementary)	reading/language arts math
5	English language arts math science	reading/language arts math science (in grades 3, 4, or 5)
6	English language arts math	reading/language arts math
7	English language arts math social studies (sampled once in middle school)	reading/language arts math
8	English language arts math science	reading/language arts math science (6, 7, 8, or 9)

ANTICIPATED FY 2020-21 STATEWIDE ASSESSMENT SCHEDULE		
GRADE	COLORADO MEASURES OF ACADEMIC SUCCESS* (STATE REQUIREMENTS)	EVERY STUDENT SUCCEEDS ACT FEDERAL REQUIREMENTS
9	Reading/writing: PSAT Evidence-Based Reading and Writing (EBRW) Math: PSAT	
10	Reading/writing: PSAT Evidence-Based Reading and Writing (EBRW) Math: PSAT	
11	Reading/writing: SAT Evidence-Based Reading and Writing (EBRW) Math: SAT science social studies (sampled once in high school)	reading/language arts (9, 10, 11, or 12) math (9, 10, 11, or 12) science (10, 11, or 12)
K-12	English Language Proficiency	English Language Proficiency

*The Department also administers alternate assessments for children with the most significant cognitive disabilities who are unable to participate in CMAS/PSAT/SAT, even with accommodations. Alternate assessments are administered in the same grades and subjects as the general state assessments. The Department utilizes federal special education funding (IDEA Part B) to pay for the development and administration of alternate assessments outside of social studies.

STATEWIDE ASSESSMENT PROGRAM

The Committee renamed this line item (from the Colorado Student Assessment Program to the Statewide Assessment Program) in FY 2018-19. The line item provides funding for the staff, operating expenses, and contract expenses associated with the State’s standardized assessments, including mathematics, English language arts, science, social studies, English proficiency, Spanish language arts, the PSAT, and the SAT.

STATUTORY AUTHORITY: Section 22-7-1006.3, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$33,314,969 total funds (including \$26,113,860 cash funds from the State Education Fund and \$7,201,109 federal funds) and 17.5 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$58,970 total funds to annualize FY 2019-20 salary survey appropriations.
- \$9,516 total funds to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of \$33,300,495 total funds, including \$26,113,860 cash funds from the State Education Fund (as requested) and \$7,186,635 federal funds. The recommendation is \$14,474 federal funds below the Department’s official request based on adjustments to align with the Department’s current estimates of contract costs in FY 2020-21. Below is a detailed discussion of the recommended appropriation for this line item for FY 2020-21, followed by discussions of each major component of the recommendation.

Overview of Line Item Recommendation: The following table provides an overview of the existing FY 2019-20 appropriation and the recommendation for FY 2020-21. Please note that the overview table shows a total *estimated* cost that is \$208,095 cash funds higher than the staff recommendation. Because these

are preliminary estimates of the costs required (particularly for the SAT/college entrance test which the Department is re-procuring), staff is not recommending that adjustment to the request. Given the magnitude of this line item (\$26.1 million state funds), staff believes that the Department should be able to absorb that amount within the recommended appropriation if the preliminary estimates prove to be accurate. The sections following the table provide additional detail for each component shown in the overview.

SUMMARY OF FY 2020-21 RECOMMENDATION FOR STATEWIDE ASSESSMENT PROGRAM LINE ITEM			
DESCRIPTION	FY 2019-20 APPROPRIATION	FY 2020-21 ESTIMATE/STAFF REC.	ANNUAL CHANGE
I. CMAS: Contract for developing, scoring, and reporting CMAS (not including alternate assessments) - math and English	<u>\$13,468,724</u>	<u>\$12,477,677</u>	<u>(\$991,047)</u>
Cash Funds - State Education Fund	11,818,847	10,776,905	(1,041,942)
Federal Funds	1,649,877	1,700,772	50,895
II. Alternate Math and English Assessments: Contract for developing, scoring, and reporting Alternate CMAS	<u>\$950,000</u>	<u>\$950,000</u>	<u>\$0</u>
Federal Funds	950,000	950,000	0
III. Science and Social Studies: Contract for developing, scoring, and reporting science and social studies assessments	<u>\$6,376,102</u>	<u>\$6,376,102</u>	<u>\$0</u>
Cash Funds - State Education Fund	6,085,898	\$6,085,898	(0)
Federal Funds	290,204	\$290,204	0
IV. Alternate Science and Social Studies: Contract to develop, score, and report Alternate assessments for science and social studies	<u>\$1,535,625</u>	<u>\$1,612,341</u>	<u>\$76,716</u>
Cash Funds - State Education Fund	986,919	986,919	(0)
Federal Funds	548,706	625,422	76,716
V. English Language Proficiency: Contract for developing, scoring, and reporting the Colorado English Language Assessment /(ACCESS)	<u>\$3,235,016</u>	<u>\$3,007,202</u>	<u>(\$227,814)</u>
Cash Funds - State Education Fund	1,037,080	951,351	(85,729)
Federal Funds	2,197,936	2,055,851	(142,085)
VI. SAT: SAT for 11th grade students and PSAT for 10th grade students - Cash Funds (State Education Fund)	<u>\$3,874,153</u>	<u>\$5,124,889</u>	<u>\$1,250,736</u>
VII. Spanish Language Arts:	<u>\$1,700,435</u>	<u>\$1,785,465</u>	<u>\$85,030</u>
Cash Funds - State Education Fund	1,700,435	\$1,785,465	85,030
Federal Funds	0	0	0
VIII. Administration: Staff and operating expenses	<u>\$2,106,428</u>	<u>\$2,174,914</u>	<u>\$68,486</u>
FTE	<u>17.5</u>	<u>17.5</u>	<u>0.0</u>
Cash Funds - State Education Fund	595,839	610,528	14,689
Federal Funds	1,510,589	1,564,386	53,797
Adjustment to Align with Request - Cash Funds (SEF)	n/a	(208,095)	n/a
Total	<u>\$33,246,483</u>	<u>\$33,300,495</u>	<u>\$54,012</u>
FTE	<u>17.5</u>	<u>17.5</u>	<u>0.0</u>
Cash Funds - State Education Fund	26,099,171	26,113,860	14,689
Federal Funds	7,147,312	7,186,635	39,323

I. ENGLISH LANGUAGE ARTS AND MATHEMATICS – CONTRACT FOR DEVELOPMENT, SCORING, AND REPORTING RELATED TO CMAS IN MATHEMATICS AND ENGLISH LANGUAGE ARTS IN FY 2018-19 AND FY 2019-20

The largest component of this line item is a contract to develop, maintain, manufacture, score, and report the assessments in mathematics and English language arts. The costs for FY 2020-21 reflect

the Department’s estimates of costs for the CMAS. The following table details the basis for the FY 2020-21 recommendation. The contract shifted from a per-student cost in FY 2017-18 to an itemized cost starting in FY 2018-19. The Department expects the total cost of these tests to decrease by approximately \$1.0 million in FY 2020-21.

MATH AND ENGLISH LANGUAGE ARTS TEST ADMINISTRATION COSTS			
DESCRIPTION	FY 2019-20 APPROPRIATION	FY 2020-21 ESTIMATE	ANNUAL CHANGE
Content Development	\$4,543,873	\$3,690,224	(\$853,649)
Ancillary Development	1,237,825	580,426	(657,399)
Program Management	1,229,337	1,303,743	74,406
Information Technology (test management, test admin and reporting systems)	1,122,899	1,194,659	71,760
Psychometrics	715,279	786,808	71,529
Quality Assurance/Customer Service	197,263	190,460	(6,803)
Product_Mg._Dist	853,584	925,204	71,620
Receiving/Scanning/Editing	350,727	380,156	29,429
Reporting	726,509	746,514	20,005
Scoring	2,061,503	2,118,336	56,833
Travel and Meetings	429,925	561,147	131,222
Total Assessments	\$13,468,724	\$12,477,677	(\$991,047)
Cash funds - State Education Fund	11,818,847	10,776,905	(1,041,942)
Federal Funds (Assessment & IDEA B)	1,649,877	1,700,772	50,895

Recommendation I. English Language Arts and Mathematics: As detailed in the above table, staff recommends providing \$13,477,677 total funds to cover the costs of mathematics and English language arts administration in FY 2020-21. The recommendation includes \$10,776,905 cash funds from the State Education Fund and \$1,700,772 federal funds.

II. ALTERNATE ENGLISH LANGUAGE ARTS AND MATHEMATICS – CONTRACT WITH PEARSON TO DEVELOP, SCORE, AND REPORT ALTERNATE ENGLISH LANGUAGE ARTS AND MATHEMATICS ASSESSMENTS FOR STUDENTS WITH COGNITIVE DISABILITIES

This component supports a contract with Pearson for the administration of alternate English language arts and math assessments. The following table summarizes the current and recommended appropriations for this component.

SUMMARY OF COSTS FOR ALTERNATE ENGLISH LANGUAGE ARTS AND MATH			
DESCRIPTION	FY 2019-20 APPROPRIATION	FY 2020-21 STAFF RECOMMENDATION	ANNUAL CHANGE
Totals Alternate Assessments	\$950,000	\$950,000	\$0
Federal Funds (Assessment & IDEA B)	950,000	950,000	0

Recommendation II. Alternate English Language Arts and Math: As shown in the table above, staff recommends reflecting a continuation appropriation of \$950,000 federal funds in FY 2020-21 for the development and administration of alternate English language arts and mathematics assessments for students with significant cognitive disabilities, with no change from the FY 2019-20 appropriation.

III. SCIENCE AND SOCIAL STUDIES – CONTRACT FOR SCIENCE AND SOCIAL STUDIES ASSESSMENTS

This component supports a contract for the ongoing development and administration of the Colorado-specific science and social studies assessments. The Department is contracting with Pearson for the administration of these assessments. The following table summarizes current estimates for this component.

SUMMARY OF COSTS ASSOCIATED WITH PEARSON CONTRACT FOR SCIENCE AND SOCIAL STUDIES			
DESCRIPTION	FY 2019-20 APPROPRIATION	FY 2020-21 ESTIMATE	ANNUAL CHANGE
Content Development	\$1,316,500	\$1,316,500	\$0
Ancillary Development	680,576	680,576	0
Program Management	604,076	604,076	0
Information Technology (2019: test management, test admin and reporting systems)	1,216,983	1,216,983	0
Psychometrics	263,418	263,418	0
Quality Assurance/Customer Service	112,356	112,356	0
Product_Mg._Dist	129,926	129,926	0
Receiving/Scanning/Editing	91,653	91,653	0
Reporting	421,561	421,561	0
Scoring	1,318,919	1,318,919	0
Travel and Meetings	220,134	220,134	0
Total Assessments	\$6,376,102	\$6,376,102	0
Cash funds - State Education Fund	6,085,898	6,085,898	0
Federal Funds (Assessment & IDEA B)	290,204	290,204	0

Recommendation III. Science and Social Studies: As detailed in the table above, staff recommends appropriating a total of \$6,376,102 for the ongoing development and administration of science and social studies assessments in FY 2020-21, including \$6,085,898 cash funds from the State Education Fund and \$290,204 federal funds.

IV. ALTERNATE SCIENCE AND SOCIAL STUDIES – CONTRACT TO DEVELOP, SCORE, AND REPORT ALTERNATE SCIENCE AND SOCIAL STUDIES ASSESSMENTS FOR STUDENTS WITH SIGNIFICANT COGNITIVE DISABILITIES

This component supports a contract for alternate science and social studies assessments for students with significant cognitive disabilities. The Department is also contracting with Pearson for the alternate assessments. The following table summarizes the current FY 2019-20 appropriation and the staff recommendation for FY 2020-21.

SUMMARY OF COSTS ASSOCIATED WITH PEARSON CONTRACT FOR ALTERNATE SCIENCE AND SOCIAL STUDIES			
DESCRIPTION	FY 2019-20 APPROPRIATION	FY 2020-21 ESTIMATE	ANNUAL CHANGE
Content Development	\$327,961	\$282,260	(\$45,701)
Ancillary Development	74,341	79,976	5,635
Program Management	212,442	221,586	9,144
Information Technology	267,852	270,398	2,546

SUMMARY OF COSTS ASSOCIATED WITH PEARSON CONTRACT FOR ALTERNATE SCIENCE AND SOCIAL STUDIES			
DESCRIPTION	FY 2019-20 APPROPRIATION	FY 2020-21 ESTIMATE	ANNUAL CHANGE
Psychometrics	190,786	235,884	45,098
Quality Assurance/Customer Service	3,675	4,252	577
Product_Mg._Dist	20,180	21,710	1,530
Receiving/Scanning/Editing	42,937	46,192	3,255
Reporting	257,492	245,483	(12,009)
Travel and Meetings	137,959	204,600	66,641
Totals Alternate Assessments	\$1,535,625	\$1,612,341	\$76,716
Cash funds - State Education Fund	986,919	986,919	0
Federal Funds (Assessment & IDEA B)	548,706	625,422	76,716

Recommendation IV. Alternate Science and Social Studies: As detailed in the table above, staff recommends appropriating a total of \$1,612,341 for the development and administration of alternate science and social studies assessments for students with significant cognitive disabilities in FY 2020-21, including \$990,627 cash funds from the State Education Fund and \$544,998 federal funds. The Department expects to absorb the anticipated \$76,616 increase in costs for these assessments with federal funds.

V. ENGLISH LANGUAGE PROFICIENCY (ACCESS)

The above contracts with Pearson do not include funding for the Colorado English Proficiency Assessment (ACCESS). Federal law requires Colorado to administer a single, statewide assessment to determine the English language proficiency level of English language learners, including an assessment in the areas of listening, speaking, reading, and writing, and the assessment is to be based on Colorado English language development standards for particular grade configurations. Previously, school districts utilized one of three assessments for this purpose. None of these assessments were aligned with Colorado English language development standards.

The ACCESS program consists of two distinct tests: (1) a screening test used soon after registration to evaluate students whose home language survey indicates that a language other than English is spoken in the home; and (2) an assessment test that is administered in January each year to students identified as “no English proficiency” (NEP), or “limited English proficiency” (LEP) in the body of evidence gathered in the screening process. The assessment test measures proficiency in the domains of listening, speaking, reading, and writing, and it is used to calculate academic growth rates for English language learners statewide.

The following table details the basis for the staff recommendation for FY 2020-21. For the past several years, the State has contracted with the University of Wisconsin to administer the ACCESS assessments. The Department began using a revised version of the assessment in FY 2015-16. The revised version includes both a paper-based form and an on-line form. The following table shows the FY 2019-20 appropriation and the FY 2020-21 recommendation for this component.

SUMMARY OF ENGLISH LANGUAGE PROFICIENCY COSTS ASSOCIATED WITH ACCESS CONTRACT WITH UNIVERSITY OF WISCONSIN			
DESCRIPTION	FY 2019-20 APPROPRIATION	FY 2020-21 ESTIMATE	ANNUAL CHANGE
Online Price per Student	\$27.75	\$27.75	\$0
Paper Price per Student	\$27.75	\$27.75	0

SUMMARY OF ENGLISH LANGUAGE PROFICIENCY COSTS ASSOCIATED WITH ACCESS CONTRACT WITH UNIVERSITY OF WISCONSIN			
DESCRIPTION	FY 2019-20 APPROPRIATION	FY 2020-21 ESTIMATE	ANNUAL CHANGE
Alternate Price per Student	\$77.00	\$141.25	64.25
Total Population Estimate	<u>116,677</u>	<u>105,000</u>	<u>(11,677)</u>
<i>Online Population Estimate</i>	90,000	91,300	1,300
<i>Paper Population Estimate</i>	25,510	12,500	(13,010)
Alternate Population Estimate	1,167	1,200	33
Online Cost Estimate	\$2,497,500	\$2,533,575	\$36,075
Paper Cost Estimate	707,902	346,875	(361,027)
Alternate Cost Estimate	89,859	169,500	79,641
Additional Cost for Students Requiring Braille	2,253	2,252	(1)
Discount	(62,498)	(45,000)	17,498
Totals	\$3,235,016	\$3,007,202	(\$227,814)
Cash funds - State Education Fund	1,037,080	951,351	(85,729)
Federal Funds	2,197,936	2,055,851	(142,085)

Recommendation V. English Language Proficiency (ACCESS): As detailed in the table above, staff recommends appropriating \$3,007,202 total funds (including \$951,351 cash funds from the State Education Fund and \$2,055,851 federal funds) to support English language proficiency assessments in FY 2020-21.

VI. COLLEGE ENTRANCE SUITE – FUNDING FOR ADMINISTRATION OF SPRING 2021 COLLEGE ENTRANCE AND COLLEGE ENTRANCE PREPARATION

Section 22-7-1006.3 (2), C.R.S., as enacted in H.B. 15-1323, requires the Department of Education to pay for and administer a college entrance examination to all 11th grade students that is administered throughout the United States and relied upon by institutions of higher education. The statute also now requires the Department to pay for and administer a college entrance *preparation* exam to all 9th and 10th graders that is aligned with the college entrance exam to be administered to those students as 11th graders. The Department administered the ACT to all 11th graders from 2001 (following the passage of S.B. 00-186) through 2016. However, under the requirements enacted in H.B. 15-1323, FY 2015-16 was the Department's final year administering the ACT, and the Department has transitioned to the College Board entrance exam (SAT) and preparation exam (PSAT). Please note that the Department will be re-procuring the college entrance exam for FY 2020-21. Depending on the procurement process, the test *could* change. The estimates for this component include an increased cost – but there is additional uncertainty in this cost estimate for FY 2020-21.

The following table details the basis for the existing FY 2019-20 appropriation and staff's recommendation for FY 2020-21 for the college entrance suite of tests.

SUMMARY OF COSTS ASSOCIATED WITH COLLEGE ENTRANCE SUITE			
DESCRIPTION	FY 2019-20 APPROPRIATION	FY 2020-21 ESTIMATE	ANNUAL CHANGE
College Entrance Test 22-7-1006.3 (2)(b) -- Required			
<i>Estimated # of students taking SAT</i>	62,415	60,840	(1,575)
Price per student	\$33.50	\$52.00	\$18.50
Subtotal:	\$2,090,903	\$3,163,680	\$1,072,778
College Entrance Test 22-7-1006.3 (2)(b) -- Student Request			
Estimated # of Students taking writing	51,142	12,168	(38,974)
Price per student	\$9.20	\$16.00	\$6.80

SUMMARY OF COSTS ASSOCIATED WITH COLLEGE ENTRANCE SUITE			
DESCRIPTION	FY 2019-20 APPROPRIATION	FY 2020-21 ESTIMATE	ANNUAL CHANGE
Subtotal:	\$470,506	\$194,688	(\$275,818)
10th Grade Test -- 22-7-1006.3(2)(a.5)*			
Estimated # of students taking PSAT	65,030	62,280	(2,750)
Price per student	\$12.00	\$14.00	\$2.00
Subtotal:	\$780,360	\$871,920	\$91,560
9th Grade Test -- 22-7-1006.3(2)(a)*			
Estimated # of students taking PSAT	66,548	63,900	(2,648)
Price per student	\$8.00	\$14.00	\$6.00
Subtotal:	\$532,384	\$894,600	\$362,216
TOTAL	\$3,874,153	\$5,124,888	\$1,250,735

Recommendation VI. College Entrance Suite: As detailed in the table above, the staff recommends appropriating \$5,124,888 cash funds from the State Education Fund for the college entrance suite contract for FY 2020-21.

VII. SPANISH LANGUAGE ARTS – SUPPORT ADMINISTRATION OF A SPANISH LANGUAGE ARTS ASSESSMENT ALIGNED TO THE CURRENT STATEWIDE STANDARDS

This component supports the development and administration of Spanish literacy assessments. Section 22-7-1006.3 (4) (b), C.R.S., requires the Department to administer Spanish literacy assessments to eligible third and fourth graders.⁴ For eligible students, the Spanish reading and writing assessments substitute for the CMAS English language arts assessments. The following table shows the FY 2019-20 appropriation and FY 2020-21 staff recommendation for this component.

SUMMARY OF SPANISH LANGUAGE ARTS (READING AND WRITING)		
	FY 2019-20 APPROPRIATION	FY 2020-21 STAFF RECOMMENDATION
Totals - Spanish Language Arts	\$1,700,435	\$1,785,465
Administration of Assessment - CF - State Education Fund	1,700,435	1,785,465

Recommendation VII. Spanish Language Arts: As detailed in the table above, staff recommends appropriating \$1,785,465 cash funds from the State Education Fund for Spanish language arts assessments in FY 2020-21.

VIII. ADMINISTRATION – SUPPORT FOR STATE STAFF THAT ADMINISTER ASSESSMENTS

The following table displays the personal services and operating expenses components of the Department’s administration of the statewide assessment program, including the FY 2019-20 appropriation and the FY 2020-21 staff recommendation.

⁴ According to the Department, eligible students: (1) must be in grade 3 or 4; (2) must have had instruction in an English language proficiency program three years or less; and must have had instruction and assessments in their native language in reading and writing in the current or previous school year. In FY 2018-19, 2,910 students took these assessments, including 1,734 in grade 3 and 1,176 in grade 4.

SUMMARY OF COSTS ADMINISTRATION PORTION OF STATE ASSESSMENT LINE ITEM			
DESCRIPTION	FY 2018-19 APPROP.	FY 2019-20 ESTIMATE	ANNUAL CHANGE
Subtotal Personal Services	\$2,018,280	\$2,086,766	\$68,486
FTE	17.5	17.5	\$0
Cash funds - State Education Fund	553,759	568,448	\$14,689
Federal Funds	1,464,521	1,518,318	\$53,797
Subtotal: Operating Expenses	\$88,148	\$88,148	(\$0)
Cash funds - State Education Fund	42,080	42,080	0
Federal Funds	46,068	46,068	(0)
Total Administration Costs	\$2,106,428	\$2,174,914	\$68,486
FTE	17.5	17.5	0.0
Cash funds - State Education Fund	595,839	610,528	14,689
Federal Funds	1,510,589	1,564,386	53,797

Recommendation VIII. Administration: As detailed in the table above, staff recommends appropriating \$2,174,914 total funds and 17.5 FTE for expenditures related to staff who administer the statewide assessment program in FY 2020-21. The recommendation aligns with anticipated expenditures in FY 2020-21. The fund sources in the staff recommendation are based on information provided by the Department.

LONGITUDINAL ANALYSES OF STUDENT ASSESSMENT RESULTS

This line item provides funding and staff for longitudinal analyses of student assessment results, including the assignment of individual student identifiers for all students in public schools, including preschool children participating in the Colorado Preschool Program and disabled preschool children receiving special education services. The General Assembly has provided General Fund to support 4.1 FTE within this line item for ongoing work associated with the longitudinal data system. In addition, the Department received a federal grant to improve state longitudinal data systems in FY 2010-11, and used those funds through FY 2013-14. The Department used the federal grant to replace the state's data collection system, link student data from prekindergarten to the workforce, and provide additional enhancements to the state's data systems. In FY 2014-15, H.B. 14-1298 (School Finance) appropriated \$298,000 cash funds from the State Education Fund to support the creation and assignment of unique student identifiers for children receiving state- or federally- subsidized early childhood education services. That amount is ongoing in the current appropriation.

STATUTORY AUTHORITY: Section 22-2-134, C.R.S.

REQUEST: The Department an appropriation of \$1,265,718 total funds (including \$967,718 General Fund and \$298,000 cash funds from the State Education Fund) and 5.9 FTE for FY 2020-21. The request includes the following changes from the FY 2019-20 appropriation.

- An increase of \$499,745 General Fund and 1.8 FTE associated with request R9 (Empowering Parents with School Information, discussed above).
- An increase of \$7,401 General Fund to annualize FY 2019-20 salary survey.
- A decrease of \$52,500 General Fund to reflect the FY 2020-21 impact of H.B. 18-1019 (K-12 Accreditation Weighted Factors).

RECOMMENDATION: Staff recommends approving an appropriation of \$858,033 total funds (including \$467,973 General Fund, \$298,000 cash funds from the State Education Fund, and \$92,060 cash funds from the Indirect Cost Excess Recovery Fund) and 5.1 FTE. As discussed above with request R9 (Empowering Parents with School Information), the recommendation is \$407,685 total funds (\$499,745 General Fund) and 0.8 FTE below the request *for this line item* because of the recommended adjustments related to request R9 (including providing the majority of appropriations to the Information Technology Services line item rather than this line item). The following table shows the recommended changes from the FY 2019-20 appropriation.

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, LONGITUDINAL ANALYSES OF STUDENT ASSESSMENT RESULTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$811,072	\$513,072	\$298,000	\$0	\$0	4.1
TOTAL	\$811,072	\$513,072	\$298,000	\$0	\$0	4.1
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$811,072	\$513,072	\$298,000	\$0	\$0	4.1
R9 Empowering parents with school information	92,060	0	92,060	0	0	1.0
Annualize prior year budget actions	7,401	7,401	0	0	0	0.0
Annualize prior year legislation	(52,500)	(52,500)	0	0	0	0.0
TOTAL	\$858,033	\$467,973	\$390,060	\$0	\$0	5.1
INCREASE/(DECREASE)	\$46,961	(\$45,099)	\$92,060	\$0	\$0	1.0
Percentage Change	5.8%	(8.8%)	30.9%	n/a	n/a	24.4%
FY 2020-21 EXECUTIVE REQUEST	\$1,265,718	\$967,718	\$298,000	\$0	\$0	5.9
Request Above/(Below) Recommendation	\$407,685	\$499,745	(\$92,060)	\$0	\$0	0.8

BASIC SKILLS PLACEMENT OR ASSESSMENT

With the enactment of H.B. 12-1345, the General Assembly established a program to reimburse school districts for costs incurred in administering basic skills placement or assessment tests. The bill authorized school districts to administer the tests as frequently as desired during high school but specifies that the state will only reimburse school districts for one administration per student. The bill provided \$1.0 million cash funds from the State Education Fund in FY 2012-13 for such reimbursements. The General Assembly created this line item in the FY 2013-14 Long Bill to continue to provide funding for the program but reduced the amount of funding to \$320,917 in FY 2013-14 based on actual use of the program. The General Assembly further reduced the appropriation to \$50,000 for FY 2015-16 based on the lack of use of the program (there were no expenditures in FY 2014-15 or FY 2015-16). The Department reimbursed \$13,736 in expenses for FY 2016-17 but did not make any reimbursements in FY 2017-18 or FY 2018-19.

STATUTORY AUTHORITY: Section 22-32-109.5, C.R.S.

REQUEST: The Department requests a continuation appropriation \$50,000 cash funds from the State Education Fund for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. Staff notes that the program has seen little use. However, as the reimbursement program remains in statute, staff recommends maintaining the (limited) \$50,000 appropriation in case of need in FY 2020-21. Any unused funds will revert to the State Education Fund and be available for appropriation in FY 2021-22.

PRESCHOOL TO POSTSECONDARY EDUCATION ALIGNMENT

Senate Bill 08-212 (Colorado Achievement Plan for Kids or "CAP4K") required the State Board of Education, assisted by the Colorado Commission on Higher Education (CCHE), to develop standards and assessments for children progressing through the public education system [Sections 22-7-1001 through 1019, C.R.S.]. This line item provides funding for the personal services and operating expenses associated with the ongoing implementation of this bill.

STATUTORY AUTHORITY: Section 22-7-1001, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$672,672 total funds (including \$37,309 General Fund and \$635,363 cash funds from the State Education Fund) and 4.0 FTE for FY 2020-21. The request includes the following changes from the FY 2019-20 appropriation.

- An increase of increase of \$15,033 total funds to annualize FY 2019-20 salary survey.
- An increase of \$2,585 total funds to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies for FY 2020-21. The following table shows the recommended changes from the FY 2019-20 appropriation.

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, PRESCHOOL TO POSTSECONDARY EDUCATION ALIGNMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$655,054	\$36,516	\$618,538	\$0	\$0	4.0
TOTAL	\$655,054	\$36,516	\$618,538	\$0	\$0	4.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$655,054	\$36,516	\$618,538	\$0	\$0	4.0
Annualize prior year budget actions	15,033	659	14,374	0	0	0.0
Annualize prior year legislation	2,585	134	2,451	0	0	0.0
TOTAL	\$672,672	\$37,309	\$635,363	\$0	\$0	4.0
INCREASE/(DECREASE)	\$17,618	\$793	\$16,825	\$0	\$0	0.0
Percentage Change	2.7%	2.2%	2.7%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

EDUCATOR EFFECTIVENESS UNIT ADMINISTRATION

The General Assembly created this line item in FY 2012-13 to support the ongoing costs of the Educator Effectiveness Unit charged with implementation of S.B. 10-191 (Principal and Teacher Effectiveness).

STATUTORY AUTHORITY: Section 22-9-104, C.R.S.

REQUEST: The Department requests an appropriation of \$2,511,257 total funds (including \$2,374,519 General Fund and \$136,738 cash funds from the State Education Fund) and 13.4 FTE for FY 2020-21. The request includes the following changes from the FY 2019-20 appropriation.

- An increase of \$500,000 General Fund and 0.9 FTE associated with request R10 (Educator Evaluations).
- An increase of increase of \$41,652 total funds to annualize FY 2019-20 salary survey.
- An increase of \$8,333 total funds to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of \$2,011,257 total funds (including \$1,874,519 General Fund and \$136,738 cash funds from the State Education Fund) and 12.5 FTE for FY 2020-21. The recommendation is \$500,000 General Fund and 0.9 FTE below the request because, as discussed above, request R10 requires separate legislation and is therefore not appropriate for inclusion in the Long Bill. The following table shows the recommended changes from the FY 2019-20 appropriation.

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, EDUCATOR EFFECTIVENESS UNIT ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$1,961,272	\$1,829,031	\$132,241	\$0	\$0	12.5
TOTAL	\$1,961,272	\$1,829,031	\$132,241	\$0	\$0	12.5
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$1,961,272	\$1,829,031	\$132,241	\$0	\$0	12.5
Annualize prior year budget actions	41,652	37,810	3,842	0	0	0.0
Annualize prior year legislation	8,333	7,678	655	0	0	0.0
R10 Educator evaluations [requires legislation]	0	0	0	0	0	0.0
TOTAL	\$2,011,257	\$1,874,519	\$136,738	\$0	\$0	12.5
INCREASE/(DECREASE)	\$49,985	\$45,488	\$4,497	\$0	\$0	0.0
Percentage Change	2.5%	2.5%	3.4%	n/a	n/	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$2,511,257	\$2,374,519	\$136,738	\$0	\$0	13.4
Request Above/(Below) Recommendation	\$500,000	\$500,000	\$0	\$0	\$0	0.9

ACCOUNTABILITY AND IMPROVEMENT PLANNING

The General Assembly created this line item in FY 2013-14 to support accountability and improvement planning efforts associated with the implementation of S.B. 09-163. The line item supports training, technical assistance, and data analysis provided to districts and schools, especially low-performing districts and schools. The line item also supports an independent State Review Panel

to review struggling schools’ and districts’ improvement plans and advise the State Board of Education regarding consequences for those districts and schools under the accountability clock created by S.B. 09-163.

STATUTORY AUTHORITY: Section 22-11-201, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,784,651 total funds (including \$1,234,319 General Fund and \$550,332 federal funds) and 11.4 FTE for FY 2020-21. The request includes the following changes from the FY 2019-20 appropriation.

- An increase of increase of \$12,141 General Fund to annualize FY 2019-20 salary survey.
- An increase of \$2,465 General Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies for FY 2020-21. The following table shows the recommended changes from the FY 2019-20 appropriation.

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, ACCOUNTABILITY AND IMPROVEMENT PLANNING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$1,768,045	\$1,217,713	\$0	\$0	\$550,332	11.4
Other legislation	\$2,000	\$2,000	\$0	\$0	\$0	0.0
TOTAL	\$1,770,045	\$1,219,713	\$0	\$0	\$550,332	11.4
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$1,770,045	\$1,219,713	\$0	\$0	\$550,332	11.4
Annualize prior year budget actions	12,141	12,141	0	0	0	0.0
Annualize prior year legislation	2,465	2,465	0	0	0	0.0
TOTAL	\$1,784,651	\$1,234,319	\$0	\$0	\$550,332	11.4
INCREASE/(DECREASE)	\$14,606	\$14,606	\$0	\$0	\$0	0.0
Percentage Change	0.8%	1.2%	n/a	n/a	0.0%	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$1,784,651	\$1,234,319	\$0	\$0	\$550,332	11.4
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(D) STATE CHARTER SCHOOL INSTITUTE

Background Information: This subsection includes funding for the State Charter School Institute (CSI), which is as an independent agency in the Department of Education. The CSI is allowed to authorize charter schools located within a school district's boundaries if the school district has not retained exclusive authority to authorize charter schools or if the school district allows the charter school applicant to seek CSI authorization. A nine-member board governs the CSI with a statutory mission to "foster high-quality public school choices offered through institute charter schools, including particularly schools that are focused on closing the achievement gap for at-risk students". Statute authorizes the board to hire staff or contract employees. Any CSI staff shall be deemed employees subject to the state personnel system, except that all positions classified by the board as professional

officers and professional staff "are declared to be educational in nature and exempt from the state personnel system". [Section 22-30.5-505 (1), C.R.S.]

Similar to a school district, the SCSI is authorized to use a portion of its charter schools' per pupil revenues to cover its expenditures related to authorizing and overseeing charter schools. Thus, statute directs the Department to withhold a portion of the State Share of Districts' Total Program funding from each school district where an Institute charter school is located and to forward the withheld amount to the Institute. Currently, a total of 4.0 percent may be withheld from payments to Institute charter schools and spent at the state level for the following purposes:

- Up to 3.0 percent for the CSI's costs for administration, oversight, and management services [Sections 22-30.5-513 (2) (b) and (4) (a), C.R.S.]; and
- Up to 1.0 percent for the Department as reimbursement for the reasonable and necessary costs associated with the CSI and its charter schools [Section 22-30.5-501 (4) (a) (I), C.R.S.].

Section 22-30.5-506, C.R.S., as amended by S.B. 12-121 during the 2012 Session, continuously appropriates the State Charter School Institute Fund, which is the Institute's primary fund source, to the Institute. Prior to FY 2012-13, the Institute's funds were subject to annual appropriation in the Long Bill. However, of the Institute's line items in the current Long Bill, three are now continuously appropriated and will be shown in the FY 2020-21 Long Bill for informational purposes only. Three of the existing line items are subject to annual appropriation: Institute Charter School Assistance Fund, Department Implementation of Section 22-30.5-501 et seq., C.R.S., and CSI Mill Levy Equalization (created in FY 2018-19).

There are currently 40 Institute charter schools, located in 15 different school districts and serving more than 18,000 students (17,776 funded pupils). The CSI is currently estimating a total pupil count of 18,903 funded pupils in FY 2020-21 (an increase of 1,127.5 (6.3 percent)).

STATE CHARTER SCHOOL INSTITUTE ADMINISTRATION, OVERSIGHT, AND MANAGEMENT

This line item reflects the SCSI's expenditure of a portion of Institute charter schools' per pupil funding. Section 22-30.5-513 (2) (b) authorizes the SCSI to withhold up to 3.0 percent of Institute charter schools' per pupil funding for administrative overhead costs for services provided to Institute charter schools. In prior years, this line item was subject to annual appropriation. However, Section 22-30.5-506 (1), C.R.S., enacted through S.B. 12-121, now continuously appropriates these funds to the SCSI.

STATUTORY AUTHORITY: Section 22-30.5-501 et seq., C.R.S. and Section 22-30.5-513, C.R.S.

REQUEST: The Department requests an appropriation of \$3,500,000 reappropriated funds and 11.7 FTE for FY 2020-21, with no change from the 2019-20 appropriation. The funds are continuously appropriated to the Department and are shown in the Long bill for informational purposes only.

RECOMMENDATION: Staff recommends approving the requested informational appropriation.

INSTITUTE CHARTER SCHOOL ASSISTANCE FUND

Sections 22-30.5-506 (4) and 22-30.5-515.5, C.R.S., transfer excess revenues retained by the Charter School Institute (over and above amounts necessary for the Institute’s overhead administration costs) to the Institute Charter School Assistance Fund. Once in the Institute Charter School Assistance Fund, the moneys are subject to annual appropriation and are available for the following purposes:

- Awarding grants and interest-free loans to assist Institute charter schools in meeting capital construction needs, including obtaining financial assistance through the Building Excellent Schools Today (B.E.S.T.) program or repaying bonds issued by the Colorado Educational and Cultural Facilities Authority for construction of buildings; or
- Addressing “reasonable funding emergencies,” as defined by rule of the Institute Board.

As noted above, this is one of the three Institute line items that remain subject to annual appropriation. However, Section 22-30.5-515.5 (1)(c), C.R.S., limits the year-end balance of the fund to no more than \$750,000 at the end of any given year. The statute requires the SCSi to distribute any amount above \$750,000 remaining in the fund at the end of the year to all SCSi schools on an equal per pupil basis and continuously appropriates the excess balance to the SCSi. Thus, while the FY 2018-19 appropriation included only \$460,000 from the fund, the SCSi actually spent a total of \$1,167,167 from the fund to remain under the \$750,000 limit at the end of the fiscal year.

STATUTORY AUTHORITY: Section 22-30.5-515.5, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$460,000 cash funds from the Institute Charter School Assistance Fund, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request, while noting that the appropriation underestimates likely expenditures from the fund based on the balance limitations discussed above.

OTHER TRANSFERS TO INSTITUTE CHARTER SCHOOLS

This line item reflects anticipated transfers of other state moneys (e.g., state funding for categorical programs) to Institute charter schools. Prior to FY 2012-13, the line item was subject to annual appropriation. However, pursuant to S.B. 12-121, current law continuously appropriates the funds to the SCSi.

STATUTORY AUTHORITY: Section 22-30.5-513 (9) (a), C.R.S.

REQUEST: The Department requests an informational appropriation of \$9,000,000 reappropriated funds for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request for an informational appropriation of \$9,000,000. Staff notes that recent expenditures have exceeded that amount (e.g., \$14.5 million in FY 2018-19) and will continue to evaluate whether an increase in the informational appropriation is warranted for FY 2021-22.

TRANSFER OF FEDERAL MONEY TO INSTITUTE CHARTER SCHOOLS

This line item reflects federal funds received by the SCSI for pass-through to Institute charter schools, along with the SCSI FTE supported with federal funds. Moneys appropriated to this line item are reflected as reappropriated funds because they are first reflected within other line items within the Department's budget (e.g., Special Education Programs for Children with Disabilities, English Language Proficiency Program, Federal Nutrition Programs, and Appropriated Sponsored Programs). The request reflects the SCSI's anticipated expenditures under the continuous appropriation provided by S.B. 12-121.

STATUTORY AUTHORITY: Section 22-30.5-501 et seq., C.R.S. and Section 22-30.5-513, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$7,600,000 reappropriated funds and 4.5 FTE, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request, to be shown in the Long Bill for informational purposes only.

DEPARTMENT IMPLEMENTATION OF SECTION 22-30.5-501 ET SEQ., C.R.S.

This line item authorizes the Department to spend a portion of SCSI charter schools' per pupil funding. Pursuant to Section 22-30.5-513 (4) (a) (I), C.R.S., the Department is authorized to withhold up to 1.0 percent of SCSI charter schools' per pupil funding as reimbursement for the "reasonable and necessary costs to the department to implement" [Part 5 of Title 22, Article 30.5, C.R.S.].

STATUTORY AUTHORITY: Section 22-30.5-513 (4) (a) (I), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$239,992 reappropriated funds and 1.6 FTE, including the following increases above the FY 2019-20 appropriation.

- An increase of \$7,126 to annualize FY 2019-20 salary survey.
- An increase of \$1,218 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies. The (non-SCSI) Department staff incur costs associated with SCSI activities, and this line item is the mechanism to cover at least a portion of the necessary costs.

CSI MILL LEVY EQUALIZATION

The General Assembly created this line item in FY 2018-19 to support mill levy override equalization payments to SCSI schools authorized by H.B. 17-1375 (Distributing Mill Levy Override Revenue to Schools). Under H.B. 17-1375, the Department distributes any funds appropriated to this line item to SCSI schools on a per pupil basis based on the amount of mill levy override revenue available per pupil in each school's geographic school district. Thus, SCSI schools located in school districts without mill levy override revenues are not eligible for distribution and payments are limited to no more than override revenues per pupil in a school's geographic school district.

STATUTORY AUTHORITY: Section 22-30.5-513.1 (2)(b), C.R.S.

REQUEST: The Department requests an appropriation of \$24,000,000 total funds (including \$12,000,000 General Fund to be appropriated into the Mill Levy Equalization Fund and \$12,000,000 reappropriated funds to appropriate that amount out of the cash fund for distribution to SCSJ schools). The request includes an increase of \$5.0 million General Fund (and an associated increase of that amount of reappropriated funds) associated with request R8 (CSI Mill Levy Equalization).

RECOMMENDATION: As discussed above with request R8, staff recommends an appropriation of \$14,000,000 total funds (including \$7,000,000 General Fund and an identical amount of reappropriated funds), with no change from the FY 2019-20 appropriation.

(E) INDIRECT COST ASSESSMENT

INDIRECT COST ASSESSMENT

Pursuant to the Committee's common policy to improve the transparency of the treatment of indirect costs, the FY 2013-14 Long Bill included a new subdivision and line item to reflect indirect cost assessments from the various subdivisions and line items in the Management and Administration division. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management Administration division for the General Department and Program Administration line item and a variety of centrally appropriated line items.

STATUTORY AUTHORITY: Sections 24-31-101 and 102, C.R.S.

REQUEST: The Department requests \$674,595 total funds (including \$388,374 cash funds and \$286,221 federal funds) for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Based on updated information provided by the Department, staff recommends approving an appropriation of \$784,757 total funds (including \$451,796 cash funds and \$332,961 federal funds) for FY 2020-21. However, staff also requests permission to revise the amount if necessary based on the Committee's common policy decisions. The following table shows the recommended change from the FY 2019-20 appropriation.

MANAGEMENT AND ADMINISTRATION, INDIRECT COST ASSESSMENT, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$674,595	\$0	\$388,374	\$0	\$286,221	0.0
TOTAL	\$674,595	\$0	\$388,374	\$0	\$286,221	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$674,595	\$0	\$388,374	\$0	\$286,221	0.0
Indirect cost assessment adjustments	110,162	0	63,422	0	46,740	0.0
TOTAL	\$784,757	\$0	\$451,796	\$0	\$332,961	0.0
INCREASE/(DECREASE)	\$110,162	\$0	\$63,422	\$0	\$46,740	0.0
Percentage Change	16.3%	n/a	16.3%	n/a	16.3%	n/a
FY 2020-21 EXECUTIVE REQUEST	\$674,595	\$0	\$388,374	\$0	\$286,221	0.0
Request Above/(Below) Recommendation	(\$110,162)	\$0	(\$63,422)	\$0	(\$46,740)	0.0

(2) ASSISTANCE TO PUBLIC SCHOOLS

This section provides funding that is distributed to public schools and school districts, as well as funding for Department staff who administer this funding or who provide direct support to schools and school districts. The following table summarizes staff's recommendation for the Assistance to Public Schools division.

ASSISTANCE TO PUBLIC SCHOOLS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 Appropriation						
SB 19-207 Long Bill	\$5,718,138,147	\$4,147,854,022	\$963,220,787	\$5,504,803	\$601,558,535	221.4
HB 19-1262 Full-day kindergarten	173,972,108	173,972,108	0	0	0	0.0
SB 19-246 School finance	38,775,902	37,675,902	1,100,000	0	0	1.3
HB 20-1260 (Mid-year School Finance)	9,046,331	9,046,331	0	0	0	0.0
HB 19-1055 Public school capital construction assistance	80,656,559	0	80,656,559	0	0	0.0
Other legislation	41,111,294	3,395,939	37,715,355	0	0	9.7
TOTAL	\$6,061,700,341	\$4,371,944,302	\$1,082,692,701	\$5,504,803	\$601,558,535	232.4
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$6,061,700,341	\$4,371,944,302	\$1,082,692,701	\$5,504,803	\$601,558,535	232.4
R1/BA1/BA2 Total program increase [requires legislation]	110,601,636	7,393,370	103,208,266	0	0	0.0
R2 Categorical programs increase	6,422,958	0	6,422,958	0	0	0.0
R5 Concurrent enrollment for educators [requires legislation]	0	0	0	0	0	0.0
R6 CPP Expansion [requires legislation]	0	0	0	0	0	0.0
R11 Grants for early childhood facilities [requires legislation]	0	0	0	0	0	0.0
R12/BA3 Expand eligibility for school improvement [requires legislation]	0	0	0	0	0	0.0
BA4 Transfer GF to SEF [requires legislation]	0	0	0	0	0	0.0
BA5 Concurrent enrollment grant program increase	1,000,000	1,000,000	0	0	0	0.0
BA6 Student re-engagement grant program increase	0	0	0	0	0	0.0
BA7 Career development success program increase	0	0	0	0	0	0.0
Non-prioritized items	23,383	0	0	23,383	0	0.0
Other technical adjustments	(360)	0	(360)	0	0	0.0
Annualize prior year budget actions	(4,135,915)	(4,417,952)	1,179,451	(1,422,574)	525,160	0.0
Annualize prior year legislation	(8,347,445)	(17,970,397)	9,526,911	13,233	82,808	(0.2)
Indirect cost assessment adjustments	450,202	0	0	0	450,202	0.0
Staff-initiated adjustments	(9,243,253)	0	783,589	0	(10,026,842)	(4.0)
TOTAL	\$6,158,471,547	\$4,357,949,323	\$1,203,813,516	\$4,118,845	\$592,589,863	228.2
INCREASE/(DECREASE)	\$96,771,206	(\$13,994,979)	\$121,120,815	(\$1,385,958)	(\$8,968,672)	(4.2)
Percentage Change	1.6%	(0.3%)	11.2%	(25.2%)	(1.5%)	(1.8%)
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$85,196,205	\$89,969,816	(\$15,916,653)	\$1,566,402	\$9,576,640	4.7

DECISION ITEMS - ASSISTANCE TO PUBLIC SCHOOLS

→ R1/BA1/BA2 TOTAL PROGRAM INCREASE [REQUIRES LEGISLATION]

REQUEST: As modified by budget amendments BA1 and BA2, the Department’s request for school finance (excluding R6 which relates Colorado Preschool Program expansion) for FY 2020-21 targets a \$52.0 million reduction to the budget stabilization factor (from \$572.4 million in the FY 2019-20 appropriation to a proposed \$520.4 million). In addition to making the appropriations necessary to achieve the targeted reduction to the budget stabilization factor, request BA2 proposes a transfer of \$12.0 million from the General Fund to the State Education Fund and then appropriation of that amount from the State Education Fund as part of the overall appropriation adjustments.

The following table shows the FY 2019-20 appropriation (as adjusted by H.B. 20-1260), the proposed fund sources for FY 2020-21, and the requested change from the FY 2020-21 appropriation.

REQUESTED FUND SOURCES FOR THE STATE SHARE OF DISTRICTS' TOTAL PROGRAM			
FUND SOURCE	FY 2019-20 APPROPRIATION (ADJUSTED)	FY 2020-21 REQUEST (EXCLUDES CPP)	ANNUAL CHANGE
General Fund	\$4,166,423,114	\$4,253,541,844	\$87,118,730
<i>Annual Percent Change</i>	<i>6.2%</i>	<i>2.1%</i>	
Cash Funds (State Education Fund)	393,550,471	459,996,808	66,446,337
<i>Annual Percent Change</i>	<i>-2.6%</i>	<i>16.9%</i>	
Cash Funds (State Public School Fund)	68,828,637	84,002,406	15,173,769
<i>Annual Percent Change</i>	<i>-51.76%</i>	<i>22.0%</i>	
Total State Funds	\$4,628,802,222	\$4,797,541,058	\$168,738,836

RECOMMENDATION: The staff recommendation for the state share of total program funding is pending. Legislative Council Staff is in the process of finalizing and certifying the cost of living factors that will affect total program funding in FY 2020-21 (based on the recently completed biennial cost of living study). Staff will return to the Committee with a specific dollar amount recommendation after the certification of new cost of living factors.

Staff intends to base the final recommendation on the following assumptions:

- *Budget Stabilization Factor:* Current law (as enacted in S.B. 19-246 (School Finance)) will not allow the budget stabilization factor to increase as a dollar amount from FY 2019-20 to FY 2020-21. Thus, the staff recommendation *for the Long Bill appropriation* holds the budget stabilization factor constant at \$572,396,894 in FY 2020-21. Staff assumes that any changes to that amount will be enacted in the annual School Finance Bill and that the General Fund would provide the additional appropriations.
- *ASCENT Slots:* The staff recommendation includes 500 slots for the Accelerating Students Through Concurrent Enrollment (ASCENT) Program, with no change from the FY 2019-20 appropriation. Increasing the number of slots would increase the pupil count and increase the required appropriation. Conversely, decreasing the number of slots would decrease the pupil count and the necessary appropriation accordingly.

- *State Education Fund Balance:* As discussed during the FY 2020-21 JBC Staff Budget Briefing process, the staff recommendation targets a year-end balance of \$150.0 million in the State Education Fund at the end of FY 2020-21 (\$2.0 million below the Governor’s proposed target of \$152.0 million). The recommendation for total program funding incorporates the staff recommendation for all other Long Bill appropriations from the State Education Fund. Thus, any additional spending from the State Education Fund (outside of the Long Bill) would decrease the fund balance below that target.
- *State Public School Fund Balance:* Based on the volatility of two of the major revenue sources for the State Public School Fund (federal mineral lease revenues and marijuana taxes), the staff recommendation targets a fund balance of approximately \$30.9 million at the end of FY 2020-21. That targeted fund balance includes: (1) an estimated \$25.9 million in marijuana sales tax revenue expected to be deposited in the fund in FY 2020-21 and available for appropriation in FY 2021-22; and (2) a buffer of \$5.0 million to account for potential forecast error in FY 2020-21.

The staff recommendation will not include or assume any transfers from the General Fund to the State Education Fund. Rather, staff intends to recommend that the Committee adjust appropriations from the State Education Fund and the General Fund in order to reach the targeted fund balance.

→ R2 CATEGORICAL PROGRAMS INCREASE

REQUEST: Amendment 23 requires the General Assembly to increase *total state funding* for all categorical programs (in aggregate) by at least the rate of inflation in FY 2020-21. Request R2 proposes an increase of \$5,746,857 cash funds from the State Education Fund based OSPB’s September 2019 revenue forecast’s projected inflation rate for CY 2019 (1.7 percent). The request allocates the proposed increase among six categorical programs in FY 2020-21. The following table shows the requested changes from the FY 2019-20 appropriation.

R2 REQUESTED INCREASES IN STATE FUNDING FOR CATEGORICAL PROGRAMS				
LONG BILL LINE ITEM	FY 2019-20 APPROPRIATION	FY 2020-21 REQUEST	CHANGE IN STATE FUNDING	PERCENT CHANGE
Special Education - Children with Disabilities	\$202,700,611	\$205,597,976	\$2,897,365	1.4%
English Language Proficiency Program	22,994,436	24,433,999	1,439,563	6.3%
Public School Transportation	60,480,645	61,356,451	875,806	1.4%
Career and Technical Education Programs	27,238,323	27,670,102	431,779	1.6%
Special Education - Gifted and Talented Children	12,697,199	12,798,482	101,283	0.8%
Expelled and At-risk Student Services Grant Program	9,493,560	9,493,560	0	0.0%
Small Attendance Center Aid	1,314,250	1,315,311	1,061	0.1%
Comprehensive Health Education	1,131,396	1,131,396	0	0.0%
Total	\$338,050,420	\$343,797,277	\$5,746,857	1.7%

RECOMMENDATION: Based on the actual Denver-Aurora-Lakewood change in the consumer price index for CY 2019 (1.9 percent as compared to the 1.7 percent assumed in the request), staff recommends approving the an increase of \$6,422,958 cash funds from the State Education Fund. Using a similar allocation methodology to the request, staff recommends allocating the increase among six categorical programs, as shown in the following table.

R2 STAFF RECOMMENDED INFLATIONARY INCREASES FOR CATEGORICAL PROGRAMS				
LONG BILL LINE ITEM	FY 2019-20 APPROPRIATION	STAFF RECOMMENDED CHANGE	FY 2020-21 STAFF REC. (STATE FUNDS)	PERCENT CHANGE
Special Education - Children with Disabilities	\$202,700,611	\$3,522,547	\$206,223,158	1.7%
English Language Proficiency Program	22,994,436	1,111,113	24,105,549	4.8%
Public School Transportation	60,480,645	1,102,084	61,582,729	1.8%
Career and Technical Education Programs	27,238,323	539,919	27,778,242	2.0%
Special Education - Gifted and Talented Children	12,697,199	147,295	12,844,494	1.2%
Expelled and At-risk Student Services Grant Program	9,493,560	0	9,493,560	0.0%
Small Attendance Center Aid	1,314,250	0	1,314,250	0.0%
Comprehensive Health Education	1,131,396	0	1,131,396	0.0%
Total	\$338,050,420	\$6,422,958	\$344,473,378	1.9%

The major difference between the recommendation and request is the updated inflation rate (1.9 percent vs. 1.7 percent in the request), which increases the total inflationary increase by \$676,101 above the request. That amount is spread over the various programs using a similar methodology to the Department's request. Other differences of note include:

- *English Language Proficiency Act:* The recommended increase for the English Language Proficiency Act (ELPA) is \$328,450 below the *official* request submitted on November 1, 2019. Based on consultation with the Department, the calculations underlying the ELPA request appeared to include an erroneously high amount for total district expenditures. Because the allocation methodology uses the gap between state and federal funding and the total district expenditures to allocate the increase among categorical programs, that discrepancy inflated the allocation for ELPA. The staff recommendation is based on updated data (provided by the Department) for total district expenditures for each program. Reducing the allocation of the increase for ELPA makes those funds available for other programs.
- *Small Attendance Center Aid:* The staff recommendation does not include the requested increase of \$1,061 for Small Attendance Center Aid. Staff notes that the Committee added \$237,700 to that line item in FY 2019-20 in order to align with the statutory maximum for FY 2017-18 (the most recent year for which actual data were available). The staff recommendation would hold that line item constant at the level of the FY 2019-20 appropriation. Staff notes that aligning this line item with the statutory maximum from FY 2019-20 (the most recent year with actual data) would require an increase of \$43,337 above the FY 2019-20 appropriation. If the Committee chose to do so then staff would recommend reducing the increases allocated to the other categorical line items (using the same methodology) to stay within the total inflationary increase of \$6,422,958.

ANALYSIS:

Background - Constitutional Funding Requirement: Programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation) have traditionally been referred to as "categorical" programs. Unlike public school finance funding, there is no legal requirement that the General Assembly increase funding commensurate with the number of students eligible for any particular categorical program. However, Section 17 of Article IX of the Colorado Constitution requires the General Assembly to increase *total state funding* for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years. For example, in calendar year 2018 the percentage change in the Denver-Aurora-Lakewood consumer price index was 2.7

percent, so the General Assembly was required to increase state funding for categorical programs by at least that amount (\$8,309,018) for FY 2019-20.

The General Assembly determines on an annual basis how to allocate the required increase among the various categorical programs. Since FY 2000-01, the General Assembly has increased annual state funding for categorical programs by \$195.9 million. In certain fiscal years, the General Assembly elected to increase state funding by more than the minimum constitutionally required amount, resulting in appropriations that are now \$91.1 million higher than the minimum amount that would have otherwise been required. The following table details the allocation of the \$195.9 million among categorical programs.

INCREASES IN STATE FUNDING FOR CATEGORICAL PROGRAMS SINCE FY 2000-01				
LONG BILL LINE ITEM	FY 2000-01 APPROPRIATION	FY 2019-20 APPROPRIATION	TOTAL INCREASE IN ANNUAL APPROPRIATION OF STATE FUNDS SINCE FY 2000-01	
Special Education - Children with Disabilities	\$71,510,773	\$202,700,611	\$131,189,838	183.5%
English Language Proficiency Program	3,101,598	22,994,436	19,892,838	641.4%
Public School Transportation	36,922,227	60,480,645	23,558,418	63.8%
Career and Technical Education Programs	17,792,850	27,238,323	9,445,473	53.1%
Special Education - Gifted and Talented Children	5,500,000	12,697,199	7,197,199	130.9%
Expelled and At-risk Student Services Grant Program	5,788,807	9,493,560	3,704,753	64.0%
Small Attendance Center Aid	948,140	1,314,250	366,110	38.6%
Comprehensive Health Education	600,000	1,131,396	531,396	88.6%
Total	\$142,164,395	\$338,050,420	\$195,886,025	137.8%

The constitution also requires that money from the State Education Fund not supplant the level of General Fund appropriations existing on December 28, 2000, for categorical programs [see Section 17 (5) of Article IX of the Colorado Constitution]. Staff's recommendations for this section maintain \$163,765,474 in General Fund appropriations to comply with this requirement. This provision actually requires the General Assembly to maintain an appropriation of at least \$141,765,474 General Fund (the amount appropriated as of December 28, 2000); however, the General Assembly added \$22.0 million General Fund to the Special Education Programs for Children with Disabilities line item in FY 2019-20 (appropriated in S.B. 19-246 (School Finance)).

