JOINT
BUDGET
COMMITTEE

STAFF BUDGET BRIEFING
FY 2021-22

DEPARTMENT OF EDUCATION

(Programs Other than School Finance)

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

PREPARED BY:
CRAIG HARPER, JBC STAFF
NOVEMBER 20, 2020

JOINT BUDGET COMMITTEE STAFF
200 E. 14TH AVENUE, 3RD FLOOR · DENVER · COLORADO · 80203
TELEPHONE: (303) 866-2061 · TDD: (303) 866-3472
https://leg.colorado.gov/agencies/joint-budget-committee

CONTENTS

Department Overview 1
Department Budget: Recent Appropriations 2
Department Budget: Graphic Overview 3
General Factors Driving the Budget 5
Categorical Programs 5
Marijuana-related Revenue 6
Summary: FY 2020-21 Appropriation & FY 2021-22 Request 9
Budget Requests impacting FY 2020-21 – COVID-19 Stimulus Package 15
Informational Issue 1: 2020 Session Budget Balancing Actions 17
Summary 17
Discussion 18
Issue 2: Request R8 – Personal Services and Operating Reductions 28
Summary 28
Recommendation 28
Discussion 28
Informational Issue 3: Educator Licensure Cash Fund 32
Discussion 32
Appendix A Numbers Pages (Digital Only) A-1
Appendix B Footnotes and Information Requests B-1
Appendix C Department Annual Performance Report C-1

ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2019 and 2020 legislative sessions that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report: https://leg.colorado.gov/publications/appropriations-report-fiscal-year-2020-21

The online version of the briefing document, which includes the Numbers Pages, may be found by searching the budget documents on the General Assembly's website by visiting leg.colorado.gov/content/budget/budget-documents. Once on the budget documents page, select Education under *Department/Topic*, "Briefing" under *Type*, and ensure that *Start date* and *End date* encompass the date that the document was presented to the JBC.

DEPARTMENT OF EDUCATION

DEPARTMENT OVERVIEW

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

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

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

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

A nine-member Public School Capital Construction Assistance Board that is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization and allocation of state financial assistance for school construction projects.

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

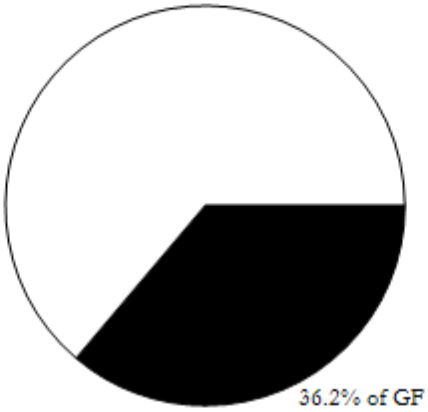
DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22[1]
General Fund[2]	$4,116,143,086	$4,413,841,994	$3,929,010,921	$4,508,598,767
Cash Funds	1,146,052,221	1,111,463,635	1,047,522,606	1,280,880,644
Reappropriated Funds	39,385,509	42,577,029	39,999,728	40,487,447
Federal Funds	617,194,961	1,128,920,698	777,581,096	740,962,635
TOTAL FUNDS	**$5,918,775,777**	**$6,696,803,356**	**$5,794,114,351**	**$6,570,929,493**
Full Time Equiv. Staff	602.5	616.4	609.0	599.0

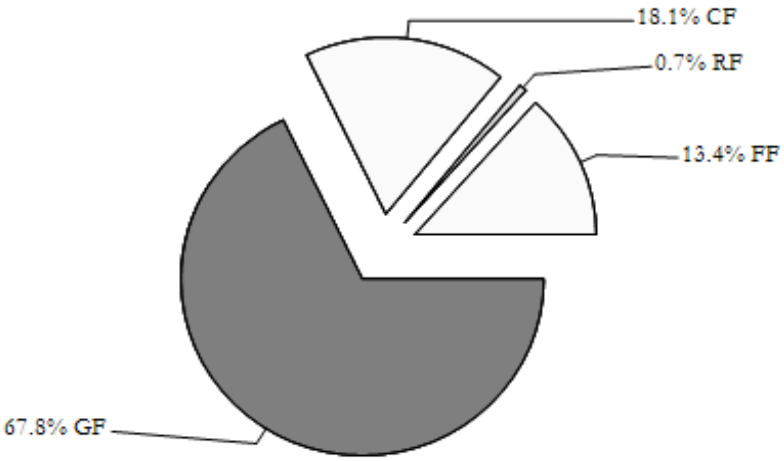
[1]Requested appropriation.
[2]Includes General Fund Exempt.

DEPARTMENT BUDGET: GRAPHIC OVERVIEW

Department's Share of Statewide General Fund

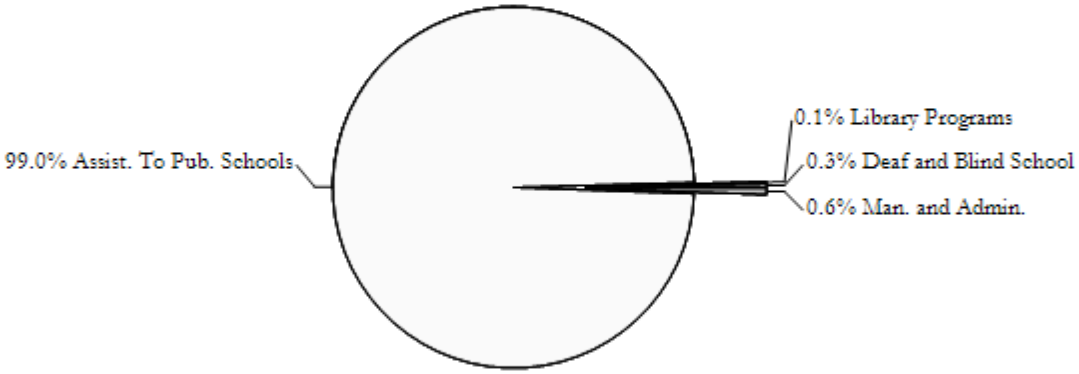


Department Funding Sources