Finally, please note that pursuant to Section 22-55-107 (3), C.R.S., for the 2008-09 budget year and each budget year thereafter, on or before February 15, "the education committees of the house of representatives and senate, or any successor committees, may submit to the joint budget committee of the general assembly a joint recommendation regarding the allocation of the increase in total state funding for all categorical programs as required by subsection (1) of this section for the next budget year. The joint budget committee shall consider but shall not be bound by any joint recommendations made pursuant to this subsection (3) when developing the annual general appropriation bill for the budget year for which the joint recommendation is made". To date, these Committees have not made any such recommendation.

An overview of staff's recommendations related to the constitutionally required funding increase for this group of programs is below. A more detailed description of each categorical program line item, including a description of the funds available -- other than state funds -- for each program may be found in the Line Item Detail section for categorical programs.

Allocation of Required Funding Increase for FY 2020-21: As noted above, the Constitution requires the General Assembly to increase total state funding for all categorical programs annually by at least the

rate of inflation (based on the change in the Denver-Aurora-Lakewood Consumer Price Index for calendar year 2019) for FY 2020-21.

Based on the actual change in the CPI for CY 2019 (1.9 percent), the Constitution requires and staff recommends adding a total of \$6,422,958 state funds for categorical programs for FY 2020-21. Consistent with prior years, staff's recommendation would appropriate all of the recommended increases as cash funds from the State Education Fund.

The Constitution requires the General Assembly to provide at least the recommended increase in FY 2020-21. Given the “base building” nature of categorical program increases (any increase becomes part of the base and requires additional inflationary increase), staff's recommendation includes the minimum level of funding required by the Constitution. Based on the Constitutional requirement for the increase, the General Assembly's key decision each year is how to allocate the required increase among categorical programs. Since December 2006, staff has recommended that the Committee consider four factors when allocating state funds among categorical programs:

1. Are districts statutorily required to provide the services?
2. If the program has a statutory reimbursement formula, how close does state funding come to the maximum statutory reimbursement?
3. What percent of districts' actual expenditures are covered by state and federal funds?
4. Are districts' expenditures for providing the service proportionate, or are certain districts impacted significantly more than others?

For the past several years, the Department and staff have used similar mechanisms to allocate the Constitutionally-required increases among categorical line items, based on the difference between state and federal funding provided for a program and school districts' actual expenditures. Thus, programs with a larger gap between state and federal funds and total district expenditures (those for which school districts are absorbing the greatest cost within their budgets) receive the largest increase. The FY 2020-21 request and recommendation continue that methodology.

The following pages include three tables associated with categorical funding.

- Table A shows the gap between state and federal funding and actual local expenditures in FY 2017-18 (the most recent year for which the necessary data are available).
- Table B shows the gap between FY 2018-19 funding levels and "full funding" for the programs with statutory formulas for that year.
- Table C summarizes the allocation recommended by staff, the allocation requested by the Department, and two other potential options for illustrative purposes.

TABLE A: CATEGORICAL PROGRAM REVENUES AND EXPENDITURES: FY 2017-18

LONG BILL LINE ITEM	(a) STATE FUNDS	(b) FEDERAL FUNDS	(c) = (a) + (b) TOTAL STATE AND FEDERAL FUNDS	(d) TOTAL DISTRICT EXPENDITURES	(e) = (c)/(d) STATE/FEDERAL SHARE OF EXPENDITURES	(f) = (d) - (c) LOCAL SHARE OF EXPENDITURES
District Programs Required by Statute						
Special Education - Children with Disabilities a/	\$204,639,380	\$149,836,272	\$354,475,652	\$985,543,895	36.0%	\$631,068,243
English Language Proficiency Program b/	44,298,645	8,604,146	52,902,791	251,959,905	21.0%	199,057,114
Other Categorical Programs						
Public School Transportation	57,985,579	0	57,985,579	255,425,124	22.7%	197,439,545
Career and Technical Education	26,875,279	5,594,908	32,470,187	129,197,371	25.1%	96,727,184
Special Education - Gifted and Talented Children	9,906,903	0	9,906,903	36,294,954	27.3%	26,388,051
TOTAL						\$1,150,680,137

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

b/ State funding includes money provided through the English Language Learners Professional Development and Student Support Program.

TABLE B: MAXIMUM AMOUNT OF STATE FUNDS DISTRICTS WERE STATUTORILY ELIGIBLE TO RECEIVE FOR FY 2018-19					
LONG BILL LINE ITEM	DESCRIPTION OF WHAT DETERMINES MAXIMUM STATE FUNDING	TOTAL STATE FUNDS	MAXIMUM STATE FUNDING	PERCENT OF MAXIMUM COVERED BY STATE FUNDS	ESTIMATED INCREASE REQUIRED TO FUND STATUTORY MAXIMUM
District Programs Required by Statute					
Special Education - Children With Disabilities a/	Driven by the number of children requiring special education services, characteristics of the children eligible for such services, and the cost of such services	\$173,386,701	\$262,570,750	66.0%	\$89,184,049
English Language Proficiency Program b/	Driven by the number of eligible students and statewide average per pupil operating revenue	48,608,208	97,667,382	49.8%	49,059,174
Other Categorical Programs (with specified statutory reimbursement levels)					
Public School Transportation	Driven by total miles traveled and total transportation-related costs (excluding capital outlay expenses)	59,702,367	106,300,815	56.2%	46,598,448
Colorado Vocational Distributions Act	Driven by the number of students participating in vocational education programs and the costs of such services per FTE in relation to each districts per pupil operating revenue	27,238,323	34,061,167	80.0%	6,822,844
Small Attendance Center Aid	Driven by the number of eligible schools, such schools' enrollment, and eligible districts' per pupil funding	1,076,550	1,459,230	73.8%	382,680
TOTAL					\$192,047,195

a/ The estimated increase to fund the statutory maximum for special education for children with disabilities is based on the following: \$127,156,250 (\$1,250 for each student with disabilities); \$133,440,000 (assuming districts received \$6,000 per student for 100 percent of the 22,240 students with specified disabilities, rather than for 31.3 percent of these students); \$4,000,000 for high cost grants; and \$500,000 for "educational orphans." Staff has not attempted to estimate the costs of "fully funding" the high cost grant program.

b/ The State funds provided for the English Language Proficiency Program in FY 2018-19 include \$21,608,208 provided through the English Language Proficiency Program categorical program and \$27,000,000 distributed through the English Language Learners Professional Development and Student Support program which is outside of the categorical program but offsets districts' costs to provide services to English language learners.

TABLE C: REQUIRED INCREASE IN *STATE* FUNDING FOR CATEGORICAL PROGRAMS IN FY 2020-21

LONG BILL LINE ITEM	FY 19-20 APPROP.	EXAMPLES OF OPTIONS FOR ALLOCATING REQUIRED INCREASE							
		A: STAFF RECOMM.	%	B: DEPT. REQUEST	%	C	%	D	%
Special education programs for children with disabilities	\$202,700,611	\$3,522,547	1.7%	\$2,897,365	1.4%	\$5,768,569	2.8%	\$3,851,312	1.9%
English language proficiency programs	22,994,436	1,111,113	4.8%	1,439,563	6.3%	\$654,389	2.8%	436,894	1.9%
Public school transportation	60,480,645	1,102,084	1.8%	875,806	1.4%	0	0.0%	1,149,132	1.9%
Career and technical education	27,238,323	539,919	2.0%	431,779	1.6%	0	0.0%	517,528	1.9%
Special education programs for gifted and talented children	12,697,199	147,295	1.2%	101,283	0.8%	0	0.0%	241,247	1.9%
Expelled and at-risk student services grant program	9,493,560	0	0.0%	0	0.0%	0	0.0%	180,378	1.9%
Small attendance center aid	1,314,250	0	0.0%	1,061	0.1%	0	0.0%	24,971	1.9%
Comprehensive health education	1,131,396	0	0.0%	0	0.0%	0	0.0%	21,497	1.9%
Totals (may not sum due to rounding)	\$338,050,420	\$6,422,958	1.9%	\$5,746,857	1.7%	\$6,422,958	1.9%	\$6,422,958	1.9%

Description of Potential Allocation Options

- A: Staff recommendation, based on actual 1.9 percent inflation rate.
- B: Department's request, based on OSPB September 2019 Revenue Forecast inflation rate (1.7 percent).
- C: Provide a 2.8% increase for children with disabilities and English language proficiency programs (programs required by statute).
- D: Provide the same percentage increase for all programs.

→ R5 CONCURRENT ENROLLMENT FOR EDUCATORS [REQUIRES LEGISLATION]

REQUEST: The request includes an increase of \$539,190 General Fund to create a concurrent enrollment pilot program for future educators. Based on a model in the Cherry Creek School District, the program would provide specific concurrent enrollment opportunities for high school students intended to facilitate entry into the teaching profession. As discussed during the FY 2020-21 briefing for the Department of Education, the Governor’s Office submitted this request as part of the November 1, 2019, budget request. However, staff notes that the State Board of Education has now voted to support the request. The Committee should note that this request requires separate legislation and that the Governor’s Office is not requesting it as a JBC Bill.

RECOMMENDATION: Staff recommends denying the request as part of the FY 2020-21 budget. As noted above, the request requires separate legislation and is therefore not appropriate for inclusion in the Long Bill. Staff notes that H.B. 20-1015 (Future Educator Pathways Grant Program) aligns with this request and has been referred to the House Appropriations Committee.

ANALYSIS: The Governor’s Office submitted this request in an effort to address the current teacher shortage. As envisioned in the request, the proposed grant program would support concurrent enrollment opportunities for high school students that intend to become educators. According to the request, participating students would: (1) enroll in the program in 10th grade; (2) earn a paraprofessional credential while in high school; and (3) be able to complete a teaching credential in three years following high school.⁵ According to the Department, the program would include the following timeline for participants:

- Year 1 (Grade 10): Participants take three concurrent enrollment courses focused on early childhood education and child development.
- Year 2 (Grade 11): Participants continue concurrent enrollment courses focused on education, including special education and STEM education and begin to gain early field experience (through another concurrent enrollment course).
- Year 3 (Grade 12): Participants earn a paraprofessional credential by September and may begin working as a paid paraprofessional as part of the program while completing four additional concurrent enrollment courses.
- According to the Department, participants would then be able to earn a teaching credential in three years following high school.

According to the Department, Cherry Creek School District estimates that the program would cost \$7,987 per student over three years. The request assumes that the local school district would cover 25.0 percent of that cost (\$1,992), requiring the State to cover \$5,995 per student over that period. At the requested level (\$539,190 General Fund per year), the Department estimates that the proposed program would support pilot programs in six school districts, with fifteen participating students in each district. The requested amount (which is close to the Legislative Council Staff Fiscal Note estimates for H.B. 20-1015) is intended to cover the entire (three-year) cost of the first cohort of participants.

⁵ Please note that the original request indicated that students could earn a teaching credential in three *semesters* following high school. However, the Governor’s Office has since corrected that statement to indicate that students could earn the credential in three years.

Early Results

This year (FY 2019-20) is the first year of operations of the Cherry Creek Program so results are not available. According to the Department, Cherry Creek has 13 students serving as apprentices (and working as paraprofessionals) in the current year and 10 additional students taking concurrent enrollment courses and beginning field observations (but not yet working as apprentices).

The Department also reports that other Colorado school districts have similar programs. According to the Department, St. Vrain School District has a program (called P-TEACH) that allows future educators to earn up to 21 concurrent enrollment credits through CU Denver and includes automatic admission to CU Denver if the participant earns a 3.0 grade point average. According to the Department, the program enrolled 17 students (including 14 juniors and 3 seniors) in January 2019 and all (3) seniors went on to pursue a bachelor's degree in education. All 17 students completed the program's early childhood education internship and reported an increase in their likelihood to pursue a career in education.

Therefore, at this point it appears that the programs may show some promising results to facilitate entry into the teaching profession and may attract additional students. However, the available information does not allow for conclusions about actual entry to the field or retention in the profession.

Points to Consider

As discussed above, staff recommends denying the request as part of the budget process. Because the request requires separate legislation, it is not appropriate for inclusion in the Long Bill. In consideration of the request, however, staff offers the following points for the Committee's consideration in light of the early results discussed above:

- First, some districts are already implementing similar programs within existing resources. The General Assembly may wish to ensure that potential grant funds would only target districts where available resources would not allow for the creation of such a program.
- Second, while the program is proposed as a pilot effort (up to 90 students per cohort), staff has some concerns about the ability to implement the program at a scale that would address a more significant portion of the teacher shortage. The Department's FY 2018-19 teacher shortage data showed 7,773 open teaching positions for the 2018-19 school year (representing 14 percent of teaching positions statewide), with 264 of those positions remaining unfilled for the entire school year and 933 positions filled through a shortage mechanism. Scaling this type of program to meet that level of need would significantly increase the cost of the program.

→ R6 CPP EXPANSION [REQUIRES LEGISLATION]

REQUEST: The Governor's Office is requesting an increase of \$27,627,017 General Fund to add 6,515 half-day slots to the Colorado Preschool Program (CPP), which is funded through the State Share of Districts' Total Program Funding line item. The Governor's Office estimates that the increase would allow the program to serve an additional 5,977 3- and 4-year old children through a combination of full- and half-day positions. The request represents a 22.2 percent increase above the existing authorization for 29,360 CPP slots, and the Governor's Office estimates that the request would allow the CPP to serve approximately 50.0 percent of the students that would be eligible for the CPP (those meeting the risk factors specified in statute). The Committee should note that the number of CPP

slots is specified in statute and this request requires separate legislation. The Governor’s Office is not requesting this as a JBC bill.

RECOMMENDATION: Staff recommends denying the request. As noted above, because the number of authorized CPP slots is specified in statute, the request requires separate legislation and is therefore not appropriate for inclusion in the Long Bill. Given the magnitude of the request, if the Committee intends to support funding for the request in FY 2020-21, then it may wish to account for the anticipated appropriations through a placeholder during the budget balancing process for the Long Bill.

ANALYSIS:

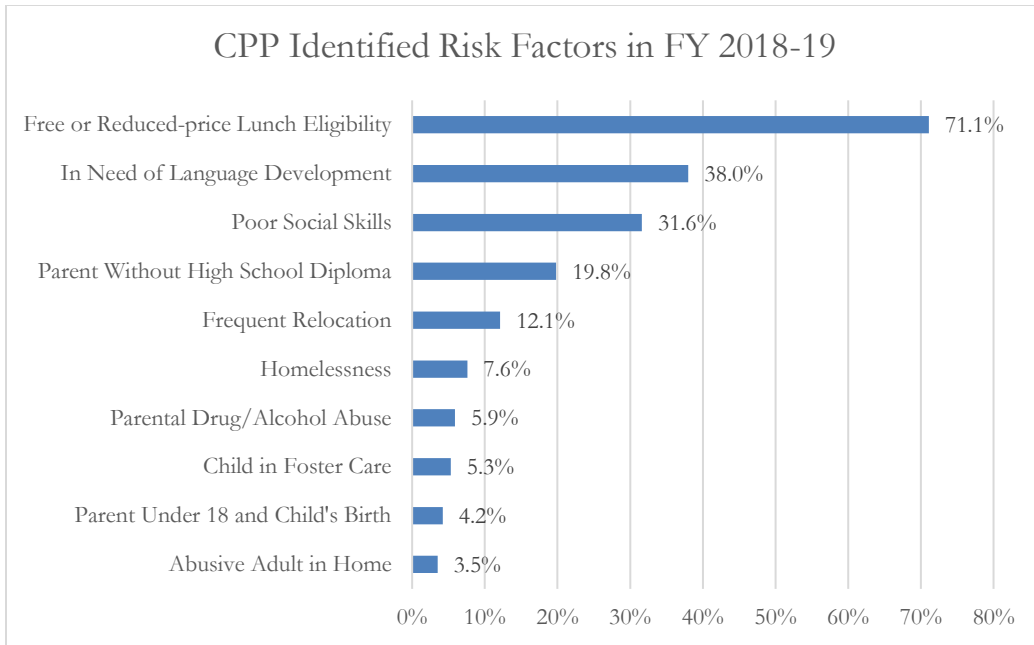
Background – Colorado Preschool Program (CPP)

The General Assembly created the CPP in 1988 to provide high quality early childhood education to at-risk children between 3 and 5 years of age free of charge. The General Assembly authorizes a specific number of half-day “slots” in the program, although districts may use a portion of the slots to provide a full-day program Statute (Sec. 22-28-106) specifies criteria that make a child eligible for the program, based on risk factors that are associated with later challenges in school. In order to qualify for the program, three-year old students must have at least three of the following family risk factors, while four-year old students must have at least one:

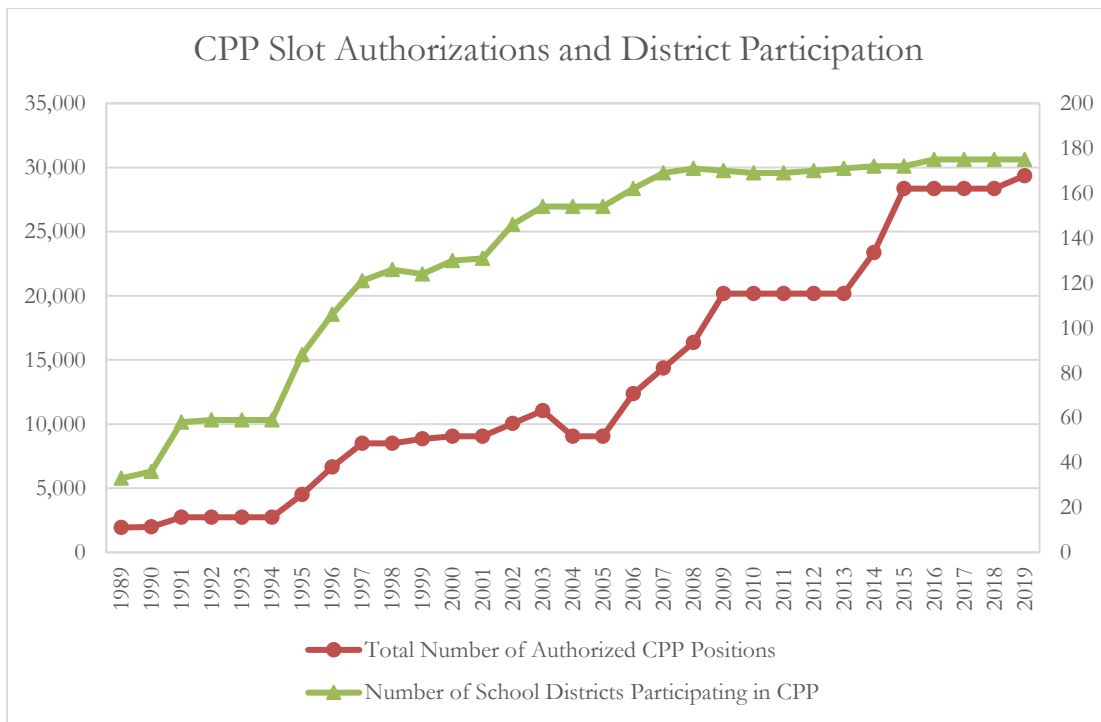
- Eligibility for free or reduced-price lunch.
- Homelessness of the child’s family.
- An abusive adult residing in the child’s home.
- Drug or alcohol abuse in the family.
- Either parent was less than 18 years of age and unmarried when the child was born.
- The child’s parent or guardian has not successfully completed a high school education or its equivalent.
- Frequent relocation to new residences.
- Poor social skills of the child.

The following graph (drawn from the Department’s annual legislative report on the CPP)⁶ shows the percentage of CPP students in FY 2018-19 that reported each risk factor. As shown in the graph, 71.1 percent of CPP students in FY 2018-19 were eligible for free or reduced price lunch. Because each student may have more than one risk factor (and three-year olds must have at least three), the percentages add to more than 100.0 percent.

⁶ The 2020 legislative report is available at: <https://www.cde.state.co.us/cpp/cpplegreport>



Unlike most K-12 education funding (except for the ASCENT Program), statute authorizes a specific number of slots for the CPP each year. The number of authorized slots has grown from 1,933 in the first year of operation (FY 1988-89) to 29,360 slots in the current year. District participation has grown from 33 districts in the first year to 175 districts (out of 178) in FY 2018-19 (see following graph).



The CPP program supports students in a variety of settings depending on the needs and availability of resources in a given school district. According to the Department’s 2020 Legislative Report, in FY 2018-19, 77.5 percent of CPP preschool students were served in district-run preschool programs, 13.3

percent were served in community-based programs (with funding passed through from the school district based on a contract with the local provider), and 9.2 percent were served in Head Start facilities.

CPP vs. ECARE:

Current law includes two categories of CPP slots: traditional CPP slots (20,160 per year since FY 2008-09) and Early Childhood At-risk Enhancement (ECARE) slots (a total of 9,200 additional slots under current law). Created in 2013 (S.B. 13-260 (School Finance)), the ECARE program provides additional flexibility in the use of slots.

- *Traditional CPP:* Current law requires school districts to use the vast majority (at least 95.0 percent) of traditional CPP slots to provide half-day preschool. With approval by the Department, Sec. 22-28-104 (4)(b), C.R.S., allows districts to use up to 5.0 percent of traditional CPP slots to provide a full-day of services (by using two slots per student).
- *ECARE:* Current law allows districts greater discretion with the use of ECARE slots. Prior to the implementation of full-day kindergarten in FY 2019-20, districts could use ECARE slots for either half-day preschool, full-day preschool, or to provide full-day kindergarten (using the ECARE slot to support the unfunded half-day of kindergarten). With the implementation of full-day kindergarten, districts now have the discretion to use ECARE slots to support either half-day preschool or full-day preschool (again using two slots per child).

According to the Department's 2020 Legislative Report, the 29,360 slots allocated in FY 2018-19 supported services to a total of 27,530 actual students because districts used 1,829 slots to provide full-day programming.

Impact of Full-day Kindergarten:

The Committee should note that the number of slots actually used for *preschool* has increased as a result of the implementation of full-day kindergarten. According to the request, school districts used 5,164 ECARE slots to support full-day kindergarten. With the enactment of H.B. 19-1262 (State Funding for Full-day Kindergarten), those slots are now only available for preschool programs. As a result, the number of slots actually available *for preschool* increased from 23,746 in FY 2018-19 to the full 29,360 in FY 2019-20.

Program Outcomes and Evidence:

The Department's annual legislative report for the CPP includes significant discussion of program outcomes and evidence comparing past CPP participants to students that are eligible for free or reduced-price lunch that did not participate in the program. Based on the Department's data and analyses, it appears that the benefits of the program (or other high quality early childhood education) persist into and through students' time in the K-12 education system. According to the 2020 legislative report, relative to the comparison group, CPP participants show the following benefits:

- *Early Literacy:* Students in kindergarten through third grade that participated in CPP are less likely to be identified with significant reading deficiencies than their peers that did not attend state-funded preschools (an average difference of five percentage points across those grades).
- *Retention Rates:* CPP students are also less likely to be retained (held back) in kindergarten through third grade (between 4.0 and 5.0 percent of CPP students were retained at some point from kindergarten through third grade compared to rates of approximately 8.0 to 9.0 percent for similar non-CPP students). For both groups, first grade was the most likely point of retention.

- *Assessment Results:* The Department reports statistically significant differences in statewide assessment results for nearly all subject areas, with previous CPP participants meeting or exceeding expectations at higher rates than their non-CPP peers.
- *Graduation Rates:* Finally, based on FY 2017-18 graduation rate data, children served in CPP during the 2004-05 school year were 12 percent more likely to graduate on time with a school diploma than their non-CPP peers.

FY 2020-21 Request R6 and Estimates of Unmet Need

The Governor's Office is requesting an increase of \$27.6 million General Fund in FY 2020-21 to support an additional 6,515 ECARE slots (increasing the total number of CPP slots from 29,360 under current law to 35,875 under the request). The Department estimates that the increased slots would support services for 5,977 additional students through a combination of half-day and full-day programs. In addition to the outcomes and evidence discussed above, the Department's primary justification for the increased request is unmet need as measured by estimates of the population of eligible children relative to the preschool positions that are available.

- Based on its analysis, the Department estimates that 76,410 3- and 4-year old Colorado children would be eligible for CPP. With Head Start serving approximately 9,400 students, that leaves an estimated 67,010 children eligible for CPP and not served by Head Start.
- With CPP serving 27,530 actual children in FY 2018-19, the program served 41.0 percent of the estimated eligible population (after accounting for Head Start). Adding 5,977 students would allow the Department to serve 50.0 percent of the eligible population.

Points to Consider

As discussed above, staff recommends denying the requested increase as part of the budget process. Because increasing the number of authorized CPP/ECARE slots requires separate legislation, this request is not appropriate for inclusion in the Long Bill. The Governor's Office is not requesting this as a JBC bill. Thus, no further action is required of the Committee. Given the magnitude of the request (\$27.6 million General Fund), the Committee could consider setting aside funds during the balancing process *if the Committee would like to ensure that funds remain available to support the request.*

Although staff is not aware of a specific position on the request for the statewide education stakeholders, staff has heard some concerns from school districts about the magnitude of the request (when some districts may prefer to see those funds reduce the budget stabilization factor rather than go specifically to support preschool).

→ R11 GRANTS FOR EARLY CHILDHOOD FACILITIES [REQUIRES LEGISLATION]

REQUEST: The Governor's Office is requesting an increase of \$10.0 million cash funds from the Public School Capital Construction Assistance Fund (PSCCAF) for grants for the improvement and development of early childhood care and education facilities. The Department has indicated an intent to repurpose \$10.0 million currently required for appropriation to the B.E.S.T. program's cash grants line item in FY 2020-21 to support the grants. The request proposes a statutory change to authorize the use of B.E.S.T. funds for grants for both school-based *and* community-based (including non-profit and for profit) early childhood and preschool facilities. The Committee should note that this request requires separate legislation and that the Governor's Office is not requesting this as a JBC bill.

RECOMMENDATION: Staff recommends denying the request. As noted above, the request requires separate legislation and is therefore not appropriate for inclusion in the Long Bill. Staff is also not currently aware of any pending legislation aligned with this request.

ANALYSIS:

Request R11 proposes an ongoing annual allocation of \$10.0 million cash funds from the PSCCAF for grants to both school districts and community-based organizations to expand buildings for quality early childhood education programs. House Bill 19-1055 (Public School Capital Construction Financial Assistance) directs the General Assembly to appropriate a total of \$160.0 million for cash grants by the B.E.S.T. program in FY 2020-21 (an increase of \$25.0 million above the FY 2019-20 appropriation). The text of the request indicates an intent to “repurpose” \$10.0 million of the \$160.0 million required for cash grants to support the proposed grants to early childhood facilities.

The request argues that the grant funds are necessary because schools and community-based programs (primarily child care centers and Head Start centers) do not have sufficient capacity to meet the needs for child care and early childhood education. According to the request (drawing on data from the Colorado Children’s Campaign), Colorado’s child care centers, family child care homes, and preschools can only accommodate 60 percent of the estimated need for child care statewide as a result of both facilities issues and workforce shortages. The Governor’s Office estimates that the requested \$10.0 million per year would support between seven and ten grants for the construction, expansion, and renovation of early childhood facilities.

The Committee should note that staff and the Governor’s Office agree that the request requires separate legislation. Current law (Sec. 22-43.7-107 (2)(f), C.R.S.) authorizes the expansion of public preschool services as an eligible use of B.E.S.T. program funds. Staff notes the following:

- According to the request, the B.E.S.T. program has never funded a discrete project for early childhood/preschool facilities. Some larger projects have included work that indirectly affected such facilities.
- Under current law, community-based organizations are *not* eligible for B.E.S.T. funds. The program’s grants are only available to “public school facilities” defined as buildings or portions of buildings used for educational purposes by a school district, a board of cooperative services (BOCES), the Colorado School for the Deaf and the Blind (CSDB), or a charter school. Thus, any grants to other entities would require a change in the statute.

As discussed above, staff recommends denying the request as part of the budget process. The request requires separate legislation and is not appropriate for inclusion in the Long Bill. Should the General Assembly decide to enact the proposed legislation, the reallocation from the existing cash grant program to the proposed use should be included in that legislation. With respect to the proposed legislation, staff offers the following points for the Committee’s consideration:

- Since the inception of the B.E.S.T. program, stakeholders have discussed the insufficient funding available to meet the capital construction needs of public schools in the State (the existing mission of the B.E.S.T. program). Staff has heard concerns from school districts about the diversion of existing for preschool construction.
- Second, as discussed above, the B.E.S.T. program is currently only available to public schools (including school districts, BOCES, the CSDB, and charter schools). Staff is uncertain about further expanding eligibility for the program and the program’s mission to include community-based organizations, including particularly for-profit centers.

→ R12/BA3 EXPAND ELIGIBILITY FOR SCHOOL IMPROVEMENT [REQUIRES LEGISLATION]

REQUEST: With R12 (submitted with the November 1, 2019, budget request) and BA3 (submitted on November 13, 2019), the Governor’s Office is requesting an increase of \$5.0 million General Fund (\$1.0 million through R12 and \$4.0 million through BA3) to provide additional grants through the School Transformation Grant Program. The \$1.0 million in R12 is proposed as an ongoing increase in funding and the \$4.0 million in BA3 as a *one-time* appropriation to be spent over a three-year period (through FY 2022-23). Under current law, only schools classified as Turnaround or Priority Improvement status (the lowest two categories) are eligible for transformation grant funds. The requests propose statutory change and additional funding to expand eligibility to include: (1) schools in the Improvement category that are close to Priority Improvement status; and (2) schools that are on “watch” status because they were recently classified as Turnaround or Priority Improvement status. The Committee should note that expanding eligibility for the grant funds requires statutory change through separate legislation. The Governor’s Office is not requesting this as a JBC bill.

In an update (since the FY 2020-21 briefing process), the State Board has also now voted to support this request.

RECOMMENDATION: Staff recommends denying the requested increase for FY 2020-21. Staff notes:

- The official requests (R12 and BA3) would require separate legislation to expand eligibility for the School Transformation Grant Program; thus, those requests are not appropriate for inclusion in the Long Bill.
- Staff notes that this year’s requests follow on a significant increase approved for FY 2019-20 (\$2.4 million General Fund in ongoing funding and 1.8 FTE approved through FY 2019-20 request R4 (Funding for School Turnaround)). Last year, the Department estimated that the increase approved for FY 2019-20 would allow the Department to fund grants to *all* of the state identified schools in FY 2019-20. Based on that assumption, the Governor’s Office
- However, the Department now reports that the situation has shifted (between the submission of the November requests and now) and that additional funds are necessary simply to fund grants to the *currently eligible* schools that are applying for funding. As a result, the Department has now indicated that adding the requested funds would not require legislation to expand eligibility (because of the shortfall in funding the currently eligible population).

If the Committee intends to consider approving additional funding for the request in FY 2020-21, then staff would recommend asking the Department and/or the Governor’s Office to present a “comeback” discussing the situation and the (probably significantly revised) plan of action. The official November 2019 requests (R12 and BA3) now appear to be irrelevant and staff would recommend that they Committee deny any request for additional funding barring a clear plan and proposal to move forward.

ANALYSIS:

Background – State and Federal Accountability Systems

Both state and federal law require the Department to evaluate the performance of public schools and school districts through statewide accountability systems. Directly related to this discussion, both state and federal law also require the Department to identify low performing schools and districts for accreditation and accountability purposes. Both systems offer additional support to districts and

schools identified as low performing; both also include consequences for districts and schools that are consistently low performing.

The two systems use much of the same data (largely driven by standardized assessment scores and graduation rates) but apply different criteria to identify the low performing schools and districts.

- *Federal:* Under the federal Every Student Succeeds Act (ESSA) of 2015, the federal system focuses on three points. First, the system identifies the lowest-performing 5.0 percent of schools eligible for federal Title I funding. Second, the system identifies high schools with low completion rates (graduation rates below 67 percent), regardless of whether the school is eligible for Title I funding. Finally, the system identifies schools with consistently low-performing groups of students (reflected in disaggregated data), again regardless of eligibility for Title I funding.
- *State:* Under the state accountability system (created in S.B. 09-163 and most recently modified in H.B. 18-1355) the Department assesses schools and districts based on overall performance as measured by statewide standardized assessments (including academic achievement and academic growth) as well as postsecondary readiness (graduation rates, dropout rates, college entrance exams, and college matriculation rates). Using the state system, the Department and the State Board annually assign school districts (and the State Charter School Institute) to one of five accreditation categories and assign each school to one of four types of improvement plans (see following table).

DISTRICT ACCREDITATION AND SCHOOL PERFORMANCE PLAN CATEGORIES	
DISTRICT ACCREDITATION RATINGS	SCHOOL PERFORMANCE PLAN TYPES
Accredited with Distinction	Performance Plan
Accredited	Improvement Plan
Improvement	*Priority Improvement Plan
*Priority Improvement	*Turnaround
*Turnaround	

*Schools and districts in these categories are on the state "accountability clock," qualify for additional supports, and face potential consequences with inadequate improvement.

From 2012 to 2016, the Department operated on a federal waiver that allowed the use of the state systems for both state and federal accountability purposes. However, following the enactment of the federal Every Student Succeeds Act in 2015, the Department is again responsible for evaluating performance using two different sets of criteria. The use of two systems also has implications for schools because federally-identified schools are eligible for federal school improvement funds and state-identified schools are eligible for state funds. Schools identified under both systems are eligible for both streams of funding – though the Department has historically used federal funds for those schools and focused state funding on those schools only identified under the state system.

Based on input from schools and districts, the Department has created the “Empowering Action for School Improvement” (or EASI) grant process to allow schools and districts to apply a for assistance through a single application process regardless of which system identified the school/district. The Department uses both funding streams to support a menu of services available to the relevant schools (federal funds for federally-identified schools and state-funds for those identified only under the state system). That menu includes three “routes” designed to meet the specific needs of individual schools:

- *Exploration Route:* Assists districts in identifying the best path forward in the improvement planning process. This includes diagnostic services to identify specific areas of improvement, support for stakeholder engagement, and support for improvement planning.
- *Offered Services Route:* Assists districts seeking specific supports from the Department. Services include the Turnaround Network and Connect for Success, which connect participating schools with departmental staff, implementation coaches, and high performing schools. Also includes additional services and pathways.
- *District Designed and Led Route:* Supports district-designed efforts in districts that have already conducted a needs assessment and stakeholder process.

Finally, schools and districts at the end of the accountability clock may receive “Pathways” funding to support the actions directed by the State Board of Education.⁷

Current Funding and FY 2019-20 Request R4 (Funding for School Turnaround)

Current turnaround-related funding (state and federal) supports approximately 15.5 FTE in FY 2019-20, with federal funds supporting 12.5 FTE and state funds supporting approximately 3.0 FTE (the General Assembly added 1.8 FTE in FY 2019-20, though the FTE actually represent portions of multiple positions).

- Under the federal ESSA, 7.0 percent of total Title I funding is available for school improvement activities (supporting federally-identified schools). For Colorado, that equates to approximately \$10 million per year in federal funds that support 12.7 departmental FTE as well as grants and support services provided directly to the federally-identified schools. However, as noted above, the Department cannot use the federal funds to support schools that are only identified under the state system.
- For FY 2019-20, the General Assembly significantly increased state support for the School Transformation Grant Program (previously known as the School Turnaround Leaders Development Program). The FY 2018-19 appropriation for the program included \$2.0 million cash funds from the State Education Fund and 1.2 FTE (a combination of several partial positions). For FY 2019-20, the General Assembly more than doubled state funding, adding \$2.3 million General Fund and 1.8 FTE (for a total appropriation of \$4.3 million and 3.0 FTE) to increase dedicated state funding for the state-identified schools.
- Directly relevant to the FY 2020-21 budget requests, the additional funding for FY 2019-20 also included \$100,000 to support an external evaluation of the School Transformation Grant Program and the Department’s supports to schools under the program. The intent of that evaluation was to provide additional information for future funding decisions. The Department reports that it has completed an “initial internal evaluation” of the program and is on track to release a request for proposals for the external evaluation in Spring 2020. They expect to have the results of the external evaluation by Spring 2021.

FY 2020-21 Requests R12 and BA3

Based on the population of schools and districts identified in 2018 (and informing the FY 2019-20 budget), the Department expected the FY 2019-20 appropriation to fund grants to all of the state-identified schools. The Committee made decisions, in part, based on that information.

⁷ See Sec. 22-13-103 (c), C.R.S.

Based on that same assumption (that the existing funding would support the currently eligible schools), the Governor’s Office submitted requests R12 and BA3 proposing to expand eligibility for the state funds to include schools in Improvement status that may be likely to slip into either Priority Improvement or Turnaround status. Expanding eligibility for the funding requires statutory change and the associated funds are not appropriate for inclusion in the Long Bill.

Because the proposals require statutory change, staff recommends that the Committee deny the increases requested through R12 and BA3, as they were officially submitted.

Departmental Updates

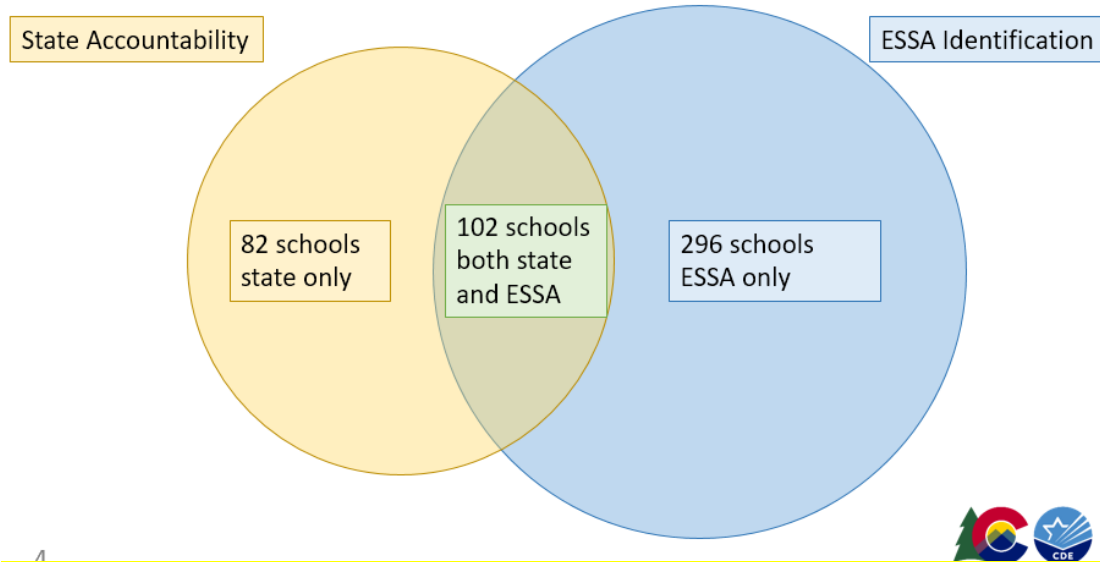
However, the Department now reports that those assumptions were not accurate and that the current level of funding (including the increase) is only funding 35 percent of the amount requested from state funds. **As a result, the Department now argues that the additional funding is instead necessary to serve the schools that are eligible under current law.** The following section describes the factors driving the changes to the assumptions that supported the FY 2019-20 appropriation.

2019 School Identifications

For 2019 (the identifications driving the current grant cycle for state and federal funds), the two systems have identified a total of 480 schools as in need of support and eligible to apply for federal or state funds. That is an increase of 66 schools above the 414 identified in 2018, although federally-identified schools account for the majority of that increase.

- The federal system (under the Every Student Succeeds Act or ESSA) identified 296 schools that were *not* identified under the state system, an increase of 47 schools above the 249 in this category in 2018. These schools are eligible for federal school improvement funding but not for state funds.
- Similarly, the state system identified 82 “state only” schools that are eligible for state funds but not federal funds. That is an increase of three schools above the 79 identified only through the state system in 2018.
- Finally, 102 schools were identified under both systems and would therefore be eligible for both types of funding. That is an increase of 16 above the 86 dual-identified schools in 2018.
- In total, the state system identified 184 schools in 2019, an increase of 19 schools above the 165 identified in 2018.

The following graphic (provided by the Department) shows the number of schools identified under each system in 2019.



As noted above, during the FY 2019-20 budget process, the Department expected the increase in funding approved for FY 2019-20 would allow the Department to serve *all of the state identified schools*. However, those assumptions have clearly changed, as the 2019 grant awards funded only 25 percent of the applications for state funds. According to the Department, the following three factors have driven much of the dramatic change from the original expectations for FY 2019-20.

- *Increased Federal Identification:* For the FY 2019-20 process, the Department assumed that federal funds would support *all* federally identified schools, including those that were identified by both systems. However, with the increase in federal identification (47 more schools than last year) and no correlated increase in federal funds, the Department is unable to support all of the federally identified schools. According to the Department, that increase is driven in part by the fact that federally-identified schools remain identified for at least three years. Thus, regardless of any changes in performance, schools identified in 2017 remain so in 2019.
- *Increased State Identification and Applications:* As noted above, the number of state-identified schools also increased (from a total of 165 in 2018 to 184 in 2019, including the schools identified under both systems). In addition, the Department received both more applications and larger applications (dollars per application) than in previous years, putting additional strain on the state funds. The Department reports that program staff continue to reach out to eligible schools and encourage them to apply for support – and that outreach seems to be working.
- *Pathways/Directed Action Funding:* Schools and districts that reach the end of the “accountability clock” may face “directed actions” by the State Board of Education. According to the Department, their assumptions for the FY 2019-20 budget request did not account for the increased cost to support those directed actions (which may be significantly more expensive for each school/district than a standard transformation grant). Although the local school/district absorbs a significant portion of the cost of such directed actions, the Department’s support for those initiatives has also reduced the state funding available to schools and districts for standard transformation grants (in early years of the accountability clock).

Conclusions

Regardless of the contention that the request no longer requires a bill, staff continues to recommend that the Committee deny the request at this time.

- While the Department has helpfully provided additional information to explain both the change in circumstances/assumptions and the potential need for additional funds, the new information is effectively an entirely different request.
- Staff does not believe that effectively replacing the request with an entirely new justification in February is an appropriate process. Based on the significant changes in data and assumptions, staff is also concerned about the reliability of the assumptions that would support adding more funding for this year.
- In addition, as noted above, the additional funding provided for FY 2019-20 includes \$100,000 for an external evaluation of the program intended to inform future budget decisions and the allocation of funds. Staff does not recommend adding more funds one year after the significant increase provided for FY 2019-20 and before the evaluation of the current program is available. (Staff notes that the Department has not yet contracted for the external evaluation.)

→ BA4 TRANSFER GF TO SEF

REQUEST: With BA4, the Governor’s Office is proposing a one-time (statutory) transfer of \$12.0 million General Fund to the State Education Fund. The request proposes to increase the ending balance/reserve in the State Education Fund by \$12.0 million (from a target balance of \$140 million proposed in request R1 on November 1, 2019, to a target of \$152 million with BA4). The Committee should note that this request requires separate legislation. The Governor’s Office is not requesting this as a JBC bill.

RECOMMENDATION: Staff recommends denying the request. As noted above, the request requires separate legislation and is therefore not appropriate for inclusion in the Long Bill. In addition, the requested transfer is unnecessary to achieve the targeted balance. If the Committee wishes to increase the ending balance (reserve) of the State Education Fund, then it could simply adjust the fund source appropriations for the State Share of Districts’ Total Program Funding to maintain the increased balance in the State Education Fund.

ANALYSIS: The request proposes a statutory transfer of \$12.0 million from the General Fund to the State Education Fund in FY 2020-21 in order to target an ending balance of \$152.0 million at the end of FY 2020-21. Staff’s recommendation to deny the request is based on two factors:

- First, as noted above, the actual transfer would require separate (statutory) legislation and cannot be carried out through the Long Bill.
- Second, and more importantly, staff understands that the Governor’s Office proposed the transfer as a mechanism to reach an increased ending balance in the State Education Fund (the November 1, 2019, budget request targeted \$140.0 million and the budget amendment (BA4) proposed to increase that target to \$152.0 million). However, for the Committee’s purposes, the transfer is not necessary to reach the balance; if the Committee wishes to increase the ending balance of the State Education Fund (relative to the \$150.0 million assumed in the staff recommendation) then staff would recommend simply decreasing the appropriation from the State Education Fund to retain the money in the fund.

→ BA5 CONCURRENT ENROLLMENT GRANT PROGRAM INCREASE

REQUEST: With BA5 (submitted as part of the November 13, 2019, package of budget amendments), the Governor’s Office is requesting a one-time increase of \$1.0 million General Fund for the Concurrent Enrollment Expansion and Innovation Grant Program created in S.B. 19-176 (Expanding Concurrent Enrollment Opportunities). The program offers grants to assist schools and school districts in offering concurrent enrollment opportunities and either initiating or strengthening partnerships with institutions of higher education. Senate Bill 19-176 appropriated \$1.5 million cash funds from the State Education Fund to support the grant program in FY 2019-20. The Department reports that the current year appropriation falls \$1.0 million short of fully funding the grant applications received for FY 2019-20. The Department also expects growth in the number of applications for FY 2020-21 and estimates that the additional resources would support grants for 20 more partnerships (at an estimated \$50,000 per partnership).

RECOMMENDATION: Staff recommends approving the request for one-time funding in FY 2020-21. Beginning in FY 2020-21, S.B. 19-176 requires all local education providers that enroll high school students to offer concurrent enrollment opportunities, including academic and career and technical courses. The bill created the grant program (which started in FY 2019-20) to support the partnerships and start-up costs to allow Colorado’s schools to meet that deadline. Given the statutory deadline, providing additional resources to support the establishment and sustainability of these programs appears to be a prudent use of the one-time funds proposed in the request.

ANALYSIS:

Background: Senate Bill 19-176

Senate Bill 19-176 makes a variety of changes to state law related to concurrent enrollment. Relevant to this request, beginning in FY 2020-21 each local education provider that enrolls students in high school *must* provide qualified students the opportunity to concurrently enroll in postsecondary courses, including both academic and career and technical education courses. The bill allows the local education provider to determine the manner in which concurrent enrollment opportunities are provided.

As noted in the request, offering those opportunities can be challenging for many local education providers. Challenges include: a lack of educators qualified to teach the courses, a lack of advising support, a lack of technology to support distance learning options, and a potential loss of funding as the district diverts resources to pay tuition for concurrent enrollment courses. In addition, rural superintendents have voiced concerns to staff about the logistics of offering concurrent enrollment courses when there is not an institution of higher education nearby.

The bill created the Concurrent Enrollment Expansion and Innovation Grant Program to provide grants to partnerships of local education providers and institutions of higher education that want to either begin offering or expand their offerings of concurrent enrollment opportunities. The bill details the required elements of partnerships’ grant applications and charges the Departments of Education and Higher Education with the review of applications and making recommendations to the State Board of Education. If appropriations allow, the bill requires the Department and the State Board to award annual (1-year) grants to partnerships that:

- Do not provide concurrent enrollment or concurrently enroll few students;
- Demonstrate the greatest degree of need for financial support to expand concurrent enrollment;

- Demonstrate the most effective use of the grant money, which may include the use of technological strategies to expand offerings;
- Have demonstrated success in providing concurrent enrollment to a large percentage of qualified enrolled students and are seeking to implement innovations to expand the number of students served; or
- Have a plan in place to ensure that course work related to apprenticeship programs and internship programs is eligible to receive transferrable postsecondary course credits.

The bill includes the following allowable uses of grant funds:

- Assisting educators with the cost of obtaining a graduate degree so that they can be certified to teach concurrent enrollment courses.
- Removing barriers to concurrent enrollment for qualified students, which may include the cost of books, supplies, fees, or transportation.
- Sharing data between members of the partnership.
- Providing services, support, and coordination resources for concurrent enrollment for members of the partnership.

Growing Participation – but Uneven Opportunities

Staff notes that concurrent enrollment continues to grow significantly in Colorado. According to the Department's data for FY 2017-18, 45,787 students participated in some form of dual enrollment that year, representing 35 percent of all 11th and 12th graders. Of that total, 30,979 participated in concurrent enrollment offered by two- and four-year institutions.

However, the Department also reports that availability of concurrent enrollment opportunities is uneven throughout the state (in part because of the challenges discussed above).

- According to the Department, 86 percent of schools offer some concurrent enrollment.
- However, approximately one-third of districts have less than 10 percent of students participating. According to the Department, those districts are generally rural or small rural districts or not near an institution of higher education.

FY 2020-21 Request BA5

Senate Bill 19-176 includes an appropriation of \$1.5 million cash funds from the marijuana tax cash fund and 0.3 FTE to support the grant program in FY 2019-20, which is an ongoing appropriation in FY 2020-21. That amount supported 32 grants, with a maximum award of \$50,000 per grant. Of that amount, 13 of the grants went to rural or small rural districts.

The Department reports that the \$1.48 million awarded to partnerships in FY 2019-20 left \$1.0 million in requests unfunded in the first year, and the Department expects additional applications in FY 2020-21. The Governor's Office is requesting the additional \$1.0 million General Fund in FY 2020-21 to provide grants to approximately 20 additional partnerships in FY 2020-21.

While staff is generally hesitant to support one-time funding requests for ongoing needs, staff agrees that the legislative deadline established in S.B. 19-176 creates a unique scenario. Staff recommends that the Committee approve the additional funds on a one-time basis for FY 2020-21.

→ BA6 STUDENT RE-ENGAGEMENT GRANT PROGRAM INCREASE

REQUEST: With BA6, the Governor’s Office is requesting a one-time increase of \$2.0 million General Fund for the Student Re-engagement Grant Program (to be spent over three years). Originally created in H.B. 09-1243 (Increase High School Graduation Rates) and funded through the Office of Dropout Prevention and Student Re-engagement, the program provides competitive multi-year (up to three-year) grants to high needs school districts and schools to implement evidence based practices to help sustain student engagement at the secondary level and to re-engage students that have dropped out. The grant program currently receives an annual appropriation of \$2.0 million cash funds from the Marijuana Tax Cash Fund, to which the request would add \$2.0 million General Fund on a one-time basis for FY 2020-21. The current appropriation is funding 11 out of 37 school districts that applied, and the Department estimates that the increase would allow the program to serve an additional eight to ten applicants with three-year grants starting in FY 2020-21.

RECOMMENDATION: Staff recommends denying the request for one-time funding for FY 2020-21. Staff acknowledges that the Student Re-engagement Grant Program appears to have shown strong results, as demonstrated in both legislative reports and an internal evaluation conducted by the Department of outcomes of the program for FY 2016-17. Based on those results, staff agrees that additional funding for the program would be defensible. However, staff is not aware of any specific reason for one-time funding for this program in FY 2020-21 (other than the availability of one-time funds). If the Committee wishes to add funding to address dropout prevention then staff would recommend working with the Department to develop a sustainable plan to improve outcomes over the longer term (rather than on a one-time basis).

ANALYSIS: Submitted as part of the November 13, 2019, package of budget amendments, the request proposes a one-time increase of \$2.0 million General Fund for the Student Re-engagement Grant Program housed within the Office of Dropout Prevention and Student Re-engagement line item. Currently supported with \$2.0 million cash funds from the Marijuana Tax Cash Fund and 1.2 FTE, the Student Re-engagement Grant Program provides competitive multi-year (up to three-year) grants to school districts and charter schools to provide educational services and supports to students to maintain student engagement and support re-engagement.⁸

The grants are intended to support evidence-based interventions to address risk factors that often hinder high school completion, including low attendance, course failure, behavior and discipline incidents, and a lack of credits required to graduate. Grants are awarded to school districts to serve schools with a high percentage of students at risk of dropping out. According to the Department, roughly half of grantee schools are alternative education campuses.

The Department estimates that the requested funds would support grants to an additional 8-10 school districts and 15 schools serving 2,100 students. Based on outcomes from the FY 2016-17 program evaluation, Department staff have estimated that the additional funds would support the recovery of approximately 160 students per year (with recovery meaning returning to school and regularly attending).

⁸ The FY 2019-20 appropriation to the Office of Dropout Prevention and Student Re-engagement also includes \$1.0 million General Fund and 1.0 FTE dedicated to the Educational Stability Grant Program established in H.B. 18-1306 (Improving Educational Stability for Foster Youth).

Program Results

According to a program evaluation conducted in 2018 (evaluating outcomes from FY 2016-17), 70 percent of grantees report serve out-of-school youth and all of the grantees in that particular cohort reported using the funds to provide course completion and credit recovery supports.⁹ Strong majorities also used funds for counseling, mentoring, and school climate assessments, as well as efforts to re-engage out-of-school youth and provide multiple paths to graduation. Staff concurs with the Department that the program shows promising results.

- 80 percent of students served by the program report positive outcomes (such as school persistence or completion).
- Recipient schools had half the dropout rate of alternative schools. According to the FY 2016-17 evaluation, grant recipient schools had a 7th to 12th grade dropout rate of 9.1 percent in 2017, while the statewide dropout rate for alternative schools was 19.6 percent. The Department contends that the student populations represent a valid comparison.
- Seven out of ten grantees in FY 2016-17 reported funding re-engagement efforts for out-of-school youth, and those programs re-engaged 569 students that year.
- The Department also points to the economic benefits of high school completion (including increased earnings and lower costs to the State).

Dropout Rate Comparisons

According to national data for 2013 through 2017, Colorado's statewide dropout rate of 6.0 percent over that period was right at the national average. The state has also seen improvement in both graduation rates and dropout rates. As one would expect, focusing on overall graduation and dropout rates misses a significant amount of variation, with far higher rates for certain populations. For example, the program's FY 2017-18 legislative report notes that "minority male students, youth experiencing homelessness and those in foster care experience disproportionate rates of graduation, dropout and school disciplinary actions, which negatively impacts school engagement."¹⁰ Minority males attending alternative education campuses had a 19.3 percent dropout rate in the 2017-18 school year. By targeting schools serving populations most at risk of dropping out, the Department argues that this program shows promise to both engage current students and re-engage out-of-school students.

At \$2.0 million per year, the Department has also indicated that the State's spending on dropout prevention is lower than many states (spending varies widely among states, with some showing no specifically dedicated funding and others reporting many times the current level of expenditures in Colorado).

Conclusion/Points to Consider

Staff agrees that the program appears to show promising results. In addition, staff also agrees that continuing to improve graduation and dropout rates is an important priority. However, staff is uncertain about the one-time funding proposed in request R9, as there does not appear to be a specific impetus to add one-time funding now (as compared to the specific statutory deadline associated with request BA5 above). Based on those differences, staff recommends denying the request for one-time funding for FY 2020-21. If the Committee wishes to add funding for dropout prevention, then staff

⁹ The program evaluation is available at: <https://www.cde.state.co.us/dropoutprevention/srg20162017evaluationreport>

¹⁰ The legislative report is at: <https://www.cde.state.co.us/dropoutprevention/dpsr2017-2018reporttothelegislature>

would recommend prioritizing ongoing funding in order to provide a sustainable increase in the State's investment in dropout prevention and student re-engagement.

→ BA7 CAREER DEVELOPMENT SUCCESS PROGRAM INCREASE

REQUEST: The Governor's Office is requesting a one-time increase of \$2.0 million General Fund to expand the Career Development Success Program to pay incentives for the participating school districts and charter schools that encourage high school students to complete a qualified workforce program (increasing from \$5.0 million in FY 2019-20 to \$7.0 million in FY 2020-21. The requested \$2.0 million (one-time) increase would build on an ongoing increase of \$3.0 million that the General Assembly approved for FY 2019-20.

RECOMMENDATION: Staff recommends denying the request for one-time funding in FY 2020-21.

- As discussed during the FY 2019-20 budget process, staff continues to question the utility of one-time funding increases for this purpose. This program pays incentives for actions completed in the prior school year (funding in FY 2020-21 will pay for activities completed in FY 2019-20) – that were undertaken and completed with no knowledge of the potential increase in incentives. As a result, a one-time appropriation will not incentivize future behavior because a recipient cannot change behavior to receive the incentive.
- Staff also notes that the General Assembly significantly increased funding for this program in FY 2019-20 (from \$2.0 million in FY 2018-19 to \$5.0 million in FY 2019-20). The FY 2019-20 appropriation is supporting \$1,000 per incentive for Tier 1 completions and \$656 per incentive for Tier 2. (The Department estimates that the requested funding for FY 2020-21 would fully fund Tiers 1 and 2 and partially fund Tier 3 (advanced placement computer science courses).
- Finally, staff notes that participation in the programs has increased significantly in recent years, including in the programs for which the incentives have not been available.

ANALYSIS: The request includes an increase of \$2.0 million (one-time) to support additional career development incentive payments under the Career Development Success Program. Originally created as a pilot program in H.B. 16-1289 (Incentives to Complete Career Development) and then expanded and extended in H.B. 18-1266 (Career Development Success Program Expansion), the Career Development Success Program provides incentives for school districts and charter schools to encourage students to participate in qualified career development programs. The program pays incentives in the year following completion of the qualified program. Thus, appropriations in FY 2019-20 are paying incentives for credentials completed in FY 2018-19. The General Assembly increased funding for the program from \$1.0 million in FY 2017-18 to \$2.0 million in FY 2018-19 and then to \$5.0 million for FY 2019-20. The request would add an additional \$2.0 million on a one-time basis for FY 2020-21.

Per statute (Sec. 22-54-138, C.R.S.), the program authorizes incentive payments of up to \$1,000 per student completing qualified programs in three tiers (such that lower priority programs only receive funding if higher priority programs are fully funded).

- Tier 1 includes industry recognized credentials that apply toward high school graduation and which the Work Force Development Council has identified as eligible credentials.
- Tier 2 includes internships, residency programs, construction industry pre-apprenticeships, and construction industry apprenticeships. The Work Force Development Council also must approve qualifying internships and residency programs.

- Tier 3 includes advanced placement (AP) computer science courses. The course must deliver college-level curriculum and the student must receive a 3 or higher on the course’s AP test.

Because of the high level of participation in tier 1 (industry recognized credentials), incentive payments to date have focused on that tier.

- In FY 2017-18, \$1.0 million allowed the Department to pay \$553 per industry-recognized certificate for 1,807 certificates. Fully funding \$1,000 per credential (for all categories) would have required \$3.1 million in FY 2017-18.
- In FY 2018-19, the increased appropriation (\$2.0 million) allowed for payments of \$547 per industry-recognized certificate for 3,655 certificates.
- In the current year, the Department is distributing \$4.8 million to participating districts, which is covering \$1,000 per incentive for 4,164 industry-recognized credentials and \$656 per incentive for 636 Tier 2 completions from the 2018-19 school year.

FY 2018-19 CAREER DEVELOPMENT SUCCESS PILOT PROGRAM PARTICIPATION AND FY 2019-20 INCENTIVE PAYMENTS						
	QUALIFIED PROGRAM	REPORTED CREDENTIAL COMPLETIONS	FULL FUNDING AT \$1,000 PER INCENTIVE	NUMBER OF INCENTIVES FUNDED	ACTUAL FUNDING PER INCENTIVE	TOTAL FY 2019-20 PAYMENTS
Tier 1	Industry Recognized Credentials	4,765	\$4,765,000	4,164	\$1,000	\$4,164,000
Tier 2	Internships	498	\$498,000	327	\$656	326,861
	Residency programs	0	0	0	0	0
	Construction Pre-apprenticeships	470	\$470,000	308	\$656	308,483
	Construction Industry Apprenticeships	1	\$1,000	1	\$656	\$656
Tier 3	Advanced placement computer science courses	1,030	\$1,030,000	0	0	0
	Total	6,764	\$6,764,000	4,800		\$4,800,000

The requested \$2.0 million increase would provide a total appropriation of \$7.0 million for FY 2020-21. Depending on the growth in participation in FY 2019-20 (for payment in FY 2020-21), the Department expects that amount would fully fund tiers 1 and 2 and allow for at least partial payments for tier 3 (advanced placement computer science courses).

Staff notes that the incentives do seem to be attracting participation by districts, schools, and students. As shown in the following table, the Department reports significant increases in student participation in these programs since FY 2016-17 (the first year of reporting to support payments in FY 2017-18). Tier 1 (which has been funded at least in part each year) shows the largest number of students). However, staff notes significant growth in both tier 2 (which did not receive any funding until FY 2019-20) and tier 3 (which has never been funded under the program).

FY 2018-19 CAREER DEVELOPMENT SUCCESS PILOT PROGRAM PARTICIPATION				
	QUALIFIED PROGRAM	FY 2016-17 REPORTED COMPLETIONS	FY 2017-18 REPORTED COMPLETIONS	FY 2018-19 REPORTED COMPLETIONS
Tier 1	Industry Recognized Credentials	1,807	3,655	4,765
	Internships	470	921	498

FY 2018-19 CAREER DEVELOPMENT SUCCESS PILOT PROGRAM PARTICIPATION				
	QUALIFIED PROGRAM	FY 2016-17 REPORTED COMPLETIONS	FY 2017-18 REPORTED COMPLETIONS	FY 2018-19 REPORTED COMPLETIONS
Tier 2	Residency programs	0	38	0
	Construction Pre-apprenticeships	86	184	470
	Construction Industry Apprenticeships	0	0	1
Tier 3	Advanced placement computer science courses	743	891	1,030
	Total	3,106	5,689	6,764

Staff Considerations and Recommendation: The Governor’s Office submitted this request as part of the November 13, 2019, package of budget amendments. It is staff’s understanding that those requests draw on one-time funding made available because of the failure of Proposition CC. As staff has previously discussed with the Committee, staff is uncertain about the utility of one-time funding for additional incentives under this program.

- The Department and the Governor’s Office argue that the one-time payments in FY 2020-21 would cover one-time costs and allow participating districts and schools to “build-out” additional pathways and infrastructure (curricula, programming, equipment and technology, etc.) for career development.
- However, given that the payments reflect activities that were completed in the prior year, staff is not certain that one-time reimbursement of start-up costs *in the following year* will prove to be an incentive. The schools that made the decision to provide these opportunities in FY 2019-20 did so without any knowledge of the potential incentive. In addition, one-time funding in FY 2020-21 would not provide an incentive for new schools and districts to initiate programs in FY 2020-21 (for which incentives will not be available in FY 2021-22).
- Finally, staff notes that participation in tier 3 AP computer science courses has continued to increase each year since FY 2016-17, even though the program has not paid incentives for tier 3. Thus, staff is uncertain how much the prospect of incentive payments is actually driving decisions to create these programs.

Based on concerns about the utility of one-time funding for this purpose, staff recommends denying the request for additional funds at this time.

→ STAFF INITIATED FACILITY SCHOOLS ADJUSTMENT

REQUEST: The Department requested a continuation level of funding (\$16,241,061 cash funds from the State Education Fund) for the Facility Schools Funding line item for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Based on updated estimates of the facility school student population and costs required by statute, staff recommends approving an appropriation of \$17,024,650 cash funds from the State Education Fund for this line item for FY 2020-21. The recommendation represents an increase of \$783,589 above the FY 2019-20 appropriation (and the Department’s request) based on the Department’s estimates of facility school student counts for FY 2020-21.

ANALYSIS:

BACKGROUND – FACILITY SCHOOLS

While most children in Colorado receive public education services through school districts or schools that are authorized by the State Charter School Institute, some children receive their education through schools operated by community-based facilities or state-operated programs.¹¹ In 2008, the General Assembly modified the method of funding facility schools and certain state programs by:

- Removing pupils educated by facility schools from districts' pupil enrollment counts for purposes of funding.¹²
- Requiring facility schools and state programs to report information directly to the Department's Facility Schools Unit concerning individual students, including the student's district of residence and the actual number of days of attendance each month.
- Allowing facility schools to bill the Department for statewide average per pupil revenues times 1.33, and allowing facility schools to bill for an additional one-third of per pupil revenue to support Summer school programs. In 2013, the General Assembly modified this provision to provide statewide base per pupil funding times 1.73 in an effort to increase funding for facility schools.

The General Assembly also created a Facility Schools Board to adopt curriculum standards, accountability measures, and graduation requirements for facility schools. This act also created the Facility Schools Unit within the Department of Education charged with:

- Developing and maintaining a list of approved facility schools.
- Making recommendations concerning curriculum standards and graduation standards.
- Maintaining information and records for students who receive educational services from approved facility schools.
- Communicating and collaborating with the Department of Human Services, county departments of social services, and other agencies regarding the placement and transfer of students in facilities.

The Facility Schools Funding line item provides funding for the Department to make payments to facility schools as required by Section 22-54-129, C.R.S. Under current law, as adjusted by S.B. 13-260, facility schools receive statewide *base* per pupil funding amount times 1.73; this amount is translated into a daily rate, and each facility school receives a daily rate for each child in attendance for up to 235 days each school year.

FY 2020-21 FACILITY SCHOOLS FUNDING

The Department's FY 2020-21 budget request assumes flat funding for the Facility Schools Funding line item, with no change from the FY 2019-20 appropriation. The request did not include revised estimates of the two variables that determine the necessary amount of funding: the facility school pupil count and the per pupil funding amount for facility schools. However, the Department has now provided updated estimates for both variables:

¹¹ Pursuant to Section 22-54-129 (1) (f), C.R.S., "state programs" include the Colorado School for the Deaf and the Blind and the education programs operated by the Colorado Mental Health Institutes at Pueblo and Fort Logan. Because the State has closed the facility at Fort Logan, the School for the Deaf and the Blind and the Colorado Mental Health Institute at Pueblo are the only remaining state programs.

¹² Districts continue to include students who reside in a facility or group home and attend a district school in their October count for purposes of funding. Further, students in "out-of-district" placements who attend public school are included in the pupil count of the district of attendance.

- *Pupil count:* The Department is now projecting an *average* facility school student FTE count of 1,362 in FY 2020-21, an increase of 38 student FTE (2.9 percent) from the estimate of 1,324 student FTE underlying the FY 2019-20 appropriation.
- *Per pupil funding amount:* Facility school per pupil funding is calculated as the *statewide base per pupil amount* times 1.73. The Colorado Constitution requires the statewide base per pupil funding amount to increase by the rate of inflation each year. Given the actual inflation rate from CY 2019 (1.9 percent), statewide base per pupil funding will increase from \$6,951.53 in FY 2019-20 to \$7,083.61 in FY 2020-21. Per Pupil Facility School funding increases from \$12,026.14 in FY 2019-20 to \$12,254.65 in FY 2020-21 (an increase of \$228.51).

As shown in the following table, based on the projected increase in pupil count and the mandatory increase in per pupil funding, estimated payments to facility schools increase by \$783,589 above the FY 2019-20 appropriation (for a total of \$17,024,650). Consistent with prior years, staff has included a “buffer” (equal to 2.0 percent of facility school funding) to account for potential fluctuations in placement and attendance. The recommendation for FY 2020-21 also includes the following anticipated transfers to the Colorado School for the Deaf and the Blind (\$1,636,570) and the Mental Health Institute at Pueblo (\$148,700).

FACILITY SCHOOL FUNDING: FY 2020-21			
DESCRIPTION	FY 2019-20 APPROPRIATION	FY 2020-21 STAFF REC.	CHANGE FROM FY 2019-20 APPROP.
Projected Average Facility Schools FTE	1,324	1,362	38
Multiplied by: Statewide Base Per Pupil Funding X 1.73	\$12,026.14	\$12,254.65	\$228.51
Total Estimated Facility School payments	\$15,922,609	\$16,690,833	\$768,224
Plus: Additional Funding (approximately 2.0 percent) to account for placement and attendance fluctuations	318,452	333,817	15,365
Recommendation for Facility School Funding line item	\$16,241,061	\$17,024,650	\$783,589
Estimated portion of the above amount transferred to state agencies:			
<i>Department of Education: Colorado School for the Deaf and the Blind</i>	\$1,633,932	\$1,636,570	\$2,638
<i>Department of Human Services: Mental Health Institutes (Pueblo only)</i>	\$158,957	\$148,700	(\$10,257)

➔ STAFF INITIATED FINANCIAL TRANSPARENCY ADJUSTMENT

REQUEST: The Department requested a continuation level of funding with no change from the FY 2019-20 appropriation (\$600,000 cash funds, including \$490,000 from the Financial Reporting Fund and \$110,000 from the State Education Fund) for the Financial Transparency System Maintenance line item. This line item supports the contract for the ongoing maintenance of the financial transparency system authorized in H.B. 14-1292 (Student Success Act).

RECOMMENDATION: Staff recommends approving an appropriation of \$600,000 for this line item in FY 2020-21, as requested (and required by the contract for system maintenance), but recommends an adjustment to the fund sources. Based on the estimated fund balance of the Financial Reporting Fund, staff recommends that the appropriation include an estimated \$570,000 from the State Education Fund and \$30,000 from the Financial Reporting Fund. Staff’s intention in this recommendation is to eliminate the entire balance of the Financial Reporting Fund. Staff also recommends specifying that those amounts are “estimated” in the Long Bill letternote associated with this line item to allow the Department to exhaust the Financial Reporting Fund balance in FY 2020-21 and to fill any “gap” with

funds from the State Education Fund (if necessary). Staff anticipates that the line item will require an annual appropriation \$600,000 from the State Education Fund in FY 2021-22 and beyond.

ANALYSIS:

The General Assembly added the Financial Transparency System Maintenance line item to the FY 2018-19 Long Bill to support the ongoing maintenance of the financial transparency system authorized in H.B. 14-1292 (Student Success Act). The original legislation transferred \$3.0 million cash funds from the State Education Fund to the newly created Financial Reporting Fund and continuously appropriated those funds to the Department for FY 2014-15 through FY 2017-18 to create a financial transparency system allowing for the comparison of expenditures across schools, districts, and other local education providers.¹³ Money remaining in the Financial Reporting Fund (\$509,046 at the end of FY 2018-19 and an estimated \$27,300 at the end of FY 2019-20) is subject to legislative appropriation in FY 2018-19 and subsequent years. The Final Fiscal Note for H.B. 14-1292 assumes ongoing expenses of \$600,000 per year to maintain the system and authorized the use of the State Education Fund to support the development and maintenance of the system.

Based on projections of the available fund balance, the FY 2019-20 Long Bill appropriation for this line item included \$490,000 from the Financial Reporting Fund and \$110,000 from the State Education Fund. However, based on current estimates, the Department expects the Financial Reporting Fund to end FY 2019-20 with a balance of approximately \$27,500, requiring approximately \$572,500 from the State Education Fund to reach the contract amount of \$600,000. Because those amounts are only estimates, staff recommends approving the following appropriations for this line item for FY 2020-21 to reach the contract amount of \$600,000 total funds:

- \$570,000 from the State Education Fund (\$460,000 above the request).
- \$30,000 from the Financial Reporting Fund (\$460,000 below the request).

As noted above, staff also recommends specifying that those amounts are “estimated” in the Long Bill to allow the Department to exhaust the Financial Reporting Fund balance entirely in FY 2019-20.

LINE ITEM DETAIL - ASSISTANCE TO PUBLIC SCHOOLS

(A) PUBLIC SCHOOL FINANCE

ADMINISTRATION

This line item includes funding to support Department staff who administer the School Finance Act, the Colorado Preschool Program, and full-day kindergarten programs. This unit oversees the Financial Policy and Procedures Advisory Committee, and provides technical assistance to school districts related to preschool and full-day kindergarten programs, as well as statutory and regulatory budgetary, accounting, and reporting requirements. This unit works with the State Treasurer’s Office to intercept charter school debt payments, and with the Department of Human Services to withhold School to Work Alliance Program matching funds for vocational rehabilitation. This unit also distributes funding for other programs, including facility school funding, transportation reimbursements, small attendance center aid, grant writing funds for boards of cooperative services, and concurrent enrollment funding.

¹³ The system website is available at: <https://coloradok12financialtransparency.com/#/>

This line item also supports an audit team to ensure compliance related to funds that districts receive for school finance, public school transportation, and English language proficiency programs, as well as funds that facility schools and state agencies receive for education programs.

As authorized by S.B. 09-215, this line item is supported by "off-the-top" funding from the State Share of Districts' Total Program Funding line item. This funding mechanism was reinstated in 2009 to reduce General Fund expenditures and maintain critical Department functions. The Long Bill shows the majority of the line item's funding as reappropriated funds from the State Share of Districts' Total Program Funding line item, with some cash funds from the State Education Fund and a limited amount (\$425,000 in FY 2019-20) from the Public Education Fund, which was supported by a tax checkoff for the Colorado Preschool Program.

STATUTORY AUTHORITY: Sections 22-2-112 and 22-2-113, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,904,480 total funds and 17.9 FTE for FY 2020-21. The request includes \$1,816,986 reappropriated funds (originating from the State Share of Districts' Total Program Funding line item) and \$87,494 cash funds from the State Education Fund. The request includes the following changes from the FY 2019-20 appropriation:

- An increase of \$67,635 total funds to annualize FY 2019-20 salary survey.
- An increase of \$11,559 total funds to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of \$425,000 cash funds from the Public Education Fund to eliminate one-time funding provided through FY 2019-20 request R5 (CPP Tax Checkoff).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies. The following table shows the recommended changes from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, PUBLIC SCHOOL FINANCE, ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$2,250,286	\$0	\$511,621	\$1,738,665	\$0	17.9
TOTAL	\$2,250,286	\$0	\$511,621	\$1,738,665	\$0	17.9
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$2,250,286	\$0	\$511,621	\$1,738,665	\$0	17.9
Annualize prior year legislation	11,559	0	127	11,432	0	0.0
Annualize prior year budget actions	(357,365)	0	(424,254)	66,889	0	0.0
TOTAL	\$1,904,480	\$0	\$87,494	\$1,816,986	\$0	17.9
INCREASE/(DECREASE)	(\$345,806)	\$0	(\$424,127)	\$78,321	\$0	0.0
Percentage Change	(15.4%)	n/a	(82.9%)	4.5%	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

FINANCIAL TRANSPARENCY SYSTEM MAINTENANCE

The General Assembly added this line item to the FY 2018-19 Long Bill to support the ongoing maintenance of the financial transparency system authorized in H.B. 14-1292 (Student Success Act). The original legislation transferred \$3.0 million cash funds from the State Education Fund to the newly created Financial Reporting Fund and continuously appropriated those funds to the Department for FY 2014-15 through FY 2017-18 to create a financial transparency system allowing for the comparison of expenditures across schools, districts, and other local education providers.¹⁴ Money remaining in the Financial Reporting Fund (\$1.1 million at the end of FY 2017-18 and an estimated \$492,507 at the end of FY 2018-19) is subject to legislative appropriation in FY 2018-19 and subsequent years. The Final Fiscal Note for H.B. 14-1292 assumes ongoing expenses of \$600,000 per year to maintain the system.

STATUTORY AUTHORITY: Sections 22-24-105, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$600,000 cash funds (including \$490,000 from the Financial Reporting Fund and \$110,000 from the State Education Fund) for the ongoing maintenance of the Financial Transparency System, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: As discussed above (Staff Initiated Financial Transparency Adjustment), staff recommends approving the request for \$600,000 for system maintenance (as required by the Department’s contract for the system). However, as discussed above (Staff Initiated Financial Transparency Adjustment), based on the depletion of the funds in the Financial Reporting Fund, staff recommends an appropriation of \$570,000 cash funds from the State Education Fund and \$30,000 from the Financial Reporting Fund.

STATE SHARE OF DISTRICTS’ TOTAL PROGRAM FUNDING

The State Share of Districts’ Total Program Funding line item provides for the State’s share of funding under the statutory school finance formula; the appropriation does not reflect the local share of funding. A detailed discussion of this line item is above, with the discussion of R1/BA1/BA2 (Total Program Increase).

STATUTORY AUTHORITY: Section 22-54-101, et seq., C.R.S.

REQUEST: The Department’s request for the state share of districts’ total program funding for FY 2020-21 would provide \$4,779,825,609 total funds (including \$4,202,238,235 General Fund). The request represents an increase of \$168.7 million total funds above the FY 2019-20 appropriation as adjusted by H.B. 20-1260 (Mid-year School Finance). The request includes the following adjustments:

- *R1/BA1 (Total Program Increase):* Add sufficient state funding to reduce the budget stabilization factor by \$52.0 million below the FY 2019-20 level (from \$572.4 million in FY 2019-20 to \$520.4 million in FY 2020-21).
- *R6 (CPP Expansion):* Add \$27.6 million General Fund to support an additional 6,515 Colorado Preschool Program (CPP) slots. (Note: This request requires statutory change to increase the number of CPP slots and cannot be funded in the Long Bill.)

¹⁴ The system website is available at: <https://coloradok12financialtransparency.com/#/>

RECOMMENDATION: As discussed above with request R1/BA1/BA2 (Total Program Increase), the staff recommended funding amounts for school finance-related appropriations (including the State Share of Districts Total Program Funding and Hold-harmless Full-day Kindergarten Funding) are pending the availability of data related to total program funding requirements for FY 2020-21, including the final certification of the cost of living factors that will impact total program funding in FY 2020-21.

Pursuant to current law, the final staff recommendation will include the state funding necessary to maintain the budget stabilization factor in FY 2020-21 at the final level approved for FY 2019-20 (\$572,396,894). Because the Long Bill is written to current law, the staff recommendation will not include any adjustments reduce the budget stabilization factor, expand the Colorado Preschool Program, or make transfers from the General Fund to the State Education Fund, all of which require statutory change. Staff will prepare a separate memorandum including specific fund source recommendations.

DISTRICT PER PUPIL REIMBURSEMENT FOR JUVENILES HELD IN JAIL

Section 22-32-141, C.R.S., enacted as S.B. 10-054, requires the General Assembly to appropriate moneys to reimburse school districts for educational services provided to juveniles held in jails. This act authorized the appropriation of moneys from the Read-to-Achieve Cash Fund for such purpose. The enactment of H.B. 12-1238 (Early Literacy) eliminated the Read-to-Achieve Cash Fund and supported this line item with cash funds from the State Education Fund in FY 2012-13 and subsequent years.

This line item has historically provided funding for two types of expenses:

- Funding for all juveniles receiving educational services in jail (whether or not they were included in a district's pupil enrollment): The district providing educational services receives the daily rate established for facility schools for each day of service (recognizing that they are only required to provide four hours of educational services per week).
- Funding for juveniles who were not included in a district's pupil enrollment: The district providing educational services can receive reimbursement for costs incurred up to state average per pupil revenue, prorated for the period services are provided.

STATUTORY AUTHORITY: Section 22-32-141, C.R.S.

REQUEST: The Department requests continuation level funding (\$10,000 cash funds from the State Education Fund) for school district reimbursements in FY 2020-11. The General Assembly reduced the appropriation from \$100,000 in FY 2012-13 to \$25,000 in FY 2013-14 and \$10,000 in FY 2016-17 because: (1) usage in recent years was well below the previous appropriation; and (2) two bills enacted in the 2012 Session (H.B. 12-1139 and H.B. 12-1271) appeared likely to further reduce the number of juveniles held in adult jails.

RECOMMENDATION: Staff recommends approving the request. The Department had no expenditures from this line item from FY 2011-12 through FY 2017-18. In FY 2018-19, the Department reimbursed a total of \$1,894. Based on the limited use, the appropriation may no longer be necessary. However, because the reimbursement statute remains in place, staff recommends appropriating the requested

continuation funding to provide flexibility in the event that the Department receives a request. Any unspent moneys will remain in the State Education Fund.

AT-RISK SUPPLEMENTAL AID

House Bill 12-1345 created a program to provide supplemental aid to qualifying school districts and charter schools. The bill provided an appropriation of \$3,839,627 cash funds from the State Education Fund in FY 2012-13. The Committee added this line item to the FY 2013-14 Long Bill and appropriated the same amount as in FY 2012-13. In FY 2014-15, the General Assembly increased the appropriation to \$5,094,358 cash funds from the State Education Fund in an effort to fully fund the statutory calculation, and the appropriation has remained at that level in subsequent years (with expenditures remaining below the appropriation).

STATUTORY AUTHORITY: Section 22-30.5-112.2, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$5,094,358 cash funds from the State Public School Fund, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. The funding necessary to fully cover this program in FY 2020-21 is uncertain but the current appropriation has proven to be sufficient in recent years. Any unspent amounts will remain in the State Public School Fund.

AT-RISK PER PUPIL ADDITIONAL FUNDING

Created in S.B. 15-267 (School Finance) and first funded in FY 2015-16, this line item provides additional funding to school districts and Institute charter schools for at-risk pupils. The program provides funding on a per pupil basis, calculated as \$5.0 million divided by the number of at-risk pupils statewide for the applicable budget year. In order to support the program, S.B. 15-267 increased the transfer of interest and income earned on the Public School (Permanent) Fund to the State Public School Fund by \$5.0 million per year (see Section 22-41-102 (3) (e), C.R.S.) and dedicated that funding to the At-risk Per Pupil Additional Funding program beginning in FY 2015-16. The bill sets the \$5.0 million level of funding in statute and directs the General Assembly to appropriate that amount of funding for the program each year beginning in FY 2015-16.

STATUTORY AUTHORITY: Section 22-54-136, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$5.0 million cash funds from the State Public School Fund (from interest and income earned on the Permanent Fund that is transferred to the State Public School Fund), with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with current law as enacted in S.B. 15-267. That bill permanently increased transfers of interest and income earned on the Permanent Fund to the State Public School Fund and directs that the funds be used for this program.

ADDITIONAL FUNDING FOR RURAL DISTRICTS AND INSTITUTE CHARTER SCHOOLS

For each of the past two years, the General Assembly has provided “one-time” funding to support an additional per pupil distribution to rural school districts and rural institute charter schools. For FY 2018-29, H.B. 18-1379 (School Finance) appropriated \$30.0 million cash funds from the State Education Fund for that purpose. For FY 2019-20, S.B. 19-246 (School Finance) appropriated \$20.0 million General Fund. As the funding was one-time in nature, the Department is not requesting this as a new Long Bill line item.

STATUTORY AUTHORITY: Section 22-54-140, C.R.S.

REQUEST: The Department is not requesting the creation of a line item for FY 2020-21.

RECOMMENDATION: Staff recommends approving the request.

HOLD-HARMLESS FULL-DAY KINDERGARTEN FUNDING

Current law [Section 22-28-104 (2) (a) (III), C.R.S.] authorizes a total of 29,360 half-day preschool slots for the Colorado Preschool Program (CPP) for FY 2018-19, including 9,200 slots for the Early Childhood At-risk Enhancement (ECARE) program created in S.B. 13-260. Pursuant to H.B. 08-1388, schools can no longer use standard (non-ECARE) CPP slots to provide full-day kindergarten. For those districts that had previously elected to use CPP slots to provide full-day kindergarten, H.B. 08-1388 included a "hold harmless" provision [Section 22-54-130, C.R.S.]. Thus, these 60 districts receive 0.58 FTE funding for all kindergarten students, plus an additional amount of per pupil funding (0.42 FTE) based on the number of kindergarten students previously served through CPP.

STATUTORY AUTHORITY: Section 22-28-104 (2) (a) (III), C.R.S.

REQUEST: The enactment of H.B. 19-1262 eliminated the need for this line item as well as the FY 2019-20 appropriation. As a result, the Department is not requesting an appropriation for this line item for FY 2020-21.

RECOMMENDATION: Staff recommends approving the request. This line item is no longer necessary.

(B) CATEGORICAL PROGRAMS

(I) DISTRICT PROGRAMS REQUIRED BY STATUTE

SPECIAL EDUCATION PROGRAMS FOR CHILDREN WITH DISABILITIES

The federal *Individuals with Disabilities Education Act (IDEA)* and the state *Exceptional Children's Educational Act* [Article 20 of Title 22, C.R.S.] require school districts to provide free educational services to children, ages three to 21, who by reason of one or more conditions are unable to receive reasonable benefit from ordinary educational services. Districts are also required to provide free educational services to children "whose presence in the ordinary educational program is detrimental to the education of others and who must therefore receive modified or supplementary assistance and services in order to function and learn". Services provided must be individualized and appropriate for the specific needs of the child, and, to the extent possible, be provided in the least restrictive environment. Federal and state law require administrative units (usually a school district or a board of

cooperative service) to provide all necessary services to children identified as having a disability regardless of the cost or other district needs and priorities.

In addition to total program funds districts receive to provide educational services to children with disabilities (including three- and four-year-old children¹⁵), districts are statutorily eligible to receive reimbursement for additional costs incurred in providing educational services to school-age children with disabilities. These reimbursements include federal funding and state funding (subject to available appropriations). Federal funds are generally allocated based on the total number of elementary and secondary students within the boundaries of each administrative unit, with a portion of the funding allocated based on the number of children living in poverty.

Pursuant to Sections 22-20-114 and 114.5, C.R.S., the Department allocates *state funds* among units as follows:

- **"Tier A"**: Administrative units receive \$1,250 for each child with a disability who was reported on the prior year special education count.
- **"Tier B"**: Administrative units receive an additional \$6,000 per student for a percentage of the children reported on the prior year special education count with the following disabilities: intellectual disability; serious emotional disability; hearing impairment, including deafness; vision impairment, including blindness; deaf-blindness; autism spectrum disorders; traumatic brain injury, and multiple disabilities. The percentage is determined by the appropriation.
- **"Tier C"**: Administrative units receive grants for reimbursement of high costs incurred in providing special education services to a child in the preceding fiscal year. These grants are distributed based on recommendations from the Colorado Special Education Fiscal Advisory Committee, taking into consideration the magnitude of the high costs incurred by a unit in relation to its budget. A total of \$4.0 million is allocated for this purpose, including \$2 million for costs incurred to serve students within the school district, and \$2 million for costs incurred to serve students outside the district.
- **Child Find**: Administrative units receive funds to offset the costs incurred in conducting child find activities under Part C of IDEA for children who are less than three years of age (e.g., screening and evaluation of children with disabilities from birth through two years of age). The total dollar amount allocated for this purpose increases each year based on the lesser of the rate of inflation or the annual percentage change in state funding for special education services, and the number of children evaluated by administrative units in the preceding budget year.
- **"Educational Orphans"**: Up to \$500,000 is used to reimburse administrative units for excess costs paid to eligible facilities within the unit's boundaries for "educational orphans", those students with disabilities: (a) for whom parental rights have been relinquished or terminated; (b) the parents of whom are incarcerated or cannot be located; (c) the parents of whom reside out of the state but the Department of Human Services has placed such children within the administrative unit; or (d) who are legally emancipated.

STATUTORY AUTHORITY: Sections 22-20-114 and 114.5, C.R.S.

¹⁵ Pursuant to Section 22-54-103 (10) (d), C.R.S., three- and four-year-old children with disabilities are counted as half-day pupils.

REQUEST: The Department’s request for FY 2020-21 includes a total of \$205.6 million state funds (including \$93.6 million General Fund and \$112.0 million cash funds from the State Education Fund), an increase of \$2.9 million (1.4 percent) in state funding. The Department’s request also reflects \$191,090 reappropriated funds and 1.0 FTE from funds transferred from the Department of Labor and Employment, Division of Vocational Rehabilitation, and \$156.3 million in federal funds that are anticipated to be available to reimburse administrative units and support 62.0 federally-funded Department FTE. The request includes the following increases above the FY 2019-20 appropriation:

- \$2,897,365 cash funds from the State Education Fund) to provide the inflationary increase required by Amendment 23 (request R2, discussed above).
- \$298,659 federal funds to annualize FY 2019-20 salary survey.
- \$46,821 federal funds to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends reflecting a total appropriation of \$362,680,692, including \$93,572,347 General Fund; \$112,650,811 cash funds from the State Education Fund (a 1.7 percent annual increase in *state* funding associated with the inflationary increase required by Amendment 23); \$191,090 reappropriated funds; and \$156,266,444 federal funds. Staff also recommends reflecting the requested 63.0 FTE. The recommendation includes the following changes from the FY 2019-20 appropriation:

- An increase of \$3,522,547 cash funds from the State Education Fund associated with the inflationary increase required by Amendment 23 (request R2). The recommendation is 625,182 above the request primarily based on the increased inflation rate relative to the assumptions in the request.
- An increase of \$264,925 federal funds to annualize FY 2019-20 salary survey (as requested).
- An increase of \$46,821 federal funds to reflect the FY 2020-21 impact of S.B. 18-200 (as requested).

The following table shows the recommended changes from the FY 2019-20 appropriation for the Special Education Programs for Children with Disabilities categorical program.

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, SPECIAL EDUCATION - CHILDREN WITH DISABILITIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$336,812,665	\$71,572,347	\$109,128,264	\$191,090	\$155,920,964	63.0
SB 19-246 School finance	\$22,000,000	\$22,000,000	\$0	\$0	\$0	0.0
TOTAL	\$358,812,665	\$93,572,347	\$109,128,264	\$191,090	\$155,920,964	63.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$358,812,665	\$93,572,347	\$109,128,264	\$191,090	\$155,920,964	63.0
R2 Categorical programs increase	3,522,547	0	3,522,547	0	0	0.0
Annualize prior year budget actions	298,659	0	0	0	298,659	0.0
Annualize prior year legislation	46,821	0	0	0	46,821	0.0
TOTAL	\$362,680,692	\$93,572,347	\$112,650,811	\$191,090	\$156,266,444	63.0
INCREASE/(DECREASE)	\$3,868,027	\$0	\$3,522,547	\$0	\$345,480	0.0
Percentage Change	1.1%	0.0%	3.2%	0.0%	0.2%	0.0%

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, SPECIAL EDUCATION - CHILDREN WITH DISABILITIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 EXECUTIVE REQUEST	\$362,055,510	\$93,572,347	\$112,025,629	\$191,090	\$156,266,444	63.0
Request Above/(Below) Recommendation	(\$625,182)	\$0	(\$625,182)	\$0	\$0	0.0

ENGLISH LANGUAGE PROFICIENCY PROGRAM

Pursuant to the federal *No Child Left Behind Act* [Title III - Language Instruction for Limited English Proficient and Immigrant Students], the federal *Civil Rights Act of 1964* [Title VI], and the English Language Proficiency Act [Article 24 of Title 22, C.R.S.], districts are required to identify and provide programs for students with limited English proficiency.

Some federal funding is available for such programs, and, with the enactment of H.B. 14-1298 (School Finance), the State now provides assistance to districts through three mechanisms. First, districts receive "at-risk" funding through the School Finance Act for some students with limited English proficiency. Second, districts receive funding through the English Language Proficiency Act (ELPA) categorical program for students with limited English proficiency. As enacted in H.B. 14-1298, Section 22-24-104 (2) (a), C.R.S., limits state ELPA funding to a maximum of five years per student (prior to FY 2014-15, statute limited payments to no more than two years per student). Third, beginning in FY 2014-15, districts receive additional funding (a total of \$27.0 million per year since FY 2014-15) through the English Language Learners Professional Development and Student Support Program created in H.B. 14-1298.

The Department has provided data detailing the number of students eligible for state funding as well as the number receiving English language learner (ELL) services who are not eligible for state funding, by grade level. With the five-year limit on ELPA funding eligibility, the majority (74.5 percent) of ELL students receiving state funding in FY 2019-20 are in kindergarten through fourth grade. Those kindergarten through fourth grade students represent 44.5 percent of the total number of ELL students statewide in FY 2019-20. It is important to note that it often takes more than five years for students to progress out of English language services and that state and federal law require school districts to continue to provide services beyond the five-year window based on the needs of the student.

- For example, in FY 2019-20, school districts are providing English language services to 50,280 students that are no longer eligible for state funding, representing 40.3 percent of the 124,776 students receiving ELL services.
- School districts must absorb those costs within their operating budgets, increasing the gap between state and federal funds available for ELL services and the school districts' total costs for those services. In FY 2017-18, school districts spent \$198.6 million more on ELL services than was available in state and federal funding. That gap between available funds and district costs drives the Committee's allocation of the constitutionally required increases in categorical funding.

House Bill 18-1379 (School Finance) adjusted the allocation of the categorical funding.

- Prior law had required the Department to allocate three-quarters of the total appropriation to districts serving students considered non-English proficient (NEP), defined as students who: (a) speak languages other than English and do not comprehend or speak English; or (b) students who

comprehend or speak some English, but whose primary comprehension or speech is in a language other than English. The remaining 25 percent of the amount appropriated was distributed to districts serving students considered limited-English proficient (LEP), defined as students who comprehend and speak English and one or more other languages but whose English language development and comprehension is either (1) at or below the district mean or below the mean or equivalent on a nationally standardized test; or (2) below the acceptable proficiency level based on the instrument or technique developed and approved by the Department.

- House Bill 18-1379 adjusted the allocation so that the Department distributes funds based on the proportion of eligible students in each category. As under prior law, the statute limits per pupil funding for each classification of students (the greater of \$400 or 20.0 percent of statewide average per pupil funding for NEP students and \$200 or 10.0 percent of statewide average per pupil funding for LEP students).

STATUTORY AUTHORITY: Section 22-24-106, C.R.S.

REQUEST: The Department’s FY 2020-21 request seeks \$35.7 million total funds, including \$24.4 million state funds (including \$3.1 million General Fund and \$21.3 million cash funds from the State Education Fund) and \$11.3 million federal funds. The request reflects continuation of 4.6 federally funded FTE. The request includes the following increases above the FY 2019-20 appropriation:

- \$1,439,563 cash funds from the State Education Fund associated with request R2 (Categorical Programs Increase, discussed above) to provide the inflationary increase required by Amendment 23. The request represents a 6.3 percent increase in state funding.
- \$8,719 federal funds to annualize FY 2019-20 salary survey appropriations.
- An increase of \$1,385 federal funds to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends a total appropriation of \$35,369,854, including \$3,101,598 General Fund and \$21,003,951 cash funds from the State Education Fund, an increase of \$1,111,113 (6.3 percent) in state funding from the State Education Fund associated with the inflationary increase required by Amendment 23 (request R2). Staff recommends reflecting \$11,264,305 federal funds and 4.6 federally funded FTE in this line item. The following table shows the recommended change from the FY 2019-20 appropriation for the English Language Proficiency Program.

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, ENGLISH LANGUAGE PROFICIENCY PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$34,248,637	\$3,101,598	\$19,892,838	\$0	\$11,254,201	4.6
TOTAL	\$34,248,637	\$3,101,598	\$19,892,838	\$0	\$11,254,201	4.6
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$34,248,637	\$3,101,598	\$19,892,838	\$0	\$11,254,201	4.6
R2 Categorical programs increase	1,111,113	0	1,111,113	0	0	0.0
Annualize prior year budget actions	8,719	0	0	0	8,719	0.0
Annualize prior year legislation	1,385	0	0	0	1,385	0.0
TOTAL	\$35,369,854	\$3,101,598	\$21,003,951	\$0	\$11,264,305	4.6

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, ENGLISH LANGUAGE PROFICIENCY PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	\$1,121,217	\$0	\$1,111,113	\$0	\$10,104	0.0
Percentage Change	3.3%	0.0%	5.6%	n/a	0.1%	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$35,698,304	\$3,101,598	\$21,332,401	\$0	\$11,264,305	4.6
Request Above/(Below) Recommendation	\$328,450	\$0	\$328,450	\$0	\$0	0.0

(II) OTHER CATEGORICAL PROGRAMS

PUBLIC SCHOOL TRANSPORTATION

Pursuant to Section 22-32-113, C.R.S., a school district may provide transportation for students to and from school. However, a school district must provide transportation for students who fall under the federal *Individuals with Disabilities Education Act* or Section 504 of the federal *Rehabilitation Act of 1973*, as well as homeless students. The Department indicates that one of Colorado's 178 school districts (San Juan – Silverton) does not provide transportation services. Statewide, 40 percent of students are transported. School districts travel a total of almost 60 million miles each year for routes (home to school, school to school, and school to home) and activity trips.

This line item provides state funding to reimburse school districts for a portion of the costs incurred to transport students. Pursuant to Section 22-51-104, C.R.S., and subject to available appropriations, each district is eligible to receive reimbursement equal to \$0.3787 per-mile-traveled plus 33.87 percent of its total transportation-related costs (excluding capital outlay expenses) in excess of the per-mile-traveled reimbursement. Districts are authorized to generate additional local revenues to support their transportation programs via an additional mill levy or a transportation user fee. While voter approval is required to levy additional taxes, as of FY 2005-06, a district is allowed to impose a user fee without prior voter approval. Ten districts have received voter approval to levy separate mills to generate additional local revenues.¹⁶ Currently, eight districts report that they are collecting fees from individuals for transporting students to and from school.¹⁷ In years when the appropriation does not fully fund the maximum allowable reimbursement, the Department prorates reimbursements accordingly.

This line item also supports 2.0 FTE who provide oversight of student transportation programs in school districts. This unit administers regulations related to safe transportation of students, and provides extensive training, technical assistance, and monitoring to assist districts in providing safe, efficient, and effective transportation of children.

STATUTORY AUTHORITY: Section 22-51-104, C.R.S.

¹⁶ Districts include: Arapahoe – Byers, Boulder - Boulder Valley, Eagle, Gilpin, Grand - East Grand, Las Animas - Primero, Rio Blanco - Rangely, Routt – Hayden, San Miguel - Telluride, and Summit.

¹⁷ Districts collecting fees include: Adams - Brighton, Douglas, El Paso – Academy, El Paso – Lewis Palmer, El Paso - Falcon, Jefferson, Summit, and Teller – Woodland Park.

REQUEST: The Department’s FY 2020-21 request includes a total of \$61,812,485, including \$61,362,485 in state funding (a 1.5 percent increase in state funding) and 2.0 FTE and a continuation appropriation of \$450,000 cash funds from the State Public School Transportation Fund, which consists of money recovered by the Department when it identifies a transportation-related overpayment to a district. The requested appropriation from the State Public School Transportation Fund would allow the Department to re-distribute money recovered in the current fiscal year in FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$875,806 cash funds from the State Education Fund to provide inflationary the inflationary increase required by Amendment 23 (request R2).
- \$5,155 cash funds from the State Education Fund to annualize FY 2019-20 salary survey appropriations.
- \$879 cash funds from the State Education Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends a total appropriation of \$62,032,729 and 2.0 FTE. The recommendation includes \$36,922,227 General Fund, \$24,660,502 cash funds from the State Education Fund, and \$450,000 cash funds from the State Public School Transportation Fund, representing a 1.4 percent increase in state funding. The recommendation includes an increase of \$1,102,084 cash funds from the State Education Fund associated with request R2 (discussed above) to provide the inflationary increase required by Amendment 23.

In a change from the request (but consistent with prior years), staff does not recommend providing additional state funding to annualize either the FY 2019-20 salary survey appropriations or S.B. 18-200. Staff does not recommend including additional base building funds (under Amendment 23) in the appropriation for those purposes. Instead, staff recommends that the Department absorb those costs (\$6,034) within the recommended inflationary increase as part of the cost of operating the program. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, PUBLIC SCHOOL TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$60,930,645	\$36,922,227	\$24,008,418	\$0	\$0	2.0
TOTAL	\$60,930,645	\$36,922,227	\$24,008,418	\$0	\$0	2.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$60,930,645	\$36,922,227	\$24,008,418	\$0	\$0	2.0
R2 Categorical programs increase	1,102,084	0	1,102,084	0	0	0.0
Annualize prior year legislation	0	0	0	0	0	0.0
Annualize prior year budget actions	0	0	0	0	0	0.0
TOTAL	\$62,032,729	\$36,922,227	\$25,110,502	\$0	\$0	2.0
INCREASE/(DECREASE)	\$1,102,084	\$0	\$1,102,084	\$0	\$0	0.0
Percentage Change	1.8%	0.0%	4.6%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$61,812,485	\$36,922,227	\$24,890,258	\$0	\$0	2.0
Request Above/(Below) Recommendation	(\$220,244)	\$0	(\$220,244)	\$0	\$0	0.0

TRANSFER TO THE DEPARTMENT OF HIGHER EDUCATION FOR DISTRIBUTION OF STATE ASSISTANCE FOR CAREER AND TECHNICAL EDUCATION

The State Board for Community Colleges and Occupational Education is responsible for approving career and technical education programs, as well as distributing state funds to school districts with students enrolled in approved programs [see Article 8 of Title 23, C.R.S.]. The state funds are distributed to school districts to partially reimburse costs related to personnel, books and supplies, and equipment for approved programs. Specifically, state funding is available to a district if its approved program cost per full-time equivalent student exceeds 70 percent of the district's per pupil operating revenues for the same fiscal year. A district is eligible to receive reimbursement for 80 percent of the first \$1,250 in "excess costs" incurred, and 50 percent of any excess costs above \$1,250.

The program requires each participating district to estimate program costs and enrollments at the beginning of each school year and provide actual cost data at the end of the school year. Districts receive funding quarterly based on such estimated figures. Any difference between a district's estimated and actual costs is added or subtracted from the first quarterly payment in the following fiscal year. If the appropriation is insufficient to fully fund the amount districts are eligible to receive, the Department of Higher Education prorates distributions accordingly.

STATUTORY AUTHORITY: Section 23-8-102, C.R.S.

REQUEST: The Department requests a total of \$27,670,102 in state funding, including \$17,792,850 General Fund and \$9,877,252 cash funds from the State Education Fund, for FY 2020-21. The request includes an increase of \$431,779 cash funds from the State Education Fund (a 1.6 percent increase in state funding) associated with request R2.

RECOMMENDATION: Staff recommends a total appropriation of \$27,778,242 state funds, including \$17,792,850 General Fund and \$9,985,392 cash funds from the State Education Fund (a 2.0 percent increase in state funding). The recommendation reflects an increase of \$539,919 cash funds from the State Education Fund associated with requests R2 (discussed above). The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, TRANSFER TO THE DEPARTMENT OF HIGHER EDUCATION FOR DISTRIBUTION OF STATE ASSISTANCE FOR CAREER AND TECHNICAL EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$27,238,323	\$17,792,850	\$9,445,473	\$0	\$0	0.0
TOTAL	\$27,238,323	\$17,792,850	\$9,445,473	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$27,238,323	\$17,792,850	\$9,445,473	\$0	\$0	0.0
R2 Categorical programs increase	539,919	0	539,919	0	0	0.0
TOTAL	\$27,778,242	\$17,792,850	\$9,985,392	\$0	\$0	0.0
INCREASE/(DECREASE)	\$539,919	\$0	\$539,919	\$0	\$0	0.0
Percentage Change	2.0%	0.0%	5.7%	n/a	n/a	n/a

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, TRANSFER TO THE DEPARTMENT OF HIGHER EDUCATION FOR DISTRIBUTION OF STATE ASSISTANCE FOR CAREER AND TECHNICAL EDUCATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 EXECUTIVE REQUEST	\$27,670,102	\$17,792,850	\$9,877,252	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$108,140)	\$0	(\$108,140)	\$0	\$0	0.0

SPECIAL EDUCATION PROGRAMS FOR GIFTED AND TALENTED CHILDREN

The state *Exceptional Children's Educational Act* defines a gifted child as one whose "aptitude or competence in abilities and talents and potential for accomplishments in one or more domains, as defined by state board rule, are so outstanding that he or she requires special provisions to meet his or her educational needs" [see Section 22-20-202 (11), C.R.S.]. Pursuant to Section 22-20-204, C.R.S. (as amended by H.B. 14-1102 (Gifted Education Programs)), each administrative unit is required to adopt and implement a program to identify and serve gifted children. The plan must be implementable within the local, state, and federal resources available for gifted education programs. State funding for gifted programs must supplement, not supplant, programs for students with disabilities.

State distributions may be used for universal screening of students, employing a gifted education coordinator, teacher salaries for appropriately licensed and endorsed personnel, programming options and counseling related to serving gifted children, materials used in serving gifted children, professional development for personnel who serve gifted children, and direct administrative costs incurred in implementing the gifted education program. In order to receive funding, an administrative unit (district, multi-district administrative unit, or board of cooperative service) must submit a comprehensive program plan and annual proposed budget for gifted education identification, programming, personnel, and accountability. The Department uses the appropriation: (a) for administrative unit per pupil distributions; (b) for "hold-harmless" allocations for certain rural school districts and boards of cooperative services that provide services to multiple school/rural districts; (c) to support ten regional grants for gifted education consultants and professional development; and (d) for state administration.

STATUTORY AUTHORITY: Section 22-26-101, C.R.S.

REQUEST: The Department requests a total of \$12,807,821 in state funding, including \$5,500,000 General Fund and \$7,307,821 cash funds from the State Education Fund (a 0.9 percent annual increase) and 1.5 FTE in FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$101,283 cash funds from the State Education Fund associated with request R2.
- \$7,978 cash funds from the State Education Fund to annualize FY 2019-20 salary survey appropriations.
- \$1,361 cash funds from the State Education Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends a total appropriation of \$12,844,494 and 1.5 FTE, including \$5,500,000 General Fund and \$7,344,494 cash funds from the State Education Fund (a 1.2 percent increase in state funding). The recommendation includes an increase of \$147,295 cash funds from the State Education Fund associated with request R2 (discussed above).

As with Public School Transportation (discussed above), staff does not recommend providing additional state funding to annualize either FY 2019-20 salary survey appropriations or S.B. 18-200. Staff does not recommend including additional base building funds (under Amendment 23) in the appropriation for that purpose. Instead, staff recommends that the Department absorb those costs (\$9,339) within the recommended inflationary increase as part of the cost of operating the program. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, SPECIAL EDUCATION PROGRAMS FOR GIFTED AND TALENTED CHILDREN						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$12,697,199	\$5,500,000	\$7,197,199	\$0	\$0	1.5
TOTAL	\$12,697,199	\$5,500,000	\$7,197,199	\$0	\$0	1.5
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$12,697,199	\$5,500,000	\$7,197,199	\$0	\$0	1.5
R2 Categorical programs increase	147,295	0	147,295	0	0	0.0
Annualize prior year legislation	0	0	0	0	0	0.0
Annualize prior year budget actions	0	0	0	0	0	0.0
TOTAL	\$12,844,494	\$5,500,000	\$7,344,494	\$0	\$0	1.5
INCREASE/(DECREASE)	\$147,295	\$0	\$147,295	\$0	\$0	0.0
Percentage Change	1.2%	0.0%	2.0%	0.0%	0.0%	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$12,807,821	\$5,500,000	\$7,307,821	\$0	\$0	1.5
Request Above/(Below) Recommendation	(\$36,673)	\$0	(\$36,673)	\$0	\$0	0.0

EXPULSED AND AT-RISK STUDENT SERVICES GRANT PROGRAM

This program, first funded in FY 1997-98, provides grants to school districts, boards of cooperative services, and charter schools [see Section 22-38-101 et seq., C.R.S.] for the provision of educational services to expelled students and to students at risk of being suspended or expelled. The Department evaluates grant applications received, and the State Board of Education approves annual grant awards. The Department places strong emphasis on research-validated programs and strategies, and programs are required to show significant district support for program sustainability after grant funding ends. Pursuant to Section 22-33-205, C.R.S., the Board is required to award grants based on the following:

- at least 45 percent of moneys appropriated for the program shall be annually awarded to applicants that provide educational services to students from more than one school district; and
- at least one-half of any increases in the appropriation for FY 2009-10 (\$500,000) shall be annually awarded to applicants that provide services and supports designed to reduce the number of truancy cases requiring court involvement and that also reflect the best interests of students and families.

The Department awards grants on a rolling basis (i.e., when one grant is completed, the funding is reallocated to fund a new award).

The Department is also authorized to retain: (a) up to one percent of moneys appropriated for the purpose of annually evaluating the program; and (b) up to two percent of moneys appropriated for the purpose of partnering with organizations and agencies that provide services and supports designed to reduce the number of truancy cases requiring court involvement and that also reflect the best interests of students and families.

For FY 2009-10, the General Assembly increased funding for this program by approximately \$1.0 million and required the Department to use half of that increase (\$500,000) on an ongoing basis (annually) to support applicants providing services and supports to reduce the number of truancy cases. The General Assembly provided additional increases of \$150,000 in FY 2010-11 and \$2.0 million in FY 2018-19 (for a total appropriation of \$9,493,560 in FY 2018-19 and FY 2019-20).

STATUTORY AUTHORITY: Sections 22-33-205 and 22-38-101 et seq., C.R.S.

REQUEST: The Department requests an appropriation of \$9,500,353 state funds (including \$5,788,807 General Fund and \$3,711,546 cash funds from the State Education Fund) and 1.0 FTE in FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$5,803 cash funds from the State Education Fund to annualize FY 2018-19 salary survey appropriations.
- \$990 cash funds from the State Education Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of \$9,493,560 total funds (including \$5,788,807 General Fund and \$3,704,753 cash funds from the State Education Fund) and 1.0 FTE, with no change from the FY 2019-20 appropriation. Similar to the recommendations for other categorical programs, staff does not recommend funding the requested increases to annualize FY 2019-20 salary survey and to annualize S.B. 18-200. Instead, staff recommends that the Department absorb those costs, particularly in light of the significant increase provided in FY 2018-19.

SMALL ATTENDANCE CENTER AID

Pursuant to Section 22-54-122, C.R.S., school districts that operate a school with fewer than 200 pupils that is located twenty or more miles from any similar school in the same district are eligible to receive additional state funding to offset the unique costs associated with operating such schools. In addition, since FY 2008-09, small attendance center aid has been limited to those districts that received the aid prior to FY 2008-09. The amount of additional state aid that a district is eligible to receive is based on the number of eligible schools it operates, the number of pupils in each eligible school, and the district's per pupil funding.

Similar to other categorical programs, whether a school district eligible for Small Attendance Center Aid actually receives the maximum reimbursement allowable is subject to appropriation. From FY 1998-99 through FY 2007-08, the appropriation for this line item was sufficient to reimburse eligible districts for the full amount statutorily allowed. For FY 2008-09 through FY 2014-15, the appropriation fell short of full funding. For FY 2015-16, the General Assembly increased funding for the program by \$117,171 cash funds from the State Education Fund in order to fully fund the estimated need as of FY 2014-15. For FY 2019-20, the General Assembly added \$237,700 based on

the actual shortfall below full funding for FY 2018-19. The following table details the allocation of small attendance center aid for FY 2019-20. On average, eligible schools are receiving an additional \$1,560 per pupil in FY 2019-20.

SMALL ATTENDANCE CENTER AID: FY 2019-20 CALCULATIONS					
SCHOOL DISTRICT	SCHOOL	19-20 ENROLLMENT	FULL FUNDING PER FORMULA	AMOUNT DISTRIBUTED	DISTRIBUTION PER FTE
Gunnison	Marble Charter School	48.0	150,344	145,544	3,032
Huerfano	Gardner School	76.0	131,088	126,904	1,670
La Plata - Durango	Fort Lewis Mesa Elementary	98.5	220,143	213,116	2,164
Logan - Valley	Caliche Elementary	152.0	94,656	91,634	603
Logan - Valley	Caliche Jr./Sr. High	137.0	118,641	114,854	838
Mesa - Mesa Valley	Gateway School	29.0	96,362	93,286	3,217
Moffat	Maybell Charter School	13.0	47,987	46,456	3,574
Montrose - West End	Paradox Valley Charter School	30.0	63,961	61,920	2,064
Park	Guffey Community Charter School	38.0	108,195	104,741	2,756
Park	Lake George Charter School	135.0	161,860	156,693	1,161
Pueblo 70	Beulah School	86.0	164,348	159,102	1,850
Totals		842.5	\$1,357,587	\$1,314,250	\$1,560

STATUTORY AUTHORITY: Section 22-54-122, C.R.S.

REQUEST: The Department requests an appropriation of \$1,315,311 state funds (including \$787,645 General Fund and \$527,666 cash funds from the State Education Fund). The request includes an increase of \$1,061 cash funds from the State Education Fund (a 0.1 percent increase) associated with request R2.

RECOMMENDATION: Staff recommends approving an appropriation of \$1,314,250 total funds (including \$787,645 General Fund and \$526,605 cash funds from the State Education Fund), with no change from the FY 2019-20 appropriation. Staff notes that an increase of \$43,337 would align the appropriation with the statutory calculation for FY 2019-20 (see table above). However, given the significant increase provided in FY 2019-20 (\$237,700 cash funds from the State Education Fund), the recommendation maintains the appropriation at the same amount provided in FY 2019-20.

COMPREHENSIVE HEALTH EDUCATION

The *Colorado Comprehensive Health Education Act of 1990* requires the Department of Education to promote the development and implementation of local comprehensive health education programs and local student wellness programs. The Department is to: develop recommended guidelines for implementing these local programs; develop a plan for training teachers to provide comprehensive health education and student wellness; and provide technical assistance upon the request of a school district or board of cooperative services (and within available resources).

This line item provides funding for grants to school districts, facility schools, and boards of cooperative services to implement local comprehensive health education and student wellness programs, and for 1.0 FTE to administer the program and perform the duties required by the act. The Department of Education works with the Department of Public Health and Environment to review applications for state funding, and the State Board of Education allocates available funds. The comprehensive health grant program has started a new three-year grant cycle in FY 2019-20, and the wellness program will be in the final year of a three-year cycle in FY 2020-21.

STATUTORY AUTHORITY: Section 22-25-101, C.R.S.

REQUEST: The Department requests an appropriation of \$1,139,748 state funds (including \$300,000 General Fund and \$839,748 cash funds from the State Education Fund) and 1.0 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$7,135 cash funds from the State Education Fund to annualize FY 2019-20 salary survey appropriations.
- \$1,217 cash funds from the State Education Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving a continuation appropriation of \$1,131,396 state funds (including \$300,000 General Fund and \$831,396 cash funds from the State Education Fund) and 1.0 FTE, with no change from the FY 2019-20 appropriation. Staff notes that the General Assembly added \$126,000 to this line item for FY 2018-19. Similar to the other categorical programs discussed above, staff does not recommend approving the increases to annualize FY 2019-20 salary survey appropriations and to annualize S.B. 18-200.

(C) GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE

(I) HEALTH AND NUTRITION

Background Information - Federal School Lunch Program: The National School Lunch Program provides low cost or free meals (breakfast, lunch, and after school snacks) to children. Public or non-profit private schools and residential childcare institutions that participate in the program receive federal cash subsidies and donated commodities from the U.S. Department of Agriculture for each meal served. In return, they must serve meals that meet federal nutrition requirements, and they must offer free or reduced price meals to eligible children based on the following eligibility criteria:

- *Free* meals: Families with incomes below 130% of the federal poverty level (e.g., \$33,475 for a family of four in FY 2019-20) are eligible.
- *Reduced price* meals: Families with incomes between 130% and 185% of the federal poverty level (e.g., between \$33,475 and \$47,638 for a family of four in FY 2019-20) are eligible.

Federal per meal reimbursements differ depending on whether the meal was served to a child who is eligible for free, reduced, or "full" price meals. For example, for school breakfasts, most schools currently receive \$1.84 for each free meal served, \$1.54 for each reduced price meal served, and \$0.31 for each full price meal served. Children receiving a reduced price meal are generally charged the difference between the federal reimbursements for free and reduced price meals (e.g., \$0.30 per reduced price breakfast).

In Colorado, the Department of Education administers a multitude of school nutrition programs, the largest being the National School Lunch and Breakfast Program, and operates the programs through agreements with local school food authorities (usually school districts). Families are asked to complete a meal application to determine eligibility for free or reduced price meals. This information is confidential and is not shared with any other state or local agencies unless allowed by federal

regulation. In FY 2019-20, per the October 1 pupil count, a total of 298,139 children are eligible for free meals, and another 73,665 children are eligible for reduced price meals. The percentage of students who are eligible for *free* meals is used as a factor to determine the level of per pupil funding for each school district, so districts have a financial incentive to encourage families to complete these forms even if they do not plan to participate in the school’s lunch or breakfast program.

The following table provides Colorado eligibility and participation data related to the National School Lunch and Breakfast Programs.

DATA CONCERNING NATIONAL SCHOOL LUNCH PROGRAM IN COLORADO					
	FY 16-17 ACTUAL	FY 17-18 ACTUAL	FY 18-19 ACTUAL	FY 19-20 ESTIMATE*	FY 20-21 ESTIMATE*
Children <i>eligible</i> for free meals	312,801	308,382	300,044	298,139	293,417
<i>Annual % Change</i>	0.9%	-1.4%	-2.7%	-0.6%	-1.6%
Children <i>eligible</i> for reduced price meals	68,302	71,076	71,282	73,665	75,554
<i>Annual % Change</i>	3.4%	4.1%	0.3%	3.3%	2.6%
Children eligible for free or reduced price meals	381,103	379,458	371,326	371,804	374,196
Percent of children eligible for <u>reduced price</u> meals who <i>participate</i> in <u>lunch</u> program	60.2%	52.6%	51.9%	55.1%	57.7%
Percent of children eligible for <u>reduced price</u> meals who <i>participate</i> in <u>breakfast</u> program	35.1%	26.7%	25.1%	27.1%	29.7%

* Note: The eligible counts are actuals from the October 2019 Pupil Count. The participation percentages are estimates from prior year and using a three-year average.

FEDERAL NUTRITION PROGRAMS

This line item reflects (for informational purposes) all federal funding that is available for nutrition programs. The federal funds and a small amount of General Fund included in this line item support 9.0 FTE who administer the various state and federal nutrition programs. It is staff’s understanding that the state funding in this line item is required to comply with a federal maintenance of effort requirement associated with these federal funds. With the implementation of the Breakfast After the Bell Program (created in H.B. 13-1006 and discussed below), the federal grant reflected in this line item also includes the federal funds associated with Breakfast After the Bell.

STATUTORY AUTHORITY: Federal nutrition program statutes.

REQUEST: The Department requests a continuation appropriation of \$156,678,680 total funds (including \$97,830 General Fund and \$156,580,850 federal funds) and 9.0 FTE. The request includes the following increases above the FY 2019-20 appropriation:

- \$45,941 total funds (including \$2,253 General Fund) to annualize FY 2019-20 salary survey increases.
- \$7,399 total funds (including \$458 General Fund) to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies. As discussed above, it is staff’s understanding that the state funding in this line item is required to comply with federal maintenance of effort requirements. The following table shows the recommended changes from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, FEDERAL NUTRITION PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$156,625,340	\$95,119	\$0	\$0	\$156,530,221	9.0
TOTAL	\$156,625,340	\$95,119	\$0	\$0	\$156,530,221	9.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$156,625,340	\$95,119	\$0	\$0	\$156,530,221	9.0
Annualize prior year budget actions	45,941	2,253	0	0	43,688	0.0
Annualize prior year legislation	7,399	458	0	0	6,941	0.0
TOTAL	\$156,678,680	\$97,830	\$0	\$0	\$156,580,850	9.0
INCREASE/(DECREASE)	\$53,340	\$2,711	\$0	\$0	\$50,629	0.0
Percentage Change	0.0%	2.9%	n/a	n/a	0.0%	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$156,678,680	\$97,830	\$0	\$0	\$156,580,850	9.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

STATE MATCH FOR FEDERAL SCHOOL LUNCH PROGRAM

Under federal law, states must comply with a maintenance of effort (MOE) requirement in order to receive a portion of federal funds available through the National School Lunch Program. Colorado must comply with a \$2,472,644 MOE requirement.

Pursuant to S.B. 01-129, statute requires the General Assembly to appropriate by separate line item an amount to comply with the MOE requirement for National School Lunch Program [see Section 22-54-123, C.R.S.]. The state matching funds are allocated by the Department among participating school districts. Districts may only use funds provided by this line item for the school lunch program, and districts that have previously used their own general fund moneys to subsidize school lunch service are not allowed to use moneys received from this line item to supplant that level of subsidy. Senate Bill 01-129 included an appropriation of \$2,472,644 from the State Public School Fund for FY 2001-02, and the General Assembly has appropriated the same amount annually in subsequent fiscal years. Subsequently, the federal government has indicated that states are required to meet the MOE requirement each school year as a condition of the state's receipt of federal "general cash assistance" funds, and the intent of this requirement is that a minimum amount of state revenues be provided to supplement the federal funds provided to schools to support the overall aim of the National School Lunch Program (which is to provide lunches to children in school). States are required to "ensure that State revenues, and State revenues only, can be shown to have been transferred into the school food service accounts of participating schools, or that school food service expenses have been borne by State revenues where these are to be counted in meeting the revenue match".

STATUTORY AUTHORITY: Section 22-54-123, C.R.S.

REQUEST: The Department requests continuation funding of \$2,472,644 cash funds from the State Public School Fund for FY 2020-21, unchanged from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the Department's request. Pursuant to federal law [Title 42, Chapter 13, Section 1756, Subsection (1) (a), U.S. Code] and the associated federal

regulations [Title 7, Chapter II, Part 210, Subpart D, Section 210.17, Subsection (d), U.S. Code of Federal Regulations], in order to comply with the state revenue matching requirement, state moneys must be appropriated or used specifically for National School Lunch Program purposes (excluding state-level administrative expenses). It is possible that the State would risk the loss of about \$18 million in federal funds if this appropriation were eliminated. Staff recommends continuing to reflect this appropriation as cash funds -- interest and investment income earned on the Public School (Permanent) Fund that is credited to the State Public School Fund.

CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM

Pursuant to S.B. 08-123 [Section 22-82.9-101 et seq., C.R.S.], the Child Nutrition School Lunch Protection Program provides state funding to reimburse school districts for each lunch served to a child in pre-kindergarten through twelfth grade who is eligible for a reduced price meal. Using the same data collection system that is used to claim federal meal reimbursements, the Department calculates the amount of state funding each district is eligible to receive through this program based on the number of lunches served to eligible children.

The General Assembly has expanded the program multiple times since its creation in S.B. 08-123 (Child Nutrition School Lunch Protection).

- In FY 2008-09, the program only applied to students in kindergarten through second grade.
- In 2009, S.B. 09-133 (Early Childhood Education Services Free Lunch) expanded the program to include students in state-subsidized early education (pre-kindergarten) programs, thereby including students from pre-K through second grade.
- Starting in FY 2014-15, H.B. 14-1156 (Eligibility Age School Lunch Protection Program) expanded the program to include grades three through five.
- Beginning in FY 2018-19, S.B. 18-013 (Expand Child Nutrition School Lunch Protection Act) further expanded the program to include grades six through eight.
- Finally, starting in FY 2019-20, H.B. 19-1171 (Expand Child Nutrition School Lunch Protection Act) expands the program to include grades nine through twelve. As a result, the program now applies to all grades from pre-K through twelve.

The following table provides data related to districts' school lunch programs and the Child Nutrition School Lunch Protection Program. As shown in the table, expansion of the program over the past several years has increased both the cost of the program and the share of reduced-price meals that are eligible for reimbursement.

DATA CONCERNING DISTRICTS' SCHOOL LUNCH PROGRAMS AND THE CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM					
	FY 16-17 ACTUAL	FY 17-18 ACTUAL	FY 18-19 ACTUAL	FY 19-20 ESTIMATE*	FY 20-21 ESTIMATE*
Total number of reduced priced lunches served (all grade levels)	6,098,762	6,275,880	6,078,032	6,702,384	6,876,646
Number of above meals for which state reimbursement is available	3,685,553	3,774,059	5,137,719	6,702,384	6,876,646
Estimated number of students who benefit from Child Nutrition School Lunch Protection Program subsidy	21,680	21,440	31,852	40,571	41,626
Child Nutrition School Lunch Protection Program Expenditures (including administration costs of up to 2.0 percent)	\$1,507,103	\$1,541,491	\$2,057,932	\$2,738,229	\$2,807,934
<i>Annual percent change</i>	<i>0.4%</i>	<i>2.3%</i>	<i>36.3%</i>	<i>33.1%</i>	<i>2.5%</i>

As amended by H.B. 19-1171, the act requires the General Assembly to make an annual appropriation in the Long Bill to “allow school food authorities to provide lunches at no charge for children in state-subsidized early childhood education programs administered by public schools or in kindergarten through twelfth grade, participating in the school lunch program, who would otherwise be required to pay a reduced price for lunch” (see Sec. 22-82.9-105 (1), C.R.S.). Prior to H.B. 19-1171, the statute had specified a necessary range of appropriations for each year (e.g., between \$850,000 and \$2.5 million to support pre-K through fifth grade). However, H.B. 19-1171 eliminated the specific ranges and simply requires the General Assembly to appropriate funds sufficient to cover the program’s costs.

STATUTORY AUTHORITY: Section 22-82.9-101 et seq., C.R.S.

REQUEST: The Department requests continuation funding of \$2,878,105 total funds (including \$2,027,374 General Fund and \$850,731 cash funds from the State Education Fund) for FY 2020-21. The request includes an increase of \$14,376 General Fund to reflect the FY 2020-21 impact of H.B. 19-1171, as anticipated in the bill’s Final Legislative Council Staff Fiscal Note.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$2,400,000	\$1,549,269	\$850,731	\$0	\$0	0.0
Other legislation	\$463,729	\$463,729	\$0	\$0	\$0	0.0
TOTAL	\$2,863,729	\$2,012,998	\$850,731	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$2,863,729	\$2,012,998	\$850,731	\$0	\$0	0.0
Annualize prior year legislation	14,376	14,376	0	0	0	0.0
TOTAL	\$2,878,105	\$2,027,374	\$850,731	\$0	\$0	0.0
INCREASE/(DECREASE)	\$14,376	\$14,376	\$0	\$0	\$0	0.0
Percentage Change	0.5%	0.7%	0.0%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

START SMART NUTRITION PROGRAM FUND AND START SMART NUTRITION PROGRAM

Pursuant to S.B. 07-059 [Section 22-82.7-101 et seq., C.R.S.], the Start Smart Nutrition Program provides state funding to reimburse school districts for each breakfast served to a child eligible for a reduced price meal. Using the same data collection system that is used to claim federal meal reimbursements, the Department calculates the amount of state funding each district is eligible to receive through the Start Smart Nutrition Program based on the number of breakfasts served to children eligible for reduce price meals. The cost of the Program is driven by three factors:

- The number of districts and schools that provide a school breakfast program.
- The number of children who are eligible for reduced price meals.
- The number of eligible children who participate in school breakfast programs.

The following table provides data related to districts’ school breakfast programs and the Start Smart Nutrition Program.

DATA CONCERNING DISTRICTS' SCHOOL BREAKFAST PROGRAMS AND THE START SMART NUTRITION PROGRAM					
	FY 16-17 ACTUAL	FY 17-18 ACTUAL	FY 18-19 ACTUAL	FY 19-20 ESTIMATE*	FY 20-21 ESTIMATE*
Number of <i>school districts</i> that offer a school breakfast program	170	170	169	171	170
Number of <i>schools</i> that offer a school breakfast program	1,419	1,486	1,502	1,496	1,495
Number of reduced price breakfasts served (and reimbursed by State)	3,138,929	3,189,574	2,946,779	3,300,999	3,386,825
Estimated number of students who benefit from Start Smart subsidy	23,998	18,986	17,875	19,982	20,502
Start Smart expenditures*	\$955,061	\$956,872	\$902,714	\$1,003,300	\$1,022,450
<i>Annual percent change</i>	<i>1.4%</i>	<i>0.2%</i>	<i>-5.7%</i>	<i>11.1%</i>	<i>1.9%</i>

STATUTORY AUTHORITY: Section 22-82.7-101 et seq., C.R.S.

REQUEST: The Department requests an appropriation of \$900,000 General Fund to the Start Smart Nutrition Program Fund in FY 2020-21, with no change from the FY 2019-20 appropriation. The request also includes a total appropriation of \$1,150,000 (including \$900,000 reappropriated funds and \$250,000 cash funds) to support the Start Smart Nutrition Program in FY 2020-21 (again with no change from the FY 2019-20 appropriation).

RECOMMENDATION: Staff recommends approving the requested appropriations for both line items, as the recommended appropriation appears to be sufficient to meet the program’s needs for FY 2020-21. Staff notes that the Department’s current projections show a gradual decline in the program’s fund balance and that additional General Fund may be necessary to support anticipated expenditures in subsequent years based on the projected depletion of the fund balance.

LOCAL SCHOOL FOOD PURCHASING PROGRAMS (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support the following two grant programs created in H.B. 19-1132 (School Incentives to Use Colorado Food and Producers):

- The Colorado Food Products Purchasing Incentives Grant Program is intended to provide grants to encourage local education providers or residential child care centers to purchase Colorado grown, raised, and processed products for school meal programs. Grant recipients must participate in the National School Lunch Program. Authorizing up to \$500,000 in grants per year, the program will reimburse participants for the amount spent on Colorado grown, raised, and processed products, up to a maximum amount per reimbursement.

- The Local School Food Purchasing Technical Assistance and Education Grant Program is intended to promote Colorado grown, raised, and processed products to eligible school meal providers. Under the program, the Department is expected to contract with a

The bill includes an appropriation of \$168,942 General Fund and 0.3 FTE for FY 2019-20 to allow the Department to establish the programs and to begin contracting for the Local School Food Purchasing Technical Assistance and Education Grant Program in FY 2019-20 (grants under the Colorado Food Products Purchasing Incentives Grant Program would begin in FY 2020-21). The Final Legislative Council Staff Fiscal Note for H.B. 19-1132 anticipated a need for \$675,255 General Fund and 0.4 FTE to support these programs in FY 2020-21, representing an increase of \$506,313 General Fund (and not including an estimated \$5,251 for centrally appropriated line items associated with the 0.4 FTE).

REQUEST: The Department requests an appropriation of \$675,255 General Fund and 0.4 FTE for FY 2020-21, in alignment with the Final Legislative Council Staff Fiscal Note for H.B. 19-1132.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, LOCAL SCHOOL FOOD PURCHASING PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
Other legislation	\$168,942	\$168,942	\$0	\$0	\$0	0.3
TOTAL	\$168,942	\$168,942	\$0	\$0	\$0	0.3
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$168,942	\$168,942	\$0	\$0	\$0	0.3
Annualize prior year legislation	506,313	506,313	0	0	0	0.1
TOTAL	\$675,255	\$675,255	\$0	\$0	\$0	0.4
INCREASE/(DECREASE)	\$506,313	\$506,313	\$0	\$0	\$0	0.1
Percentage Change	299.7%	299.7%	n/a	n/a	n/a	33.3%
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

BREAKFAST AFTER THE BELL

The General Assembly added this line item to the FY 2014-15 Long Bill to support the Breakfast After the Bell program created in H.B. 13-1006. For FY 2014-15, the bill requires schools where at least 80 percent of students qualify for free or reduced-price lunch to offer a free breakfast to every student enrolled in the school. In FY 2015-16, the program expanded to include all schools with at least 70 percent of students qualifying for free or reduced-price lunch. The program exempts schools in small rural districts with fewer than 1,000 total students. Schools may choose the method and time to offer breakfast, so long as it occurs after the first bell of the school day. Schools where at least 90 percent of students ride to bus to school may choose to offer breakfast on the bus rather than at

school. Federal nutrition funds associated with the program (approximately \$29.4 million per year) are reflected in the Federal Nutrition Programs line item (discussed above).

STATUTORY AUTHORITY: Sections 22-82.8-101 through 104, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$24,987 General Fund and 0.3 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$275 General Fund to annualize FY 2019-20 salary survey and merit pay increases.
- \$56 General Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies for FY 2020-21.

S.B. 97-101 PUBLIC SCHOOL HEALTH SERVICES

Pursuant to Section 25.5-5-318, C.R.S. (S.B. 97-101), school districts, boards of cooperative educational services (BOCES), and state K-12 educational institutions are authorized to be reimbursed through Medicaid for health care services¹⁸ provided to Medicaid-eligible students. In order to do so, districts and BOCES must certify local expenditures on health care services in order to claim and receive federal Medicaid funding.

Districts are required to use the Medicaid funds received to provide student health care services. Each district is required to develop a local services plan that identifies the types of health services needed by students and the services it plans to provide. Districts spend the Medicaid funds for a variety of health-related purposes. The majority of funds are spent: providing nursing and other health clinic services; providing mental health services; providing speech, language, and vision services; providing physical and occupational therapy services; for health-related materials, equipment, and supplies; and conducting health insurance outreach activities (for Medicaid and CHP+).

The Department of Health Care Policy and Financing is responsible for the Medicaid billing aspects of the program, including developing regulations and administrative guidelines for submitting claims and contracting with individual districts. The Department of Education is responsible for providing technical assistance to districts in meeting administrative requirements and developing local service plans. Up to ten percent of the federal Medicaid funds that districts "earn" may be used to cover administrative costs incurred by the Department of Health Care Policy and Financing (DHCPF) and the Department of Education, and the remainder is paid directly to districts and BOCES for the provision of health care services.

¹⁸ Services for which districts may bill Medicaid include: targeted case management (e.g., time spent developing an individual education plan for a student eligible for special education services or a health care plan for a student with diabetes); direct services (e.g., providing services as mandated in a student's individual education plan); diagnostic services (e.g., a special education-related evaluation); and health encounters (e.g., a school nurse treating a student with a stomach ache).

The appropriations to DHCPF for this program reflect both the federal Medicaid funds (reflected as federal funds) and the local certified matching funds (reflected as cash funds). The total funds appropriated to DHCPF cover the administrative costs incurred by the DHCPF and the Department of Education, as well as actual costs of health care claims. Since FY 2006-07, the appropriation to the Department of Education has only reflected the federal Medicaid funds that are used by the Department of Education to administer the program.

STATUTORY AUTHORITY: Section 25.5-5-318, C.R.S.

REQUEST: The Department requests an appropriation of \$247,110 reappropriated funds and 1.4 FTE for FY 2020-21 to reflect anticipated revenues from the Department of Health Care Policy and Financing. The request, which reflects *all* of the anticipated revenues from the Department of Health Care Policy and Financing (including amounts associated with centrally appropriated line items), includes the following increases above the FY 2019-20 appropriation for this line item:

- \$3,975 to annualize FY 2019-20 salary survey increases.
- \$679 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- \$89,795 associated with non-prioritized budget amendment 1 (HCPF Interagency Agreement Adjustment) to align with the total anticipated transfer from HCPF.

RECOMMENDATION: Staff recommends approving an appropriation of \$180,708 reappropriated funds and 1.4 FTE for this line item. The recommendation is \$66,402 below the request *for this line item* because the recommendation would reflect centrally appropriated amounts associated with this line item in the respective centrally appropriated line items. As shown in the following table, the recommendation aligns with the Department’s anticipated transfers from the Department of Health Care Policy and Finance (a total of \$247,110) but does not reflect the centrally appropriated amounts in this line item. The following table shows the recommended allocation of funds among the relevant line items.

HCPF INTERAGENCY AGREEMENT	
LINE ITEM	FY 2020-21 STAFF REC.
S.B. 97-101 Public School Health Services	\$152,671
Health, Life, and Dental	26,226
Short-term Disability	171
AED	5,636
SAED	5,636
PERA Direct Distribution	679
Salary Survey	3,975
Indirect Costs	28,055
Total	\$247,110

BEHAVIORAL HEALTH CARE PROFESSIONAL MATCHING GRANT PROGRAM

The General Assembly added this line item (as the School Health Professionals Grant Program) to the FY 2015-16 Long Bill to support a matching grant program authorized in S.B. 14-215 (Disposition of Legal Marijuana Related Revenue). Pursuant to Sections 22-96-101 through 105, C.R.S., the program is intended to enhance the presence of school health professionals (often school nurses) in

secondary schools throughout the State to facilitate better screening, education, and referral care for secondary school students with substance abuse and other behavioral health needs. Local education providers apply for grants under the program. As outlined in Section 22-96-103, C.R.S., the program is intended to provide funding for the following purposes:

- To increase the presence of school health professionals in secondary schools to provide behavioral health care to students who have mental health, substance use or misuse, or other behavioral health needs.
- To provide training and resources for school staff on the implementation of evidence-based programs for behavioral health education for all students.
- To allow school health professionals to connect students who need behavioral health care with services provided by community-based organizations for treatment and counseling.
- To provide behavioral health care services at recipient schools, including but not limited to screenings, counseling, therapy, referrals to community organizations, and training for students and staff on behavioral health issues.

In FY 2017-18, the General Assembly increased the appropriation by \$9,689,950 cash funds from the Marijuana Tax Cash Fund and 3.0 FTE (from \$2,280,833 and 1.0 FTE in FY 2016-17 to \$11,970,783 and 4.0 FTE in FY 2017-18). For FY 2019-20, S.B. 19-010 (Professional Behavioral Health Services for Schools) added \$3.0 million cash funds from the Marijuana Tax Cash Fund and 1.0 FTE, for a total appropriation of \$14,937,032 and 5.0 FTE in FY 2019-20.

STATUTORY AUTHORITY: Sections 22-96-101 through 105, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$14,948,026 cash funds from the Marijuana Tax Cash Fund and 5.0 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation (all from the Marijuana Tax Cash Fund):

- \$9,392 to annualize FY 2019-20 salary survey increases.
- \$1,602 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which aligns with the Committee's common policies for FY 2020-21.

MENTAL HEALTH EDUCATION RESOURCE BANK AND TECHNICAL ASSISTANCE (NEW LINE ITEM REQUESTED)

The Department is proposing to create this line item to support the mental health education resource bank required by H.B. 19-1120 (Youth Mental Health Education and Suicide Prevention). With assistance from the Office of Suicide Prevention and the Suicide Prevention Commission in the Department of Public Health and Environment, the bill requires the Department to create and maintain the resource bank. The resources must be available to elementary and secondary schools free of charge and must be available in both English and Spanish.

In addition, upon request, the bill requires the Department to provide technical assistance to a school district, charter school, or board of cooperative services in designing age-appropriate curricula

pertaining to mental health. The bill includes an appropriation of \$116,550 General Fund and 0.9 FTE for the Department of Education for FY 2019-20.

STATUTORY AUTHORITY: Section 22-2-107.9, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$46,708 General Fund and 0.6 FTE for FY 2020-21. As anticipated in the Final Legislative Council Staff Fiscal Note for H.B. 19-1120, the request includes a reduction of \$69,842 General Fund and 0.3 FTE below the FY 2019-20 appropriation to eliminate one-time funds provided to establish the resource bank in FY 2019-20.

RECOMMENDATION: Staff recommends approving the request to create the line item and the requested appropriation. The requested appropriation is consistent with the Committee's common policies for FY 2020-21.

K-5 SOCIAL AND EMOTIONAL HEALTH PILOT PROGRAM (NEW LINE ITEM REQUESTED)

The Department is proposing to create this line item to support the K-5 Social and Emotional Health Pilot Program created by H.B. 19-1017 (K-5 Social and Emotional Health). The program is intended to place additional school mental health professionals (including school counselors, school psychologists, and school social workers) in elementary or K-8 schools that have high poverty and high student needs. The bill authorizes the pilot program for three years (FY 2020-21 through FY 2022-23) unless the General Assembly extends the program.

Under the program, the Department is required to select no more than ten pilot schools to participate (and may select fewer than ten schools based on available resources). Beginning with the FY 2020-21 school year, participating schools must hire enough school mental health professionals to follow students as they advance through the school, with the intent that the school maintain a ratio of no more than 250 students per mental health professional. The bill requires the Department to adopt rule for the program and to employ or contract with a pilot program coordinator and to contract for preliminary and final program evaluations.

The bill authorizes appropriations from the Marijuana Tax Cash Fund to support the program (up to a maximum of \$2.5 million in FY 2020-21). Based on estimated costs of \$5.2 million in FY 2020-21, the bill would require the Department to solicit external funds (from gifts, grants, and donations) to support the remainder of the program. For FY 2019-20, the bill includes an appropriation of \$43,114 cash funds from the Marijuana Tax Cash Fund and 0.4 FTE to support the State Board in adoption of rules for the program, manage a request for proposals to select a professional evaluator, and designate participating schools.

Although the bill also allows for additional external funding of the program (gifts, grants, and donations), the Department reports that it has not received any external funding to support the program as of February 2020.

STATUTORY AUTHORITY: Sections 22-2-101 through 108, C.R.S.

REQUEST: The Department requests an appropriation of \$2.5 million cash funds from the Marijuana Tax Cash Fund and 1.0 FTE to support the program in FY 2020-21. The request is consistent with the Final Fiscal Note for H.B. 19-1017 and with the authorization of an appropriation of up to \$2.5 million for FY 2020-21.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Final Fiscal Note for H.B. 19-1017 and with the Committee’s common policies for FY 2020-21. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, K-5 SOCIAL AND EMOTIONAL HEALTH PILOT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
Other legislation	\$43,114	\$0	\$43,114	\$0	\$0	0.4
TOTAL	\$43,114	\$0	\$43,114	\$0	\$0	0.4
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$43,114	\$0	\$43,114	\$0	\$0	0.4
Annualize prior year legislation	2,456,886	0	2,456,886	0	0	0.6
TOTAL	\$2,500,000	\$0	\$2,500,000	\$0	\$0	1.0
INCREASE/(DECREASE)	\$2,456,886	\$0	\$2,456,886	\$0	\$0	0.6
Percentage Change	5,698.6%	0.0%	5,698.6%	n/a	n/a	150.0%
FY 2020-21 EXECUTIVE REQUEST	\$2,500,000	\$0	\$2,500,000	\$0	\$0	1.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

(II) CAPITAL CONSTRUCTION

Background Information - Building Excellent Schools Today (B.E.S.T.) Program. House Bill 08-1335 replaced the capital construction financial assistance programs that were established in response to the *Giardino* lawsuit with the B.E.S.T. program. The B.E.S.T. program was designed to increase the amount of state financial assistance provided and allow projects to be completed more quickly. Rather than relying on annual General Fund appropriations, the B.E.S.T. program is supported by royalty and rental income earned on state trust lands, interest earned on the Public School Fund, lottery proceeds, and recreational marijuana excise tax revenues. Current law annually credits the following funds to the Public School Capital Construction Assistance (PSCCA) Fund:

- 50 percent of the gross amount of revenues from income and mineral royalties derived from state public school lands, or more if required to make lease payments under the terms of lease-purchase agreements (\$74.2 million in FY 2018-19).
- Recreational marijuana excise tax revenues (\$52.6 million in FY 2018-19). Pursuant to H.B. 18-1070 (Additional Public School Capital Construction Funding), that amount represented 90.0 percent of FY 2018-19 marijuana excise tax collections (the other 10.0 percent of revenues was deposited in the Public School (Permanent) Fund. Beginning in FY 2019-20, H.B. 19-1055 (Public School Capital Construction Financial Assistance) credits *all* marijuana excise tax revenues to the PSCCA Fund.

- A portion of the interest and income earned on investment of the Public School (Permanent) Fund (\$8.2 million in FY 2018-19). Under S.B. 16-035 (The Public School Fund), interest and income earned on the Permanent Fund over and above the \$21.0 million already distributed under current law is deposited into the PSCCA Fund, up to a limit of \$10.0 million in FY 2017-18 and \$20.0 million in FY 2018-19 and subsequent years.
- Local matching moneys for COP projects (\$22.3million in FY 2018-19).
- Lottery proceeds that would otherwise be transferred to the General Fund (\$14.7 million in FY 2018-19).
- Interest and investment income earned on the PSCCA Fund (\$8.9 million in FY 2018-19).

Money in the PSCCA Fund is subject to appropriation for: (a) direct and indirect administrative costs incurred by the PSCCA Division and Board (including the financial assistance priority assessment); (b) lease payments required for lease-purchase agreements; and (c) cash grants to support construction projects. Prior to FY 2014-15, money supporting cash grants was continuously appropriated to the Department.

House Bill 08-1335 created a PSCCA Board and Division within the Department of Education to administer the grant program. The PSCCA Board is required to:

- (a) establish public school facility construction guidelines for use in assessing and prioritizing public school capital construction needs;
- (b) conduct or contract for a financial assistance priority assessment of public school facilities throughout the state (originally published in 2010 and currently being updated);
- (c) prioritize financial assistance applications for eligible public school facility capital construction projects based on specified criteria; and
- (d) annually submit a prioritized list of projects recommended for financial assistance to the State Board.

Subject to State Board authorization, the PSCCA Board may provide financial assistance to applicants as matching grants or by instructing the State Treasurer to enter into lease-purchase agreements on behalf of the State to finance public school facility capital construction. The act limits the total amount of annual lease payments payable by the State in any fiscal year, and requires payments above specified limits to be made only from applicant matching moneys. The PSCCA Board awards financial assistance based on specified statutory criteria, as well as the results of the statewide assessment of public school facilities. The assessment covers building conditions and space requirements in all 178 school districts, charter schools, State Charter School Institute schools, boards of cooperative services, and the Colorado School for the Deaf and Blind.

In FY 2015-16, the General Assembly added significant funding and FTE to the Division of Public School Capital Construction Assistance to support the B.E.S.T. program. The increases include \$2.7 million cash funds in one-time funding to support a contract to update the program's priority assessment database and train program staff in facility assessment and \$509,311 cash funds and 6.0 FTE to add an in-house assessment team to continually update and maintain the program priority assessment database.

DIVISION OF PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE

This line item supports the PSCCA Board and the Division of PSCA staff, including the staff added in FY 2015-16 to update and maintain the priority assessment and database.

STATUTORY AUTHORITY: Section 22-43.7-105, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,475,529 cash funds from the Public School Capital Construction Assistance Fund and 15.0 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$31,571 to annualize FY 2019-20 salary survey increases.
- \$5,384 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies for FY 2020-21.

PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD – LEASE PAYMENTS

This line item provides spending authority to make payments as required by lease-purchase agreements. Prior to FY 2016-17, statute capped annual total lease payments (including state and local revenues) at \$80.0 million and limited the State's share to no more than \$40 million. Senate Bill 16-072 increased the cap on total lease payments to \$90.0 million (up to \$45 million state share) in FY 2016-17 and \$100.0 million (up to \$50 million state share) in FY 2017-18. House Bill 19-1055 (Public School Capital Construction Financial Assistance) further increased the cap to \$105.0 million in FY 2019-20 and \$110.0 million in FY 2020-21 and subsequent years.

Pursuant to Section 22-43.7-104 (3), C.R.S., the use of any PSCCA Fund moneys to make lease payments required by lease-purchase agreements is subject to annual appropriation by the General Assembly.

STATUTORY AUTHORITY: Section 22-43.7-104 (3), C.R.S.

REQUEST: The Department requests an appropriation of \$110.0 million cash funds from the Public School Capital Construction Assistance Fund to support B.E.S.T. COP payments in FY 2020-21. The request aligns with the cap on COP payments for FY 2020-21 (as adjusted by H.B. 19-1055).

RECOMMENDATION: Staff recommends approving the request, which aligns with the statutory cap on COP payments approved by the General Assembly during the 2019 Session. Staff's recommendation assumes that the General Assembly intends to provide the Department with the flexibility to support payments up to the statutory cap. Staff notes, however, that the Department has indicated that the program only anticipates \$89.3 million in total COP payments (including \$52.5 million in state funds and \$36.9 million in local funds). Given that statute effectively limits the state share of the COP payments to no more than 50.0 percent of the statutory cap (\$55.0 million in state funds based on a cap of \$110.0 million in total payments), it does not appear to be plausible that the program would reach the statutory cap of \$110 million in total payments.

Staff further recommends delaying significant increases in the program’s C.O.P. commitments until there is increased certainty regarding the program’s revenues and the Department has updated the program’s priority assessment.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD - LEASE PAYMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$100,000,000	\$0	\$100,000,000	\$0	\$0	0.0
HB 19-1055 Public school capital construction assistance	\$5,000,000	\$0	\$5,000,000	\$0	\$0	0.0
TOTAL	\$105,000,000	\$0	\$105,000,000	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$105,000,000	\$0	\$105,000,000	\$0	\$0	0.0
Annualize prior year legislation	5,000,000	0	5,000,000	0	0	0.0
TOTAL	\$110,000,000	\$0	\$110,000,000	\$0	\$0	0.0
INCREASE/(DECREASE)	\$5,000,000	\$0	\$5,000,000	\$0	\$0	0.0
Percentage Change	4.8%	n/a	4.8%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$110,000,000	\$0	\$110,000,000	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD – CASH GRANTS

The General Assembly added this line item to the FY 2014-15 Long Bill to appropriate funds to support the B.E.S.T. Program’s cash grants. As discussed above, prior to FY 2014-15, moneys for B.E.S.T. cash grants were continuously appropriated to the Department. However, the enactment of S.B. 14-112 made the program’s cash grants subject to annual appropriation by the General Assembly.

The FY 2019-20 Long Bill included an appropriation of \$85.0 million cash funds from the PSCCA Fund for cash grants. However, H.B. 19-1055 added \$50.0 million for FY 2019-20 (for a total appropriation of \$135.0 million). For FY 2020-21, the bill directs the General Assembly to appropriate \$160.0 million for cash grants (and increase of \$25.0 million above the FY 2019-20 appropriation).

STATUTORY AUTHORITY: Section 22-43.7-104, C.R.S.

REQUEST: The requests a continuation appropriation of \$160.0 million cash funds from the Public School Capital Construction Assistance Fund for FY 2020-21, an increase of \$25.0 million above the FY 2019-20 appropriation. The request aligns with the direction in H.B. 19-1055.

RECOMMENDATION: Staff recommends approving the request, which is consistent with current law as enacted in H.B. 19-1055 (see Sec. 22-43.7-104 (3), C.R.S.). The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD - CASH GRANTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$85,000,000	\$0	\$85,000,000	\$0	\$0	0.0
HB 19-1055 Public school capital construction assistance	\$50,000,000	\$0	\$50,000,000	\$0	\$0	0.0
TOTAL	\$135,000,000	\$0	\$135,000,000	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$135,000,000	\$0	\$135,000,000	\$0	\$0	0.0
Annualize prior year legislation	25,000,000	0	25,000,000	0	0	0.0
TOTAL	\$160,000,000	\$0	\$160,000,000	\$0	\$0	0.0
INCREASE/(DECREASE)	\$25,000,000	\$0	\$25,000,000	\$0	\$0	0.0
Percentage Change	18.5%	n/a	18.5%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$160,000,000	\$0	\$160,000,000	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

FULL-DAY KINDERGARTEN IMPLEMENTATION GRANTS/GRANTS FOR EARLY CHILDHOOD FACILITIES (NEW LINE ITEM REQUESTED – REQUIRES LEGISLATION)

House Bill 19-1055 (Public School Capital Construction Financial Assistance) provided a one-time appropriation of \$25.0 million cash funds from the PSCCAF to support facilities grants for the implementation of full-day kindergarten in FY 2019-20. That was a one-tie appropriation in separate legislation and was never a Long Bill line item (though it is reflected in the numbers pages in this document).

With request R11 (discussed above), the Governor’s Office is proposing requesting the creation of a new line item in FY 2020-21 (Grants for Early Childhood Facilities) to support grants for the construction and expansion of early childhood education facilities.

STATUTORY AUTHORITY: None – Requires legislation

REQUEST: The request includes an appropriation of \$10.0 million cash funds from the PSCCAF to support the proposed line item.

REQUEST: As discussed above with request R11, staff recommends denying the request for the creation of the new line item and for the appropriation. This proposal requires statutory change through separate legislation and is not appropriate for inclusion in the Long Bill.

FINANCIAL ASSISTANCE PRIORITY ASSESSMENT

This line item provides the funding necessary to conduct the financial assistance priority assessment of public school facilities throughout the state as required by Section 22-43.7-108, C.R.S. Pursuant to Section 22-43.7-104 (3), C.R.S., subject to annual appropriation, the Department may expend moneys in the PSCCA Fund to pay the costs of contracting for the financial assistance priority assessment. The Department contracted with Parsons (an assessment, design, and construction consultant) for the

original assessment. In FY 2015-16, the General Assembly provided an additional \$2.7 million in one-time funding to: (1) reconfigure and adjust the priority assessment database; and (2) train the new assessment staff added to the Division of Public School Capital Construction Assistance through FY 2015-16 R7.

STATUTORY AUTHORITY: Section 22-43.7-108, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$150,000 cash funds from the Public School Capital Construction Assistance Fund, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request.

STATE AID FOR CHARTER SCHOOL FACILITIES

In 2001 (S.B. 01-129) the General Assembly created a new program to distribute State Education Fund moneys to charter schools for capital construction, providing that certain "qualified" charter schools will receive a flat amount of funding per pupil for capital construction expenditures. The amount that each charter school received per pupil was originally calculated as 130 percent of the minimum per pupil capital reserve amount that each district is required to budget; for FY 2001-02, qualified charter schools received \$322 per pupil. Thus, the amount of funding was originally required to increase each year based on the number of qualified charter schools, the number of pupils attending such schools, and inflationary increases in the minimum per pupil capital reserve amount.

Subsequently, the General Assembly modified this program in two significant ways. First, the amount appropriated for the program is now specified in statute [see Section 22-54-124 (3) (a) (III) (A), C.R.S.]. Second, with the exception of a charter school that operates within a state facility, any charter school with "capital construction costs" is eligible to receive funding. The current system allocates annual appropriations among charter schools on a per pupil basis, except that any charter school operating in a school district facility that does not have ongoing financial obligations to repay the outstanding costs of new construction undertaken for the charter school's benefit receives one-half the amount per pupil that other charter schools receive. With the enactment of H.B. 14-1292 (Student Success Act), the General Assembly made the following changes to funding for the program:

- Increased the appropriation from the State Education Fund from \$7.0 million in FY 2013-14 to \$13.5 million in FY 2014-15 and required an increase to \$20.0 million in FY 2015-16 and subsequent years.
- Authorized additional funding for charter school capital construction from marijuana excise tax revenues. Beginning July 1, 2014, the bill directs the State Treasurer to deposit 12.5 percent of marijuana excise tax moneys deposited into the Public School Capital Construction Assistance Fund (PSCCAF) into the Charter School Facilities Assistance Account within the PSCCAF. Moneys in the account are subject to annual appropriation by the General Assembly. Consistent with the Committee's policy to spend prior year marijuana revenues, the Department spends moneys deposited into the Charter School Facilities Assistance Account in the year *after* the moneys are collected. The FY 2018-19 appropriation includes \$5.0 million in marijuana excise tax revenues that were collected in FY 2017-18.

- The Committee should note that H.B. 18-1070 increased the share of marijuana excise taxes going to the Public School Capital Construction Assistance Fund from the first \$40.0 million per year to 90 percent of total excise tax revenues. That change also increases the amount transferred to the Charter School Facilities Assistance Account within the fund.

In the 2019 Session, H.B. 19-1055 again changed the amounts available for this line item. The bill annually adjusts the amount available from each fund source based on statewide student enrollment in charter schools.

- For the State Education Fund, the bill adjusts the previous base (\$20.0 million per year) based on a comparison of charter school enrollment (as a percentage of statewide pupil enrollment) in the preceding budget year to the percentage of students that were enrolled in charter schools in the 2017-18 school year.
- For marijuana excise tax revenues, the bill continues to deposit a percentage of total marijuana excise tax revenues into the Charter School Facilities Assistance Account. However, the transfer is now based on the percentage of statewide student enrollment that was enrolled in charter schools in the previous school year.

STATUTORY AUTHORITY: Section 22-54-124 (3) (a) (III) (A), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$29,313,118 cash funds (including \$21,313,118 from the State Education Fund and \$8.0 million from the Charter School Facilities Assistance Account, originally from marijuana excise taxes). The increase of \$656,559 from the State Education Fund (above the FY 2019-20 appropriation) represents the Department’s estimated annualization of H.B. 19-1055.

RECOMMENDATION: Staff recommends approving an appropriation of \$31,820,762 total funds based on current estimates of the revenues available based on the calculations created in H.B. 19-1055. Staff requests permission to adjust that allocation from the Charter School Facilities Assistance Account based on the March 2020 Revenue Forecast. The following table shows a history of per pupil funding amounts for this line item from FY 2005-06 through the FY 2019-20 recommendation. The request and recommendation do not reflect an increase in funding associated with the anticipated increase in marijuana excise taxes available for the program. Given current levels of uncertainty about marijuana-related revenue projections, staff recommends maintaining the current appropriation into FY 2019-20.

STATE FUNDING FOR CHARTER SCHOOL CAPITAL CONSTRUCTION COSTS				
FISCAL YEAR	TOTAL APPROPRIATION	TOTAL FUNDING PER PUPIL FOR ELIGIBLE SCHOOLS ^a	STATE EDUCATION FUND APPROP.	DEDICATED MARIJUANA EXCISE TAX FUNDING ^c
2006-07	\$5,000,000	\$145.09	\$5,000,000	
2007-08	\$7,800,000	\$201.17	\$7,800,000	
2008-09 ^b	5,000,000	115.77	5,000,000	
2009-10	5,135,000	107.47	5,135,000	
2010-11	5,000,000	97.64	5,000,000	
2011-12	5,000,000	90.06	5,000,000	
2012-13	5,000,000	78.98	5,000,000	
2013-14	6,000,000	87.67	6,000,000	
2014-15	7,000,000	94.40	7,000,000	
2015-16	13,500,000	169.29	13,500,000	
2016-17	22,000,000	258.48	20,000,000	2,000,000

STATE FUNDING FOR CHARTER SCHOOL CAPITAL CONSTRUCTION COSTS				
FISCAL YEAR	TOTAL APPROPRIATION	TOTAL FUNDING PER PUPIL FOR ELIGIBLE SCHOOLS ^a	STATE EDUCATION FUND APPROP.	DEDICATED MARIJUANA EXCISE TAX FUNDING ^c
2017-18	25,000,000	263.18	20,000,000	5,000,000
2018-19	29,250,000	299.87	20,000,000	9,250,000
2019-20 estimate	28,607,917	275.58	20,656,559	7,951,358
2020-21 estimate	31,820,762	251.09	22,430,131	9,390,631

^a These figures represent the amount that most eligible schools receive; eligible schools *operating in a district facility* receive one-half this amount per student.

^b Of the amount appropriated, \$135,000 was allocated to a charter school for the deaf.

^c Based on estimate of 12.5 percent of marijuana excise tax revenues credited to the Public School Capital Construction Assistance Fund in the preceding fiscal year for FY 2016-17 through FY 2018-19. For FY 2019-20 and FY 2020-21, the percentage of marijuana excise tax collections (from the prior year) is based on the statewide charter school enrollment as a percentage of total student enrollment in the prior school year.

Based on self-reported enrollment projections for FY 2019-20 and the recommended appropriation, Department staff estimates that this appropriation would provide about \$251 per student FTE (with charter schools in district facilities receiving about \$125 per FTE).

(III) READING AND LITERACY

Background – Early Literacy, H.B. 12-1238, and S.B. 19-199

House Bill 12-1238 (READ Act) eliminated the Read-to-Achieve Program and replaced it with the Early Literacy Program. Current law provides two fund sources for the Early Literacy Program:

- \$34.0 million per year transferred from the State Education Fund to the Early Literacy Fund, beginning in FY 2014-15 (as increased by H.B. 14-1292 (Student Success Act) and H.B. 14-1298 (School Finance)).
- \$5.4 million (in FY 2019-20) appropriated directly from the Marijuana Tax Cash Fund to support the Early Literacy Competitive Grant Program. Prior to the enactment of H.B. 16-1408 (Cash Fund Allocations for Health-related Programs), these funds were from tobacco litigation settlement moneys that had previously supported the Read-to-Achieve Program. However, H.B. 16-1408 eliminated the transfer of tobacco settlement money to the Early Literacy Fund and instead directly supports the Early Literacy competitive Grant Program with marijuana excise tax funds. House Bill 18-1393 (Effective Implementation of READ Act) increased the FY 2018-19 appropriation from the Marijuana Tax Cash Fund for the Early Literacy Competitive Grant Program from \$4.4 million provided in the Long Bill to \$5.5 million.

For FY 2014-15 through FY 2018-19, the READ Act directed the Department to:

- Provide *at least* \$4.0 million per year in competitive grants (H.B. 18-1393 amended this requirement from a requirement of \$4.0 million to *at least* \$4.0 million and added \$1.0 million to the program).
- Spend \$1.0 million per year on regional professional development provided by the Department.
- Utilize up to 1.0 percent of the total annual appropriation from the Early Literacy Fund to administer the program.
- Distribute any remaining funds as “per pupil intervention funding,” distributed to local education providers based on the number of students in each district identified as having significant reading deficiencies in the preceding school year.

Based on concerns about the pace of improvement in literacy outcomes, the General Assembly enacted S.B. 19-199 (READ Act Implementation Measures) to modify the uses of funds under the READ Act both by the Department and by local education providers that receive funds. The bill established additional reporting requirements for districts receiving funding under the READ Act as well as additional constraints on the eligible uses of funding. Along with the statutory changes, the bill included the following cash funds appropriations:

- \$1,664,570 from the Early Literacy Fund and 11.7 FTE for the Department’s administration of the Early Literacy Program and the provision of technical assistance to local education providers under the bill.
- \$7,500,000 (including \$5,378,678 from the Marijuana Tax Cash Fund and \$2,121,322 from the Early Literacy Fund) for the Early Literacy Competitive Grant Program.
- \$2,702,557 from the Early Literacy Fund to support evidence based training provided to teachers by the Department. The bill requires the Department to provide such training free of charge to teachers in districts that request the training.
- \$750,000 from the Early Literacy Fund to support an independent evaluation of the program and student outcomes under the program.
- \$500,000 from the Early Literacy Fund and 0.5 FTE to support a public information campaign on the importance of reading (required by the bill).
- \$26,261,551 from the Early Literacy Fund for per pupil intervention funding.

EARLY LITERACY PROGRAM ADMINISTRATION AND TECHNICAL SUPPORT (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support Early Literacy Program administration, technical assistance, and monitoring activities under H.B. 12-1238 and S.B. 19-199. Prior to the enactment of S.B. 19-199, the General Assembly had supported the Department’s administrative costs in the appropriation for the Early Literacy Competitive Grant Program. However, S.B. 19-199 separated appropriations for program administration and technical assistance from the actual grant program. The Department’s request would continue to provide a separate appropriation for those purposes through this line item.

Senate Bill 19-199 appropriated \$1,664,570 cash funds from the Early Literacy Fund and 11.7 FTE for these purposes in FY 2019-20.

STATUTORY AUTHORITY: Section 22-7-1210 (4)(d)(I), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,709,570 cash funds from the Early Literacy Fund and 12.0 FTE. The request includes the following increases above the FY 2019-20 appropriation (as appropriated in S.B. 19-199):

- \$28,950 to annualize FY 2019-20 salary survey increases.
- \$11,113 and 0.3 FTE to reflect the FY 2020-21 impact of S.B. 19-199.
- \$4,937 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, including the creation of the new line item and the requested appropriation. The request and recommendation are consistent with the

Committee’s common policies for FY 2020-21. In alignment with the request, staff recommends maintaining separate appropriations for the various activities required by the READ Act (as adjusted by S.B. 19-199) to maintain transparency into the use of funds for the Early Literacy Program. The following table shows the recommended changes from the FY 2019-20 appropriation (provided in S.B. 19-199).

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, EARLY LITERACY PROGRAM ADMINISTRATION AND TECHNICAL SUPPORT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
Other legislation	\$1,664,570	\$0	\$1,664,570	\$0	\$0	11.7
TOTAL	\$1,664,570	\$0	\$1,664,570	\$0	\$0	11.7
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$1,664,570	\$0	\$1,664,570	\$0	\$0	11.7
Annualize prior year budget actions	28,950	0	28,950	0	0	0.0
Annualize prior year legislation	16,050	0	16,050	0	0	0.3
TOTAL	\$1,709,570	\$0	\$1,709,570	\$0	\$0	12.0
INCREASE/(DECREASE)	\$45,000	\$0	\$45,000	\$0	\$0	0.3
Percentage Change	2.7%	n/a	2.7%	n/a	n/a	2.6%
FY 2020-21 EXECUTIVE REQUEST	\$1,709,570	\$0	\$1,709,570	\$0	\$0	12.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

EARLY LITERACY COMPETITIVE GRANT PROGRAM

Created in FY 2013-14, this line item supports the Early Literacy Competitive Grant Program. Prior to FY 2019-20, this line item also included funding to support the Department’s costs for program administration and technical assistance provided to local education providers under the READ Act. As discussed above with the Early Literacy Program Administration and Technical Support line item, the request and recommendation would support those activities with the separate line item.

Senate Bill 19-199 appropriated \$7.5 million total funds (including \$2,121,322 cash funds from the Early Literacy Fund and \$5,378,678 cash funds from the Marijuana Tax Cash Fund) for the Early Literacy Competitive Grant Program in FY 2019-20, an increase of \$2.5 million above the \$5.0 million provided for competitive grants in FY 2018-19.

STATUTORY AUTHORITY: Sections 22-7-1210 (4)(d)(I)(C) and 22-7-1211, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$7,500,000 cash funds (including \$5,378,678 from the Marijuana Tax Cash Fund and \$2,027,390 from the Early Literacy Fund), with no change from the FY 2019-20 appropriation (made in S.B. 19-199).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies for FY 2020-21. Staff recommends that the Committee continue to monitor results under the READ Act as modified by S.B. 19-199. In previous years, the competitive grant recipients have shown stronger results and greater improvement in early literacy outcomes than education providers that did not receive the grants (but received per pupil intervention funds under

the READ Act). Should that trend continue, staff may recommend shifting additional funds toward the competitive grant program in the future.

EARLY LITERACY PROGRAM EVIDENCE BASED TRAINING PROVIDED TO TEACHERS (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support the evidence based training activities required by S.B. 19-199. By the start of the 2021-22 school year, the bill requires local education providers that receive funding through either the competitive grant program or per pupil intervention funding to ensure that all teachers employed to teach kindergarten through third grade completes (or has completed) evidence based training in teaching reading.

The bill requires the Department to provide evidence based training in reading instruction at no cost to local education providers that request such training. Senate Bill 19-199 appropriated \$2,702,557 cash funds from the Early Literacy Fund for this purpose for FY 2019-20. The Department is requesting a continuation of that amount for FY 2020-21.

STATUTORY AUTHORITY: Section 22-7-1208 (6)(c), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$2,702,557 cash funds from the Early Literacy Fund, with no change from the FY 2019-20 appropriation (made in S.B. 19-199).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies. Staff will work with the Committee going forward to assess the amount necessary to support these efforts under the bill.

EARLY LITERACY PROGRAM EXTERNAL EVALUATION (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support the external evaluation of the Early Literacy Program required by S.B. 19-199. No later than October 1, 2019, the bill requires the Department to issue a request for proposals to contract for an independent evaluation of the use of per pupil intervention funding and the competitive grant program. The evaluation also has to include a multi-year evaluation to determine whether student outcomes meet the goals of the READ Act.

Senate Bill 19-199 appropriated \$750,000 cash funds from the Early Literacy Fund to support the evaluation costs in FY 2019-20. The Final Legislative Council Staff Fiscal Note for the bill assumed that amount would be ongoing in subsequent years.

The Department selected WestEd to perform the independent evaluation of whether grants to local education providers are successful in moving students' reading growth to the state standards and whether the providers' use of per pupil intervention funding and/or competitive grant program funding result in measurable progress in students' reading.

STATUTORY AUTHORITY: Section 22-7-1209 (8)(a), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$750,000 cash funds from the Early Literacy Fund, with no change from the FY 2019-20 appropriation (made in S.B. 19-199).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Final Legislative Council Staff Fiscal Note for S.B. 19-199.

EARLY LITERACY PROGRAM PUBLIC INFORMATION CAMPAIGN (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support the public information campaign required by S.B. 19-199. Beginning with FY 2019-20, the bill requires the Department to contract with an external entity to develop and implement a public information campaign related to the importance of reading and to highlight local education providers that are achieving success.

The bill appropriates \$500,000 cash funds from the Early Literacy Fund and 0.5 FTE to support the campaign in FY 2019-20. The Final Legislative Council Staff Fiscal Note for the bill assumed that amount would be ongoing in subsequent years.

The Department reports that it has selected Cactus (a full-service marketing and research firm with a price agreement with the State) to research, develop, and implement the campaign in Spring of 2020. The Department expects to spend the full appropriation for FY 2019-20 on the development of creative materials (videos, web development, social media, printed materials, etc.) and media buys.

STATUTORY AUTHORITY: Section 22-7-1209 (7), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$500,000 cash funds from the Early Literacy Fund and 0.5 FTE, with no change from the FY 2019-20 appropriation (made in S.B. 19-199).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Final Legislative Council Staff Fiscal Note for S.B. 19-199.

EARLY LITERACY PROGRAM PER PUPIL INTERVENTION FUNDING

Created in FY 2014-15, this line item reflects funding to be distributed to local education providers based on the statutory formula for early literacy per pupil intervention funding. The FY 2013-14 Long Bill supported this line item with interest income earned on the Public School (Permanent) Fund transferred to the Early Literacy Fund. However, S.B. 13-260 (School Finance) eliminated the annual transfer of interest earned on the Permanent Fund and instead transferred \$16.0 million from the State Education Fund to the Early Literacy Fund to support the Early Literacy Program in FY 2013-14. The enactment of H.B. 14-1292 (Student Success Act) and H.B. 14-1298 (School Finance) increased the annual transfer from the State Education Fund to the Early Literacy Fund by \$18.0 million (for a total transfer of \$34.0 million) in FY 2014-15 and subsequent years.

The Department allocates per pupil intervention funding to local education providers based on the number of students identified with SRDs in the previous budget year. Section 22-7-1210.5, C.R.S., directs the distribution and use of per pupil intervention funds, including reporting requirements for local education providers that receive funding. Section 22-7-1210.5 (4), C.R.S., specifies the eligible uses of per pupil intervention funds.

The General Assembly appropriated more than \$33.2 million per year to this line item for FY 2014-15 through FY 2018-19 (all funding dedicated to early literacy that was not appropriated for program administration or the competitive grant program). The enactment of S.B. 19-199 shifted some funds previously appropriated for per pupil intervention funding to the uses outlined in the previous line items (additional funding for the competitive grant program, evidence based training for teachers, the external evaluation, and the public awareness campaign). Those shifts reduced the amount available for per pupil intervention funding to \$26,261,551 in FY 2019-20 (appropriated in S.B. 19-199).

STATUTORY AUTHORITY: Sections 22-7-1210 (4)(d)(I)(D) and 22-7-1210.5, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$26,261,551 cash funds from the Early Literacy Fund (transferred from the State Education Fund pursuant to Section 22-7-1210 (1) (d), C.R.S.) for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. As discussed above with the Early Literacy Competitive Grant Program line item, staff recommends that the General Assembly continue to monitor results and student outcomes under the early literacy program (as modified by S.B. 19-199). Prior to the original requirements established in S.B. 19-199, student outcomes associated with per pupil intervention funding raised questions about local education providers' use of the funds and effectiveness of the program overall. If that trend persists even with the additional requirements established in S.B. 19-199, then staff expects to recommend shifting additional funds from the per pupil intervention funding to the competitive grant program.

EARLY LITERACY ASSESSMENT TOOL PROGRAM

The General Assembly added this line item to the FY 2014-15 Long Bill to provide ongoing support for the Early Literacy Assessment Tool (ELAT) Program originally created in H.B. 12-1345 (2012 School Finance Bill). The READ Act (H.B. 12-1238) requires public school teachers in kindergarten through third grade to administer an interim assessment to all students to determine whether children are on track to reach grade level reading proficiency. Students identified as significantly below grade level must take a diagnostic assessment to determine specific areas of need for reading improvement. Teachers then use the assessment data to develop a collaborative intervention plan (READ Plan) with the child's parents.

Associated with the early literacy assessment requirements in the READ Act, House Bill 12-1345 required the Department to issue a competitive request for proposals to procure an Early Literacy Assessment Tool (ELAT) for districts' use and appropriated \$3.0 million cash funds from the State Education Fund to procure the tool. For participating districts, the use of the ELAT defrays assessment costs that would otherwise be required by the READ Act; districts may choose between seven state-approved assessments for READ Act implementation (one of which is the ELAT) but must pay for tools other than the ELAT. The ELAT provision (Section 22-2-141, C.R.S.) requires the ELAT software to, at a minimum:

- Provide individualized assessments with immediate results.

- Store and analyze assessment results, recommend activities that are aligned with the assessment results, and assist in tracking student performance and identifying strategies to improve student performance.
- Provide student grouping recommendations based on the assessment scores and provide proposed lesson plans on a short-term cycle.
- Assist in generating and populating individualized plans to improve students’ reading skills.

The Department transitioned from the diagnostic assessment that the state provided in FY 2013-14 (“Burst”) to the “DIBELS Deep” diagnostic assessment in FY 2014-15 (the program used both assessments in FY 2014-15 but transitioned fully to DIBELS Deep in FY 2015-16). The Department contracted with Amplify to supply the ELAT for FY 2015-16 through FY 2017-18. Starting in FY 2018-19, the Department is contracting with both Amplify and Istation to provide two options for participating districts. Since its inception in FY 2013-14, participation has grown from 123 districts (plus the State Charter School Institute), covering 417 schools and approximately 90,500 students to 149 districts (plus the State charter School Institute), covering 602 schools and more than 127,000 students in FY 2019-20.

STATUTORY AUTHORITY: Section 22-2-141, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$2,997,072 cash funds form the State Education Fund, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request, which the Department expects to be sufficient for FY 2020-21.

Staff notes that the program has continued to show promising results in terms of improving the percentage of students reading at benchmark levels in each applicable grade (kindergarten through third). As shown in the following tables, schools using the system are seeing improvements at both mid-year and end-of-year checkpoints. While the system appears to show progress within each grade each year, staff remains concerned about apparent “backsliding” as students move from one grade to the next. Staff will continue to work with the Department to improve the evaluation of the outcomes of the program. Because the system provides the Department with access to data not provided by schools and districts that are not using the system, staff does not have comparable results in non-ELAT schools for comparative purposes.

FY 2019-2020 MID-YEAR ELAT RESULTS (ISTATION)						
GRADE	PERCENTAGE OF STUDENTS AT TIER 3 (WELL BELOW)			PERCENTAGE OF STUDENTS AT TIER 1 (BENCHMARK)		
	AUGUST	DECEMBER	CHANGE AUGUST TO DEC	AUGUST	DECEMBER	CHANGE AUGUST TO DEC
Kindergarten	30%	18%	-12%	43%	60%	17%
First	20%	13%	-7%	45%	60%	15%
Second	30%	22%	-8%	52%	59%	7%
Third	20%	20%	0%	54%	59%	5%

FY 2019-2020 MID-YEAR ELAT RESULTS (AMPLIFY)						
GRADE	PERCENTAGE OF STUDENTS AT TIER 3 (WELL BELOW)			PERCENTAGE OF STUDENTS AT TIER 1 (BENCHMARK)		
	AUGUST	DECEMBER	CHANGE AUGUST TO DEC	AUGUST	DECEMBER	CHANGE AUGUST TO DEC
Kindergarten	31%	16%	-15%	50%	66%	16%
First	27%	26%	-1%	58%	63%	5%
Second	22%	22%	0%	69%	69%	0%
Third	25%	22%	-3%	65%	66%	1%

FY 2018-19 FULLYEAR ELAT RESULTS (ISTATION)								
GRADE	PERCENTAGE OF STUDENTS AT TIER 3 (WELL BELOW)				PERCENTAGE OF STUDENTS AT TIER 1 (BENCHMARK)			
	AUGUST	DECEMBER	MAY	CHANGE AUGUST TO MAY	AUGUST	DECEMBER	MAY	CHANGE AUGUST TO MAY
Kindergarten	21%	10%	10%	-11%	52%	68%	69%	17%
First	23%	16%	15%	-8%	49%	57%	60%	11%
Second	32%	18%	15%	-17%	55%	62%	67%	12%
Third	28%	21%	20%	-8%	48%	55%	57%	9%

FY 2018-19 FULL YEAR ELAT RESULTS (AMPLIFY)								
GRADE	PERCENTAGE OF STUDENTS WELL BELOW				PERCENTAGE OF STUDENTS AT/ABOVE BENCHMARK			
	AUGUST	DECEMBER	MAY	CHANGE AUGUST TO MAY	AUGUST	DECEMBER	MAY	CHANGE AUGUST TO MAY
Kindergarten	32%	15%	10%	-22%	49%	67%	78%	29%
First	26%	24%	21%	-5%	59%	65%	67%	8%
Second	23%	22%	18%	-5%	67%	69%	70%	3%
Third	25%	21%	18%	-7%	65%	68%	72%	7%

ADULT EDUCATION AND LITERACY GRANT PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the Adult Education and Literacy Grant Program created in H.B. 14-1085 (Adult Education and Literacy). The program provides funding to local education providers (including public and private schools, institutions of higher education, nonprofit community-based organizations, and other related agencies) that are members of workforce development partnerships that provide basic education to adults.

STATUTORY AUTHORITY: Section 22-10-104, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$970,739 General Fund and 1.0 FTE for FY 2020-21, including the following General Fund increases above the FY 2019-20 appropriation:

- \$1,473 to annualize FY 2019-20 salary survey increases.
- \$299 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request based on the assumption that the General Assembly intends for the program to be ongoing.

(IV) PROFESSIONAL DEVELOPMENT AND INSTRUCTIONAL SUPPORT

CONTENT SPECIALISTS

This line item provides funding to support five "content specialists" to provide leadership, guidance, and support for schools and school districts in specific content areas to positively impact student achievement: (1) mathematics; (2) science; (3) social studies (history, geography, civics, and economics); (4) arts (visual arts and music); and (5) achievement gaps.

During the 2019 Session, to bills added funding for this line item for FY 2019-20:

- H.B. 19-1192 (Inclusion of American Minorities in Teaching Civil Government) added an *ongoing* appropriation of \$37,495 cash funds from the State Education Fund.
- H.B. 19-1110 (Media Literacy) added a *one-time* appropriation of \$19,816 General Fund for FY 2019-20.

STATUTORY AUTHORITY: Section 22-7-1005, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$545,861 cash funds from the State Education Fund and 5.0 FTE for FY 2020-21. The request includes the following changes from the FY 2019-20 appropriation (as adjusted by H.B. 19-1110 and H.B. 19-1192):

- An increase of \$12,695 cash funds from the State Education Fund to annualize FY 2019-20 salary survey increases.
- An increase of \$2,165 cash funds from the State Education Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of \$19,816 General Fund to eliminate one-time funding provided in H.B. 19-1110.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies. The following table shows the recommended changes from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, CONTENT SPECIALISTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$493,506	\$0	\$493,506	\$0	\$0	5.0
Other legislation	\$57,311	\$19,816	\$37,495	\$0	\$0	0.0
TOTAL	\$550,817	\$19,816	\$531,001	\$0	\$0	5.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$550,817	\$19,816	\$531,001	\$0	\$0	5.0
Annualize prior year budget actions	12,695	0	12,695	0	0	0.0
Annualize prior year legislation	(17,651)	(19,816)	2,165	0	0	0.0
TOTAL	\$545,861	\$0	\$545,861	\$0	\$0	5.0

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE,
CONTENT SPECIALISTS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	(\$4,956)	(\$19,816)	\$14,860	\$0	\$0	0.0
Percentage Change	(0.9%)	(100.0%)	2.8%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$545,861	\$0	\$545,861	\$0	\$0	5.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

SCHOOL BULLYING PREVENTION AND EDUCATION CASH FUND

The General Assembly created this line item in the FY 2016-17 Long Bill to support the School Bullying Prevention and Education Grant Program originally created in H.B. 11-1254 (Bullying in Schools). House Bill 11-1254 authorized the receipt of gifts, grants, and donations to support the program but did not provide state funding and the program did not receive any state funding prior to FY 2015-16.

House Bill 15-1367 (Retail Marijuana Taxes) included a contingent appropriation of \$2.0 million General Fund (from the Proposition AA Refund Account) into the School Bullying Prevention and Education Cash fund for FY 2015-16. The General Assembly continued to support the program in FY 2016-17 with an appropriation of \$900,000 cash funds from the Marijuana Tax Cash Fund into the School Bullying Prevention and Education Cash Fund; the appropriation included a one-time reduction (of \$1.1 million) from the \$2.0 million provided in FY 2015-16 to balance appropriations from the Marijuana Tax Cash Fund. Because the School Bullying Prevention and Education Cash Fund is continuously appropriated to the Department, a second appropriation out of the cash fund is not necessary.

Subject to available appropriations, H.B. 11-1254 requires the Department to provide grants to public schools and facility schools to support the implementation of evidence-based practices and policies to reduce the incidence of bullying. The bill also requires the Department collaborate with the School Safety Resource Center, school districts, and others to research best practices and evidence-based practices to reduce bullying activity and to provide best practices and other resources on the Department’s website.¹⁹

After the passage of Proposition BB in 2015, which approved the distribution of funds to the Bullying Prevention and Education Grant Program, the State Board of Education approved rules for the administration of the program in May 2016 establishing criteria for the review of applications. The Department limited grants to no more than \$40,000 per school per year for the first cohort of recipients and \$25,000 per school per year for the second cohort. Please note that a single district can receive grants for more than one school.

The program, operating on a three-year grant cycle, made the first grants in FY 2016-17.

- In the first year (FY 2016-17), 23 entities submitted applications for bullying prevention grants. The Department approved 17 applications, representing 14 school districts (including the Charter School Institute and the South Central BOCES) and 71 separate schools.

¹⁹ The Department’s resources are available at: <http://www.cde.state.co.us/mtss/bullying/bestpractices>

- The Department saw increased interest for the second cohort (beginning in FY 2019-20), receiving 29 applications representing 154 schools, with requests totaling \$10.8 million over the three-year grant cycle (relative to \$5.7 million projected to be available). The Department approved 22 applications, representing 20 local education agencies (LEAs) and 109 schools for the second cohort.

Under the program rules, grant recipients must use the funds to support evidence-based programs to reduce bullying activity and must report to the Department each year regarding the practices implemented, the number and grade levels of students served, the fidelity of implementation, and the grantees progress in achieving the goals of the grant.

STATUTORY AUTHORITY: Sections 22-93-101 through 106, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$2,000,000 cash funds from the Marijuana Tax Cash Fund to the School Bullying Prevention and Education Cash Fund for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request based on the assumption that the General Assembly intends to continue to fund the program. The Department has indicated that the preliminary results are promising. According to the Department:

- The percentage of students in grantee schools that report being the target of bullying decreased from 37 percent in 2017 to 25 percent in 2019 (a decrease of 33 percent, which the Department reports was statistically significant).
- The percentage of students in grantee schools that report *witnessing* bullying decreased from 51 percent in 2017 to 43 percent in 2019 (a decrease of 17 percent, which the Department also reported is statistically significant).
- Although the Department does not have comparison group data from similar schools (that did not receive grant funding), the early results of the program do appear to be promising.

OFFICE OF DROPOUT PREVENTION AND STUDENT REENGAGEMENT

House Bill 09-1243 [Section 22-14-101 et. seq., C.R.S.] created the Office of Dropout Prevention and Student Reengagement to collaborate with local education providers to reduce student dropout rates and to increase graduation rates. The Office's duties include:

- Analysis of student data related to dropout rates, completion rates, truancy, suspension and expulsion rates, safety and discipline incidents, and student growth.
- Coordination of departmental efforts and initiatives to address dropout prevention, student reengagement, and adult education.
- Identification of best practices and strategies to reduce dropout rates and increase student engagement and reengagement.
- Securing and managing resources to fund services and supports.

The Department received a five-year competitive grant award of \$14.1 million through the U.S. Department of Education's High School Graduation Initiative Program to begin in FY 2010-11 (the Department spent the funds from FY 2010-11 through September 2016). The Department used these funds to partner with 54 high needs high schools to: develop sustainable, replicable models for

dropout prevention and recovery; improve interim indicators; reduce the dropout rate; increase the student re-engagement rate; and increase the graduation rate for high school students.

Although the Office supports the administration and implementation of five separate programs,²⁰ the funding associated with four of those programs is reflected elsewhere in the budget. The funding reflected in this line item (\$3.0 million in FY 2019-20) supports two purposes:

- \$2.0 million cash funds from the Marijuana Tax Cash Fund and 1.2 FTE support the Student Re-engagement Grant Program created in H.B. 09-1243, which provides competitive multi-year (up to three-year) grants to school districts and charter schools to provide educational services and supports to students to maintain student engagement and support re-engagement.
- \$1.0 million General Fund and 1.0 FTE for the Educational Stability Grant Program established in H.B. 18-1306 (Improving Educational Stability for Foster Youth). Beginning in FY 2019-20, H.B. 18-1306 requires the Department to provide grants to local education providers to provide services to students in foster care and other highly mobile students. The bill requires the Department to hire a permanent foster care education coordinator as well as a partial position to administer the new grant program. The Legislative Council Staff Fiscal Note for H.B. 18-1306 anticipated \$1.0 million in annual expenditures for the Department starting in FY 2019-20.

STATUTORY AUTHORITY: Section 22-14-109, C.R.S.

REQUEST: The Department requests an appropriation of \$5,048,555 total funds, including \$3,042,467 General Fund and \$2,006,088 cash funds from the Marijuana Tax Cash Fund, and 2.2 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$2,000,000 General Fund associated with budget amendment 6 (Student Re-engagement Grant Program Increase, discussed above).
- \$23,800 General Fund to reflect the FY 2020-21 impact of H.B. 18-1306 (Improving Educational Stability for Foster Youth).
- \$1,925 total funds (including \$380 General Fund and \$1,545 cash funds from the Marijuana Tax Cash Fund) to annualize FY 2019-20 salary survey increases.
- \$341 total funds (\$58 General Fund and \$264 cash funds from the Marijuana Tax Cash Fund) to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving a continuation appropriation of \$3,048,555 total funds (including \$1,042,467 General Fund and \$2,006,088 cash funds from the Marijuana Tax Cash Fund). The recommendation includes the requested annualizations of prior year legislation and prior year salary survey. However, as discussed above with request BA6, staff recommends denying the request for the one-time appropriation of \$2.0 million General Fund. The following table shows the recommended changes from the FY 2019-20 appropriation.

²⁰ Programs include: 21st Century Community Learning Centers (a federal program), the Expelled and At Risk Student Services Grant Program (a categorical program discussed above), Foster Care Education (a collaborative effort with the Department of Human Services), the federal McKinney-Vento Homeless Education Program, and the Student Re-engagement Grant Program.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, OFFICE OF DROPOUT PREVENTION AND STUDENT REENGAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$3,022,489	\$1,018,210	\$2,004,279	\$0	\$0	2.2
TOTAL	\$3,022,489	\$1,018,210	\$2,004,279	\$0	\$0	2.2
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$3,022,489	\$1,018,210	\$2,004,279	\$0	\$0	2.2
Annualize prior year legislation	24,141	23,877	264	0	0	0.0
Annualize prior year budget actions	1,925	380	1,545	0	0	0.0
BA6 Student re-engagement grant program increase	0	0	0	0	0	0.0
TOTAL	\$3,048,555	\$1,042,467	\$2,006,088	\$0	\$0	2.2
INCREASE/(DECREASE)	\$26,066	\$24,257	\$1,809	\$0	\$0	0.0
Percentage Change	0.9%	2.4%	0.1%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$5,048,555	\$3,042,467	\$2,006,088	\$0	\$0	2.2
Request Above/(Below) Recommendation	\$2,000,000	\$2,000,000	\$0	\$0	\$0	0.0

NINTH GRADE SUCCESS GRANT PROGRAM (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support the Ninth Grade Success Grant Program. Senate Bill 19-246 (School Finance) created the Ninth Grade Success Program to provide grants to local education providers to establish ninth grade success programs. Under the bill, programs must include the following components:

- Establishing a cross-disciplinary team of all ninth grade teachers and support staff, including at least one school mental health professional to identify strategies to improve outcomes for students at risk of dropping out.
- Ensuring that ninth grade classes are taught by a single group of teachers, if practicable.
- Implementing a data system that provides real-time access to student behavior, attendance, and grades, as well as the ability to compare data across student groups.
- Prioritizing services, and providing instructional support, for ninth graders at risk of academic failure.
- Ensuring that school personnel receive data on incoming ninth graders and that teachers receive professional development regarding the use of data to inform instruction.
- Providing summer orientation for incoming ninth graders and their families.
- Evaluation of the impact of interventions provided through the program.

Senate Bill 19-246 included an appropriation of \$800,000 General Fund and 0.6 FTE to support the program in FY 2019-20.

STATUTORY AUTHORITY: Section 22-14-109.5, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$800,000 General Fund and 0.6 FTE, with no change from the FY 2019-20 appropriation (included in S.B. 19-246).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Final Legislative Council Staff Fiscal Note estimates for this program.

STIPENDS FOR NATIONALLY BOARD CERTIFIED TEACHERS

House Bill 12-1261 extended a program (originally created by H.B. 08-1364) to provide stipends to school teachers holding certification from the National Board for Professional Teaching Standards (NBPTS). Subject to available appropriations, the program provides an annual stipend of \$1,600 to each national board certified teacher and an *additional* \$3,200 stipend to such teachers employed in low-performing, high needs schools (defined as schools accredited with a priority improvement plan or a turnaround plan).

House Bill 12-1261 included an appropriation of \$604,800 cash funds from the State Education Fund based on an estimate of the number of eligible teachers in low-performing, high needs schools. Under the bill, if appropriations are insufficient to provide stipends to all qualified teachers, then the Department only provides the increased stipends to teachers in low-performing, high needs schools. In FY 2013-14, the General Assembly appropriated \$1,617,600 cash funds from the State Education Fund to provide stipends to eligible teachers outside of low-performing, high needs schools. The FY 2014-15 Long Bill reduced the appropriation to \$1,580,800 based on actual utilization of the program, and the FY 2016-17 Long Bill further reduced the appropriation to \$1,384,000.

House Bill 19-1036 (Annual Stipends for Certified School Professionals) added school psychologists who hold a certification from the National Association of School Psychologists and meet the other program requirements to the list of school personnel that qualify for the stipends. The bill also clarifies that school counselors holding a certification from the NBPTS are eligible for the stipends, which aligned with the Department's existing practice.

STATUTORY AUTHORITY: Section 22-2-504, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,384,000 cash funds from the State Education Fund for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. However, based on late-arising information, staff expects to return to the Committee with a memo discussing potential complications in the funding for this program (potentially impacting both FY 2019-20 and FY 2020-21).

GROW YOUR OWN EDUCATOR PROGRAM

The General Assembly added this line item to the FY 2019-20 Long Bill to support the Grow Your Own Educator Program created in H.B. 18-1309 (Programs Addressing Educator Shortages). The bill requires the Departments of Education and Higher Education to create a framework for grow your own educator programs, including collaborations between local education providers and institutions of higher education. Frameworks under the bill must include the following components:

- Applies to students enrolled in an institution of higher education that has 36 or fewer credit hours remaining to complete the degree program.
- Employment for the student, under a teacher of record license at a district or school for a position for which there is a critical teacher shortage.

- Mentorship and support provided by the student’s institution of higher education.
- Payment by the school or district of the participating student’s in-state tuition for no more than 36 credits, contingent up on the participant working in the same district or school for three academic years after completion of the program.

The Department of Education will administer grants to districts or schools that employ participating students under such a program, with grants intended to cover the payment of the student’s share of in-state tuition for up to 36 credit hours.

House Bill 18-1309 appropriated \$1.0 million General Fund for the program in FY 2018-19 but made those funds available for grants for the duration of the program. Based on discussions with both Legislative Council Staff and the Department, it is staff’s understanding that the Long Bill appropriations in FY 2019-20 (\$22,933 General Fund and 0.3 FTE) and FY 2020-21 (with no change requested from the FY 2019-20 appropriation) are intended to support the administrative costs of the program.

STATUTORY AUTHORITY: Section 22-60.5-208.5, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$22,933 General Fund and 0.3 FTE for FY 2020-21, with no change from the FY 2019-20 Long Bill appropriation.

RECOMMENDATION: Staff recommends approving the request for administration funding. However, staff notes that the Department reports that it has received *no* applications for funding under the existing grant criteria. As a result, the Department is using some of the existing FY 2019-20 appropriation for rulemaking and planning purposes – but it would appear that the Department is unlikely to make grants under the program as it is currently structured. Staff understands H.B. 20-1231 (Amend Programs Addressing Educator Shortages) seeks to amend the program and may facilitate the use of grant funds.

QUALITY TEACHER RECRUITMENT PROGRAM

The General Assembly added this line item to the FY 2014-15 Long Bill to support appropriations for the Quality Teacher Recruitment Program created in S.B. 13-260 (School Finance). Section 22-94-102, C.R.S., directs the Department to contract with organizations working with school districts and boards of cooperative educational services (BOCES) to recruit, select, train, and retain highly qualified teachers in areas that have historically had difficulty attracting and retaining such teachers.

In December 2013, the Department selected the Public Education Business Coalition (PEBC) and Teach for America (TFA-Colorado) as grant recipients, with each program receiving half of the annual grant funds (\$1,470,000 per year). The providers have divided the State geographically, with each program placing teachers in specific districts.

- PEBC placed 100 teachers in 43 school districts in FY 2017-18. In total, PEBC has placed a total of 332 teachers in 43 school districts from FY 2014-15 through FY 2017-18.
- TFA Colorado placed 81 new teachers in 3 school districts (Denver, Harrison, and Pueblo City) in FY 2017-18 through the grant program. In total, TFA Colorado has placed 362 teachers in those districts over the past four years.

Section 22-94-103, C.R.S., requires the vendors conducting the program to submit annual reports to the Department and requires the Department to contract with a third party to conduct annual evaluations of the program. The Department has contracted with OMNI Research to evaluate the program, and OMNI has submitted four reports to date (the most recent report is from August 2019). The following tables shows each organization’s actual placements for each year from FY 2014-15 through FY 2018-19 as well as retention information. As shown in the tables, both programs show high retention rates for the first two years after placement. Thus far, the available data shows stronger retention for the PEBC program after year two.

QUALITY TEACHER RECRUITMENT PROGRAM: PEBC TEACHER PLACEMENT DATA					
	COHORT 1: FY 2014-15	COHORT 2: FY 2015-16	COHORT 3: FY 2016-17	COHORT 4: FY 2017-18	COHORT 5: FY 2018-19
Total teachers placed in partner districts	61	70	95	100	89
<i>Placed as Teacher of Record</i>	8	7	32	31	31
<i>Placed as Resident</i>	53	63	63	69	58
Completed first year in program	61 (94%)	64 (91%)	90 (95%)	89 (89%)	82 (92%)
Completed second year in program	57 (88%)	54 (77%)	85 (87%)	68 (68%)	n/a
Completed third year in program	52 (80%)	50 (70%)	76 (78%)	n/a	n/a
Completed fourth year in program	50 (76%)	48 (68%)	n/a	n/a	n/a
Completed fifth year in program	48 (73%)	n/a	n/a	n/a	n/a

QUALITY TEACHER RECRUITMENT PROGRAM: TFA COLORADO TEACHER PLACEMENT DATA					
	COHORT 1: FY 2014-15	COHORT 2: FY 2015-16	COHORT 3: FY 2016-17	COHORT 4: FY 2017-18	COHORT 5: FY 2018-19
Total teachers placed in partner districts	111	92	78	81	88
<i>Placed as Teacher of Record</i>	111	92	78	72	80
<i>Placed as Resident</i>	0	0	0	9	8
Completed first year in program	106 (95%)	84 (91%)	75 (95%)	74 (91%)	82 (93%)
Completed second year in program	95 (86%)	75 (82%)	64 (82%)	62 (77%)	n/a
Completed third year in program	59 (53%)	43 (47%)	42 (54%)	n/a	n/a
Completed fourth year in program	40 (36%)	38 (41%)	n/a	n/a	n/a
Completed fifth year in program	31 (28%)	n/a	n/a	n/a	n/a

Please note that the TFA-Colorado program places most teachers as the “teacher of record” in the first year of the program and requires a two-year commitment from recruits. In contrast, PEBC has placed the majority of recruits as “residents” in mentor teacher classrooms for the first year. The PEBC participants become teachers of record in the second year and have made a three year commitment to the program (including the residency year). The PEBC also makes a five-year commitment to provide supports to program participants. As shown in the tables above, the level of attrition at the end of each program’s commitment period is quite significant (e.g., less than half of TFA candidates completing a third year).

The next table shows the total grant funds provided to each organization over the five year period, the total number of teachers placed over that period, the number of teachers that completed at least the first year, and the average *state* cost for each teacher. Please note that the school districts receiving placements pay the salaries of any placed teachers. Thus, the costs shown here cover recruiting and training costs but do *not* include salaries for the teachers. Also, please note that statute requires the

vendors to match state funding equally, so the total cost per placement (including non-state funds) is double the amount shown.

COMPARISON OF COST PER TEACHER PLACEMENT (FIVE-YEAR TOTAL)		
	PEBC	TFA COLORADO
Total grant funds received	\$5,940,000	\$8,780,000
Total teachers placed (FY 2014-15 through FY 2018-19)	415	450
Average <i>state</i> cost per placement	\$14,313	\$19,511
Total teachers that finished at least the first year	386	421
Average <i>state</i> cost per teacher finishing first year	\$15,389	\$20,855

STATUTORY AUTHORITY: Section 22-94-102, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$3.0 million cash funds from the State Education Fund in FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request for FY 2020-21 based on the assumption that the General Assembly intends to continue the program. Both organizations have proven their ability to place teachers in hard-to-serve districts and schools. Staff does have some concern about the longer-term retention by both programs and recommends that the General Assembly continue to track and consider that information for funding decisions going forward.

RETAINING TEACHERS FUND

The General Assembly added this line item to the FY 2019-20 Long Bill to make a one-time appropriation of \$3.0 million General Fund into the Retaining Teachers Fund to support the Retaining Teachers Grant Program created in H.B. 18-1412 (Retaining Teachers Grant Program). Because the appropriation in FY 2019-20 was requested as a one-time appropriation into the fund (to be spent out of the fund over two years), the Department is not requesting the continuation of this line item for FY 2020-21.

STATUTORY AUTHORITY: 22-98-102, C.R.S.

REQUEST: The Department is not requesting any funding for this line item for FY 2019-20.

RECOMMENDATION: Staff recommends approving the request (and eliminating this line item for FY 2020-21).

creating the Retaining Teachers Fund line item and approving an appropriation of \$1.0 million cash funds from the Retaining Teachers Fund and 1.0 FTE for FY 2019-20 (to be reflected for informational purposes only because the fund is continuously appropriated to the Department).

- Because the Retaining Teachers Fund is continuously appropriated to the Department, the additional appropriation in FY 2019-20 is not necessary to allow the Department to utilize the funds. However, the creation of the new line item would reflect the anticipated use of funds (originally appropriated into the fund in H.B. 18-1412) in FY 2019-20.
- As discussed above with request R9, staff recommends rejecting the request to appropriate an additional \$3.0 million for the program in the FY 2019-20 Long Bill. Given that FY 2018-19 is the

first year of the grant program and that H.B. 18-1412 provides an estimated \$1.0 million per year for three years, staff recommends allowing the existing appropriation and grant program to function for at least a full year before deciding whether to add additional funds. As is also discussed above, if the General Assembly does elect to add funding for FY 2019-20, staff recommends a direct appropriation from the General Fund to the Retaining Teachers Fund (rather than an initial transfer from the General State Education Fund as proposed in the request).

RETAINING TEACHERS GRANT PROGRAM

The General Assembly added this line item to the FY 2019-20 Long Bill to support the Retaining Teachers Grant Program created in H.B. 18-1412 (Retaining Teachers Grant Program). House Bill 18-1412 included a one-time appropriation of \$3.0 million General Fund into the Retaining Teachers Fund (fund, discussed above) for FY 2018-19, to be spent over a three-year period (FY 2018-19 through FY 2020-21). As discussed above, the FY 2019-20 Long Bill appropriated an additional \$3.0 million General Fund into the fund on a one-time basis, with the expectation that the Department would spend the money over two years (FY 2019-20 and FY 2020-21).

Because the Retaining Teachers Fund is continuously appropriated to the Department, any appropriations *from* the fund are reflected in the Long Bill for informational purposes only.

STATUTORY AUTHORITY: 22-98-102, C.R.S.

REQUEST: The Department requests an appropriation of \$2.5 million total funds from the Retaining Teachers Fund (including \$1.0 million cash funds and \$1.5 million reappropriated funds) and 1.0 FTE for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request for \$2.5 million total funds and 1.0 FTE, to be reflected in the Long Bill for informational purposes only. However, in a technical adjustment to the request to correctly annualize the FY 2019-20 decision item, staff recommends reflecting the entire \$2.5 million as cash funds because the full amount will be coming from the cash fund balance (neither the request nor the staff recommendation include a new appropriation *to* the cash fund in FY 2020-21). The following table shows the recommended change from the FY 2019-20 appropriation and the Department's request.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, RETAINING TEACHERS GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$2,500,000	\$0	\$1,000,000	\$1,500,000	\$0	1.0
TOTAL	\$2,500,000	\$0	\$1,000,000	\$1,500,000	\$0	1.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$2,500,000	\$0	\$1,000,000	\$1,500,000	\$0	1.0
Annualize prior year budget actions	0	0	1,500,000	(1,500,000)	0	0.0
TOTAL	\$2,500,000	\$0	\$2,500,000	\$0	\$0	1.0
INCREASE/(DECREASE)	\$0	\$0	\$1,500,000	(\$1,500,000)	n/a	0.0
Percentage Change	0.0%	n/a	150.0%	(100.0%)	0.0%	0.0%

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE,
RETAINING TEACHERS GRANT PROGRAM

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 EXECUTIVE REQUEST	\$2,500,000	\$0	\$1,000,000	\$1,500,000	\$0	1.0
Request Above/(Below) Recommendation	\$0	\$0	(\$1,500,000)	\$1,500,000	\$0	0.0

CAREER COUNSELING PROFESSIONAL DEVELOPMENT

The General Assembly added this line item to the FY 2019-20 Long Bill to provide statewide training to improve career counseling. The Department requested, and the General Assembly approved, a one-time appropriation of \$1.5 million General Fund to support the training efforts (planned as a collaboration between the Departments of Education, Higher Education, and Labor and Employment) in FY 2019-20.

According to the Department, there are roughly 6,000 career counselors/advisors in Colorado, including public school personnel (primarily school counselors), workforce centers, institutions of higher education, and adult education programs. The Department expected the \$1.5 million request to support training for approximately 5,000 of those counselors, with a focus on “proven career-coaching models” to connect students with high-needs jobs. The Department planned to provide between 90 and 100 regional training sessions, with between 40 and 50 attendees per session. In an update to last year’s estimates, the Department now expects to conduct at least 150 trainings with 7,000 participants in FY 2019-20. Using a “train the trainer” model, the Department expects the benefits of the program to continue beyond the one-time funding provided in FY 2019-20.

STATUTORY AUTHORITY: Section 22-10-103 (11)(a), C.R.S.

REQUEST: The Department requests an appropriation of \$2,039,190 General Fund for this line item for FY 2020-21. The request includes the following components:

- Continuation of the \$1.5 million General Fund appropriated in the FY 2019-20 Long Bill (though that amount was requested and approved on a one-time basis).
- An increase of \$539,190 General Fund associated with FY 2020-21 request R5 (Concurrent Enrollment for Educators, discussed above).

RECOMMENDATION: Staff recommends denying the request for funding in FY 2020-21 and eliminating the line item from the FY 2020-21 Long Bill.

- First, the General Assembly approved the \$1.5 million General Fund for FY 2019-20 on a one-time basis and not as an ongoing appropriation. Thus, the staff recommendation eliminates the base appropriation.
- Second, as discussed above with request R5 (Concurrent Enrollment for Educators), that request requires separate legislation. As a result, the appropriation is not suitable for inclusion in the Long Bill. Should the General Assembly decide to create the proposed program, the legislation establishing the program would carry the associated appropriation.

The following table shows the recommended change from the FY 2019-20 appropriation and from the request.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, CAREER COUNSELING PROFESSIONAL DEVELOPMENT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$1,500,000	\$1,500,000	\$0	\$0	\$0	0.0
TOTAL	\$1,500,000	\$1,500,000	\$0	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$1,500,000	\$1,500,000	\$0	\$0	\$0	0.0
R5 Concurrent enrollment for educators	0	0	0	0	0	0.0
Annualize prior year budget actions	(1,500,000)	(1,500,000)	0	0	0	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$1,500,000)	(\$1,500,000)	\$0	\$0	\$0	0.0
Percentage Change	(100.0%)	(100.0%)	n/a	n/a	n/a	n/a
FY 2020-21 EXECUTIVE REQUEST	\$2,039,190	\$2,039,190	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$2,039,190	\$2,039,190	\$0	\$0	\$0	0.0

TRANSFER TO THE DEPARTMENT OF HIGHER EDUCATION FOR RURAL TEACHER RECRUITMENT, RETENTION, AND PROFESSIONAL DEVELOPMENT

The General Assembly added this line item to the FY 2019-20 Long Bill to reflect funding transferred from the Department of Education to the Department of Higher Education as a result of S.B. 18-085 (Financial Incentives for Education in Rural Areas). Senate Bill 18-085 appropriated \$240,000 cash funds from the State Education Fund to the Department of Education for FY 2018-19 and then transferred those funds to the Department of Higher Education to support the Department of Higher Education's activities under the bill (paying stipends to teachers that are pursuing certification by the National Board). The General Assembly approved the addition of the new line item to the Long Bill to continue that structure in FY 2019-20.

STATUTORY AUTHORITY: Section 23-76-106, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$240,000 cash funds from the State Education Fund (to be transferred to the Department of Higher Education), with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies. The Legislative Council Staff Fiscal Note for S.B. 18-085 assumes that this is an ongoing expenditure.

ENGLISH LANGUAGE LEARNERS TECHNICAL ASSISTANCE

The General Assembly added this line item to the FY 2014-15 Long Bill to support additional technical assistance staff related to English language learners (ELLs). The line item supports staff providing technical assistance to local education providers to improve services for ELL students statewide.

The Department has used these funds to provide a series of professional development opportunities each year from FY 2014-15 through FY 2017-18 and to provide one-on-one support to school districts

as needed and requested. The Department has worked to target the professional development opportunities based on the needs of school and district personnel to both improve understanding of requirements related to EL services and deliver effective practices to support improved services. The Department (Office of Culturally and Linguistically Diverse Education or CLDE) offers a series of professional learning opportunities, including regional professional learning, webinars, regional director networking meetings, and targeted support. In addition, the Department hosts an annual CLDE Academy for district CLDE directors, coordinators, and teachers. Finally, the Department offers district-wide reviews and is in the process of developing school-level reviews of English language development programs.

STATUTORY AUTHORITY: Section 22-24-106, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$403,932 total funds (including \$348,248 General Fund and \$55,684 cash funds from the State Education Fund) and 5.0 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$6,452 total funds (\$5,979 General Fund) to annualize FY 2019-20 salary survey increases.
- \$1,295 total funds (\$1,214 General Fund) to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, ENGLISH LANGUAGE LEARNERS TECHNICAL ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$396,185	\$341,055	\$55,130	\$0	\$0	5.0
TOTAL	\$396,185	\$341,055	\$55,130	\$0	\$0	5.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$396,185	\$341,055	\$55,130	\$0	\$0	5.0
Annualize prior year budget actions	6,452	5,979	473	0	0	0.0
Annualize prior year legislation	1,295	1,214	81	0	0	0.0
TOTAL	\$403,932	\$348,248	\$55,684	\$0	\$0	5.0
INCREASE/(DECREASE)	\$7,747	\$7,193	\$554	\$0	\$0	0.0
Percentage Change	2.0%	2.1%	1.0%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$403,932	\$348,248	\$55,684	\$0	\$0	5.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

ENGLISH LANGUAGE PROFICIENCY ACT EXCELLENCE AWARDS PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the English Language Proficiency Act Excellence Award Program created in H.B. 14-1298 (School Finance). Created in Section 22-24-107, C.R.S., the program awards grants to local education providers and charter schools that achieve the highest growth and academic achievement for English language

learners (ELLs) and the highest academic achievement for ELLs who transition out of the English Language Proficiency Program.

STATUTORY AUTHORITY: Section 22-24-107, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$500,000 cash funds from the State Education Fund for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. Based on the anecdotal data available, the program appears to provide an additional incentive for schools and districts to seek out best practices that could improve achievement.

ENGLISH LANGUAGE LEARNERS PROFESSIONAL DEVELOPMENT AND STUDENT SUPPORT PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the English Language Learners Professional Development and Student Support Program created in H.B. 14-1298 (School Finance). House Bill 14-1298 repeals and reenacts the English Language Proficiency Act and creates the Professional Development and Student Support Program to allocate moneys to local education providers to offset costs incurred in complying with the English Language Proficiency Act. House Bill 14-1298 appropriated \$27.0 million to support the program in FY 2014-15, and the General Assembly has provided that amount in each subsequent year. The program is created outside of the English Language Proficiency Program categorical program and distributes funds on a per pupil basis (\$362.44 per pupil in FY 2019-20) based on the percentage of eligible students (those that are within the first five years of ELL services) that fall into the following categories:

- Students who do not comprehend or speak English or who comprehend and speak some English, but whose primary language is something other than English. With 66,032 students in this category in FY 2019-20, this group represents 88.6 percent of eligible students which equates to \$23.9 million in total funding and \$362.44 per pupil.
- Students who comprehend and speak English, but whose proficiency is below acceptable levels. With 8,464 students in this category in FY 2019-20, this group represents 11.4 percent of eligible students which equates \$3.1 million in total funding and to \$362.44 per pupil.

Prior to FY 2020-21, statute dedicated 75.0 percent of the program's funds to the first category and 25.0 percent to the second category. Senate Bill 19-246 (School Finance) adjusted the statute to align the distribution of funds with each group's share of the eligible population (and with the current distribution of categorical funding under the English Language Proficiency Act).

STATUTORY AUTHORITY: Section 22-24-108, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$27.0 million cash funds from the State Education Fund for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. The Department does not collect or track information related to specific expenditures related to this program and cannot directly attribute gains among English language learners to the additional funding and support. However, the

Department has seen signs of improvement as measured by English learners’ average scores on assessments relative to the statewide student population as a whole. For example, from 2015 to 2019, statewide elementary school students’ English language arts assessment scores rose by an average of 4.0 points while English learners scores increased by 4.2 points over that period. Staff will continue to work with the Department to evaluate the impact of the program going forward.

WORKING GROUP FOR IDENTIFICATION OF AND EDUCATIONAL SUPPORT FOR STUDENTS WITH DYSLEXIA (NEW LINE ITEM RECOMMENDED)

House Bill 19-1134 (Identification and Interventions for Students with Dyslexia) created the Working Group for Identification of and Educational Support for Students with Dyslexia within the Department of Education. The bill requires the Department of Education to convene an eleven-member group to study the identification of and support for dyslexic students. The bill authorizes the working group to meet up to ten times in FY 2019-20 and four times in FY 2020-21 and includes appropriations to support travel and expenses for both working group participants and Department staff. Authorized expenses also include venue rentals and catering, contracted facilitation, and resources to support substitute teachers to allow teacher members of the working group to meet during the school year.

The bill required the working group to submit a progress report to the Commissioner of Education by December 1, 2019, and a report of its recommendations no later than July 1, 2020 (and by each July 1 thereafter). No later than February 1, 2021, the Commissioner must submit the group’s report and any recommendations for legislation to the State Board of Education and the Education Committees of the General Assembly. The working group repeals September 1, 2029.

STATUTORY AUTHORITY: Sections 22-20.5-103, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$40,616 General Fund to support the working group’s activities in FY 2020-21. The Department’s FY 2020-21 request includes a reduction of \$54,060 General Fund below the appropriation provided in H.B. 19-1134 to eliminate one-time funding provided in the original appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies and with the Final Legislative Council Staff Fiscal Note for H.B. 19-1134. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, WORKING GROUP FOR IDENTIFICATION OF AND EDUCATIONAL SUPPORT FOR STUDENTS WITH DYSLEXIA						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
Other legislation	\$94,676	\$94,676	\$0	\$0	\$0	0.0
TOTAL	\$94,676	\$94,676	\$0	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$94,676	\$94,676	\$0	\$0	\$0	0.0
Annualize prior year legislation	(54,060)	(54,060)	0	0	0	0.0

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE,
WORKING GROUP FOR IDENTIFICATION OF AND EDUCATIONAL SUPPORT FOR STUDENTS WITH
DYSLEXIA

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$40,616	\$40,616	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$54,060)	(\$54,060)	\$0	\$0	\$0	0.0
Percentage Change	(57.1%)	(57.1%)	n/a	n/a	n/a	n/a
FY 2020-21 EXECUTIVE REQUEST	\$40,616	\$40,616	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

DYSLEXIA MARKERS PILOT PROGRAM (NEW LINE ITEM RECOMMENDED)

House Bill 19-1134 (Identification and Interventions for Students with Dyslexia) also created the Dyslexia Markers Pilot Program within the Department of Education to identify markers of dyslexia and to enable effective interventions. The bill directs the Department to consult with the working group (discussed in the previous line item) in designing the pilot program and to select up to five local education providers that volunteer to participate. Following the 2022-23 school year, the bill requires the Department to evaluate the implementation of the pilot program and the effectiveness of the piloted strategies to identify and support dyslexic students. The Department must prepare a report to the General Assembly no later than December 31, 2022, and the pilot program is repealed July 1, 2023.

House Bill 19-1134 includes an appropriation of \$116,453 General Fund to the Department of Education to support the pilot program in FY 2019-20.

STATUTORY AUTHORITY: Sections 22-20.5-104, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$11,520 General Fund to support pilot program in FY 2020-21. The request includes an increase of \$116,453 General Fund above the appropriation provided in H.B. 19-1134, which is consistent with the Final Legislative Council Staff Fiscal Note for H.B. 19-1134.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies and with the Final Legislative Council Staff Fiscal Note for H.B. 19-1134. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE,
DYSLEXIA MARKERS PILOT PROGRAM

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
Other legislation	\$11,520	\$11,520	\$0	\$0	\$0	0.0
TOTAL	\$11,520	\$11,520	\$0	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$11,520	\$11,520	\$0	\$0	\$0	0.0
Annualize prior year legislation	116,453	116,453	0	0	0	0.0
TOTAL	\$127,973	\$127,973	\$0	\$0	\$0	0.0

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE,
DYSLEXIA MARKERS PILOT PROGRAM

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	\$116,453	\$116,453	\$0	\$0	\$0	0.0
Percentage Change	1,010.9%	1,010.9%	n/a	n/a	n/a	n/a
FY 2020-21 EXECUTIVE REQUEST	\$127,973	\$127,973	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

ADVANCED PLACEMENT INCENTIVES PILOT PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the Advanced Placement Incentives Pilot Program created in H.B. 14-1118 (Advanced Placement Incentives Pilot Program). The program is intended to expand access to advanced placement (AP) courses in rural schools, and particularly for low income students. Only school districts that the Department identifies as rural may participate, and the bill caps participation in the pilot program at 475 students. The bill specifies requirements for schools and districts to participate.

The program provides eligible local education providers \$500 per student that completes an AP course and takes the AP exam. Participating schools or districts may use the funds to: (1) implement school-wide or district-wide AP programs; (2) provide professional development to administrators regarding the content required in non-AP classes to help students prepare for success in AP courses; (3) pay AP exam fees for students participating in the federal school lunch program, provided the fees are not paid with other federal grant moneys; and (4) provide teachers and mentors of AP courses with bonus payments of \$50 for each student who completes an AP course and takes the corresponding exam (up to a maximum of \$2,000 per teacher per year).

Originally set to expire at the end of FY 2017-18, H.B. 18-1193 (Extend Advanced Placement Incentives) extended the program through FY 2020-21.

STATUTORY AUTHORITY: Sections 22-95-101 through 104, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$262,763 cash funds from the State Education Fund and 0.3 FTE for FY 2020-21. The Department’s FY 2019-20 request includes the following increases above the FY 2019-20 appropriation (all from the State Education Fund):

- \$937 to annualize FY 2019-20 salary survey increases.
- \$160 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies. Based on the first four years of implementation, the program appears to have incentivized the creation and expansion of advanced placement opportunities in rural school districts. According to the Department, College Board data shows that over four years of implementation:

- The program awarded incentives to 32 high schools in 28 school districts. The Department received 18,282 requests for incentive payments, while funding allowed for payment of 2,375 incentives (12.9 percent of requests).

- Ten rural or small rural districts initiated *new* advanced placement programs over that period.
- The percentage of students scoring a “3” or higher on A.P. exams in the participating districts increased from 33 percent before implementation to 46.5 percent.
- Participating school districts experienced a 28 percent increase in the number of students participating in A.P. courses, a 23 percent increase in the number of A.P. exams taken, and a 29 percent increase in A.P. exams passed over the first four years of the program’s operation.

SCHOOL LEADERSHIP PILOT PROGRAM (NEW LINE ITEM REQUESTED)

House Bill 19-1002 (Leadership Professional Development for School Principals) created the School Leadership Pilot Program to provide training for school principals. The bill requires the program to identify a cohort of high quality school principals and allow other school principals (statewide) to observe and interact with the high-performing cohort and to receive professional development in school leadership.

The bill requires the Department of Education to design the program in FY 2019-20 and to implement the program no later than July 2020. The Department may contract with an external entity to assist with program design and implementation. The bill requires the program design to include: (1) a method to identify and select high-quality principals to participate; (2) learning objectives and goals of the program; (3) methods to achieve those objectives and goals; and (4) a method to evaluate the program’s success. For FY 2020-21 and FY 2021-22, the bill requires the State Board of Education to award a grant to the local education provider that employs each school principal selected to participate, either as a member of the highly-qualified cohort or as a participant receiving professional development.

The bill requires the Department to report to the General Assembly regarding the program’s design, implementation, and evaluation methods no later than March 15, 2020 (the Department has indicated that it is on track to provide the report on time). By January 15, 2022, the Department must report to the General Assembly, including detailing actual participation, an evaluation of the program’s impact, and a recommendation concerning the program’s consideration.

The Department reports that the program intends to identify twelve high-quality school principals to provide mentorship and support through the program and a total of 36 principals to receive the professional development. In both cases, the Department expects the majority of participating principals to be from rural school districts (8 out of 12 high-quality principals and 24 of 36 participants receiving support).

For FY 2019-20, the bill appropriated \$272,929 General Fund and 0.9 FTE to the Department of Education to support program design. The Final Legislative Council Staff Fiscal Note for the bill anticipates an appropriation of \$751,615 General Fund per year in FY 2020-21 and beyond (not including associated centrally appropriated amounts).

STATUTORY AUTHORITY: Section 22-13-201 through 205, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$751,615 General Fund and 1.0 FTE for this line item for FY 2020-21. The request includes an increase of \$478,686 General Fund

and 0.1 FTE above the FY 2019-20 appropriation (provided in H.B. 19-1002) to reflect the FY 2020-21 impact of the bill.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies and with the Final Legislative Council Staff Fiscal Note for H.B. 19-1002. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, SCHOOL LEADERSHIP PILOT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
Other legislation	\$272,929	\$272,929	\$0	\$0	\$0	0.9
TOTAL	\$272,929	\$272,929	\$0	\$0	\$0	0.9
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$272,929	\$272,929	\$0	\$0	\$0	0.9
Annualize prior year legislation	478,686	478,686	0	0	0	0.1
TOTAL	\$751,615	\$751,615	\$0	\$0	\$0	1.0
INCREASE/(DECREASE)	\$478,686	\$478,686	\$0	\$0	\$0	0.1
Percentage Change	175.4%	175.4%	n/a	n/a	n/a	11.1%
FY 2020-21 EXECUTIVE REQUEST	\$751,615	\$751,615	\$0	\$0	\$0	1.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

SCHOOL TRANSFORMATION GRANT PROGRAM

The General Assembly added the School Turnaround Leaders Development Program line item to the FY 2015-16 Long Bill to support the School Turnaround Leaders Development Program created in S.B. 14-124 (School Turnaround Leaders Development Program). The program, first funded with \$2.0 million cash funds from the State Education Fund in FY 2014-15, requires the Department to contract with providers of high-quality turnaround leadership development programs and award grants to school districts and charter schools throughout the State to develop school leaders with the skills and competencies required to turn around low-performing schools. Leaders of schools in Turnaround or Priority Improvement status under the statewide accountability system are eligible to participate.

The bill allowed the Department to award planning and program design grants to approved providers during the first three years of implementation; the State Board of Education approved six providers to support the program, five of which have served program participants.²¹ Over the first three years of the program (FY 2014-15 through FY 2016-17), the State Board approved a total of \$449,537 in planning and design grants to providers. Grants to participants (school leaders) allow the grantees to participate in leadership training provided by one of the approved providers. For FY 2015-16 through

²¹ Approved providers include: Catapult School Leadership, Generation Schools Network, Promethean/University of Florida, Relay Graduate School of Education, University of Denver, and University of Virginia. Although the State Board approved Promethean/University of Florida as a provider, no participants attended that program, and the provider has terminated involvement with the School Turnaround Leaders Development Program.

FY 2017-18, the program served a total of 256 participants representing 21 school districts (including the State Charter School Institute).

House Bill 18-1355 (Public Education Accountability System) expanded the program to include additional supports and activities and renamed the program the School Transformation Grant Program. In addition to leadership development, the grant program can now support schoolwide improvement activities as well as planning and implementation for accountability pathways directed by the State Board of Education. Based on the changes in H.B. 18-1355, the General Assembly renamed the line item as the “School Transformation Grant Program” in the FY 2019-20 Long Bill. In addition, the General Assembly approved an increase of \$2,314,027 General Fund and 1.8 FTE for FY 2019-20 to expand services available under the program.

STATUTORY AUTHORITY: Section 22-13-103, C.R.S.

REQUEST: The Department requests an appropriation of \$9,435,995 total funds (including \$7,431,221 General Fund and \$2,004,774 cash funds from the State Education Fund) and 3.0 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$5,000,000 General Fund associated with requests R12 and BA3 (Expand Eligibility for School Improvement, discussed above).
- \$117,194 General Fund to reflect the FY 2020-21 impact of FY 2019-20 request R4 (Funding for School Turnaround).
- \$1,415 cash funds from the State Education Fund to annualize FY 2019-20 salary survey increases.
- \$241 cash funds from the State Education Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of \$4,435,995 total funds (including \$2,431,221 General Fund and \$2,004,774 cash funds from the State Education Fund) and 3.0 FTE for FY 2020-21. The recommendation is \$5.0 million General Fund below the request based on the recommended rejection of requests R12 and BA3 (discussed above). Both of those requests require separate legislation to expand statutory eligibility for the School Transformation Grant Program (not requested as a JBC Bill) and are therefore not appropriate for inclusion in the Long Bill. The remainder of the recommendation aligns with the request. The following table shows the recommended changes from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, SCHOOL TRANSFORMATION GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$4,317,145	\$2,314,027	\$2,003,118	\$0	\$0	3.0
TOTAL	\$4,317,145	\$2,314,027	\$2,003,118	\$0	\$0	3.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$4,317,145	\$2,314,027	\$2,003,118	\$0	\$0	3.0
Annualize prior year budget actions	118,609	117,194	1,415	0	0	0.0
Annualize prior year legislation	241	0	241	0	0	0.0
R12/BA3 Expand eligibility for school improvement	0	0	0	0	0	0.0
TOTAL	\$4,435,995	\$2,431,221	\$2,004,774	\$0	\$0	3.0

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, SCHOOL TRANSFORMATION GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	\$118,850	\$117,194	\$1,656	\$0	\$0	0.0
Percentage Change	2.8%	5.1%	0.1%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$9,435,995	\$7,431,221	\$2,004,774	\$0	\$0	3.0
Request Above/(Below) Recommendation	\$5,000,000	\$5,000,000	\$0	\$0	\$0	0.0

LOCAL ACCOUNTABILITY SYSTEM GRANT PROGRAM (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support the Local Accountability System Grant Program established in S.B. 19-204 (Public School Local Accountability Systems). Under the program, the Department will provide grants to support local accountability systems (implemented by either a local education provider or a group of local education providers) that supplement the state accountability system. Local education providers that implement a local accountability system under the bill may provide a supplemental performance report to the Department although the supplemental report does not affect the local education provider’s accreditation rating or performance plan assignment.

The bill authorizes grant awards of between \$25,000 and \$50,000 per grantee per budget year for single applicants. Awards may not exceed \$75,000 per budget year for groups. Under the bill, the Department will distribute each grant award over three budget years. In the third year of the grant program (FY 2021-22), the Department must contract with an external evaluator to prepare a summary evaluation report regarding the implementation of local accountability systems that receive grants under the bill. The bill requires the Department to convene a meeting with local education providers that implement local accountability systems prior to July 15, 2020, and no later than July 15 in subsequent years. By January 15, 2021, and each year thereafter, the Department must submit a report to the State Board of Education and the General Assembly regarding the implementation of local accountability systems and the performance of the grant program.

For FY 2019-20, S.B. 19-204 appropriated \$493,097 General Fund and 0.4 FTE to the Department to support the program. The Final Legislative Council Staff Fiscal Note for S.B. 19-204 assumes that the appropriation will support the Department’s costs to manage the program and provide \$450,000 in grant funds each year.

STATUTORY AUTHORITY: Section 22-11-701 through 705, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$494,267 General Fund for FY 2020-21, including an increase of \$1,170 General Fund to annualize S.B. 19-204.

RECOMMENDATION: Staff recommends approving the request (including the creation of the new line item and the requested appropriation), which is consistent with the Committee’s common policies and the Final Legislative Council Staff Fiscal Note for S.B. 19-204. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, LOCAL ACCOUNTABILITY SYSTEM GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
Other legislation	\$493,097	\$493,097	\$0	\$0	\$0	0.4
TOTAL	\$493,097	\$493,097	\$0	\$0	\$0	0.4
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$493,097	\$493,097	\$0	\$0	\$0	0.4
Annualize prior year legislation	1,170	1,170	0	0	0	0.1
TOTAL	\$494,267	\$494,267	\$0	\$0	\$0	0.5
INCREASE/(DECREASE)	\$1,170	\$1,170	\$0	\$0	\$0	0.1
Percentage Change	0.2%	0.2%	n/a	n/a	n/a	25.0%
FY 2020-21 EXECUTIVE REQUEST	\$494,267	\$494,267	\$0	\$0	\$0	0.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

COMPREHENSIVE PHYSICAL EDUCATION PILOT PROGRAM (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support the Health and Wellness Through Comprehensive Quality Physical Education Instruction Pilot Program. Created in S.B. 19-246 (School Finance), the program will provide three-year grants to eligible schools or school districts to implement a program of comprehensive physical education instruction. Grants under the pilot may cover FY 2020-21 through FY 2022-23. Grantees may use the funds to address resource needs creating barriers to implementing a comprehensive program. The bill requires grantees to ensure that supported physical education programs include specific components.

Senate Bill 19-246 included an appropriation of \$1,100,000 cash funds from the Marijuana Tax Cash Fund and 0.7 FTE to support the program. Section 22-99-105, C.R.S., makes those funds available to the Department through FY 2023-24.

STATUTORY AUTHORITY: Section 22-99-101, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,100,000 cash funds from the Marijuana Tax Cash Fund and 0.7 FTE, with no change from the FY 2019-20 appropriation (included in S.B. 19-246).

RECOMMENDATION: Staff recommends denying the request for the additional appropriation. Senate Bill 19-246 appropriated \$1.1 million cash funds from the Marijuana Tax Cash Fund and 0.7 FTE for FY 2019-20. However, as discussed above, the bill makes those funds available to the Department through FY 2023-24, and it is staff's understanding that the General Assembly's intent was for those funds to support the program through FY 2023-24. Thus, staff recommends denying the request for an additional appropriation in FY 2020-21.

COMPUTER SCIENCE EDUCATION GRANTS (LINE ITEM CHANGE RECOMMENDED)

The General Assembly added the Computer Science Education Grants for Teachers line item to the FY 2018-19 Long Bill to support appropriations for a grant program created in S.B. 17-296 (School Finance). The program provides grants for eligible teachers who wish to pursue additional postsecondary education and training in order to then provide computer science education to K-12 students. Originally funded with \$500,000 cash funds from the State Education Fund and 0.4 FTE, the General Assembly added approximately \$500,000 in the Long Bill appropriation for FY 2019-20 (for a total appropriation of \$1,048,600 and 0.4 FTE in the FY 2019-20 Long Bill).

House Bill 19-1277 (Computer Science Grant Program) created a second grant program, the Computer Science Education Grant Program, to provide grants to public schools to increase the participation of traditionally underrepresented students in computer science education. The bill specifies the information that applicants must include in a grant application and requires the Department to prioritize applicants that demonstrate a low number of computer science educational activities, expose students to diverse professionals in the computer science industry, or demonstrate how the grant money will serve a high-poverty student population, a high percentage of minority or female students, or students in a rural area. Although H.B. 19-1277 did not include an appropriation for FY 2019-20, the bill requires the General Assembly to appropriate \$250,000 per year to support grants for FY 2020-21 through FY 2022-23.

The Department’s request proposes to fund both grant programs within a single line item. Thus, staff recommends changing the line item name from Computer Science Education Grants for Teachers to “Computer Science Education Grants.”

STATUTORY AUTHORITY: Section 22-97-101 through 103 and 22-97-201 through 205, C.R.S.

REQUEST: The Department requests an appropriation of \$1,301,657 total funds (including \$250,000 General Fund and \$1,051,657 cash funds from the State Education Fund) and 0.4 FTE for FY 2020-21. As discussed above, the request combines appropriations for the Computer Science Education Grants for Teachers program (funded with State Education Fund) and the Computer Science Education Grant Program (funded with General Fund). The request includes the following changes from the FY 2019-20 appropriation:

- \$250,000 General Fund to annualize H.B. 19-1277 (because grants under the bill begin in FY 2020-21).
- \$2,612 cash funds from the State Education Fund to annualize FY 2019-20 salary survey increases.
- \$445 cash funds from the State Education Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: As discussed above staff recommends renaming the line item as “Computer Science Education Grants” and approving the requested appropriations, which is consistent with the Committee’s common policies. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, COMPUTER SCIENCE EDUCATION GRANTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						

**ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE,
COMPUTER SCIENCE EDUCATION GRANTS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 19-207 Long Bill	\$1,048,600	\$0	\$1,048,600	\$0	\$0	0.4
TOTAL	\$1,048,600	\$0	\$1,048,600	\$0	\$0	0.4
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$1,048,600	\$0	\$1,048,600	\$0	\$0	0.4
Annualize prior year legislation	250,445	250,000	445	0	0	0.0
Annualize prior year budget actions	2,612	0	2,612	0	0	0.0
TOTAL	\$1,301,657	\$250,000	\$1,051,657	\$0	\$0	0.4
INCREASE/(DECREASE)	\$253,057	\$250,000	\$3,057	\$0	\$0	0.0
Percentage Change	24.1%	0.0%	0.3%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$1,301,657	\$250,000	\$1,051,657	\$0	\$0	0.4
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

ADVANCED PLACEMENT EXAM FEE GRANT PROGRAM

The General Assembly added this line item to the FY 2019-20 Long Bill to support the Advanced Placement Exam Fee Grant Program created in H.B. 18-1396 (Advanced Placement Exam Fee Grant Program). The program subsidizes a portion of advanced placement (AP) exam fees on behalf of eligible low income students. Schools must use the entire amount awarded through a competitive grant process to pay AP exam fees. House Bill 18-1396 appropriated \$554,869 General Fund and 0.3 FTE to the Department for FY 2018-19.

STATUTORY AUTHORITY: Section 22-95.5-102, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$561,461 General Fund and 0.4 FTE for FY 2020-21. The request includes the following General Fund increases above the FY 2019-20 appropriation:

- \$730 to annualize FY 2019-20 salary survey increases.
- \$148 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies.

EDUCATOR PERCEPTION

The General Assembly added this line item to the FY 2014-15 Long Bill to provide \$100,000 General Fund to support the administration of the biennial Teaching, Empowering, Leading, and Learning (TELL) Survey which surveys school-based educators statewide to assess teaching conditions.

House Bill 08-1384 (Retention of Qualified Educators) authorized the Department to conduct a biennial survey of teaching and learning conditions. The goal of the bill and program is to survey every school-based licensed educator regarding their perceptions of teaching and learning conditions to provide insights for policy decisions at the school, local district, and state levels. The Department has

worked with a variety of partners to administer the survey. According to the tellcolorado.org website, the Department has partnered with the New Teacher Center, the Colorado Association of School Boards (CASB), the Colorado Association of School Executives (CASE), the Colorado League of Charter Schools, the American Federation of Teachers (Colorado), and the Colorado Education Association. The Department administered the survey for the fifth time in FY 2017-18, although previous administrations were largely supported by alternative fund sources.

Beginning with FY 2019-20, the Department has transitioned to a new system to fund the survey. The FY 2019-20 appropriation included \$75,000 General Fund to support the administration of the survey in FY 2019-20, with the assumption that the “off-year” appropriation (FY 2020-21) would provide \$25,000 to support the vendor’s costs for analysis and maintenance.

STATUTORY AUTHORITY: Section 22-2-503, C.R.S.

REQUEST: The Department requests an appropriation of \$25,000 General Fund for FY 2020-21. The recommendation is \$50,000 below the FY 2019-20 appropriation based on the transition to the two-year cycle discussed above.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s decisions from FY 2019-20.

(V) FACILITY SCHOOLS

While most children in Colorado receive public education services through school districts or schools that are authorized by the State Charter School Institute, some children receive their education through schools operated by community-based facilities or state-operated programs.²² In 2008, the General Assembly modified the method of funding facility schools and certain state programs by:

- Removing pupils educated by facility schools from districts' pupil enrollment counts for purposes of funding.²³
- Requiring facility schools and state programs to report information directly to the Department's Facility Schools Unit concerning individual students, including the student's district of residence and the actual number of days of attendance each month.
- Allowing facility schools to bill the Department for statewide average per pupil revenues times 1.33, and allowing facility schools to bill for an additional one-third of per pupil revenue to support Summer school programs. In 2013, the General Assembly modified this provision to provide statewide base per pupil funding times 1.73 in an effort to increase funding for facility schools.

²² Pursuant to Section 22-54-129 (1) (f), C.R.S., “state programs” include the Colorado School for the Deaf and the Blind and the education programs operated by the Colorado Mental Health Institutes at Pueblo and Fort Logan. Because the State has closed the facility at Fort Logan, the School for the Deaf and the Blind and the Colorado Mental Health Institute at Pueblo are the only remaining state programs.

²³ Districts continue to include students who reside in a facility or group home and attend a district school in their October count for purposes of funding. Further, students in "out-of-district" placements who attend public school are included in the pupil count of the district of attendance.

The General Assembly also created a Facility Schools Board to adopt curriculum standards, accountability measures, and graduation requirements for facility schools. This act also created the Facility Schools Unit within the Department of Education charged with:

- Developing and maintaining a list of approved facility schools.
- Making recommendations concerning curriculum standards and graduation standards.
- Maintaining information and records for students who receive educational services from approved facility schools.
- Communicating and collaborating with the Department of Human Services, county departments of social services, and other agencies regarding the placement and transfer of students in facilities.

FACILITY SCHOOLS UNIT AND FACILITY SCHOOLS BOARD

This line item supports the Facility Schools Unit and Board. The Department is authorized to withhold up to 2.0 percent of the amount payable to each approved facility school to cover the costs of the unit and the Board. The reappropriated funds supporting this line item are transferred from the Facility School Funding line item (discussed below).

STATUTORY AUTHORITY: Sections 22-2-401 through 22-2-408, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$322,568 reappropriated funds and 3.0 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$6,562 to annualize FY 2019-20 salary survey increases.
- \$1,222 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, FACILITY SCHOOLS UNIT AND FACILITY SCHOOLS BOARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$314,884	\$0	\$0	\$314,884	\$0	3.0
TOTAL	\$314,884	\$0	\$0	\$314,884	\$0	3.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$314,884	\$0	\$0	\$314,884	\$0	3.0
Annualize prior year budget actions	6,562	0	0	6,562	0	0.0
Annualize prior year legislation	1,122	0	0	1,122	0	0.0
TOTAL	\$322,568	\$0	\$0	\$322,568	\$0	3.0
INCREASE/(DECREASE)	\$7,684	\$0	\$0	\$7,684	\$0	0.0
Percentage Change	2.4%	n/a	n/a	2.4%	n/a	n/a
FY 2020-21 EXECUTIVE REQUEST	\$322,568	\$0	\$0	\$322,568	\$0	3.0

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, FACILITY SCHOOLS UNIT AND FACILITY SCHOOLS BOARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

FACILITY SCHOOLS FUNDING

This line item provides funding for the Department to make payments to facility schools as required by Section 22-54-129, C.R.S. Prior to FY 2013-14, this provision authorized the payment of the state average per pupil revenue times 1.33. Senate Bill 13-260 changed the formula for facility school funding to provide the statewide *base* per pupil funding amount times 1.73; this amount is translated into a daily rate, and each facility school receives a daily rate for each child in attendance for up to 235 days each school year.

STATUTORY AUTHORITY: Section 22-54-129, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$16,241,061 cash funds from the State Education Fund for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: As discussed above (Staff Initiated Facility Schools Funding Adjustment), staff recommends approving an appropriation of \$17,024,650 cash funds from the State Education Fund for this line item for FY 2020-21. The recommendation represents an increase of \$783,589 above the FY 2019-20 appropriation (and the Department’s request) based on the Department’s estimates of facility school student counts for FY 2020-21. There are currently 37 facility schools and two state programs that receive funding through this line item. These programs are allowed to receive reimbursement for each child in attendance for up to 235 days each year. Based on current law (as adjusted by S.B. 15-267), with statewide base per pupil funding at \$7,083.61, these programs will receive up to \$12,254.65 per child per year (\$7,083.61 X 1.73) for FY 2020-21 (or \$52.15 per student per school day). While the Mental Health Institutes and most facility schools provide year-round education programs; the Colorado School for the Deaf and the Blind and some facility schools do not provide year-round educational programs. The following table provides an estimate of the amount of funding required for this line item for FY 2020-21, and the portions that will be transferred to other state agencies.

FACILITY SCHOOL FUNDING: FY 2020-21			
DESCRIPTION	FY 2019-20 APPROPRIATION	FY 2020-21 STAFF REC.	CHANGE FROM FY 2019-20 APPROP.
Projected Average Facility Schools FTE	1,324	1,362	38
Multiplied by: Statewide Base Per Pupil Funding X 1.73	\$12,026.14	\$12,254.65	\$228.51
Total Estimated Facility School payments	\$15,922,609	\$16,690,833	\$768,224
Plus: Additional Funding (approximately 2.0 percent) to account for placement and attendance fluctuations	318,452	333,817	15,365
Recommendation for Facility School Funding line item	\$16,241,061	\$17,024,650	\$783,589
Estimated portion of the above amount transferred to state agencies:			
<i>Department of Education: Colorado School for the Deaf and the Blind</i>	\$1,633,932	\$1,636,570	\$2,638
<i>Department of Human Services: Mental Health Institutes (Pueblo only)</i>	\$158,957	\$148,700	(\$10,257)

As in prior years, the staff recommendation leaves a cushion (representing 2.0 percent of funding) to cover potential increases in the number of students placed in facility schools and school attendance fluctuations. Please note that because the facility school funding formula in Section 22-54-129, C.R.S., uses statewide *base* per pupil funding as the basis of the formula, total funding for facility schools no longer changes based on adjustments to the school finance formula that do not affect base per pupil funding. Prior to FY 2013-14, if separate legislation changed statewide *average* per pupil funding, facility school funding changed as well. Those adjustments are no longer necessary.

Finally, staff recommends reflecting the following transfers of reappropriated funds to other state agencies that receive funding from this line item for educational programs:

- \$1,636,570 to the Colorado School for the Deaf and the Blind (CSDB), School Operations.
- \$148,700 to the Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, for the Mental Health Institute at Pueblo.

The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, FACILITY SCHOOL FUNDING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$16,241,061	\$0	\$16,241,061	\$0	\$0	0.0
TOTAL	\$16,241,061	\$0	\$16,241,061	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$16,241,061	\$0	\$16,241,061	\$0	\$0	0.0
SI Facility schools adjustment	783,589	0	783,589	0	0	0.0
TOTAL	\$17,024,650	\$0	\$17,024,650	\$0	\$0	0.0
INCREASE/(DECREASE)	\$783,589	\$0	\$783,589	\$0	\$0	0.0
Percentage Change	4.8%	n/a	4.8%	n/a	n/a	n/a
FY 2020-21 EXECUTIVE REQUEST	\$16,241,061	\$0	\$16,241,061	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$783,589)	\$0	(\$783,589)	\$0	\$0	0.0

(VI) OTHER ASSISTANCE
 APPROPRIATED SPONSORED PROGRAMS

This line item reflects federal funding anticipated to be received by the Department. This section also provides cash funds spending authority for the Department to receive fees related to conferences, some grant funds, and transfers from other agencies. The vast majority of funds reflected in this section are distributed directly to local school districts, and the balance is utilized by the Department to fund state-wide efforts, to provide technical assistance to school districts, and to cover Department administrative costs. Matching requirements for the federal funds, where required, are generally met by using other Department funds, school district funds, and other “non-state” funds. Thus, no General Fund appropriation is included in this line item.

STATUTORY AUTHORITY: Sections 22-2-117 and 22-30.5-101, C.R.S. Various federal statutes.

REQUEST: The Department requests a continuation appropriation of \$278,781,496 (including \$2,750,984 cash funds, \$651,922 reappropriated funds, and \$275,378,590 federal funds) and 66.1 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$184,790 total funds to annualize FY 2019-20 salary survey increases.
- \$29,485 total funds to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the an appropriation of \$268,754,654 total funds (including \$2,750,984 cash funds, \$651,922 reappropriated funds, and \$265,351,748 federal funds) and 66.1 FTE for FY 2020-21. The recommendation is \$10,026,842 federal funds and 4.0 FTE below the request based on the staff recommendation to move the funds and FTE associated with federal charter school grants to the Schools of Choice linen item in the Management and Administration section (Staff Initiated Schools of Choice Adjustment, discussed in the Management and Administration section of this document). The following table shows the estimated components of the FY 2020-21 appropriation for Appropriated Sponsored Programs.

APPROPRIATED SPONSORED PROGRAMS: FY 2020-21 ESTIMATES		
DISTRIBUTION	STAFF RECOMMENDATION	
	AMOUNT	FTE
<i>Cash Funds:</i>		
Private Gifts, Grants and Donations	790,051	1.0
Interagency Agreements	461,838	0.0
Allowance for Additional Grants	1,499,095	0.0
Subtotal: Cash Funds	\$2,750,984	1.0
<i>Reappropriated Funds:</i>		
Federal Child Care Block Grant Funds transferred from the Department of Human Services	\$651,922	6.0
Subtotal: Reappropriated Funds	\$651,922	6.0
<i>Federal Funds:</i>		
Title I Programs	\$207,599,280	25.1
Title II Programs	29,692,065	10.5
After School Learning Centers	12,502,652	5.0
Adult Education - WIA	7,041,872	8.0
Mathematics and Science Partnerships	2,205,159	1.0
Educate Homeless Children	880,554	1.3
Even Start	557,982	0.1
Project AWARE	1,353,221	2.1
Other	3,518,963	2.0
Subtotal: Federal Funds	\$265,351,748	55.1
Total	\$268,754,654	62.1

SCHOOL COUNSELOR CORPS GRANT PROGRAM

Established in 2008 [Section 22-91-101, *et seq.*, C.R.S.], this competitive grant program provides grants to school districts, boards of cooperative services, and charter schools to increase the availability of effective school-based counseling within middle and secondary schools. The stated goal of the program is to increase the state graduation rate and to increase the percentage of students who appropriately prepare for, apply to, and continue into postsecondary education. Subject to available

appropriations, the State Board awards three-year grants based on statutory criteria²⁴. The State Board is required to give priority to schools at which the dropout rate exceeds the statewide average and/or the percentage of students eligible for free and reduced lunch exceed the statewide average. The Department is authorized to expend up to 2.0 percent of moneys annually appropriated for the Program to offset the costs incurred in implementing the program. This program is subject to available appropriations.

The General Assembly appropriated \$5.0 million cash funds from the State Education Fund annually for the first four years of the program's operation (FY 2010-11 through FY 2013-14). The General Assembly increased the appropriation by \$3.0 million (to a total of \$8.0 million) cash funds in FY 2014-15 and added \$2.0 million more (to a total of \$10.0 million) in FY 2015-16.

Beginning in FY 2019-20, H.B. 19-1187 appropriated \$250,000 General Fund to this line item to assist students and families with completing state and federal financial aid applications. The bill requires the General Assembly to appropriate \$250,000 per year for FY 2019-20, FY 2020-21, and FY 2021-22 and requires the State Board of Education to distribute the appropriated funds to local education providers that receive a school counselor corps grant. Recipients must use the additional funding to: (1) develop and distribute information regarding the process for and benefits of completing the Free Application for Federal Student Aid (FAFSA) and state financial aid applications; (2) train school counselors on best practices to support students and families in the completion of applications, with an emphasis on communities with historically low completion rates; and (3) organize opportunities for students and families to meet with stakeholders who assist with the completion of aid applications.

STATUTORY AUTHORITY: Section 22-91-101, et seq., C.R.S.

REQUEST: The Department requests an appropriation of \$10,257,963 total funds (including \$250,000 General Fund and \$10,007,963 cash funds from the State Education Fund) and 2.0 FTE for FY 2020-21. The request includes the following increases (from the State Education Fund) above the FY 2019-20 appropriation:

- \$6,803 to annualize FY 2019-20 salary survey increases.
- \$1,160 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of \$10,250,000 total funds (including \$250,000 General Fund and \$10,000,000 cash funds from the State Education Fund), with no change from the FY 2019-20 appropriation as adjusted by H.B. 19-1187. The recommendation represents a reduction of \$7,963 cash funds below the request to align with the \$10.0 million statutory limit on appropriations to the Counselor Corps Grant Program (see Sec. 22-91-104 (5)(a), C.R.S.). Staff notes that, over time, increasing personnel and administration costs (e.g., salary survey) will decrease the amount available for grants under the program and the General Assembly may wish to

²⁴ These criteria include: the school's dropout rate, the percentage of students eligible for free or reduced price lunch, the percentage of students who graduate and enroll in postsecondary education within two years after graduating high school, whether the applicant has adopted or has committed to adopt national standards for school counselor responsibilities, and the likelihood that the recipient will continue to fund the increased level of school counseling services following the expiration of the grant.

revisit the existing cap on appropriations. **If the General Assembly wishes to avoid the erosion of grant funds available to recipient schools and districts, then staff recommends either eliminating or raising the cap on appropriations to the program.**

The Department made significant changes to the program for FY 2013-14, including: (1) providing limited funding for the first year of the grant to support planning; (2) requiring reporting at the end of the planning year and using that reporting to determine whether to continue funding; (3) eliminating repeat funding for individual schools; and (4) increasing annual reporting and accountability required of grant recipients. Staff continues to support the Department's changes to the program and believes the additional reporting information and oversight by the Department will allow for a more informed evaluation of the program in future years. Staff also notes that the program has been recognized nationally as a best practice by the Reach Higher Initiative.

BOCES FUNDING PER SECTION 22-5-122, C.R.S.

The General Assembly created this program with an initial appropriation of \$1.3 million cash funds from the State Education Fund in H.B. 12-1345 to assist BOCES in working with partner districts to implement and meet the state's educational priorities. With the enactment of H.B. 14-1298 (School Finance), the General Assembly increased the appropriation by \$2.0 million (to a total of \$3.3 million) in FY 2014-15 and has maintained that level in subsequent years. The Department reports using funds to support the implementation of: educator effectiveness; accountability and improvement planning; standards and assessments; and early literacy efforts under H.B. 12-1238.

STATUTORY AUTHORITY: Section 25-2-122, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$3,318,279 cash funds from the State Education Fund and 1.0 FTE for FY 2020-21. The request includes the following increases (from the State Education Fund) above the FY 2019-20 appropriation:

- \$3,419 to annualize FY 2019-20 salary survey increases.
- \$583 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies.

CONTINGENCY RESERVE FUND

The Contingency Reserve Fund, created in Section 22-54-117 (1) (a), C.R.S., provides a fund source for the State Board of Education to assist school districts facing specific circumstances. Section 22-54-117 (1), C.R.S., authorizes the State Board to approve payments from the Contingency Reserve Fund to assist school districts under the following circumstances:

- (a) (I): financial emergencies caused by an act of God or arising from extraordinary problems in the collection of taxes;
- (a) (II): financial emergencies caused by nonpayment of property taxes;
- (a) (III): revenues are insufficient to make abatements and refunds of property taxes;
- (a) (IV): unforeseen contingencies (e.g., reductions in valuation exceeding 20 percent);

- (a) (V): unusual financial burden caused by the instruction of court-ordered or agency-placed non-resident children;
- (a) (VI): unusual financial burden caused by the instruction of children who move into the district following the pupil count date (applies to small districts only);
- (a) (VII): unusual financial burden caused by a significant enrollment decline pursuant to a reorganization;
- (a) (VIII): beginning in FY 2016-17, unusual financial burden caused by a significant reduction in assessed value within a district whose state share of total program prior to the application of the negative factor was less than 0.5 percent of total program funding in the previous budget year and the reduction in assessed value is causing a negative factor reduction in the budget year; and
- (b): in cases of extreme emergency, other factors that affect the ability of the district to maintain its schools without additional financial assistance.

Section 22-54-117 (1) (a), C.R.S., indicates that, "In deciding the amount to be appropriated to the contingency reserve, the general assembly may take into consideration any recommendations made by the department of education, but nothing in this section shall be construed to obligate the general assembly to provide supplemental assistance to all districts determined to be in need or fully fund the total amount of such need."

Please note that pursuant to Section 22-54-117 (1) (c), C.R.S., when a school district reimburses the State for supplemental assistance received from the Contingency Reserve, the reimbursement is credited to the Contingency Reserve Fund rather than the General Fund. Thus, these repayments may then be made available to meet other districts' needs.

STATUTORY AUTHORITY: Section 22-54-117, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1.0 million cash funds from the Contingency Reserve Fund, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. To date, the Department has not identified a need to use the Contingency Reserve Fund in the current year. Without use of the fund in FY 2019-20, the \$1.0 million currently in the fund would be available for appropriation in FY 2020-21. As a result, additional General Fund does not appear to be necessary in FY 2020-21. The recommendation will allow the Department to access the fund balance if needed in FY 2020-21.

SUPPLEMENTAL ON-LINE EDUCATION SERVICES

Pursuant to H.B. 06-1008 [Section 22-5-119, C.R.S.], this program provides funding to ensure that supplemental on-line courses are affordable for school districts, BOCES, and charter schools. This line item provides funding to the Colorado River BOCES (formerly part of the Mountain BOCES) to contract with a supplemental on-line course provider to offer on-line courses at a cost of no more than \$200 per student per semester course. This is subject to available appropriations. The source of funding is federal mineral lease revenues that are credited to the State Public School Fund.

For FY 2007-08 through FY 2015-16, the General Assembly annually appropriated \$480,000 cash funds for this purpose. The enactment of H.B. 16-1222 (Supplemental Online and Blended Learning Resources) increased the appropriation to \$960,000 in FY 2016-17. The General Assembly increased

the appropriation to \$1,020,000 for FY 2017-18 and further increased the appropriation to \$1,220,000 in FY 2018-19. The Colorado River BOCES is contracting with two providers, Colorado Digital Learning Solutions (providing courses) and the iLearn Collaborative (providing blended learning professional development opportunities to districts and schools), to operate the program.

The Colorado River BOCES reports significant increases in enrollment in this program since 2015, with course enrollments increasing from 432 in FY 2015-16 to more than 3,604 in FY 2019-20. Similarly, the number of different *students* using the courses has increased: the program enrolled 296 individual students in FY 2015-16 but has 1,326 students enrolled in the Spring 2020 semester alone (and a total of 2,859 students in FY 2019-20). The BOCES reports that 90 school districts, the State Charter School Institute, and one BOCES have students enrolled in courses through Colorado Digital Solutions during the Spring 2020 semester. Of those districts, 76 percent are identified as rural or small rural and 18 percent are classified as urban. Five percent of the enrolled students are from charter schools.

STATUTORY AUTHORITY: Section 22-5-119, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,220,000 cash funds from the State Public School Fund for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies. Federal mineral lease revenues (which are deposited into the State Public School Fund) that are not appropriated for this purpose could instead be appropriated for the State Share of Districts' Total Program Funding, thereby mitigating any reduction to school districts' total program funding. However, staff continues to see this program model as a cost-effective way to ensure that schools – particularly rural school districts – are able to purchase on-line courses to supplement their course offerings and help students comply with higher education admission guidelines.

INTERSTATE COMPACT ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN

Through H.B. 08-1317 [see Sections 22-90-101 and 24-60-3401, C.R.S.], the General Assembly approved and ratified and authorized the Governor to enter into the Interstate Compact on Educational Opportunity for Military Children on behalf of the State. This compact was developed by the Council of State Governments. The Military Interstate Children's Compact Commission (MIC3) is a separate, non-profit entity based in Lexington, Kentucky. All 50 states have now adopted the Compact. Member states agree, as part of the Compact, to pay an annual assessment to cover the cost of the operations and activities of the Commission.

The Compact is intended to remove barriers to educational success children of military families experience due to either frequent moves and/or the deployment of their parents. The Compact provides for uniform treatment of military children transferring between school districts and states. Specifically, the Compact addresses the following issues facing children of active duty service members, of members who die on active duty, and of veterans:

- *Enrollment* - educational records, immunizations, and kindergarten and 1st grade entrance age

- *Placement and Attendance* - course and educational program placement, special education services, placement flexibility, and absence related to deployment activities
- *Eligibility* - eligibility for student enrollment and extracurricular activities
- *Graduation* - waiving course requirements if similar courseware has been completed; flexibility in accepting state exit and end-of-course exams, national achievement tests, or alternative testing in lieu of graduation testing requirements; and allowing a student to receive a diploma from a sending school district

STATUTORY AUTHORITY: Sections 22-90-101 and 24-60-3401, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$21,668 cash funds from the State Education Fund for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Based on updated information from the staff with the Interstate Compact, staff recommends approving an appropriation of \$21,308 cash funds from the State Education Fund for FY 2020-21 a decrease of \$360 below the FY 2019-20 appropriation. The recommendation reflects Colorado’s dues for FY 2020-21. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, INTERSTATE COMPACT ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$21,668	\$0	\$21,668	\$0	\$0	0.0
TOTAL	\$21,668	\$0	\$21,668	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$21,668	\$0	\$21,668	\$0	\$0	0.0
Other technical adjustments	(360)	0	(360)	0	0	0.0
TOTAL	\$21,308	\$0	\$21,308	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$360)	\$0	(\$360)	\$0	\$0	0.0
Percentage Change	(1.7%)	n/a	(1.7%)	n/a	n/a	n/a
FY 2020-21 EXECUTIVE REQUEST	\$21,668	\$0	\$21,668	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$360	\$0	\$360	\$0	\$0	0.0

COLLEGE AND CAREER READINESS

The General Assembly added this line item to the FY 2014-15 Long Bill to provide additional technical assistance associated with college and career readiness reforms. Specifically, the Department requested the creation of the line item to increase assistance related to individual career and academic plans (ICAPs), new statewide graduation guidelines, concurrent enrollment programs, and the implementation of school and district innovation status.

Senate Bill 19-176 (Expanding Concurrent Enrollment Opportunities) modifies concurrent enrollment programs and requirements and requires the Department to provide support to local education providers and to develop a website providing information on concurrent enrollment

requirements. For FY 2019-20, the bill appropriates \$44,916 and 0.5 FTE to the College and Career Readiness line item to support those efforts.

STATUTORY AUTHORITY: Section 22-2-136, C.R.S.

REQUEST: The Department requests an appropriation of \$226,620 General Fund and 2.4 FTE for FY 2020-21. The request includes the following changes from the FY 2019-20 appropriation:

- An increase of \$3,764 General Fund to annualize FY 2019-20 salary survey increases.
- An increase of \$764 General Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of \$12,780 General Fund and 0.1 FTE to annualize S.B. 19-176.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies. The following table shows the recommended changes from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, COLLEGE AND CAREER READINESS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$189,956	\$189,956	\$0	\$0	\$0	2.0
Other legislation	\$44,916	\$44,916	\$0	\$0	\$0	0.5
TOTAL	\$234,872	\$234,872	\$0	\$0	\$0	2.5
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$234,872	\$234,872	\$0	\$0	\$0	2.5
Annualize prior year budget actions	3,764	3,764	0	0	0	0.0
Annualize prior year legislation	(12,016)	(12,016)	0	0	0	(0.1)
TOTAL	\$226,620	\$226,620	\$0	\$0	\$0	2.4
INCREASE/(DECREASE)	(\$8,252)	(\$8,252)	\$0	\$0	\$0	(0.1)
Percentage Change	(3.5%)	(3.5%)	n/a	n/a	n/a	(4.0%)
FY 2020-21 EXECUTIVE REQUEST	\$226,620	\$226,620	\$0	\$0	\$0	2.4
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

WORKFORCE DIPLOMA PILOT PROGRAM (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support the Workforce Diploma Pilot Program created in H.B. 19-1236 (Workforce Diploma Pilot Program). As authorized in the bill, the program will provide performance payments to qualified providers of dropout recovery services for eligible adult students (residents of Colorado that are at least 21 years old and do not have a high school diploma) who achieve specific education milestones. The bill requires the Department to review provider qualifications, determine eligibility, and publish a list of providers that meet the necessary criteria.²⁵

²⁵ For FY 2019-20, the Department has identified six providers: Colorado Mountain College, GlobalEd Solutions, Graduation Alliance, McClain Community High School (Jefferson County Public Schools), Pikes Peak Library District Adult Education, and Pueblo City-County Library District. See: <http://www.cde.state.co.us/cdeadult/wdpp>

Qualified providers are eligible for payments for educational outcomes achieved at least 30 days after the Department publishes the list of eligible programs each year. The bill requires the Department to disburse payments to qualified providers in specific amounts for the completion or attainment of specific outcomes by eligible students (e.g., \$250 for completion of each half-credit earned, between \$250 and \$750 for attainment of an industry-recognized employment skills certification (depending on the amount of training required), and \$1,000 for the completion of an accredited high school diploma). The bill limits payments to no more than \$7,000 per student (to one or more providers). The Department is required to pro-rate payments (reducing all payments by the same percentage) if insufficient funds are available to make the full payments.

House Bill 19-1236 included an appropriation of \$1,012,201 General Fund and 0.2 FTE to support the program in FY 2019-20. The program repeals July 1, 2022.

STATUTORY AUTHORITY: Section 22-10.3-101 through 105, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,012,222 General Fund for FY 2020-21, including an increase of \$21 to annualize H.B. 19-1236 (consistent with the Final Legislative Council Staff Fiscal Note for the bill).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies and with the Final Legislative Council Staff Fiscal Note for H.B. 19-1236.

CONCURRENT ENROLLMENT EXPANSION AND INNOVATION GRANT PROGRAM (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support the Concurrent Enrollment Expansion and Innovation Grant Program created in S.B. 19-176 (Expanding Concurrent Enrollment Opportunities). Senate Bill 19-176 requires each local education provider that enrolls students in grades 9-12 to provide concurrent enrollment opportunities (which may include coursework related to apprenticeship programs or internship programs) for qualified students beginning in the FY 2020-21 school year. The bill created the Concurrent Enrollment Expansion and Innovation Grant Program to support the creation and expansion of concurrent enrollment opportunities through partnerships between local education providers and institutions of higher education. Grants may be used to:

- Assist teachers with the cost of obtaining a graduate degree that allows the teacher to teach a postsecondary course.
- Cover the cost of books, supplies, fees, and transportation.
- Purchase technology to share data and streamline the enrollment process.
- Provide services, support, and coordination resources for local education providers and institutions of higher education.

For FY 2019-20, the bill appropriated \$1.5 million cash funds from the Marijuana Tax Cash Fund for the grant program. The Department reports that it received \$1.0 million more in applications than the available funding will support for the current year.

STATUTORY AUTHORITY: Section 22-35-114, C.R.S.

REQUEST: The Department requests an appropriation of \$2,476,896 total funds (including \$1,000,000 General Fund and \$1,476,896 cash funds from the Marijuana Tax Cash Fund) for FY 2020-21. The request includes the following changes from the FY 2019-20 appropriation:

- An increase of \$1,000,000 General Fund associated with BA5 (Concurrent Enrollment Grant Program Increase, discussed above).
- A decrease of \$23,104 cash funds from the Marijuana Tax Cash Fund and 0.3 FTE to annualize S.B. 19-176. The Department is proposing to move the administrative funding for this program to the College and Career Readiness line item to align with the location of the staff supporting the program and to support those costs with General Fund rather than Marijuana Tax Cash Fund.

RECOMMENDATION: Staff recommends approving the request. The following table shows the recommended changes from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, CONCURRENT ENROLLMENT EXPANSION AND INNOVATION GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
Other legislation	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.3
TOTAL	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.3
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.3
BA5 Concurrent enrollment grant program increase	1,000,000	1,000,000	0	0	0	0.0
Annualize prior year legislation	(23,104)	0	(23,104)	0	0	(0.3)
TOTAL	\$2,476,896	\$1,000,000	\$1,476,896	\$0	\$0	0.0
INCREASE/(DECREASE)	\$976,896	\$1,000,000	(\$23,104)	\$0	\$0	(0.3)
Percentage Change	65.1%	0.0%	(1.5%)	0.0%	0.0%	(100.0%)
FY 2020-21 EXECUTIVE REQUEST	\$2,476,896	\$1,000,000	\$1,476,896	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

JOHN W. BUCKNER AUTOMATIC ENROLLMENT IN ADVANCED COURSES GRANT PROGRAM (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support the John W. Buckner Automatic Enrollment in Advanced Courses Grant Program created in S.B. 19-059 (Automatic Enrollment in Advanced Courses Grant Program). The program is intended to provide assistance to local education providers that automatically enroll students in advanced courses (including Advanced Placement courses, International Baccalaureate courses, or any courses designated as honors, gifted, or accelerated). To be eligible, a local education provider must automatically enroll each qualified student (based on scores from the statewide assessments in the previous year or on another measure defined by the local education provider) entering ninth grade or higher in an advanced course. The local education provider must allow a parent to remove their student from the advanced course if requested.

Recipients may use the grants to:

- Expand the number of advanced courses available, including through the use of technology.
- Incentivize teachers to teach advanced courses (but not to hire new teachers).
- Develop advanced course curricula.
- Expand parent and student engagement related to advanced course availability and success.

Senate Bill 19-059 included an appropriation of \$250,000 General Fund and 0.3 FTE to support the program in FY 2019-20. The Final Legislative Council Staff Fiscal Note for the bill assumed that the appropriation would be ongoing in subsequent years.

STATUTORY AUTHORITY: Section 22-95.5-201 through 204, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$250,000 General Fund and 0.3 FTE for FY 2020-21, with no change from the FY 2019-20 appropriation (included in S.B. 19-059).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies and the Final Legislative Council Staff Fiscal Note for S.B. 19-059.

HIGH SCHOOL INNOVATIVE LEARNING PILOT PROGRAM (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support the High School Innovative Learning Pilot Program created in S.B. 19-216 (High School Innovative Learning Pilot) to increase innovative learning opportunities for high school students. The bill defines innovative learning opportunities as activities that usually occur outside of the classroom and may include work-based learning, such as apprenticeships, competency-based learning projects, capstone projects, and other learning experiences. Under the bill, local education providers may propose an innovative learning plan that permits high school students to participate in innovative learning opportunities prior to graduation. Providers that the Department selects to participate in the pilot program may count students participating in those opportunities as full-time students for school finance purposes, regardless of the actual amount of instructional time or contact hours for which the student is enrolled.

The bill requires the State Board of Education to adopt rules for the program, including application requirements and timelines. Local education providers may submit applications to the Department in FY 2019-20, with participation actually beginning in FY 2020-21. The bill specifies criteria for the selection of pilot program participants, with a goal of 100 percent participation by FY 2025-26. The program repeals July 1, 2025.

Senate Bill 19-216 included an appropriation of \$129,563 General Fund and 0.3 FTE to support the program in FY 2019-20.

STATUTORY AUTHORITY: Section 22-35.6-101 through 107, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$127,095 General Fund and 0.3 FTE for FY 2020-21. The request includes a decrease of \$2,468 General Fund below the FY 2019-20 appropriation to annualize S.B. 19-216.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies and the Final Legislative Council Staff Fiscal Note for S.B. 19-216.

PARENTS ENCOURAGING PARENTS CONFERENCES (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item to support the Parents Encouraging Parents (PEP) conferences authorized in S.B. 19-215 (Parents Encouraging Parents Conference). The bill requires the Department of Education to provide up to four PEP conferences per year for parents and families of children with disabilities. The conferences bring together parents and families of children with disabilities and professionals in the field to offer education, support, and information, and to provide a forum for discussion.

The conferences have historically been funded entirely with federal funds provided through the federal Individuals with Disabilities Education Act (IDEA). However, beginning in FY 2018-19, the U.S. Department of Education will now allow the use of federal funds to provide food for the conference participants. Federal funding continues to cover facility, lodging, and conference costs. The state funding (\$68,000 General Fund appropriated in S.B. 19-215) is expected to cover food costs for the four conferences each year.

STATUTORY AUTHORITY: Section 22-20-120, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$68,000 General Fund for FY 2020-21, with no change from the FY 2019-20 appropriation (included in S.B. 19-215).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Final Legislative Council Staff Fiscal Note for S.B. 19-215.

CAREER DEVELOPMENT SUCCESS PROGRAM

The Committee added this line item to the FY 2017-18 Long Bill to support the Career Development Success Pilot Program created in H.B. 16-1289 (Incentives to Complete Career Development Courses). The bill establishes the program on a pilot basis, for FY 2017-18 and FY 2018-19, to provide financial incentives for participating school districts and charter schools to encourage high school students to enroll in and successfully complete qualified industry certificate programs, internship or pre-apprenticeship programs, and advanced placement courses. Beginning in FY 2017-18, the bill authorizes participating districts and charter schools to receive up to \$1,000 for each pupil who, in the preceding fiscal year, successfully completed a qualified program.

The bill requires the General Assembly to appropriate \$1.0 million annually for incentive payments in FY 2017-18 and FY 2018-19. The General Assembly approved an increase of \$1.0 million General Fund (for a total of \$2.0 million) for FY 2018-19 and an additional increase of \$3.0 million (for a total of \$5.0 million) for FY 2019-20.

STATUTORY AUTHORITY: Section 22-54-138, C.R.S.

REQUEST: The Department requests an appropriation of \$7.0 million General Fund for FY 2020-21. The request includes an increase of \$2.0 million General Fund, requested as a one-time increase for

FY 2020-21, associated with request BA7 (Career Development Incentive Program Increase, discussed above).

RECOMMENDATION: Staff recommends approving a continuation appropriation of \$5.0 million General Fund, with no change from the FY 2019-20 appropriation. The Committee and the General Assembly approved an increase of \$3.0 million General Fund in FY 2019-20 and approved that increase on an ongoing basis. As discussed above (with BA7), staff recommends rejecting the requested increase of \$2.0 million General Fund in BA7.

LINE ITEM INCLUDED IN NUMBERS PAGES BECAUSE OF PRIOR YEAR FUNDING

COLORADO STUDENT LEADERS INSTITUTE

Senate Bill 15-290 (Colorado Student Leaders Institute) creates the Colorado Student Leaders Institute, a competitive summer residential education program for high school students. The program will operate for four weeks each summer on the campus of an institution of higher education for FY 2015-16 through FY 2018-19. The bill creates an executive governing board for the institute, sets conditions for the board's composition and selection and sets minimum standards for program curriculum and activities. The bill limits participation to 100 students annually. The bill authorizes appropriations from the State Education Fund to support the program. The bill appropriated \$218,825 cash funds from the State Education Fund to the Department of Education for FY 2015-16 and reappropriated that amount to the Office of the Lieutenant Governor (along with 1.0 FTE) to operate the program. The General Assembly continued that level of funding in Long Bill appropriations for FY 2016-17 and FY 2017-18. Pursuant to Sec. 23-77-106, C.R.S., the program repealed at the end of FY 2018-19.

(D) INDIRECT COST ASSESSMENT

INDIRECT COST ASSESSMENT

This line item reflects indirect cost assessments for the various subdivisions and line items in the Assistance to Public Schools division. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management and Administration division for General Department and Program Administration and a variety of centrally appropriated line items.

STATUTORY AUTHORITY: Section 24-31-101 and 102, C.R.S.

REQUEST: The Department requests an appropriation of \$2,756,885 total funds, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Based on updated information provided by the Department, staff recommends approving an appropriation of \$3,207,087 total funds, including an increase of \$450,202 federal funds above the FY 2019-20 appropriation. However, staff also requests permission to revise the amount if necessary based on the Committee's subsequent common policy decisions. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, INDIRECT COST ASSESSMENT, INDIRECT COST ASSESSMENT

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$2,756,885	\$0	\$25,000	\$55,571	\$2,676,314	0.0
TOTAL	\$2,756,885	\$0	\$25,000	\$55,571	\$2,676,314	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$2,756,885	\$0	\$25,000	\$55,571	\$2,676,314	0.0
Indirect cost assessment adjustments	450,202	0	0	0	450,202	0.0
TOTAL	\$3,207,087	\$0	\$25,000	\$55,571	\$3,126,516	0.0
INCREASE/(DECREASE)	\$450,202	\$0	\$0	\$0	\$450,202	0.0
Percentage Change	16.3%	n/a	0.0%	0.0%	16.8%	n/a
FY 2020-21 EXECUTIVE REQUEST	\$2,756,885	\$0	\$25,000	\$55,571	\$2,676,314	0.0
Request Above/(Below) Recommendation	(\$450,202)	\$0	\$0	\$0	(\$450,202)	0.0

(3) LIBRARY PROGRAMS

Background Information: Public libraries are managed and operated locally based on revenues raised from local sources.²⁶ The State provides no direct state funding to libraries other than those provided through the State Grants to Publicly-Supported Libraries program and has no authority over public library operations. However, the Commissioner of Education is designated as the ex officio State Librarian, and the State Library is a division within the Department of Education. The State Librarian has a number of statutory duties and responsibilities, including the following [see Section 24-90-105, C.R.S.]:

- to promote and coordinate the sharing of resources and cooperative relationships among all Colorado libraries to reduce costs at the local level;
- to ensure equal access to information for all Coloradans;
- to furnish library or information services to state officials, departments, institutional libraries, and persons who are blind and physically disabled;
- to further library development and to promulgate service standards for school, public, and institutional libraries; and
- to receive and administer federal funds for libraries.

The State Library provides technical support, professional development, and resource sharing opportunities for publicly-supported libraries throughout the state. The State Library cooperatively manages the Colorado Virtual Library, a statewide, Internet-based library network that provides several services to Colorado residents, including:

- a statewide interlibrary loan system;
- Colorado Online Libraries - a web hosting services that allows small libraries to have a web presence;
- Colorado Historic Newspaper Collection; and
- development of digital infrastructure for improved access to state and local digitized materials and other electronic resources.

The State Library also provides development services for public libraries, school libraries, and institutional libraries in adult and youth correctional facilities and state veterans hospitals. Services to

²⁶ Publicly supported libraries include public, school, and academic libraries. The Department indicates that Colorado has 113 public library jurisdictions with 263 public library buildings. The jurisdictions include two rural bookmobile services classified as separate jurisdictions. Local libraries are funded through property, sales, and specific ownership tax revenues, as well as grants, donations, and fine revenues, though at least 30 libraries have enacted policies that eliminate fines on all or some materials. Most public library jurisdictions serve rural populations, with 83 percent (94 jurisdictions) serving populations under 50,000, and 40 percent (45 jurisdictions) serving fewer than 5,000 people. In addition to the typical items checked out, Colorado's libraries provide a variety of additional services, including: summer reading programs for children (94 percent); technology training (90 percent); free Wi-Fi access (96 percent); and an educational backpack for families with free state parks passes for checkout (100 percent participation), a joint program with Colorado Parks and Wildlife.

public and school libraries include support of early literacy activities and summer reading programs. The State Library also operates the State Publications Library (which provides free access to state government documents) and the Colorado Talking Book Library (which provides free materials to individuals who are unable to read standard print material). Finally, the State Library provides research and statistical information to support policy-making, budgeting, planning, and evaluation activities for libraries and library agencies at the local, regional, state, and federal levels.

The following table summarizes the staff recommendation for the Library Programs division.

LIBRARY PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 Appropriation						
SB 19-207 Long Bill	\$9,416,880	\$5,390,864	\$281,686	\$510,000	\$3,234,330	38.1
Other legislation	250,000	0	0	250,000	0	0.0
TOTAL	\$9,666,880	\$5,390,864	\$281,686	\$760,000	\$3,234,330	38.1
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$9,666,880	\$5,390,864	\$281,686	\$760,000	\$3,234,330	38.1
Annualize prior year budget actions	74,863	20,274	4,892	0	49,697	0.0
Annualize prior year legislation	(237,153)	4,117	834	(250,000)	7,896	0.0
TOTAL	\$9,504,590	\$5,415,255	\$287,412	\$510,000	\$3,291,923	38.1
INCREASE/(DECREASE)	(\$162,290)	\$24,391	\$5,726	(\$250,000)	\$57,593	0.0
Percentage Change	(1.7%)	0.5%	2.0%	(32.9%)	1.8%	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$9,504,590	\$5,415,255	\$287,412	\$510,000	\$3,291,923	38.1
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

DECISION ITEMS - LIBRARY PROGRAMS (NONE)

The Department did not submit any decision items for this division.

LINE ITEM DETAIL - LIBRARY PROGRAMS

ADMINISTRATION

This line item provides state funding and staff for the general administration of library programs and the provision of library services.

STATUTORY AUTHORITY: Section 24-90-105, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,180,692 total funds (including \$913,280 General Fund and \$267,412 cash funds) and 14.3 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$25,116 total funds (including \$20,274 General Fund) to annualize FY 2019-20 salary survey increases.
- \$4,951 total funds (including \$4,117 General Fund) to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies for FY 2020-21. The State Library effectively uses a relatively small amount of state funding to leverage federal funding, reduce public library costs, and ensure equal access to information for underserved and vulnerable populations.

FEDERAL LIBRARY FUNDING

This line item reflects federal funding that is anticipated to be available for library programs, and the Department staff who are supported by such funds. The federal funds supporting this line item are shown in the Long Bill for informational purposes only.

STATUTORY AUTHORITY: 22 U.S.C. 72

REQUEST: The Department requests a continuation appropriation of \$3,236,596 federal funds and 23.8 FTE. The request includes the following increases above the FY 2019-20 appropriation:

- \$49,697 federal funds to annualize salary survey increases provided in FY 2019-20.
- \$7,896 federal funds to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request. As noted above, the appropriation is reflected in the Long Bill for informational purposes only.

COLORADO LIBRARY CONSORTIUM

The Colorado Library Consortium is a statewide library cooperative that was formed as a successor to the seven regional library systems that existed prior to significant state funding reductions in 2003.²⁷ The Consortium supports publicly-funded libraries statewide by:

- Expediting the discovery, selection, and delivery of information and materials to library patrons (including courier services).
- Administering a cooperative purchasing program (negotiating significant discounts on books and other library materials).
- Providing and supporting learning opportunities for ongoing professional development to improve library services.
- Identifying and supporting initiatives to strengthen the Colorado library community.

The Consortium’s projected \$3.0 million budget in FY 2019-20 consists of state funding provided through this line item (\$1.0 million General Fund annually since FY 2006-07), courier income (\$935,000), administrative fees (\$185,800), AspenCat integrated library system fees (\$147,000), continuing education fees (\$18,000), book recycling (\$12,000), and other miscellaneous sources such as grants and cooperative projects (\$631,000). The statewide courier system transports 3 million items annually. The AspenCat integrated union-catalog serves 116 primarily small, rural public and school libraries. On average, each AspenCat member library hold 15,000 items in its respective collection but

²⁷ The FY 2002-03 Long Bill included \$7.5 million General Fund support for library programs (other than state staff). The Governor vetoed appropriations totaling \$4.5 million, and these appropriations were further reduced in FY 2003-04 to \$359,796.

its patrons have access to more than 1.4 million items in the shared collection. Consortium staff provide schools, public, and academic libraries statewide with consulting, training, and continuing education.

STATUTORY AUTHORITY: Section 24-90-105, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1.0 million General Fund, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. This appropriation ensures that the Consortium can offer public libraries a cooperative purchasing program and a statewide courier service at a reasonable cost, reducing public library expenses and facilitating resource sharing.

COLORADO VIRTUAL LIBRARY

Pursuant to Section 24-90-302 et seq., C.R.S., the State Librarian is responsible for providing electronic resources through libraries to all Colorado residents, to students and staff at higher education institutions and public schools. The Colorado Virtual Library is thus a statewide, Internet-based library network that provides free access to:

- On-line catalogs of the holdings of Colorado libraries.
- Locally produced databases.
- Digitized collections of Colorado resources.
- Indexes and full text database products.
- An interlibrary loan system facilitating resource sharing throughout Colorado.
- Other services associated with providing computer-based library resources.

The Colorado Virtual Library is managed cooperatively by the State's library community, including the Department of Education. This line item provides funding for ongoing operations, including contract technical staff for operations and programming, contract training and user support, annual hardware and software maintenance fees, leased space, database archiving services, backup tapes, and Internet connectivity.

STATUTORY AUTHORITY: Section 24-90-302, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$379,796 total funds (including \$359,796 General Fund) for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request.

COLORADO TALKING BOOK LIBRARY, BUILDING MAINTENANCE, AND UTILITY EXPENSES

Background Information: The Colorado Talking Book Library is part of a national library program providing Braille, audio, and large-print books for individuals of all ages who are unable to read standard print material due to visual, physical, or learning disabilities. Colorado has, on average, 7,000

eligible patron each year, representing every county in the State. The Colorado Talking Book Library is one of the original 19 libraries established pursuant to the federal Pratt Smoot Act in 1931. The library's recorded materials and playback machines are provided by the Library of Congress; this collection is enhanced by recordings of local materials narrated by volunteers and library staff. Since 1991, the library has been located at 180 Sheridan Boulevard in Denver. The building was purchased after the General Assembly appropriated \$750,000 from the Capital Construction Fund for FY 1989-90 (H.B. 90-1297). In FY 1997-98 the General Assembly appropriated \$238,607 from the Capital Construction Fund to replace the roof of the building.

House Bill 19-1332 (Telephone Users Disabilities Fund Talking Book Library, a Joint Budget Committee bill) authorized the use of the Colorado Telephone Users with Disabilities Fund (reflected as reappropriated funds from the Department of Regulatory Agencies) to support the Talking Book Library. For FY 2019-20, the bill includes a one-time appropriation of \$250,000 from that fund source to support the library.

State funds currently support a portion of the operating expenses and some staff. The balance is supported through federal funds, The Friends of the Colorado Talking Book Library, and volunteers. In addition, the National Library for the Blind and Physically Handicapped (NLS), within the Library of Congress, provides playback equipment and some supplies, Braille and recorded books and magazines which are circulated to visually and reading impaired clients of the Colorado Talking Book Library. The existing inventory of materials and equipment provided by NLS is valued at over \$5.5 million. The Library also houses a large print collection valued at more than \$1.2 million. Finally, the U.S. Postal Service has a line item in the federal budget for the mail service of materials sent to and returned from Library patrons.

In addition to supporting a portion of the Talking Book Library staff and operating expenses (through the Administration line item), this appropriation covers the library's maintenance and utility expenses.

STATUTORY AUTHORITY: Section 24-90-105 (1) (e), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$90,660 General Fund for FY 2020-21, a reduction of \$250,000 reappropriated funds below the FY 2019-20 appropriation because of the elimination of the one-time funding provided in H.B. 19-1332.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies for FY 2020-21. The Talking Book Library provides essential services for the blind and visually impaired, at relatively little cost to the State. Staff notes that H.B. 19-1332 authorized the use of the Colorado Telephone Users with Disabilities Fund to support the library on an ongoing basis. Thus, the General Assembly could approve ongoing funding from that source through the Long Bill. However, consistent with the Committee's discussions of H.B. 19-1332 and the Final Legislative Council Staff Fiscal Note for the bill, the request and recommendation do not include ongoing funding from that source for FY 2020-21.

LIBRARY PROGRAMS, COLORADO TALKING BOOK LIBRARY, BUILDING MAINTENANCE AND UTILITIES EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE

LIBRARY PROGRAMS, COLORADO TALKING BOOK LIBRARY, BUILDING MAINTENANCE AND UTILITIES EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$90,660	\$90,660	\$0	\$0	\$0	0.0
Other legislation	250,000	0	0	250,000	0	0.0
TOTAL	\$340,660	\$90,660	\$0	\$250,000	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$340,660	\$90,660	\$0	\$250,000	\$0	0.0
Annualize prior year legislation	(250,000)	0	0	(250,000)	0	0.0
TOTAL	\$90,660	\$90,660	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$250,000)	\$0	\$0	(\$250,000)	\$0	0.0
Percentage Change	(73.4%)	0.0%	n/a	(100.0%)	n/a	n/a
FY 2020-21 EXECUTIVE REQUEST	\$90,660	\$90,660	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

READING SERVICES FOR THE BLIND

Background Information: Pursuant to Sections 40-17-103 and 104, C.R.S., the Public Utilities Commission (PUC) is required to administer a contract for the provision of telecommunications relay services (which allow individuals who have a hearing or speech disability to communicate by wire or radio). The PUC is required to recover the costs of providing these services by assessing a monthly surcharge on each telephone access line to cover the following costs:

- The PUC's costs of developing, implementing, and administering telecommunications relay services (not to exceed 3.0 percent of the total costs).
- The cost to local exchange companies of imposing and collecting the surcharge.
- The costs of providers rendering telecommunications relay services.

The PUC adjusts this surcharge annually, when necessary. Current law credits funds collected by the local exchange companies to the Colorado Telephone Users with Disabilities Fund and authorizes three different departments to use the funds. Specifically, statute requires the General Assembly to make the following annual appropriations from the Fund (FY 2019-20 Long Bill appropriations to the Department of Regulatory Agencies and the one-time appropriation in H.B. 19-1332 (discussed above) are noted):

- for the PUC's administration of the Fund (\$219,337);
- to the Reading Services for the Blind Cash Fund, for use by the State Librarian in support of privately operated reading services for the blind (\$510,000);
- to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund (\$1,992,589); and
- for support of the Colorado Talking Book Library (\$250,000, appropriated on a one-time basis for FY 2019-20, in H.B. 19-1332).

The annual Long Bill appropriates cash funds for each of these purposes to the PUC, and corresponding appropriations appear in the other relevant state agencies' budgets. Money in the Fund not used for the above purposes is continuously appropriated to the PUC for the reimbursement of

providers who render telecommunications services (estimated to be \$1,300,542 in the FY 2019-20 Long Bill).

This line item authorizes the Department of Education to spend money in the Reading Services for the Blind Cash Fund for the provision of reading services for the blind. The Department annually uses the funds to support two different external programs:

- The Department spends a portion of the funds to contract with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. The services provided by AINC are also made available through the internet, telephone, and podcasts. The General Assembly has increased funding for the AINC program several times in recent years, from \$200,000 in FY 2011-12 to \$350,000 in FY 2015-16 (and continued in FY 2016-17). An FY 2017-18 supplemental adjustment provided an additional \$290,000 for the AINC (including \$200,000 in one-time funding and \$90,000 as an ongoing increase), for an ongoing amount of \$440,000 in FY 2018-19 and subsequent years.
- The Department uses the remaining funds to purchase services from the National Federation for the Blind (NFB) for its Newline service, which provides eligible Coloradans access to newspapers nationwide and a few magazines via touch tone telephone, internet, and by email. Newline services now include television listings (based on an individual's zip code); the NFB indicates that this additional service has increased use of their Newline service nationwide significantly. Anyone who is a patron of the Colorado Talking Book Library (CTBL) is eligible to access Newline services. The CTBL is able to sign patrons up for the Newline service through their existing database. The FY 2017-18 supplemental adjustment added \$60,000 in ongoing funding to the NFB programs (for a total appropriation of \$120,000 in FY 2017-18 and subsequent years).

STATUTORY AUTHORITY: Section 24-90-105.5, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$560,000 total funds (including \$50,000 General Fund and \$410,000 cash funds) for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. The total recommendation includes \$440,000 for the AINC and \$120,000 for the NFB programs.

STATE GRANTS TO PUBLICLY-SUPPORTED LIBRARIES PROGRAM

Senate Bill 00-085 created the State Grants to Publicly-Supported Libraries Program to provide funds to enable public libraries, school libraries, and academic libraries to purchase educational resources that they would otherwise be unable to afford. The bill created the State Grants to Publicly-Supported Libraries Fund, which consists of any moneys appropriated by the General Assembly and any other moneys collected by the State Librarian for such purpose. Statute (Section 24-90-407 (2), C.R.S.) allows the Department to spend up to 2.5 percent of the appropriation to administer the program. Because of the structure in statute, the appropriation historically consisted of two line items: one to appropriate General Fund into the cash fund and one providing spending authority from the cash fund. The enactment of S.B. 15-108 (Direct Appropriations for CDE Programs) eliminated the dual appropriation structure for this program, allowing for a direct appropriation from the General Fund to support the program.

The program first operated for FY 2000-01 and FY 2001-02. The Governor vetoed the appropriations to the program for FY 2002-03, and the program remained unfunded from FY 2002-13 through FY 2012-13. The General Assembly reinstated the program for FY 2013-14 with an appropriation of \$2.0 million General Fund to the State Grants to Publicly-Supported Libraries Fund line item and \$2.0 million reappropriated funds for the State Grants to Publicly-Supported Libraries Program line item. In FY 2015-16, the General Assembly appropriated an additional \$500,000 General Fund, for a total appropriation of \$2.5 million. For FY 2019-20, the General Assembly added \$500,000 General Fund for a total appropriation of \$3.0 million.

The program has awarded \$2,926,000 to 318 grantees statewide (representing 97.5 percent of 326 potential applicants) in FY 2019-20, with a base amount of \$4,500 per grantee. The Department has implemented a tiered structure, providing base amounts of \$4,500 for grantees serving populations of less than 1,000 individuals, \$5,000 for entities serving populations between 1,000 and 4,999, and \$5,500 for those serving 5,000 or more (with increases on a per capita basis for those serving populations of more than 10,000). The Department used the \$500,000 increase provided in FY 2019-20 to increase the base amount by \$1,000 for all population tiers.

The Department reports that grantees are using the funds to: launch new e-book resources for parents and families, create new collections for toddler story time, buy online resources, and enhance collections related to early childhood development and other topics associated with early literacy and educational materials.

STATUTORY AUTHORITY: Sections 24-90-401 through 408, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$3,001,519 General Fund for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request based on the assumption that the General Assembly intends to continue to support the program.

INDIRECT COST ASSESSMENT

This line item reflects indirect cost assessments associated with Library Programs. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management and Administration division for General Department and Program Administration and a variety of centrally appropriated line items.

STATUTORY AUTHORITY: Section 24-31-101 and 102, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$55,327 federal funds, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. The indirect cost assessment for Library Programs is fixed based on the federal grantor's limitation on the amount of grant funding used for administration purposes. Thus, there will be no change from the FY 2019-20 appropriation.

(4) SCHOOL FOR THE DEAF AND THE BLIND

Background Information: The Colorado School for the Deaf and the Blind (CSDB) is a state-funded school that was established for the purpose of providing comprehensive educational services for children under the age of twenty-two who are blind and/or deaf. Originally named the "Colorado Institute for the Education of Mutes", the School opened in a rented house in April 1874 with an appropriation from the Territorial Legislature. The student population rapidly outgrew the space available and in 1876 the School moved to its current campus, made possible with a donation of ten acres by the founder of the city of Colorado Springs. The CSDB received its initial accreditation from the Department of Education in 1961, and in 1977, the CSDB was transferred from the Department of Institutions to the Department of Education. As a "Type 1" agency within the Department of Education, the CSDB is overseen by a seven-member board appointed by the Governor and confirmed by the Senate.

The CSDB currently occupies 18 buildings on 37 acres. Colorado students from the ages of birth through twenty-one are eligible to receive services either at or through the CSDB. Students enrolled at CSDB must have a documented hearing and/or vision loss and meet the enrollment criteria established by the Board of Trustees. Students may also be enrolled on a diagnostic basis in order to make an accurate determination of the student's eligibility status. A staffing team, including a CSDB staff member, the student's parents, and a local school district representative, determines if the CSDB is the appropriate learning environment based on the educational needs of the student. If a student's parents or legal guardians reside within Colorado and outside the El Paso County area, the student is eligible to participate in the residential living program during the week. There is no tuition for room and board. Out-of-state students are considered on a space available basis and are required to pay tuition.

In addition, pursuant to Section 22-80-102 (2), C.R.S., the CSDB is to "be a resource to school districts, state institutions, and other approved education programs." In this capacity, the CSDB is to provide the following services:

- Assessment and identification of educational needs;
- Special curricula;
- Equipment and materials;
- Supplemental related services;
- Special short-term programs;
- Program planning and staff development;
- Programs for parents, families, and the public; and
- Research and development to promote improved educational programs and services.

Enrollment. As summarized in the table below, the CSDB had an on-campus enrollment of 209 students (ages 3 to 21) in the 2018-19 school year, an increase of 14 students above the 2017-18 school year. The on-campus enrollment included 133 deaf/hard of hearing students and 76 blind/low vision students. Of the 209 total students, 70 resided at CSDB (returning home on weekends) and the remaining 139 students only attended classes during the day.

COLORADO SCHOOL FOR THE DEAF AND THE BLIND: FY 2018-19 ENROLLMENT		
DESCRIPTION	ON-CAMPUS STUDENTS	
	NUMBER	ANNUAL % CHANGE
Deaf/ Hearing Impaired	133	6.4%
Blind/ Visually Impaired	76	8.6%
Total Enrollment	209	7.2%
Number of Residential Students	70	(9.1%)
Number of FTE for Whom Facility School Funding is Received	178	6.2%
Percent of FTE for Whom Per Pupil Operating Revenues are Transferred from Districts	90.4	

In addition to the on-campus enrollment, the school provided in-home services to 336 children from birth to age 3 (and their families) through the early intervention (CO-Hears) program and 151 children from birth to age 8 through the Early Literacy Development Initiative (ELDI). The school also provided “outreach” services to 119 school-age students being served in local districts, supported in part by fees paid by the local school districts.

The following table summarizes the staff recommendation for the Colorado School for the Deaf and the Blind.

SCHOOL FOR THE DEAF AND THE BLIND						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 Appropriation						
SB 19-207 Long Bill	\$17,101,667	\$12,288,455	\$1,080,522	\$3,732,690	\$0	180.2
Long Bill supplemental	0	0	0	0	0	0.0
TOTAL	\$17,101,667	\$12,288,455	\$1,080,522	\$3,732,690	\$0	180.2
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$17,101,667	\$12,288,455	\$1,080,522	\$3,732,690	\$0	180.2
R3 CSDB teacher salary increase	79,329	79,329	0	0	0	0.0
R4 CSDB utilities	59,542	59,542	0	0	0	0.0
Non-prioritized items	2,529	2,529	0	0	0	0.0
Centrally appropriated items	(4,001)	(4,001)	0	0	0	0.0
Annualize prior year budget actions	220,974	197,845	4,377	18,752	0	0.0
Fund source adjustments	0	(2,638)	0	2,638	0	0.0
Annualize prior year legislation	44,129	40,177	747	3,205	0	0.0
SI CSDB technical adjustments	(255,724)	0	(15,646)	(240,078)	0	(3.0)
TOTAL	\$17,248,445	\$12,661,238	\$1,070,000	\$3,517,207	\$0	177.2
INCREASE/(DECREASE)	\$146,778	\$372,783	(\$10,522)	(\$215,483)	\$0	(3.0)
Percentage Change	0.9%	3.0%	(1.0%)	(5.8%)	n/a	(1.7%)
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$255,724	\$2,638	\$15,646	\$237,440	\$0	3.0

DECISION ITEMS - SCHOOL FOR THE DEAF AND THE BLIND

➔ LONG BILL SUPPLEMENTAL

REQUEST: The Department has not officially requested an adjustment to the FY 2019-10 appropriation. However, the recommended adjustment is based on consultations with the school's staff.

RECOMMENDATION: Staff recommends a “net-zero” adjustment to the school's FY 2019-20 appropriation to move \$43,500 General Fund from the Personal Services line item to the Operating Expenses line item to allow the school to purchase reading curricula. The school plans to use vacancy savings available in FY 2019-20 to make the purchase this year so that the curricula (one for the School for the Deaf and one for the School for the Blind) are available for use in FY 2020-21.

ANALYSIS: In 2019, the Department and the CSDB convened an extensive program review of operations at the CSDB based on a series of discussions with the Committee.²⁸ Among many findings, the program review team found that the school lacked a school wide curriculum and coordinated approach to instruction. Based on classroom observations, the review team found that, “While several classes reportedly were following a scope and sequence with goals and outcomes posted for the students, many of the observations and descriptions did not demonstrate any cohesive scope and sequence that provided continuity of instruction and a schoolwide plan of instruction to promote individual student academic growth.” The report also states that “No evidence of a schoolwide curriculum and coordinated approach to instruction was evident.” These findings were specific to the School for the Deaf. However, the report found similar conditions in the School for the Blind.

In response to the report and based on the decision of the school's new superintendent, the CSDB formed a literacy curriculum team to review the existing curriculum and make recommendations for the acquisition of new curricula. After an analysis of a number of potential curriculum options, including consultation with similar schools elsewhere, the review team recommended that the school purchase two curricula (Houghton Mifflin Harcourt (HMH) curricula for the School of the Deaf and Pearson for the School for the Blind) in FY 2019-20.

According to the school, the total cost of the curricula (including books, digital licenses, teachers' materials, and professional development and support for the teachers) is \$78,744. The school intends to use available federal funds to support \$35,244 of that amount, requiring \$43,500 in state funds (General Fund) to complete the purchase. This is a one-time cost for FY 2019-20, and the staff recommendation for FY 2020-21 reverses the change (and moves the funds back into the Personal Services line item).

If allowed to make the purchase in FY 2019-20, the school anticipates delivery in May or June 2020, allowing for professional development training by the vendor for the relevant CSDB staff prior to the start of the 2020-21 school year.

Based on a request from JBC Staff to try to find funds within the school's existing budget, the school has identified that amount of vacancy savings within the Personal Services line item. This purchase would not be an appropriate use of personal services appropriations, so the recommendation is to move that amount from the Personal Services line item to the Operating Expenses line item on a one-time basis to allow the purchase in FY 2019-20.

²⁸ For a discussion of the review team's report, see the FY 2020-21 JBC Staff Briefing Document for the Department of Education. The review team's report is available on the Department's website at: <https://www.cde.state.co.us/cdesped/programreview-csdb>.

→ R3 CSDB TEACHER SALARY INCREASE

REQUEST: The Department requests an increase of \$79,329 General Fund for salary increases for teachers employed at the Colorado School for the Deaf and the Blind (CSDB). Statute (Sec. 22-80-106.5, C.R.S.) requires the CSDB to compensate teachers based on the Colorado Springs District 11 salary schedule, using the CSDB’s salary policies to implement the salary schedule. To align with the revised District 11 salary schedule for FY 2019-20 (the CSDB salaries lag District 11 by one year), the request would provide: (1) a 0.7 percent base salary increase; and (2) step increases based on experience.

RECOMMENDATION: Staff recommends approving the request, which aligns with current law requiring the CSDB to provide salary increases in accordance with the District 11 salary schedule.

ANALYSIS: Section 22-80-106.5, C.R.S. (as amended by S.B. 14-168), requires the CSDB to compensate teachers “in accordance with the salary schedule adopted pursuant to section 22-63-401, as of January 1 of the preceding fiscal year by resolution of the board of education of the school district within the boundaries of which the main campus of the school is located and with the salary policies that the board of trustees adopts to implement the salary schedule.” For example, the FY 2019-20 appropriation for the CSDB includes an increase of \$396,307 to align with the District 11 salary schedule *for FY 2018-19*.

In FY 2019-20, District 11 modified its salary schedule to provide a 0.7 percent base salary increase as well as experience “step” increases. The Department’s request applies those changes to the CSDB’s teachers for FY 2020-21. Staff notes that the school would have to *pay* the increases regardless of whether the General Assembly appropriates the funds. Without an appropriation, the school would have to absorb those costs within existing resources. Staff recommends providing the additional funds to support the necessary increase.

→ R4 CSDB UTILITIES

REQUEST: The request includes an increase of \$59,452 General Fund to accommodate projected increases in utility costs at CSDB in FY 2020-21, an increase of 9.5 percent above the FY 2019-20 appropriation. In response to a shortfall in FY 2018-19 (which the school absorbed through savings and deferred operating expenses), the General Assembly increased the appropriation by \$25,000 for FY 2019-20. However, the school’s projections still anticipate a shortfall of \$59,452 in FY 2020-21.

RECOMMENDATION: Staff recommends approving the request. While utility costs at the school are difficult to predict, the school experienced a shortfall in FY 2018-19 and is anticipating a shortfall in the current year. As noted above, the school has absorbed those costs through savings and deferred operating expenses. Based on the available information, it appears that an increase would be necessary to support utility costs for FY 2020-21 without forcing the school to continue to defer other expenses.

ANALYSIS: The Long Bill includes a separate line item appropriation to support utilities expenses at the CSDB (including gas, electric, water, and an energy performance contract to replace the school’s boiler). The General Assembly appropriated \$602,580 General Fund for utilities expenses each year from FY 2015-16 through FY 2018-19. Recognizing an anticipated shortfall, the FY 2019-20 Long

Bill added \$25,000 (for a total appropriation of \$627,580). However, total utilities costs have continued to increase. The school currently anticipates a shortfall of \$30,422 in FY 2019-20 (even with the increased appropriation for the current year). Without the requested increase, the school anticipates a shortfall of \$59,542 in FY 2020-21.

CSDB UTILITIES COSTS FY 2016-17 THROUGH FY 2020-21					
UTILITY TYPE	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20 Est.	FY 2020-21 Est.
Natural Gas	\$112,298	\$103,962	\$123,005	\$126,079	\$129,232
Electric	199,709	210,951	203,268	208,350	213,559
Water	94,533	100,825	114,093	119,798	125,788
Energy Performance Contract	157,684	179,178	203,775	203,775	218,543
Special Project	15,000	0	0	0	0
Total Expenditures	\$579,224	\$594,916	\$644,141	\$658,002	\$687,122
Annual Utilities Appropriation/Recommendation	\$602,580	\$602,580	\$602,580	\$627,580	\$687,122
Expenditures Above/(Below) Appropriation	(\$23,356)	(\$7,664)	\$41,561	\$30,422	\$0

The school expects to be able to absorb the shortfall in FY 2019-20, and JBC Staff does not believe that a supplemental appropriation is necessary in the current year. However, staff does recommend approving the requested increase for FY 2020-21 to accommodate the school's estimated costs.

→ STAFF INITIATED TECHNICAL ADJUSTMENTS

REQUEST: With the exception of the two decision items discussed above (R3 and R4), the request proposes continuation funding for the School for the Deaf and the Blind, including the following:

- \$1,049,645 total funds (including \$765,646 cash funds and \$283,999 reappropriated funds) and 6.2 FTE for the Outreach Services line item (including increases of \$10,034 total funds to annualize FY 2019-20 salary survey increases and \$1,714 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability)).
- \$1,206,079 reappropriated funds for the Grants line item (with no change from the FY 2019-20 appropriation).

RECOMMENDATION: Staff recommends reducing the appropriation for each of these line items (Outreach Services and Grants) to \$1,000,000 total funds for FY 2020-21. The recommendation includes the following appropriations:

- \$1,000,000 total funds and 6.2 FTE for Outreach Services (including \$750,000 cash funds and \$250,000 reappropriated funds). The recommendation represents a reduction of \$49,645 total funds below the FY 2019-20 appropriation and the FY 2020-21 request. The recommendation maintains the existing allocation of 6.2 FTE to allow the School to utilize that number of FTE if revenues allow it to do so.
- \$1,000,000 reappropriated funds and 6.0 FTE for the Grants line item. The recommendation represents a reduction of \$206,079 reappropriated funds and 3.0 FTE below the FY 2019-20 appropriation and the FY 2020-21 request.

ANALYSIS:

Background:

Outreach Services: Statute (Sec. 22-80-102, C.R.S.) requires the CSDB to serve as a resource to school districts by providing several services, including: assessment and identification of students’ educational needs; special curricula; equipment and materials; supplemental related services; special short-term programs; program planning and staff development; programs for parents, families and the public; and research and development to promote improved educational programs and services. The Outreach Services line item (established in the FY 2009-10 Long Bill) supports the School’s efforts under this mandate. The FY 2019-20 appropriation for Outreach Services includes \$1,037,879 total funds and 6.2 FTE, including:

- \$760,522 cash funds from fees collected from school districts, boards of cooperative services, and private entities for services provided by the School.
- \$277,375 reappropriated funds representing federal funds transferred from school districts or the Department of Education to the CSDB.

Grants: The Grants line item provides spending authority for the CSDB to receive various grants transferred from other line items within the Department. This spending authority excludes amounts related to categorical programs and Medicaid reimbursements for public school health services, as these amounts are appropriated through separate line items. The FY 2019-20 appropriation includes \$1,206,079 reappropriated funds and 9.0 FTE for this line item.

FY 2020-21 RECOMMENDATION:

Actual revenues and expenditures for both of these line items have been well below the appropriations in recent years. As shown in the following table reflecting FY 2016-17 through FY 2018-19, appropriations have exceeded actual expenditures for each line item by more than \$500,000 per year for the past three years.

APPROPRIATIONS AND ACTUAL EXPENDITURES FOR OUTREACH SERVICES AND GRANTS (FY 2016-17 THROUGH FY 2018-19)						
	FY 2016-17 ACTUAL		FY 2017-18 ACTUAL		FY 2018-19 ACTUAL	
	TOTAL FUNDS	FTE	TOTAL FUNDS	FTE	TOTAL FUNDS	FTE
Outreach Appropriation	\$1,025,000	6.2	\$1,025,000	6.2	\$1,027,669	6.2
Outreach Actual	<u>450,159</u>	<u>2.9</u>	<u>476,436</u>	<u>2.4</u>	<u>525,226</u>	<u>3.6</u>
Excess Spending Authority	\$574,841	3.3	\$548,564	3.8	\$502,443	2.6
Grants Appropriation	\$1,202,331	9.0	\$1,202,331	9.0	\$1,205,705	9.0
Grants Actual	<u>453,585</u>	<u>1.8</u>	<u>552,303</u>	<u>3.3</u>	<u>547,720</u>	<u>3.4</u>
Excess Spending Authority	\$748,746	7.2	\$650,028	5.7	\$657,985	5.6

Staff is recommending technical adjustments to reduce the appropriation for each line item to \$1.0 million total funds for FY 2020-21 to: (1) better align appropriations with actual expenditures but still leave room for potential growth; and (2) provide “round number” appropriations for each line item to better represent that these are simply estimates of potential revenues rather than precise appropriations of actual funds. Staff’s intent is to provide adequate flexibility for the school to spend any revenues collected for either line item but to better align the appropriations with actual usage of the line items.

Staff has discussed the recommended adjustments with the CSDB, and the school is comfortable with the adjustments.

LINE ITEM DETAIL - SCHOOL FOR THE DEAF AND THE BLIND

(A) SCHOOL OPERATIONS

PERSONAL SERVICES

This line item provides funding for most School employees and for certain professional and temporary services.

STATUTORY AUTHORITY: Section 22-80-101.5 et seq., C.R.S.

REQUEST: The Department requests an appropriation of \$11,553,237 total funds (including \$9,884,305 General Fund and \$1,668,932 reappropriated funds) and 153.1 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$180,928 General Fund to annualize salary survey increases provided in FY 2019-20.
- \$79,329 General Fund associated with request R3 (CSDB Teacher Salary Increase, discussed above).
- \$36,742 General Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of \$11,553,237 total funds (including \$9,881,667 General Fund and \$1,671,570 reappropriated funds) and 153.1 FTE for FY 2020-21. The recommendation includes the requested increases associated with request R3 (CSDB Teacher Salary Increases, discussed above), annualization of FY 2019-20 salary survey increases, and annualization of S.B. 18-200. In a change from the request, the recommendation includes a decrease of \$2,638 General Fund that is offset by an equal increase in reappropriated funds to reflect anticipated transfers from the Facility School Funding line item. The following table shows recommended changes from the FY 2019-20 appropriation.

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$11,256,238	\$9,587,306	\$0	\$1,668,932	\$0	153.1
Long Bill supplemental	(43,500)	(43,500)	0	0	0	0.0
TOTAL	\$11,212,738	\$9,543,806	\$0	\$1,668,932	\$0	153.1
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$11,212,738	\$9,543,806	\$0	\$1,668,932	\$0	153.1
Annualize prior year budget actions	224,428	224,428	0	0	0	0.0
R3 CSDB teacher salary increase	79,329	79,329	0	0	0	0.0
Annualize prior year legislation	36,742	36,742	0	0	0	0.0
Fund source adjustments	0	(2,638)	0	2,638	0	0.0
TOTAL	\$11,553,237	\$9,881,667	\$0	\$1,671,570	\$0	153.1
INCREASE/(DECREASE)	\$340,499	\$337,861	\$0	\$2,638	\$0	0.0
Percentage Change	3.0%	3.5%	n/a	0.2%	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$11,553,237	\$9,884,305	\$0	\$1,668,932	\$0	153.1

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Request Above/(Below) Recommendation	\$0	\$2,638	\$0	(\$2,638)	\$0	0.0

Funding Sources. Prior to FY 2008-09, CSDB students were included in the pupil count of each student’s home school district, and the Department transferred the statewide average per pupil operating revenue from the State Share of Districts’ Total Program Funding line item to the CSDB for each eligible enrolled student. The CSDB now receives funds transferred from the Facility School Funding line item. Specifically, pursuant to the changes made in S.B. 13-260 (and discussed above in the Facility Schools section of this document) the CSDB receives statewide base per pupil funding times 1.73 to cover the costs of facilities that provide year-round educational services. This amount is translated into a daily rate, and the CSDB receives a daily rate for each child in attendance for up to 235 days each school year (with a 10-day extension to the CSDB school year approved by the General Assembly, the CSDB currently operates on a 184-day calendar).

Staff’s calculations concerning the recommended fund splits in the above table are detailed in the following two tables.

PROJECTED FY 2020-21 FACILITY SCHOOLS FUNDING FOR CSDB	
Projected statewide base per pupil funding (based on current law)	\$7,083.61
Facility school funding for year-round educational programs (1.73 x base PPR)	\$12,255
Total days the increased rate applies	235
Daily rate (state average PPR increased by one-third/Total days)	\$52.15
Estimated student-days billed by CSDB (average daily attendance (170.55 projected) x 184 instructional days)	31,383
Projected Transfer to CSDB (Daily rate x Student-days)	\$1,636,570

CSDB PERSONAL SERVICES – FY 2020-21 FUNDING SPLITS	
Total Recommended Funding	\$11,553,237
Less: Estimated Transfer from the Facility Schools Funding Line item	(\$1,636,570)
Less: Federal Nutritional Funds transferred from the Appropriated Sponsored Programs line item	(\$35,000)
General Fund portion of appropriation	\$9,881,667

EARLY INTERVENTION SERVICES

Since April 2001, the "Colorado Home Intervention Program" (called "CHIP") has been operating within the CSDB. This program was first started with federal grants in 1969, and it operated within the Colorado Department of Public Health and Environment from 1975 through March 2001. This home-based, family-centered early intervention program serves hearing impaired children (ages zero to three), and their parents. The program involves collaboration between a Colorado Hearing Resource Coordinator (CO-HEAR) hired through CSDB and a parent facilitator who is hired by the local Community Centered Board (CCB) to work with the child to develop language skills; provide parents with information and counseling to identify strategies to use in communicating with their child; and assess the dynamics of the parent-child interaction and provide support to lessen the impact of the hearing loss.

The regional CO-HEARS, employed by CSDB, provide service coordination for families. The CO-HEARS collaborate, train, mentor, and support the local parent facilitators (employed by CCBs) in their respective regions. The CO-HEARS provide an initial contact with the family to describe the available early intervention services and support the parent facilitators through the early intervention process. Other CO-HEARS duties include both seeking resources to provide financial support to families for equipment such as hearing aids and collaborating with the local CCB’s team of interventionists to provide specialized training regarding the impact of the child’s hearing loss.

A separate complementary program involves specially trained fluent sign language instructors (language and literacy instructors), most of whom are deaf or hard of hearing themselves, visiting families weekly to provide support and instruction in techniques to build the child's literacy skills and teach the parents reading strategies. The Colorado Shared Reading Program (CSRP) is designed for families who rely on American Sign Language; the second program (Integrated Reading Program) is designed for families who want to learn American Sign Language and literacy development strategies. In addition to CSRP, the program involves group and community-based literacy events for families who have children who are deaf or hard of hearing.

STATUTORY AUTHORITY: Section 22-80-102 et seq., C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,280,994 General Fund and 10.0 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- \$16,917 General Fund to annualize salary survey increases provided in FY 2019-20.
- \$3,435 General Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies. The following table shows the recommended changes from the FY 2019-20 appropriation.

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, EARLY INTERVENTION SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$1,260,642	\$1,260,642	\$0	\$0	\$0	10.0
TOTAL	\$1,260,642	\$1,260,642	\$0	\$0	\$0	10.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$1,260,642	\$1,260,642	\$0	\$0	\$0	10.0
Annualize prior year budget actions	16,917	16,917	0	0	0	0.0
Annualize prior year legislation	3,435	3,435	0	0	0	0.0
TOTAL	\$1,280,994	\$1,280,994	\$0	\$0	\$0	10.0
INCREASE/(DECREASE)	\$20,352	\$20,352	\$0	\$0	\$0	0.0
Percentage Change	1.6%	1.6%	n/a	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$1,280,994	\$1,280,994	\$0	\$0	\$0	10.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

SHIFT DIFFERENTIAL

This line item is used to pay for the adjustment to compensate employees for work performed outside a Monday through Friday, 8:00 a.m. to 5:00 p.m. work schedule. Currently, the State pays percentage increases for shift differential (7.5 percent for second or "swing" shift and 10.0 percent for third or "graveyard" shift). The school uses its shift differential to provide 24-hour staff coverage for residential students at the CSDB.

STATUTORY AUTHORITY: Section 24-50-104 (1) (a), C.R.S.

REQUEST: The Department requests an appropriation of \$116,968 General Fund for FY 2020-21, including a decrease of \$4,001 based on OSPB's common policy to provide 100.0 percent of the prior year's actual expenditures for shift differential.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies for FY 2020-21.

OPERATING EXPENSES

This line item provides funding for supplies and materials, as well as for certain services that are not covered by other line items such as capital outlay²⁹, custodial services, equipment rental, storage, dues and subscriptions, and printing.

STATUTORY AUTHORITY: Section 22-80-101.5 et seq., C.R.S.

REQUEST: The Department requests a continuation appropriation of \$668,291 General Fund for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies. The following table shows the recommended changes from the FY 2019-20 appropriation (including the recommended Long Bill supplemental adjustment for FY 2019-20 and the reversal of that adjustment in FY 2020-21).

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$668,291	\$668,291	\$0	\$0	\$0	0.0
Long Bill supplemental	\$43,500	\$43,500	\$0	\$0	\$0	0.0
TOTAL	\$711,791	\$711,791	\$0	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$711,791	\$711,791	\$0	\$0	\$0	0.0
Annualize prior year budget actions	(43,500)	(43,500)	0	0	0	0.0
TOTAL	\$668,291	\$668,291	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$43,500)	(\$43,500)	\$0	\$0	\$0	0.0
Percentage Change	(6.1%)	(6.1%)	n/a	n/a	n/a	n/a

²⁹ Capital outlay includes replacement of equipment, furniture, and other items that cost less than \$50,000, as well as building repair and remodeling costing less than \$15,000.

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 EXECUTIVE REQUEST	\$668,291	\$668,291	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

VEHICLE LEASE PAYMENTS

This line item provides funding for annual payments to the Department of Personnel and Administration for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles [see Section 24-30-1117, C.R.S.]. The current appropriation covers costs associated with a total of 14 vehicles³⁰ that are all utilized at the CSDB.

STATUTORY AUTHORITY: Section 24-30-1104 (2), C.R.S.

REQUEST: The Department requests an appropriation of \$26,196 General Fund pursuant to OSPB’s common policies.

RECOMMENDATION: The staff recommendation for this line item is pending the Committee’s final common policy decision for vehicle lease payments. The FY 2020-21 Long Bill will reflect the Committee’s final decision.

UTILITIES

This line item provides funding for the CSDB's water and sewer, electricity, and natural gas expenses.

STATUTORY AUTHORITY: Section 22-80-101.5 et seq., C.R.S.

REQUEST: The Department requests an appropriation of \$687,122 General Fund for FY 2020-21. The request includes an increase of \$59,542 General Fund associated with request R4 (CSDB Utilities, discussed above).

RECOMMENDATION: Staff recommends approving the request, including the increase associated with request R4. The Committee increased the appropriation for CSDB’s utility expenses in FY 2014-15 and FY 2015-16 based on increasing costs but the appropriation has remained steady at \$602,580 per year for FY 2015-16 through FY 2018-19. The recommendation adds to an increase of \$25,000 approved for FY 2019-20. The following table shows the recommended change from the FY 2019-20 appropriation.

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, UTILITIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
SB 19-207 Long Bill	\$627,580	\$627,580	\$0	\$0	\$0	0.0
TOTAL	\$627,580	\$627,580	\$0	\$0	\$0	0.0

³⁰ Currently, these vehicles include: six vans, four sedans, two buses, and two trucks.

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, UTILITIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$627,580	\$627,580	\$0	\$0	\$0	0.0
R4 CSDB utilities	59,542	59,542	0	0	0	0.0
TOTAL	\$687,122	\$687,122	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	\$59,542	\$59,542	\$0	\$0	\$0	0.0
Percentage Change	9.5%	9.5%	n/a	n/a	n/a	n/a
FY 2020-21 EXECUTIVE REQUEST	\$687,122	\$687,122	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

ALLOCATION OF STATE AND FEDERAL CATEGORICAL PROGRAM FUNDING

The CSDB receives an allocation of state and federal moneys available for special education services for children with disabilities based on its December pupil count. In addition, the CSDB may receive allocations from other categorical programs (e.g., in recent years the CSDB has received allocations related to the English language proficiency program, special education for gifted and talented children, and the Expelled and At-risk Student Services Grant Program). The CSDB receives transfers under this line item from the various line items in the Assistance to Public Schools, Categorical Programs section of the Long Bill.

STATUTORY AUTHORITY: Section 22-20-103 et seq., C.R.S. (Special Education for Children with Disabilities).

REQUEST: The Department requests a continuation appropriation of \$170,000 reappropriated funds spending authority and 0.4 FTE for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. The disbursements of categorical funding are based on the CSDB's annual student count and, as a result, fluctuate some from year to year. The recommendation is intended to allow the CSDB to receive and spend all categorical funding for which it is eligible. The continuation level of funding is appropriate.

MEDICAID REIMBURSEMENTS FOR PUBLIC SCHOOL HEALTH SERVICES

Similar to school districts, the CSDB is authorized to enter into contracts and receive federal matching funds for moneys spent in providing student health services [i.e., preventive, diagnostic, therapeutic, rehabilitative, or palliative items or services that are furnished to students by a school district, a board of cooperative services, or a state educational institution pursuant to the S.B. 97-101 Public School Health Services program]. Section 25.5-5-318 (2) (b), C.R.S., states that "any moneys provided to a school district pursuant to a contract entered into under this section shall not supplant state or local moneys provided to school districts" for:

- (a) special education services for children with disabilities;
- (b) the Colorado preschool program; or
- (c) the School Finance Act.

Based on this provision, the CSDB has used the additional federal Medicaid moneys available to increase special education services to its students (e.g., providing an additional day of occupational or physical therapy, in accordance with a student's individual education program) and at times to purchase equipment approved through the Medicaid plan.

STATUTORY AUTHORITY: Section 22-80-102 (5), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$425,637 reappropriated funds spending authority and 1.5 FTE for FY 2020-21. The request includes the following increases above the FY 2019-20 appropriation:

- An increase of \$13,095 to annualize FY 2019-20 salary survey increases.
- An increase of \$2,238 General Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies. The recommendation is intended to allow the CSDB to receive and spend all of the Medicaid funding for which it is eligible.

(B) SPECIAL PURPOSE

FEES AND CONFERENCES

This line item provides spending authority for the Department to spend fees charged and received for various conferences or meetings held at the CSDB. Pursuant to Section 22-80-102, C.R.S., the CSDB is charged with being "a resource to school districts, state institutions, and other approved education programs". Among other resource services, the CSDB is required to provide "programs for parents, families, and the public". This appropriation allows the CSDB to host conferences that benefit professionals working with students who are deaf/hard of hearing or blind/visually impaired, parents of those children, and the students themselves. These fees offset additional custodial, maintenance, and security costs incurred. The CSDB also collects other fees, including fees paid for counseling services provided to students who are deaf/hard of hearing or blind/visually impaired in schools throughout Colorado.

STATUTORY AUTHORITY: Section 22-80-102, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$120,000 cash funds for FY 2020-21, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Staff recommends approving the request. Staff recommends maintaining the appropriation at its current level despite the low levels of expenditures in recent years (e.g., \$33,022 in FY 2018-19), as the recommendation is intended to allow the Department to receive and spend any fees earned.

OUTREACH SERVICES

The CSDB is statutorily charged with being a resource to school districts by providing several services, including: assessment and identification of students' educational needs; special curricula; equipment

and materials; supplemental related services; special short-term programs; program planning and staff development; programs for parents, families and the public; and research and development to promote improved educational programs and services. The reappropriated funds portion of this appropriation represents federal funds transferred from school districts or the Department of Education for three purposes:

- The CSDB occasionally accepts students from Colorado school districts for extended diagnostic periods prior to the student meeting CSDB enrollment criteria. Typically, these students require a one-on-one aide who must be supplied by the home school district. Often, the districts themselves are unable to find qualified applicants willing to work for district-level salaries while living in the Colorado Springs area. To address this issue, this line item provides spending authority for the CSDB to hire these professionals using federal special education funds transferred from school districts.
- CSDB employees travel to districts to provide training for district staff and/or to provide direct support to students. Districts pay the CSDB for their staff time and travel expenses.
- The Department supplies funding (also originally from federal funding) to provide Braille and large print materials for blind/visually impaired students through the Colorado Instructional Materials Center.

In FY 2009-10, this line item was increased by \$755,836 cash funds and 2.6 FTE to provide outreach services to school districts and Boards of Cooperative Educational Services (BOCES). The outreach services include technology training, professional development training, clerical support to distribute materials, production and purchase of adaptive materials, and student support services such as communication assessments, counseling support, and short-term and summer enrichment courses. In FY 2015-16, the General Assembly added an additional 0.8 FTE associated with FY 2015-16 R5 (CSDB Strategic Plan Implementation). The source of the cash funds are from reimbursements that the CSDB collects from school districts and BOCES.

STATUTORY AUTHORITY: Section 22-80-102, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,037,897 total funds (including \$760,522 cash funds and \$277,375 reappropriated funds) and 6.2 FTE for FY 2019-20. The request includes the following increases above the FY 2018-19 appropriation:

- An increase of \$9,656 total funds to annualize FY 2018-19 salary survey and merit pay increases.
- An increase of \$572 cash funds to reflect the FY 2019-20 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies. The following table reflects the recommended changes from the FY 2018-19 appropriation.

SCHOOL FOR THE DEAF AND THE BLIND, SPECIAL PURPOSE, OUTREACH SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 APPROPRIATION						
HB 18-1322 (Long Bill)	\$1,027,669	\$0	\$756,463	\$271,206	\$0	6.2
TOTAL	\$1,027,669	\$0	\$756,463	\$271,206	\$0	6.2

SCHOOL FOR THE DEAF AND THE BLIND, SPECIAL PURPOSE, OUTREACH SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 RECOMMENDED APPROPRIATION						
FY 2018-19 Appropriation	\$1,027,669	\$0	\$756,463	\$271,206	\$0	6.2
Annualize prior year budget actions	9,656	0	3,487	6,169	0	0.0
Annualize prior year legislation	572	0	572	0	0	0.0
TOTAL	\$1,037,897	\$0	\$760,522	\$277,375	\$0	6.2
INCREASE/(DECREASE)						
	\$10,228	\$0	\$4,059	\$6,169	\$0	0.0
Percentage Change	1.0%	n/a	0.5%	2.3%	n/a	0.0%
FY 2019-20 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

TUITION FROM OUT-OF-STATE STUDENTS

The CSDB is statutorily authorized to admit students from other states "...upon payment to the superintendent of such a sum quarterly as the board of trustees determines, to be not less than the total cost per capita of the students for the year immediately preceding the year in which the application is made." [see Section 22-80-110, C.R.S.] The CSDB is not allowed to admit a student from another state, however, to the exclusion of any Colorado resident. Tuition payments are generally used for curriculum, technology, and dorm furniture.

Historically, the CSDB has admitted students from Wyoming who cannot be appropriately served in their home school district. Wyoming does not have a state school to serve children who are deaf and/or blind. Prior to FY 2007-08, the CSDB required Wyoming to pay their students' tuition using federal funds (available under the federal *Individuals with Disabilities Education Act*), which were treated as cash funds but are not subject to the limitation on state fiscal year spending imposed by Section 20 of Article X of the State Constitution ("TABOR"). Beginning in FY 2007-08, the CSDB has been authorized to accept tuition payments from other states for up to four students using state, rather than federal funds. This authorization ensures that children from neighboring states can be served at the CSDB (given available space) if it is determined that it is the best setting for the child.

STATUTORY AUTHORITY: Section 22-80-110, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$200,000 cash funds spending authority for FY 2019-20, with no change from the FY 2018-19 appropriation.

RECOMMENDATION: Staff recommends approving the request. While the Department had not used the appropriation the past several years, CSDB had two out of state students (from Wyoming) in FY 2016-17 and has had one out of state student in both FY 2017-18 and FY 2018-19. Staff recommends continuing the appropriation at its current level to allow the CSDB to serve any students deemed appropriate, which benefits both the student and the CSDB. The CSDB will only be able to spend funds actually received as tuition from out-of-state students.

GRANTS

This line item provides spending authority for the CSDB to receive various grants transferred from other line items within the Department. This spending authority excludes amounts related to categorical programs and Medicaid reimbursements for public school health services, as these amounts are appropriated through separate line items.

STATUTORY AUTHORITY: Section 22-80-102, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,206,079 reappropriated funds and 9.0 FTE for FY 2019-20. The request includes an increase of \$374 to reflect the FY 2019-20 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving the request. Staff recommends maintaining the appropriation at its current level despite the low levels of expenditures in recent years, as the recommendation is intended to allow the Department to receive and spend any revenues received under the line item.

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

LONG BILL FOOTNOTES

Staff recommends **ELIMINATING** the following footnote:

- 4 Department of Education, Assistance to Public Schools, Public School Finance, State share of Districts' Total Program Funding -- It is the intent of the General Assembly that a portion of the amount appropriated for this line item, not to exceed \$250,000 for fiscal year FY 2019-20, shall be transferred to the Legislative Council for the purpose of funding the biennial cost of living analysis pursuant to Section 22-54-104 (5) (c) (III) (B), C.R.S.

COMMENT: Section 22-54-104 (5) (c) (III) (A), C.R.S., requires the Legislative Council Staff to conduct a biennial study concerning the relative cost of living in each school district. The results of the study are then to be used to adjust each school district's cost of living factor for purposes of calculating per pupil funding for the following two fiscal years. Because the study was completed in FY 2019-20, the footnote is not necessary for FY 2020-21 (but under current law would again be necessary for the FY 2021-22 Long Bill). The results of the study conducted in FY 2019-20 will impact funding requirements for FY 2020-21 and FY 2021-22.

Staff recommends **CONTINUING** the following footnotes:

- 5 Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding -- Pursuant to Section 22-35-108 (2) (a), C.R.S., the purpose of this footnote is to specify what portion of this appropriation is intended to be available for the Accelerating Students Through Concurrent Enrollment (ASCENT) Program for ~~FY 2019-20~~ FY 2020-21. It is the intent of the General Assembly that the Department of Education be authorized to utilize up to ~~\$3,896,500~~ \$_____ of this appropriation to fund qualified students designated as ASCENT Program participants. This amount is calculated based on an estimated 500 FTE participants funded at a rate of ~~\$7,793~~ \$_____ per FTE pursuant to Section 22-54-104 (4.7), C.R.S.

COMMENT: House Bill 19-1319³¹ created the ASCENT Program for students who voluntarily extend their high school education beyond 12th grade in order to attend college courses ("fifth year" students). The stated objectives of the program include: (1) increasing the percentage of students who participate in higher education, especially among low-income and traditionally under-served populations; (2) decreasing the number of high school dropouts; (3) decreasing the time required for a student to complete a postsecondary degree; (4) reducing state expenditures for public education; and (5) increasing the number of educational pathways available to students.

Similar to students participating in multi-district online programs and the Colorado Preschool Program, ASCENT students are counted and funded through the School Finance Act formula. However, the ASCENT Program is subject to available appropriations. As funding

³¹ See Section 22-35-108, C.R.S.

for ASCENT is calculated as part of school districts' total program funding, state funding for ASCENT students is included within the State Share of Districts' Total Program Funding line item. This footnote thus provides the mechanism for the General Assembly to limit the appropriation for ASCENT.

In addition to state funding appropriated to the Department of Education, similar to other concurrent enrollment programs, higher education institutions include ASCENT students in determining the number of full time equivalent students enrolled in the institution. The higher education institution receives tuition from ASCENT students' home school districts, as well as College Opportunity Fund Program stipend payments.

In the current year, a total of 461.0 FTE students are participating in the ASCENT Program. The Department expects 97.5 slots to be carried forward from FY 2019-20 to FY 2020-21 (as allowed by S.B. 15-138), meaning that an appropriation of 500 *new* slots for FY 2020-21 would make a total of 597.5 slots available for the year. School districts have until the end of this fiscal year to encumber any funds associated with unused slots in FY 2019-20 to provide ASCENT slots in FY 2020-21, and that funding is in addition to the amounts assumed in the FY 2019-20 appropriation. Participating districts must remit any FY 2018-19 ASCENT funds remaining unencumbered by the end of the fiscal year to the Department. The Department will credit such funds to the State Public School Fund.

As discussed above with request R1/BA1/BA2 (Total Program Increase), the staff recommendation for FY 2020-21 includes 500 new ASCENT slots for FY 2020-21 (a continuation of the number of slots approved in the FY 2019-20 appropriation). Staff requests permission to finalize the appropriation and per pupil amounts in the footnote based on the Committee's final decisions regarding total program funding and the allocation of ASCENT slots in FY 2020-21.

- 6 Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Capital Construction, Public School Capital Construction Assistance Board – Cash Grants – This appropriation remains available until the completion of the project or the close of FY 2021-22, whichever comes first.

COMMENT: The General Assembly added this footnote to the FY 2015-16 Long Bill to allow the Department to spend cash grants provided through the B.E.S.T. Program over a three-year period in order to allow for project completion.

- 7 Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Career Development Success Program – It is the General Assembly's intent that up to \$200,000 of this appropriation be used for activities other than direct grants to schools.

COMMENT: The General Assembly added this footnote to the FY 2020-21 Long Bill. The Department is using the funding to support the development and support TEACH Colorado, a statewide public-private partnership designed to attract additional people to the teaching profession. The Department is using the funds to support an online digital recruitment platform to serve as a "one-stop shop" to engage possible teacher candidates and facilitate

their research of (and application to) educator preparation programs. The site is available at: <https://colorado.teach.org/>

- 8 Department of Education, Library Programs, Reading Services for the Blind – This appropriation is for the support of privately operated reading services for the blind, as authorized by Section 24-90-105.5, C.R.S. It is the General Assembly’s intent that \$440,000 of this appropriation be used to provide access to radio and television broadcasts of locally published and produced materials and \$120,000 of this appropriation be used to provide telephone access to digital transmissions of nationally published and produced materials.

COMMENT: The General Assembly includes this footnote in the Long Bill to express the intent of the appropriation. The Department annually spends a portion of the appropriation, specified at \$440,000 in the current (FY 2020-21) footnote, to contract with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. Broadcasts are provided in Boulder, Louisville, and Lafayette and are available on local cable as a standard radio frequency at 98.9 KHzs. AINC is working through cable associations with the cities to expand local coverage. The services provided by AINC are also made available through the internet, telephone, and podcasts.

The remaining amount (\$120,000) is used to purchase services from the National Federation for the Blind (NFB) for its Newline service, which provides eligible Coloradans access to newspapers nationwide and a few magazines via touch tone telephone, internet, and by e mail. Newline services now include television listings (based on an individual’s zip code); the NFB indicates that this additional service has increased use of their Newline service nationwide significantly. Anyone who is a patron of the Colorado Talking Book Library (CTBL) is eligible to access Newline services. The CTBL is able to sign patrons up for the Newline service through their existing database.

REQUESTS FOR INFORMATION

Staff recommends continuing and **ADDING** the following request for information:

- X Department of Education; and Colorado School for the Deaf and the Blind – The Department of Education and the Colorado School for the Deaf and the Blind are requested to provide to the Joint Budget Committee, by September 1, 2020, detailed information concerning each entity’s implementation of the recommendations of the independent review panel for the Colorado School for the Deaf and Blind. The requested information should include both detail on the progress made to date and each entity’s plans going forward.

COMMENT: The independent program review was completed in 2019. This request seeks detail on the Department’s and the CSDB’s progress and planning to implement the variety of recommendations included in the program review.

Staff recommends **ELIMINATING** the following request for information.

- 8 Department of Human Services, Department of Education -- The Departments are requested to submit on or before June 30, 2019 a report to the Joint Budget Committee concerning the breakdown of the costs of Part C Child Find evaluations, including the cost per evaluator, cost per evaluation, cost per geographic area, and cost by expertise for each evaluation.

COMMENT: The Departments submitted a report compiled by an external consultant in 2019 but did not propose budgetary or legislative action for FY 2020-21. The Departments and the Governor's Office have indicated an intent to submit budgetary and/or legislative proposals related to Part C Child Find as part of the FY 2021-22 budget process. The separate request for information no longer appears to be necessary.

Staff recommends continuing and **CONTINUING AND MODIFYING** the following requests for information:

- 2 Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S. – The Department of Education is requested to work with the Department of Higher Education and to provide to the Joint Budget Committee information concerning the distribution of state funds available for each categorical program, excluding grant programs. The information for special education programs for children with disabilities, English language proficiency programs, public school transportation, career and technical education, and small attendance center aid is requested to include the following: (a) a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year ~~2018-19~~ 2019-20 and the maximum allowable distribution pursuant to state law and/or State Board of Education rule; and (b) a comparison of the state and federal funding distributed to each district or administrative unit for each program in fiscal year ~~2017-18~~ 2018-19 and actual district expenditures for each program in fiscal year ~~2017-18~~ 2018-19. The information for special education programs for gifted and talented children is requested to include a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year ~~2017-18~~ 2018-19 and actual district expenditures in fiscal year ~~2017-18~~ 2018-19.

COMMENT: This request provides the Joint Budget Committee with data that is used to annually determine the allocation of the required increase in state funding for categorical programs.

- 1 Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding – The Department is requested to provide to the Joint Budget Committee, on or before November 1, ~~2019~~ 2020, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year ~~2018-19~~ 2019-20: (a) data reflecting the ratio of the total funded pupil count for the Program to the total funded pupil count for kindergarten; (b) data indicating the number of three-year-old children who participated in the Program; (c) data indicating the number of children who participated in the Program for a full-day rather than a half-day; and (d) the state and local shares of total program funding that are attributable to the Program.

COMMENT: Funding for the Colorado Preschool Program (CPP) is included in the State Share of Districts' Total Program Funding line item. This request provides the Joint Budget Committee with data related to CPP, including the costs of the program, how many existing slots are being used to serve three-year-old children or to provide a full day of preschool to an individual child, and the adequacy of the number of authorized slots.

- 2 Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance – The Department is requested to provide information to the Joint Budget Committee by November 1, ~~2019~~ 2020, concerning the allocation of funding to eligible boards of cooperative services (BOCES) pursuant to Section 22-2-122 (3), C.R.S. Specifically, the Department is requested to detail the sources of funds and the allocations made to each BOCES in fiscal years ~~2017-18~~ 2018-19 and ~~2018-19~~ 2019-20.

COMMENT: This request ensures that the Joint Budget Committee receives information about a distribution of state funds that occurs off-budget. Specifically, pursuant to a provision added by H.B. 02-1053 (Young/Taylor), the Department is required to annually allocate funds to those boards of cooperative services (BOCES) that provide a wide range of services to their member school districts, or school districts with student populations of less than four thousand students [see Section 22-2-122 (3), C.R.S.]. Specifically, up to \$250,000 is to be allocated annually using 1.0 percent of amounts appropriated "to all education grant programs for that fiscal year"; moneys are to be allocated proportionately on a per school district basis, based on the total number of school districts that have student populations of less than four thousand students and are members of eligible BOCES. The BOCES that receive allocations are required to use such moneys to assist member school districts and schools in applying for grants. The above language requests data for both FY 2018-19 and FY 2019-20.

INDIRECT COST ASSESSMENTS

DESCRIPTION OF INDIRECT COST ASSESSMENT METHODOLOGY

The Department of Education annually calculates two separate indirect cost rates, one affecting federal funds and another for cash funds. The Department’s indirect cost methodology is based on three components: an “*Indirect Cost Pool*”, an “*Indirect Cost Base*”, and an “*Indirect Cost Rate*”.

The Department calculates and negotiates the federal indirect cost rate with the U.S. Department of Education (USDE). The Department had negotiated a three-year fixed federal indirect cost rate with USDE for FY 2015-16 through FY 2017-18. As a result of a change in the federal policy (and a reversion to previous practice), the Department is again negotiating an annual rate with the federal agency. The Department calculates the federal rate based on the most recent year of actual expenditures. For example, actual expenditures from FY 2017-18 are the basis of the FY 2019-20 federal indirect rate of 13.4 percent. The Department calculates the federal rate as the indirect cost pool divided by the indirect cost base (as illustrated in the tables below) but must negotiate the final rate with USDE.

The Department bases the cash fund indirect cost rate on the approved federal rate, with some modifications. For example, the USDE prohibits the collection of indirect costs from contracts over \$25,000. For the cash fund rate, the Department adds the USDE exclusions back into the indirect cost pool to arrive at the cash fund indirect cost rate. The Department primarily applies the cash fund rate to the Educator Licensure Cash Fund but also applies the rate to private gifts, grants, and donations. Similar to the federal rate, the Department has now set a fixed cash fund rate of 13.5 percent for cash fund indirect cost recoveries for FY 2019-20. The following data are based on the Department’s current estimates for FY 2020-21.

INDIRECT COST POOL

The *Indirect Cost Pool* is comprised of expenses in the Management and Administration Division, including expenses associated with the following line items: General Department and Program Administration, Health, Life, and Dental, Short-term Disability, S.B. 04-257 Amortization Equalization Disbursement, S.B. 06-235 Supplemental Amortization Equalization Disbursement, and Payment to Risk Management and Property Funds. The Department categorizes the indirect cost pool differently, however, based on the costs actually included in the pool for calculation purposes. **Table 1** (on the following page) outlines which *costs* are included in the department’s Indirect Cost Pool.

TABLE 1: DEPARTMENT OF EDUCATION INDIRECT COST POOL	
DIVISION/COST DESCRIPTION	FY 2018-19 ACTUAL
Statewide Indirect Costs for FY 2018-19	\$498,246
Management and Administration	
Human Resources	395,376
Accounting and Purchasing	1,105,599
Department Overhead	983,480

DIVISION/COST DESCRIPTION	FY 2018-19 ACTUAL
COFRS Modernization	278,197
Sick and Annual Leave Payouts	434,504
Budget	303,361
Information Management	3,078,126
Total Departmental Indirect Cost Pool	\$6,578,643
Other Costs	
Depreciation	846,427
State Auditor	201,593
Carryforward Adjustment	1,266,815
Total Other Costs	2,314,835
Total Indirect Cost Pool	\$9,391,724

INDIRECT COST BASE

The *Indirect Cost Base* is the denominator in the calculation of the federal indirect cost rate. The indirect cost base consists of Departmental salaries, fringe benefits, and operating expenses. The federal calculation excludes the items for which the USDE prohibits indirect cost collections and excludes departmental indirect costs. **Table 2** summarizes the department's indirect cost base using the FY 2017-18 actuals that provided the base for the current federal rate.

	FY 2017-18 ACTUAL
CDE salaries, fringe benefits, operating expenses	\$99,653,601
Less: Expenditures Excluded by USDE	(\$36,861,076)
Less: Departmental Indirect Costs	(\$6,578,643)
Total Indirect Cost Base	\$56,213,882

INDIRECT COST RATE

The federal *indirect cost rate* is calculated by dividing the indirect cost pool by the indirect cost base. **Table 3** illustrates how the Department calculates the federal indirect cost rate. The Department is still negotiating a rate for FY 2020-21, so that rate has yet to be determined. The following table shows the calculated rate for FY 2019-20 (16.7 percent using this methodology) and the actual negotiated rate for FY 2019-20 (13.4 percent).

FEDERAL RATE = INDIRECT COST POOL / DIRECT COST BASE	
DIVISION	FY 2017-18 ACTUAL
Indirect Cost Pool	\$9,391,724
Indirect Cost Base	\$56,213,882
Calculated Indirect Cost Base	16.7%
Negotiated Federal Rate (Actual Rate)	13.4%

The Department applies the federal indirect cost rate to all federally funded expenditures for salaries, fringe benefits, operating expenses, and travel costs. The USDE prohibits charging indirect costs to federal funds supporting contracts in excess of \$25,000, grant distributions to school districts and other recipients, and capital expenditures in excess of \$5,000. In addition, some federal programs impose indirect cost limits. For example, the Library Service and Technology Act (LSTA) grant limits indirect cost recoveries to 4 percent, regardless of the negotiated indirect cost rate for other federal funds.

The Department also does not charge indirect costs to General Fund expenditures, some cash funded expenditures (most importantly those supported by the State Education Fund), or reappropriated fund expenditures. Based on updated information provided by the Department, **Table 4** reflects the recommended indirect cost assessments for each of the Department's divisions.

TABLE 4: DEPARTMENT INDIRECT COST ASSESSMENT REQUEST				
DIVISION	TOTAL	CF	RF	FF
Management and Administration	\$784,757	\$451,796	\$0	\$332,961
Assistance to Public Schools	3,207,087	25,000	55,571	3,126,516
Library Programs	55,327	0	0	55,327
Total FY 2020-21 Request	\$4,047,171	\$476,796	\$55,571	\$3,514,804
Management and Administration	\$674,595	\$388,374	\$0	\$286,221
Assistance to Public Schools	2,756,885	25,000	55,571	2,676,314
Library Programs	55,327	0	0	55,327
Total FY 2019-20 Request	\$3,486,807	\$413,374	\$55,571	\$3,017,862
Difference (FY 20 - FY 21)	\$560,364	\$63,422	\$0	\$496,942

JBC Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
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DEPARTMENT OF EDUCATION
Dr. Katy Anthes, Commissioner

(1) MANAGEMENT AND ADMINISTRATION

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

(A) Administration and Centrally-Appropriated Line Items

State Board of Education	<u>286,647</u>	<u>361,910</u>	<u>347,873</u>	<u>354,167</u>	<u>354,167</u>
FTE	1.9	1.8	2.0	2.0	2.0
General Fund	286,647	361,910	347,873	354,167	354,167
General Department and Program Administration	<u>3,924,734</u>	<u>4,088,033</u>	<u>4,524,366</u>	<u>5,091,317</u>	<u>4,973,248</u> *
FTE	34.7	34.0	34.6	39.0	39.0
General Fund	1,792,012	1,818,159	1,920,748	2,052,567	2,027,713
Cash Funds	130,437	107,105	182,422	186,144	186,144
Reappropriated Funds	2,002,285	2,162,769	2,421,196	2,852,606	2,759,391
Office of Professional Services	<u>2,152,563</u>	<u>2,003,479</u>	<u>2,752,219</u>	<u>2,813,601</u>	<u>2,813,601</u>
FTE	24.1	23.1	25.0	25.0	25.0
Cash Funds	2,152,563	2,003,479	2,752,219	2,813,601	2,813,601
Division of On-line Learning	<u>340,434</u>	<u>362,742</u>	<u>372,396</u>	<u>379,368</u>	<u>379,368</u>
FTE	2.3	1.6	3.3	3.3	3.3
Cash Funds	340,434	362,742	372,396	379,368	379,368

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Schools of Choice	<u>0</u>	<u>0</u>	<u>315,504</u>	<u>335,009</u>	<u>10,361,851</u>
FTE	0.0	0.0	2.6	2.6	6.8
General Fund	0	0	315,504	335,009	335,009
Federal Funds	0	0	0	0	10,026,842
Health, Life, and Dental	<u>2,746,660</u>	<u>3,065,997</u>	<u>6,060,188</u>	<u>6,709,144</u>	<u>6,709,143</u>
General Fund	1,806,635	2,044,487	2,169,194	2,546,147	2,546,146
Cash Funds	501,581	569,373	933,340	1,028,944	1,028,944
Reappropriated Funds	438,444	452,137	562,492	715,651	715,651
Federal Funds	0	0	2,395,162	2,418,402	2,418,402
Short-term Disability	<u>42,168</u>	<u>40,542</u>	<u>79,013</u>	<u>82,789</u>	<u>83,601</u>
General Fund	25,138	24,700	25,023	26,558	26,819
Cash Funds	8,591	8,125	12,413	13,471	13,602
Reappropriated Funds	8,439	7,717	9,300	10,340	10,442
Federal Funds	0	0	32,277	32,420	32,738
S.B. 04-257 Amortization Equalization Disbursement	<u>1,198,704</u>	<u>1,262,134</u>	<u>2,340,386</u>	<u>2,448,136</u>	<u>2,472,088</u>
General Fund	716,273	770,715	745,232	788,898	796,582
Cash Funds	243,360	252,297	366,747	397,462	401,360
Reappropriated Funds	239,071	239,122	274,771	305,124	308,114
Federal Funds	0	0	953,636	956,652	966,032
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>1,198,704</u>	<u>1,262,134</u>	<u>2,340,386</u>	<u>2,448,136</u>	<u>2,472,088</u>
General Fund	716,273	770,715	745,232	788,898	796,582
Cash Funds	243,360	252,297	366,747	397,462	401,360
Reappropriated Funds	239,071	239,122	274,771	305,124	308,114
Federal Funds	0	0	953,636	956,652	966,032

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
PERA Direct Distribution	<u>0</u>	<u>0</u>	<u>1,288,681</u>	<u>1,220,885</u>	<u>1,220,885</u>
General Fund	0	0	935,444	393,423	870,498
Cash Funds	0	0	201,941	198,216	198,219
Reappropriated Funds	0	0	151,296	152,164	152,168
Federal Funds	0	0	0	477,082	0
Salary Survey	<u>0</u>	<u>0</u>	<u>1,531,969</u>	<u>1,076,326</u>	<u>1,614,492</u>
General Fund	0	0	492,701	345,293	517,941
Cash Funds	0	0	238,932	175,092	262,640
Reappropriated Funds	0	0	179,058	134,441	201,661
Federal Funds	0	0	621,278	421,500	632,250
Merit Pay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Parental Leave	<u>0</u>	<u>0</u>	<u>0</u>	<u>67,392</u>	<u>0</u>
General Fund	0	0	0	57,379	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	10,013	0
Federal Funds	0	0	0	0	0
Workers' Compensation	<u>326,677</u>	<u>317,235</u>	<u>446,087</u>	<u>328,159</u>	<u>328,159</u>
General Fund	226,318	231,999	199,254	146,579	146,579
Cash Funds	66,120	65,719	58,212	42,823	42,823
Reappropriated Funds	34,239	19,517	30,146	22,177	22,177
Federal Funds	0	0	158,475	116,580	116,580

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Legal Services	<u>840,439</u>	<u>750,801</u>	<u>901,288</u>	<u>1,226,593</u>	<u>1,226,593</u>
General Fund	485,811	433,996	520,985	709,025	709,025
Cash Funds	333,064	297,541	357,178	486,096	486,096
Reappropriated Funds	21,564	19,264	23,125	31,472	31,472
Administrative Law Judge Services	<u>252,579</u>	<u>208,286</u>	<u>233,596</u>	<u>141,413</u>	<u>141,413</u>
Cash Funds	208,981	172,333	193,277	117,005	117,005
Reappropriated Funds	43,598	35,953	40,319	24,408	24,408
Payment to Risk Management and Property Funds	<u>152,910</u>	<u>212,856</u>	<u>448,387</u>	<u>427,153</u>	<u>427,153</u>
General Fund	152,910	212,856	448,387	427,153	427,153
Leased Space	<u>0</u>	<u>298,639</u>	<u>1,081,722</u>	<u>1,081,722</u>	<u>1,241,882</u>
General Fund	0	61,525	51,056	51,056	87,218
Cash Funds	0	224,010	267,187	267,187	262,844
Reappropriated Funds	0	13,104	1,415	1,415	13,798
Federal Funds	0	0	762,064	762,064	878,022
Capitol Complex Leased Space	<u>842,164</u>	<u>475,305</u>	<u>693,388</u>	<u>730,601</u>	<u>730,601</u>
General Fund	236,777	232,175	208,016	219,180	219,180
Cash Funds	113,045	103,558	83,068	87,526	87,526
Reappropriated Funds	152,358	139,572	134,864	142,102	142,102
Federal Funds	339,984	0	267,440	281,793	281,793
Reprinting and Distributing Laws Concerning Education	<u>32,116</u>	<u>30,818</u>	<u>35,480</u>	<u>35,480</u>	<u>35,480</u>
Cash Funds	32,116	30,818	35,480	35,480	35,480

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Salary Survey for Classified Employees	<u>152,627</u>	<u>94,449</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	134,239	54,429	0	0	0
Cash Funds	4,470	20,549	0	0	0
Reappropriated Funds	8,153	19,471	0	0	0
Federal Funds	5,765	0	0	0	0
Salary Survey for Exempt Employees	<u>607,966</u>	<u>659,124</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	96,069	379,688	0	0	0
Cash Funds	86,463	143,451	0	0	0
Reappropriated Funds	82,961	135,985	0	0	0
Federal Funds	342,473	0	0	0	0
Merit Pay for Classified Employees	<u>63,641</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	55,758	0	0	0	0
Cash Funds	1,917	0	0	0	0
Reappropriated Funds	3,495	0	0	0	0
Federal Funds	2,471	0	0	0	0
Merit Pay for Exempt Employees	<u>233,048</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	26,178	0	0	0	0
Cash Funds	35,424	0	0	0	0
Reappropriated Funds	33,862	0	0	0	0
Federal Funds	137,584	0	0	0	0

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
SUBTOTAL - (A) Administration and Centrally-Appropriated Line Items	15,394,781	15,494,484	25,792,929	26,997,391	37,585,813
<i>FTE</i>	<u>63.0</u>	<u>60.5</u>	<u>67.5</u>	<u>71.9</u>	<u>76.1</u>
General Fund	6,757,038	7,397,354	9,124,649	9,241,332	9,860,612
Cash Funds	4,501,926	4,613,397	6,421,559	6,625,877	6,717,012
Reappropriated Funds	3,307,540	3,483,733	4,102,753	4,707,037	4,689,498
Federal Funds	828,277	0	6,143,968	6,423,145	16,318,691

(B) Information Technology

Information Technology Services	<u>3,423,879</u>	<u>3,662,683</u>	<u>4,513,717</u>	<u>4,809,029</u>	<u>5,134,626</u> *
<i>FTE</i>	25.2	25.8	30.9	32.7	33.6
General Fund	3,423,879	3,562,317	3,883,101	4,174,578	4,224,175
Cash Funds	0	0	0	0	276,000
Reappropriated Funds	0	100,366	630,616	634,451	634,451
CORE Operations	<u>236,105</u>	<u>278,197</u>	<u>246,047</u>	<u>327,125</u>	<u>327,125</u>
General Fund	89,650	105,658	105,604	126,702	126,702
Cash Funds	29,560	34,831	36,636	126,731	126,731
Reappropriated Funds	116,895	137,708	103,807	73,692	73,692
Information Technology Asset Maintenance	<u>862,051</u>	<u>2,372,074</u>	<u>969,147</u>	<u>969,147</u>	<u>969,147</u>
General Fund	862,051	2,372,074	969,147	969,147	969,147
Disaster Recovery	<u>19,722</u>	<u>19,722</u>	<u>19,722</u>	<u>19,722</u>	<u>19,722</u>
General Fund	19,722	19,722	19,722	19,722	19,722

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Payments to OIT	<u>805,047</u>	<u>637,079</u>	<u>973,481</u>	<u>1,232,631</u>	<u>1,232,631</u> *
General Fund	403,242	319,108	417,818	530,752	530,752
Cash Funds	12,249	9,693	144,951	183,576	183,576
Reappropriated Funds	389,556	308,278	410,712	518,303	518,303
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Information Technology	5,346,804	6,969,755	6,722,114	7,357,654	7,683,251
FTE	<u>25.2</u>	<u>25.8</u>	<u>30.9</u>	<u>32.7</u>	<u>33.6</u>
General Fund	4,798,544	6,378,879	5,395,392	5,820,901	5,870,498
Cash Funds	41,809	44,524	181,587	310,307	586,307
Reappropriated Funds	506,451	546,352	1,145,135	1,226,446	1,226,446
Federal Funds	0	0	0	0	0

(C) Assessments and Data Analyses

Statewide Assessment Program	<u>32,486,509</u>	<u>31,468,924</u>	<u>33,246,483</u>	<u>33,314,969</u>	<u>33,300,495</u>
FTE	20.0	18.9	17.5	17.5	17.5
Cash Funds	25,585,766	26,077,093	26,099,171	26,113,860	26,113,860
Federal Funds	6,900,743	5,391,831	7,147,312	7,201,109	7,186,635
Longitudinal Analyses of Student Assessment Results	<u>680,227</u>	<u>583,210</u>	<u>811,072</u>	<u>1,265,718</u>	<u>858,033</u> *
FTE	4.5	5.2	4.1	5.9	5.1
General Fund	423,499	432,704	513,072	967,718	467,973
Cash Funds	256,728	150,506	298,000	298,000	390,060
Basic Skills Placement or Assessment Tests	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Cash Funds	0	0	50,000	50,000	50,000

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Preschool to Postsecondary Education Alignment	<u>627,685</u>	<u>605,728</u>	<u>655,054</u>	<u>672,672</u>	<u>672,672</u>
FTE	4.6	4.2	4.0	4.0	4.0
General Fund	32,932	32,633	36,516	37,309	37,309
Cash Funds	594,753	573,095	618,538	635,363	635,363
Educator Effectiveness Unit Administration	<u>1,644,843</u>	<u>1,753,943</u>	<u>1,961,272</u>	<u>2,511,257</u>	<u>2,011,257</u> *
FTE	10.4	12.5	12.5	13.4	12.5
General Fund	1,540,215	1,637,498	1,829,031	2,374,519	1,874,519
Cash Funds	104,628	116,445	132,241	136,738	136,738
Accountability and Improvement Planning	<u>1,611,071</u>	<u>1,647,728</u>	<u>1,770,045</u>	<u>1,784,651</u>	<u>1,784,651</u>
FTE	3.8	4.3	11.4	11.4	11.4
General Fund	1,060,739	1,097,396	1,219,713	1,234,319	1,234,319
Federal Funds	550,332	550,332	550,332	550,332	550,332
SUBTOTAL - (C) Assessments and Data					
Analyses	37,050,335	36,059,533	38,493,926	39,599,267	38,677,108
FTE	<u>43.3</u>	<u>45.1</u>	<u>49.5</u>	<u>52.2</u>	<u>50.5</u>
General Fund	3,057,385	3,200,231	3,598,332	4,613,865	3,614,120
Cash Funds	26,541,875	26,917,139	27,197,950	27,233,961	27,326,021
Federal Funds	7,451,075	5,942,163	7,697,644	7,751,441	7,736,967

(D) State Charter School Institute

State Charter School Institute Administration, Oversight, and Management	<u>3,755,502</u>	<u>4,077,928</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
FTE	14.5	18.6	11.7	11.7	11.7
Cash Funds	255,502	3,499,788	0	0	0
Reappropriated Funds	3,500,000	578,140	3,500,000	3,500,000	3,500,000

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Institute Charter School Assistance Fund	<u>1,284,600</u>	<u>1,167,167</u>	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>
Cash Funds	1,284,600	1,167,167	460,000	460,000	460,000
Other Transfers to Institute Charter Schools	<u>12,249,542</u>	<u>14,452,058</u>	<u>9,000,000</u>	<u>9,000,000</u>	<u>9,000,000</u>
FTE	1.2	1.0	0.0	0.0	0.0
Reappropriated Funds	12,249,542	14,452,058	9,000,000	9,000,000	9,000,000
Transfer of Federal Moneys to Institute Charter Schools	<u>5,813,985</u>	<u>7,090,243</u>	<u>7,600,000</u>	<u>7,600,000</u>	<u>7,600,000</u>
FTE	1.5	1.6	4.5	4.5	4.5
Reappropriated Funds	0	0	7,600,000	7,600,000	7,600,000
Federal Funds	5,813,985	7,090,243	0	0	0
Department Implementation of Section 22-30.5-501 et seq., C.R.S.	<u>216,224</u>	<u>203,495</u>	<u>231,648</u>	<u>239,992</u>	<u>239,992</u>
FTE	1.0	0.6	1.6	1.6	1.6
Reappropriated Funds	216,224	203,495	231,648	239,992	239,992
CSI Mill Levy Equalization	<u>0</u>	<u>11,047,724</u>	<u>14,000,000</u>	<u>24,000,000</u>	<u>14,000,000</u> *
General Fund	0	5,523,862	7,000,000	12,000,000	7,000,000
Reappropriated Funds	0	5,523,862	7,000,000	12,000,000	7,000,000
SUBTOTAL - (D) State Charter School Institute	23,319,853	38,038,615	34,791,648	44,799,992	34,799,992
FTE	<u>18.2</u>	<u>21.8</u>	<u>17.8</u>	<u>17.8</u>	<u>17.8</u>
General Fund	0	5,523,862	7,000,000	12,000,000	7,000,000
Cash Funds	1,540,102	4,666,955	460,000	460,000	460,000
Reappropriated Funds	15,965,766	20,757,555	27,331,648	32,339,992	27,339,992
Federal Funds	5,813,985	7,090,243	0	0	0

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
(E) Indirect Cost Assessment					
Indirect Cost Assessment	647,730	647,025	674,595	674,595	784,757
Cash Funds	372,907	327,741	388,374	388,374	451,796
Federal Funds	274,823	319,284	286,221	286,221	332,961
SUBTOTAL - (E) Indirect Cost Assessment	647,730	647,025	674,595	674,595	784,757
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	372,907	327,741	388,374	388,374	451,796
Federal Funds	274,823	319,284	286,221	286,221	332,961
TOTAL - (1) Management and Administration	81,759,503	97,209,412	106,475,212	119,428,899	119,530,921
<i>FTE</i>	<u>149.7</u>	<u>153.2</u>	<u>165.7</u>	<u>174.6</u>	<u>178.0</u>
General Fund	14,612,967	22,500,326	25,118,373	31,676,098	26,345,230
Cash Funds	32,998,619	36,569,756	34,649,470	35,018,519	35,541,136
Reappropriated Funds	19,779,757	24,787,640	32,579,536	38,273,475	33,255,936
Federal Funds	14,368,160	13,351,690	14,127,833	14,460,807	24,388,619

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
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(2) ASSISTANCE TO PUBLIC SCHOOLS

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

(A) Public School Finance

Administration	<u>1,753,638</u>	<u>1,635,436</u>	<u>2,250,286</u>	<u>1,904,480</u>	<u>1,904,480</u>
FTE	17.9	17.6	17.9	17.9	17.9
Cash Funds	135,843	74,686	511,621	87,494	87,494
Reappropriated Funds	1,617,795	1,560,750	1,738,665	1,816,986	1,816,986
Financial Transparency System Maintenance	<u>0</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Cash Funds	0	600,000	600,000	600,000	600,000
State Share of Districts' Total Program Funding	<u>4,120,568,879</u>	<u>4,468,585,178</u>	<u>4,628,802,222</u>	<u>4,797,541,058</u>	<u>4,740,198,592</u> *
General Fund	3,071,731,873	3,036,590,106	3,268,712,281	3,355,831,011	3,276,900,385
General Fund Exempt	820,701,666	885,333,333	897,710,833	897,710,833	897,710,833
Cash Funds	228,135,340	546,661,739	462,379,108	543,999,214	565,587,374
District Per Pupil Reimbursements for Juveniles Held in Jail	<u>0</u>	<u>1,894</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Cash Funds	0	1,894	10,000	10,000	10,000
At-risk Supplemental Aid	<u>5,089,585</u>	<u>4,570,427</u>	<u>5,094,358</u>	<u>5,094,358</u>	<u>5,094,358</u>
Cash Funds	5,089,585	4,570,427	5,094,358	5,094,358	5,094,358
At-risk Per Pupil Additional Funding	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Cash Funds	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Additional Funding for Rural Districts and Institute					
Charter Schools	<u>0</u>	<u>29,999,532</u>	<u>20,000,000</u>	<u>0</u>	<u>0</u>
General Fund	0	0	20,000,000	0	0
Cash Funds	0	29,999,532	0	0	0
Charter School Institute At-risk Funding Technical					
Correction	<u>0</u>	<u>545,147</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	545,147	0	0	0
Hold-harmless Full-day Kindergarten Funding					
Cash Funds	<u>8,144,182</u>	<u>8,677,554</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUBTOTAL - (A) Public School Finance					
	4,140,556,284	4,519,615,168	4,661,756,866	4,810,149,896	4,752,807,430
FTE	<u>17.9</u>	<u>17.6</u>	<u>17.9</u>	<u>17.9</u>	<u>17.9</u>
General Fund	3,071,731,873	3,037,135,253	3,288,712,281	3,355,831,011	3,276,900,385
General Fund Exempt	820,701,666	885,333,333	897,710,833	897,710,833	897,710,833
Cash Funds	246,504,950	595,585,832	473,595,087	554,791,066	576,379,226
Reappropriated Funds	1,617,795	1,560,750	1,738,665	1,816,986	1,816,986

(B) Categorical Programs

(I) District Programs Required by Statute

Special Education - Children with Disabilities	<u>338,082,096</u>	<u>353,096,926</u>	<u>358,812,665</u>	<u>362,055,510</u>	<u>362,680,692</u> *
FTE	102.3	109.5	63.0	63.0	63.0
General Fund	71,572,347	71,572,347	93,572,347	93,572,347	93,572,347
Cash Funds	100,019,617	104,556,868	109,128,264	112,025,629	112,650,811
Reappropriated Funds	0	0	191,090	191,090	191,090
Federal Funds	166,490,132	176,967,711	155,920,964	156,266,444	156,266,444

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
English Language Proficiency Program	<u>28,700,831</u>	<u>30,815,063</u>	<u>34,248,637</u>	<u>35,698,304</u>	<u>35,369,854</u> *
FTE	4.3	4.0	4.6	4.6	4.6
General Fund	3,101,598	3,101,598	3,101,598	3,101,598	3,101,598
Cash Funds	16,802,354	18,506,610	19,892,838	21,332,401	21,003,951
Federal Funds	8,796,879	9,206,855	11,254,201	11,264,305	11,264,305
SUBTOTAL - (I) District Programs Required by Statute	366,782,927	383,911,989	393,061,302	397,753,814	398,050,546
FTE	<u>106.6</u>	<u>113.5</u>	<u>67.6</u>	<u>67.6</u>	<u>67.6</u>
General Fund	74,673,945	74,673,945	96,673,945	96,673,945	96,673,945
Cash Funds	116,821,971	123,063,478	129,021,102	133,358,030	133,654,762
Reappropriated Funds	0	0	191,090	191,090	191,090
Federal Funds	175,287,011	186,174,566	167,175,165	167,530,749	167,530,749
(II) Other Categorical Programs					
Public School Transportation	<u>58,223,363</u>	<u>60,282,337</u>	<u>60,930,645</u>	<u>61,812,485</u>	<u>62,032,729</u> *
FTE	2.0	2.0	2.0	2.0	2.0
General Fund	36,922,227	36,922,227	36,922,227	36,922,227	36,922,227
Cash Funds	21,301,136	23,360,110	24,008,418	24,890,258	25,110,502
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education	<u>26,164,481</u>	<u>26,675,279</u>	<u>27,238,323</u>	<u>27,670,102</u>	<u>27,778,242</u> *
General Fund	17,792,850	17,792,850	17,792,850	17,792,850	17,792,850
Cash Funds	8,371,631	8,882,429	9,445,473	9,877,252	9,985,392

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Special Education Programs for Gifted and Talented					
Children	<u>12,181,783</u>	<u>12,412,244</u>	<u>12,697,199</u>	<u>12,807,821</u>	<u>12,844,494</u> *
FTE	2.7	3.0	1.5	1.5	1.5
General Fund	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Cash Funds	6,681,783	6,912,244	7,197,199	7,307,821	7,344,494
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Expelled and At-risk Student Services Grant Program	<u>7,447,995</u>	<u>9,486,713</u>	<u>9,493,560</u>	<u>9,500,353</u>	<u>9,493,560</u>
FTE	1.4	2.1	1.0	1.0	1.0
General Fund	5,744,757	5,788,807	5,788,807	5,788,807	5,788,807
Cash Funds	1,703,238	3,697,906	3,704,753	3,711,546	3,704,753
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Small Attendance Center Aid	<u>1,076,550</u>	<u>1,076,550</u>	<u>1,314,250</u>	<u>1,315,311</u>	<u>1,314,250</u> *
General Fund	787,645	787,645	787,645	787,645	787,645
Cash Funds	288,905	288,905	526,605	527,666	526,605
Comprehensive Health Education	<u>988,213</u>	<u>1,125,475</u>	<u>1,131,396</u>	<u>1,139,748</u>	<u>1,131,396</u>
FTE	1.3	1.8	1.0	1.0	1.0
General Fund	294,529	294,529	300,000	300,000	300,000
Cash Funds	693,684	830,946	831,396	839,748	831,396
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
SUBTOTAL - (II) Other Categorical Programs	106,082,385	111,058,598	112,805,373	114,245,820	114,594,671
<i>FTE</i>	<u>7.4</u>	<u>8.9</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>
General Fund	67,042,008	67,086,058	67,091,529	67,091,529	67,091,529
Cash Funds	39,040,377	43,972,540	45,713,844	47,154,291	47,503,142
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Categorical Programs	472,865,312	494,970,587	505,866,675	511,999,634	512,645,217
<i>FTE</i>	<u>114.0</u>	<u>122.4</u>	<u>73.1</u>	<u>73.1</u>	<u>73.1</u>
General Fund	141,715,953	141,760,003	163,765,474	163,765,474	163,765,474
Cash Funds	155,862,348	167,036,018	174,734,946	180,512,321	181,157,904
Reappropriated Funds	0	0	191,090	191,090	191,090
Federal Funds	175,287,011	186,174,566	167,175,165	167,530,749	167,530,749

(C) Grant Programs, Distributions, and Other Assistance

(I) Health and Nutrition

Federal Nutrition Programs	<u>192,666,822</u>	<u>186,134,324</u>	<u>156,625,340</u>	<u>156,678,680</u>	<u>156,678,680</u>
FTE	18.0	18.1	9.0	9.0	9.0
General Fund	82,787	89,676	95,119	97,830	97,830
Federal Funds	192,584,035	186,044,648	156,530,221	156,580,850	156,580,850
State Match for School Lunch Program	<u>2,472,644</u>	<u>2,472,644</u>	<u>2,472,644</u> 0.0	<u>2,472,644</u>	<u>2,472,644</u> 0.0
Cash Funds	2,472,644	2,472,644	2,472,644	2,472,644	2,472,644
Child Nutrition School Lunch Protection Program	<u>1,541,491</u> 0.4	<u>2,099,631</u> 0.4	<u>2,863,729</u>	<u>2,878,105</u>	<u>2,878,105</u>
General Fund	730,751	1,265,161	2,012,998	2,027,374	2,027,374
Cash Funds	810,740	834,470	850,731	850,731	850,731

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Start Smart Nutrition Program Fund	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
General Fund	900,000	900,000	900,000	900,000	900,000
Start Smart Nutrition Program	<u>968,792</u>	<u>898,149</u>	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,150,000</u>
FTE	0.1	0.1	0.0	0.0	0.0
Cash Funds	968,792	400,000	250,000	250,000	250,000
Reappropriated Funds	0	498,149	900,000	900,000	900,000
Local School Food Purchasing Programs	<u>0</u>	<u>0</u>	<u>168,942</u>	<u>675,255</u>	<u>675,255</u>
FTE	0.0	0.0	0.3	0.4	0.4
General Fund	0	0	168,942	675,255	675,255
Breakfast After the Bell	<u>21,147</u>	<u>23,202</u>	<u>24,656</u>	<u>24,987</u>	<u>24,987</u>
FTE	0.2	0.2	0.3	0.3	0.3
General Fund	21,147	23,202	24,656	24,987	24,987
S.B. 97-101 Public School Health Services	<u>179,365</u>	<u>183,818</u>	<u>152,671</u>	<u>247,110</u>	<u>180,708</u> *
FTE	1.5	1.5	1.4	1.4	1.4
Reappropriated Funds	179,365	183,818	152,671	247,110	180,708
Behavioral Health Care Professional Matching Grant					
Program	<u>11,861,674</u>	<u>11,761,472</u>	<u>14,937,032</u>	<u>14,948,026</u>	<u>14,948,026</u>
FTE	2.3	3.1	5.0	5.0	5.0
Cash Funds	11,861,674	11,761,472	14,937,032	14,948,026	14,948,026
Mental Health Education Resource Bank and					
Technical Assistance	<u>0</u>	<u>0</u>	<u>116,550</u>	<u>46,708</u>	<u>46,708</u>
FTE	0.0	0.0	0.9	0.6	0.6
General Fund	0	0	116,550	46,708	46,708

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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
K-5 Social and Emotional Health Pilot Program	<u>0</u>	<u>0</u>	<u>43,114</u>	<u>2,500,000</u>	<u>2,500,000</u>
FTE	0.0	0.0	0.4	1.0	1.0
Cash Funds	0	0	43,114	2,500,000	2,500,000
SUBTOTAL - (I) Health and Nutrition	210,611,935	204,473,240	179,454,678	182,521,515	182,455,113
FTE	<u>22.5</u>	<u>23.4</u>	<u>17.3</u>	<u>17.7</u>	<u>17.7</u>
General Fund	1,734,685	2,278,039	3,318,265	3,772,154	3,772,154
Cash Funds	16,113,850	15,468,586	18,553,521	21,021,401	21,021,401
Reappropriated Funds	179,365	681,967	1,052,671	1,147,110	1,080,708
Federal Funds	192,584,035	186,044,648	156,530,221	156,580,850	156,580,850
(II) Capital Construction					
Division of Public School Capital Construction					
Assistance	<u>1,254,024</u>	<u>1,340,347</u>	<u>1,438,574</u>	<u>1,475,529</u>	<u>1,475,529</u>
FTE	14.0	15.0	15.0	15.0	15.0
Cash Funds	1,254,024	1,340,347	1,438,574	1,475,529	1,475,529
Public School Capital Construction Assistance Board					
- Lease Payments	<u>65,315,037</u>	<u>70,621,553</u>	<u>105,000,000</u>	<u>110,000,000</u>	<u>110,000,000</u>
Cash Funds	65,315,037	70,621,553	105,000,000	110,000,000	110,000,000
Public School Capital Construction Assistance Board					
- Cash Grants	<u>52,482,411</u>	<u>66,566,692</u>	<u>135,000,000</u>	<u>160,000,000</u>	<u>160,000,000</u>
Cash Funds	52,482,411	66,566,692	135,000,000	160,000,000	160,000,000
Full-day Kindergarten Implementation Grants	<u>0</u>	<u>0</u>	<u>25,000,000</u>	<u>10,000,000</u>	<u>0</u> *
Cash Funds	0	0	25,000,000	10,000,000	0

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Financial Assistance Priority Assessment	<u>147,128</u>	<u>148,800</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Cash Funds	147,128	148,800	150,000	150,000	150,000
State Aid for Charter School Facilities	<u>24,999,996</u>	<u>29,250,000</u>	<u>28,656,559</u>	<u>29,313,118</u>	<u>31,820,762</u>
Cash Funds	24,999,996	29,250,000	28,656,559	29,313,118	31,820,762
SUBTOTAL - (II) Capital Construction	144,198,596	167,927,392	295,245,133	310,938,647	303,446,291
FTE	<u>14.0</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>	<u>15.0</u>
Cash Funds	144,198,596	167,927,392	295,245,133	310,938,647	303,446,291

(III) Reading and Literacy

Early Literacy Program Administration and Technical

Support	<u>0</u>	<u>0</u>	<u>1,664,570</u>	<u>1,709,570</u>	<u>1,709,570</u>
FTE	0.0	0.0	11.7	12.0	12.0
Cash Funds	0	0	1,664,570	1,709,570	1,709,570

Early Literacy Competitive Grant Program

FTE	<u>5,124,700</u>	<u>5,927,148</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>
FTE	9.4	6.4	0.0	0.0	0.0
Cash Funds	5,124,700	5,927,148	7,500,000	7,500,000	7,500,000

Early Literacy Program Evidence Based Training

Provided to Teachers	<u>0</u>	<u>0</u>	<u>2,702,557</u>	<u>2,702,557</u>	<u>2,702,557</u>
Cash Funds	0	0	2,702,557	2,702,557	2,702,557

Early Literacy Program External Evaluation

Cash Funds	<u>0</u>	<u>0</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
Cash Funds	0	0	750,000	750,000	750,000

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Early Literacy Program Public Information					
Campaign	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
FTE	0.0	0.0	0.5	0.5	0.5
Cash Funds	0	0	500,000	500,000	500,000
Early Literacy Program Per Pupil Intervention					
Funding	<u>33,047,438</u>	<u>33,242,423</u>	<u>26,261,551</u>	<u>26,261,551</u>	<u>26,261,551</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	33,047,438	33,242,423	26,261,551	26,261,551	26,261,551
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Assessment Tool Program	<u>2,985,397</u>	<u>2,535,569</u>	<u>2,997,072</u>	<u>2,997,072</u>	<u>2,997,072</u>
Cash Funds	2,985,397	2,535,569	2,997,072	2,997,072	2,997,072
Adult Education and Literacy Grant Program	<u>960,638</u>	<u>907,783</u>	<u>968,967</u>	<u>970,739</u>	<u>970,739</u>
FTE	0.5	0.6	1.0	1.0	1.0
General Fund	960,638	907,783	968,967	970,739	970,739
SUBTOTAL - (III) Reading and Literacy	42,118,173	42,612,923	43,344,717	43,391,489	43,391,489
FTE	<u>9.9</u>	<u>7.0</u>	<u>13.2</u>	<u>13.5</u>	<u>13.5</u>
General Fund	960,638	907,783	968,967	970,739	970,739
Cash Funds	41,157,535	41,705,140	42,375,750	42,420,750	42,420,750
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
(IV) Professional Development and Instructional Support					
Content Specialists	<u>674,168</u>	<u>459,620</u>	<u>550,817</u>	<u>545,861</u>	<u>545,861</u>
FTE	4.5	3.1	5.0	5.0	5.0
General Fund	0	0	19,816	0	0
Cash Funds	674,168	459,620	531,001	545,861	545,861
School Bullying Prevention and Education Cash Fund	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Cash Funds	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Office of Dropout Prevention and Student Reengagement	<u>2,014,208</u>	<u>2,021,764</u>	<u>3,022,489</u>	<u>5,048,555</u>	<u>3,048,555</u> *
FTE	0.6	0.6	2.2	2.2	2.2
General Fund	15,320	21,510	1,018,210	3,042,467	1,042,467
Cash Funds	1,998,888	2,000,254	2,004,279	2,006,088	2,006,088
Federal Funds	0	0	0	0	0
Ninth Grade Success Grant Program	<u>0</u>	<u>0</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
FTE	0.0	0.0	0.6	0.6	0.6
General Fund	0	0	800,000	800,000	800,000
Stipends for Nationally Board Certified Teachers	<u>1,078,784</u>	<u>1,141,712</u>	<u>1,384,000</u>	<u>1,384,000</u>	<u>1,384,000</u>
Cash Funds	1,078,784	1,141,712	1,384,000	1,384,000	1,384,000
Grow Your Own Educator Program	<u>0</u>	<u>0</u>	<u>22,933</u>	<u>22,933</u>	<u>22,933</u>
FTE	0.0	0.0	0.3	0.3	0.3
General Fund	0	0	22,933	22,933	22,933

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Quality Teacher Recruitment Program	<u>2,985,500</u>	<u>2,978,250</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Cash Funds	2,985,500	2,978,250	3,000,000	3,000,000	3,000,000
Retaining Teachers Fund	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	3,000,000	3,000,000	0	0
Cash Funds	0	0	0	0	0
Retaining Teachers Grant Program	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
FTE	0.0	0.0	1.0	1.0	1.0
Cash Funds	0	0	1,000,000	1,000,000	2,500,000
Reappropriated Funds	0	0	1,500,000	1,500,000	0
Career Counseling Professional Development Program	<u>0</u>	<u>0</u>	<u>1,500,000</u>	<u>2,039,190</u>	<u>0</u> *
General Fund	0	0	1,500,000	2,039,190	0
Transfer to the Department of Higher Education for Rural Teacher Recruitment, Retention, and Professional Development	<u>0</u>	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>
Cash Funds	0	240,000	240,000	240,000	240,000
English Language Learners Technical Assistance	<u>372,666</u>	<u>347,113</u>	<u>396,185</u>	<u>403,932</u>	<u>403,932</u>
FTE	4.1	3.6	5.0	5.0	5.0
General Fund	321,086	297,566	341,055	348,248	348,248
Cash Funds	51,580	49,547	55,130	55,684	55,684

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
English Language Proficiency Act Excellence Awards Program	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Cash Funds	500,000	500,000	500,000	500,000	500,000
English Language Learners Professional Development and Student Support Program	<u>27,000,000</u>	<u>26,999,825</u>	<u>27,000,000</u>	<u>27,000,000</u>	<u>27,000,000</u>
General Fund	0	0	0	0	0
Cash Funds	27,000,000	26,999,825	27,000,000	27,000,000	27,000,000
Working Group for Identification of and Educational Support for Students with Dyslexia	<u>0</u>	<u>0</u>	<u>94,676</u>	<u>40,616</u>	<u>40,616</u>
General Fund	0	0	94,676	40,616	40,616
Dyslexia Markers Pilot Program	<u>0</u>	<u>0</u>	<u>11,520</u>	<u>127,973</u>	<u>127,973</u>
General Fund	0	0	11,520	127,973	127,973
Advanced Placement Incentives Pilot Program	<u>259,517</u>	<u>257,659</u>	<u>261,666</u>	<u>262,763</u>	<u>262,763</u>
FTE	0.3	0.3	0.3	0.3	0.3
Cash Funds	259,517	257,659	261,666	262,763	262,763
School Leadership Pilot Program	<u>0</u>	<u>0</u>	<u>272,929</u>	<u>751,615</u>	<u>751,615</u>
FTE	0.0	0.0	0.9	1.0	1.0
General Fund	0	0	272,929	751,615	751,615
School Transformation Grant Program	<u>1,999,074</u>	<u>1,991,377</u>	<u>4,317,145</u>	<u>9,435,995</u>	<u>4,435,995</u> *
FTE	0.4	0.5	3.0	3.0	3.0
General Fund	0	0	2,314,027	7,431,221	2,431,221
Cash Funds	1,999,074	1,991,377	2,003,118	2,004,774	2,004,774

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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Local Accountability System Grant Program	<u>0</u>	<u>0</u>	<u>493,097</u>	<u>494,267</u>	<u>494,267</u>
FTE	0.0	0.0	0.4	0.5	0.5
General Fund	0	0	493,097	494,267	494,267
Comprehensive Quality Physical Education Instruction Pilot Program	<u>0</u>	<u>0</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>0</u>
FTE	0.0	0.0	0.7	0.7	0.0
Cash Funds	0	0	1,100,000	1,100,000	0
Computer Science Education Grants	<u>479,026</u>	<u>925,358</u>	<u>1,048,600</u>	<u>1,301,657</u>	<u>1,301,657</u>
FTE	0.2	0.6	0.4	0.4	0.4
General Fund	0	0	0	250,000	250,000
Cash Funds	479,026	925,358	1,048,600	1,051,657	1,051,657
Advanced Placement Exam Fee Grant Program	<u>0</u>	<u>530,512</u>	<u>560,583</u>	<u>561,461</u>	<u>561,461</u>
FTE	0.0	0.3	0.4	0.4	0.4
General Fund	0	530,512	560,583	561,461	561,461
Educator Perception	<u>0</u>	<u>0</u>	<u>75,000</u>	<u>25,000</u>	<u>25,000</u>
General Fund	0	0	75,000	25,000	25,000
Teacher Residency Expansion Program Fund	<u>0</u>	<u>600,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	600,000	0	0	0

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
SUBTOTAL - (IV) Professional Development and Instructional Support	39,362,943	43,993,190	54,151,640	59,585,818	49,446,628
<i>FTE</i>	<u>10.1</u>	<u>9.0</u>	<u>20.2</u>	<u>20.4</u>	<u>19.7</u>
General Fund	336,406	4,449,588	10,523,846	15,934,991	6,895,801
Cash Funds	39,026,537	39,543,602	42,127,794	42,150,827	42,550,827
Reappropriated Funds	0	0	1,500,000	1,500,000	0
Federal Funds	0	0	0	0	0
(V) Facility Schools					
Facility Schools Unit and Facility Schools Board	<u>191,030</u>	<u>240,380</u>	<u>314,884</u>	<u>322,568</u>	<u>322,568</u>
<i>FTE</i>	1.8	2.3	3.0	3.0	3.0
Reappropriated Funds	191,030	240,380	314,884	322,568	322,568
Facility School Funding	<u>13,555,451</u>	<u>13,145,912</u>	<u>16,241,061</u>	<u>16,241,061</u>	<u>17,024,650</u>
Cash Funds	13,555,451	13,145,912	16,241,061	16,241,061	17,024,650
SUBTOTAL - (V) Facility Schools	13,746,481	13,386,292	16,555,945	16,563,629	17,347,218
<i>FTE</i>	<u>1.8</u>	<u>2.3</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
Cash Funds	13,555,451	13,145,912	16,241,061	16,241,061	17,024,650
Reappropriated Funds	191,030	240,380	314,884	322,568	322,568
(VI) Other Assistance					
Appropriated Sponsored Programs	<u>212,118,591</u>	<u>229,407,087</u>	<u>278,567,221</u>	<u>278,781,496</u>	<u>268,754,654</u>
<i>FTE</i>	68.1	76.9	66.1	66.1	62.1
Cash Funds	792,512	1,396,052	2,738,464	2,750,984	2,750,984
Reappropriated Funds	0	0	651,922	651,922	651,922
Federal Funds	211,326,079	228,011,035	275,176,835	275,378,590	265,351,748

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
School Counselor Corps Grant Program	<u>9,990,650</u>	<u>9,999,432</u>	<u>10,250,000</u>	<u>10,257,963</u>	<u>10,250,000</u>
FTE	2.9	2.5	2.0	2.0	2.0
General Fund	0	0	250,000	250,000	250,000
Cash Funds	9,990,650	9,999,432	10,000,000	10,007,963	10,000,000
BOCES Funding per Section 22-5-122, C.R.S.	<u>3,273,283</u>	<u>3,281,982</u>	<u>3,314,277</u>	<u>3,318,279</u>	<u>3,318,279</u>
FTE	0.7	0.8	1.0	1.0	1.0
Cash Funds	3,273,283	3,281,982	3,314,277	3,318,279	3,318,279
Contingency Reserve Fund	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
General Fund	1,000,000	0	0	0	0
Cash Funds	0	0	1,000,000	1,000,000	1,000,000
Reappropriated Funds	0	0	0	0	0
Supplemental On-line Education Services	<u>1,020,000</u>	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>
Cash Funds	1,020,000	1,220,000	1,220,000	1,220,000	1,220,000
Interstate Compact on Educational Opportunity for Military Children	<u>19,735</u>	<u>19,182</u>	<u>21,668</u>	<u>21,668</u>	<u>21,308</u>
Cash Funds	19,735	19,182	21,668	21,668	21,308
College and Career Readiness	<u>173,201</u>	<u>184,736</u>	<u>234,872</u>	<u>226,620</u>	<u>226,620</u>
FTE	1.5	1.7	2.5	2.4	2.4
General Fund	173,201	184,736	234,872	226,620	226,620
Workforce Diploma Pilot Program	<u>0</u>	<u>0</u>	<u>1,012,201</u>	<u>1,012,222</u>	<u>1,012,222</u>
FTE	0.0	0.0	0.2	0.2	0.2
General Fund	0	0	1,012,201	1,012,222	1,012,222

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Concurrent Enrollment Expansion and Innovation					
Grant Program	<u>0</u>	<u>0</u>	<u>1,500,000</u>	<u>2,476,896</u>	<u>2,476,896</u> *
FTE	0.0	0.0	0.3	0.0	0.0
General Fund	0	0	0	1,000,000	1,000,000
Cash Funds	0	0	1,500,000	1,476,896	1,476,896
John W. Buckner Automatic Enrollment in Advanced					
Courses Grant Program	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
FTE	0.0	0.0	0.3	0.3	0.3
General Fund	0	0	250,000	250,000	250,000
High School Innovative Learning Pilot Program					
FTE	<u>0</u>	<u>0</u>	<u>129,563</u>	<u>127,095</u>	<u>127,095</u>
General Fund	0.0	0.0	0.3	0.3	0.3
General Fund	0	0	129,563	127,095	127,095
Parents Encouraging Parents Conferences					
General Fund	<u>0</u>	<u>0</u>	<u>68,000</u>	<u>68,000</u>	<u>68,000</u>
General Fund	0	0	68,000	68,000	68,000
Career Development Success Program					
General Fund	<u>1,000,000</u>	<u>2,000,000</u>	<u>5,000,000</u>	<u>7,000,000</u>	<u>5,000,000</u> *
General Fund	1,000,000	2,000,000	5,000,000	7,000,000	5,000,000
Colorado Student Leaders Institute Pilot Program					
Cash Funds	<u>218,825</u>	<u>218,825</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	218,825	218,825	0	0	0
SUBTOTAL - (VI) Other Assistance	228,814,285	246,331,244	302,567,802	305,760,239	293,725,074
FTE	<u>73.2</u>	<u>81.9</u>	<u>72.7</u>	<u>72.3</u>	<u>68.3</u>
General Fund	2,173,201	2,184,736	6,944,636	9,933,937	7,933,937
Cash Funds	15,315,005	16,135,473	19,794,409	19,795,790	19,787,467
Reappropriated Funds	0	0	651,922	651,922	651,922
Federal Funds	211,326,079	228,011,035	275,176,835	275,378,590	265,351,748

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
SUBTOTAL - (C) Grant Programs, Distributions, and Other Assistance	678,852,413	718,724,281	891,319,915	918,761,337	889,811,813
<i>FTE</i>	<u>131.5</u>	<u>138.6</u>	<u>141.4</u>	<u>141.9</u>	<u>137.2</u>
General Fund	5,204,930	9,820,146	21,755,714	30,611,821	19,572,631
Cash Funds	269,366,974	293,926,105	434,337,668	452,568,476	446,251,386
Reappropriated Funds	370,395	922,347	3,519,477	3,621,600	2,055,198
Federal Funds	403,910,114	414,055,683	431,707,056	431,959,440	421,932,598
(D) Indirect Cost Assessment					
Indirect Cost Assessment	<u>2,650,303</u>	<u>2,509,321</u>	<u>2,756,885</u>	<u>2,756,885</u>	<u>3,207,087</u>
Cash Funds	25,000	25,000	25,000	25,000	25,000
Reappropriated Funds	55,571	55,571	55,571	55,571	55,571
Federal Funds	2,569,732	2,428,750	2,676,314	2,676,314	3,126,516
SUBTOTAL - (D) Indirect Cost Assessment	2,650,303	2,509,321	2,756,885	2,756,885	3,207,087
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	25,000	25,000	25,000	25,000	25,000
Reappropriated Funds	55,571	55,571	55,571	55,571	55,571
Federal Funds	2,569,732	2,428,750	2,676,314	2,676,314	3,126,516
TOTAL - (2) Assistance to Public Schools	5,294,924,312	5,735,819,357	6,061,700,341	6,243,667,752	6,158,471,547
<i>FTE</i>	<u>263.4</u>	<u>278.6</u>	<u>232.4</u>	<u>232.9</u>	<u>228.2</u>
General Fund	3,218,652,756	3,188,715,402	3,474,233,469	3,550,208,306	3,460,238,490
General Fund Exempt	820,701,666	885,333,333	897,710,833	897,710,833	897,710,833
Cash Funds	671,759,272	1,056,572,955	1,082,692,701	1,187,896,863	1,203,813,516
Reappropriated Funds	2,043,761	2,538,668	5,504,803	5,685,247	4,118,845
Federal Funds	581,766,857	602,658,999	601,558,535	602,166,503	592,589,863

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
(3) LIBRARY PROGRAMS					
This section provides funding for various library-related programs. Library programs are primarily funded with General Fund and federal funds. Cash funds include grants and donations. Transfers from the Disabled Telephone Users Fund support privately operated reading services for the blind and are reflected as reappropriated funds.					
Administration	<u>1,076,493</u>	<u>966,759</u>	<u>1,150,575</u>	<u>1,180,692</u>	<u>1,180,692</u>
FTE	12.3	11.6	14.3	14.3	14.3
General Fund	823,116	840,848	888,889	913,280	913,280
Cash Funds	253,377	125,911	261,686	267,412	267,412
Federal Library Funding	<u>2,742,951</u>	<u>2,719,707</u>	<u>3,179,003</u>	<u>3,236,596</u>	<u>3,236,596</u>
FTE	23.9	23.6	23.8	23.8	23.8
Federal Funds	2,742,951	2,719,707	3,179,003	3,236,596	3,236,596
Colorado Library Consortium	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
General Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Colorado Virtual Library	<u>359,796</u>	<u>359,796</u>	<u>379,796</u>	<u>379,796</u>	<u>379,796</u>
General Fund	359,796	359,796	359,796	359,796	359,796
Cash Funds	0	0	20,000	20,000	20,000
Colorado Talking Book Library, Building					
Maintenance and Utilities Expenses	<u>90,660</u>	<u>87,446</u>	<u>340,660</u>	<u>90,660</u>	<u>90,660</u>
General Fund	90,660	87,446	90,660	90,660	90,660
Reappropriated Funds	0	0	250,000	0	0
Reading Services for the Blind	<u>760,000</u>	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>	<u>560,000</u>
General Fund	50,000	50,000	50,000	50,000	50,000
Reappropriated Funds	710,000	510,000	510,000	510,000	510,000

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
State Grants to Publicly-Supported Libraries Program	<u>2,499,728 0.5</u>	<u>2,496,170 0.4</u>	<u>3,001,519</u>	<u>3,001,519</u>	<u>3,001,519</u>
General Fund	2,499,728	2,496,170	3,001,519	3,001,519	3,001,519
Indirect Cost Assessment	<u>55,327</u>	<u>55,327</u>	<u>55,327</u>	<u>55,327</u>	<u>55,327</u>
Federal Funds	55,327	55,327	55,327	55,327	55,327
TOTAL - (3) Library Programs	8,584,955	8,245,205	9,666,880	9,504,590	9,504,590
<i>FTE</i>	<u>36.7</u>	<u>35.6</u>	<u>38.1</u>	<u>38.1</u>	<u>38.1</u>
General Fund	4,823,300	4,834,260	5,390,864	5,415,255	5,415,255
Cash Funds	253,377	125,911	281,686	287,412	287,412
Reappropriated Funds	710,000	510,000	760,000	510,000	510,000
Federal Funds	2,798,278	2,775,034	3,234,330	3,291,923	3,291,923

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
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(4) SCHOOL FOR THE DEAF AND THE BLIND

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

(A) School Operations

Personal Services	<u>10,486,877</u>	<u>10,703,582</u>	<u>11,212,738</u>	<u>11,553,237</u>	<u>11,553,237</u> *
FTE	140.3	136.6	153.1	153.1	153.1
General Fund	8,844,891	9,038,675	9,543,806	9,884,305	9,881,667
Reappropriated Funds	1,641,986	1,664,907	1,668,932	1,668,932	1,671,570
Federal Funds	0	0	0	0	0
 Early Intervention Services	 <u>1,226,190</u>	 <u>1,192,452</u>	 <u>1,260,642</u>	 <u>1,280,994</u>	 <u>1,280,994</u>
FTE	10.6	10.4	10.0	10.0	10.0
General Fund	1,226,190	1,192,452	1,260,642	1,280,994	1,280,994
 Shift Differential	 <u>105,582</u>	 <u>120,452</u>	 <u>120,969</u>	 <u>116,968</u>	 <u>116,968</u>
General Fund	105,582	120,452	120,969	116,968	116,968
 Operating Expenses	 <u>666,689</u>	 <u>668,291</u>	 <u>711,791</u>	 <u>668,291</u>	 <u>668,291</u>
General Fund	666,689	668,291	711,791	668,291	668,291
 Vehicle Lease Payments	 <u>21,569</u>	 <u>21,710</u>	 <u>23,667</u>	 <u>26,196</u>	 <u>26,196</u> *
General Fund	21,569	21,710	23,667	26,196	26,196
 Utilities	 <u>594,918</u>	 <u>602,580</u>	 <u>627,580</u>	 <u>687,122</u>	 <u>687,122</u> *
General Fund	594,918	602,580	627,580	687,122	687,122

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Allocation of State and Federal Categorical Program					
Funding	<u>138,200</u>	<u>192,090</u>	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>
FTE	0.6	0.9	0.4	0.4	0.4
Reappropriated Funds	138,200	192,090	170,000	170,000	170,000
Medicaid Reimbursements for Public School Health					
Services	<u>216,877</u>	<u>291,025</u>	<u>410,304</u>	<u>425,637</u>	<u>425,637</u>
FTE	1.3	1.4	1.5	1.5	1.5
Reappropriated Funds	216,877	291,025	410,304	425,637	425,637
SUBTOTAL - (A) School Operations	13,456,902	13,792,182	14,537,691	14,928,445	14,928,445
FTE	<u>152.8</u>	<u>149.3</u>	<u>165.0</u>	<u>165.0</u>	<u>165.0</u>
General Fund	11,459,839	11,644,160	12,288,455	12,663,876	12,661,238
Reappropriated Funds	1,997,063	2,148,022	2,249,236	2,264,569	2,267,207
Federal Funds	0	0	0	0	0
(B) Special Purpose					
Fees and Conferences	<u>36,496</u>	<u>33,022</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Cash Funds	36,496	33,022	120,000	120,000	120,000
Outreach Services	<u>476,436</u>	<u>525,226</u>	<u>1,037,897</u>	<u>1,049,645</u>	<u>1,000,000</u>
FTE	2.4	3.6	6.2	6.2	6.2
Cash Funds	353,539	398,116	760,522	765,646	750,000
Reappropriated Funds	122,897	127,110	277,375	283,999	250,000
Tuition from Out-of-state Students	<u>59,745</u>	<u>50,002</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Cash Funds	59,745	50,002	200,000	200,000	200,000

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Grants	<u>552,303</u>	<u>547,720</u>	<u>1,206,079</u>	<u>1,206,079</u>	<u>1,000,000</u>
FTE	3.3	3.4	9.0	9.0	6.0
Reappropriated Funds	552,303	547,720	1,206,079	1,206,079	1,000,000
SUBTOTAL - (B) Special Purpose	1,124,980	1,155,970	2,563,976	2,575,724	2,320,000
FTE	<u>5.7</u>	<u>7.0</u>	<u>15.2</u>	<u>15.2</u>	<u>12.2</u>
Cash Funds	449,780	481,140	1,080,522	1,085,646	1,070,000
Reappropriated Funds	675,200	674,830	1,483,454	1,490,078	1,250,000
TOTAL - (4) School for the Deaf and the Blind	14,581,882	14,948,152	17,101,667	17,504,169	17,248,445
FTE	<u>158.5</u>	<u>156.3</u>	<u>180.2</u>	<u>180.2</u>	<u>177.2</u>
General Fund	11,459,839	11,644,160	12,288,455	12,663,876	12,661,238
Cash Funds	449,780	481,140	1,080,522	1,085,646	1,070,000
Reappropriated Funds	2,672,263	2,822,852	3,732,690	3,754,647	3,517,207
Federal Funds	0	0	0	0	0
TOTAL - Department of Education	5,399,850,652	5,856,222,126	6,194,944,100	6,390,105,410	6,304,755,503
FTE	<u>608.3</u>	<u>623.7</u>	<u>616.4</u>	<u>625.8</u>	<u>621.5</u>
General Fund	3,249,548,862	3,227,694,148	3,517,031,161	3,599,963,535	3,504,660,213
General Fund Exempt	820,701,666	885,333,333	897,710,833	897,710,833	897,710,833
Cash Funds	705,461,048	1,093,749,762	1,118,704,379	1,224,288,440	1,240,712,064
Reappropriated Funds	25,205,781	30,659,160	42,577,029	48,223,369	41,401,988
Federal Funds	598,933,295	618,785,723	618,920,698	619,919,233	620,270,405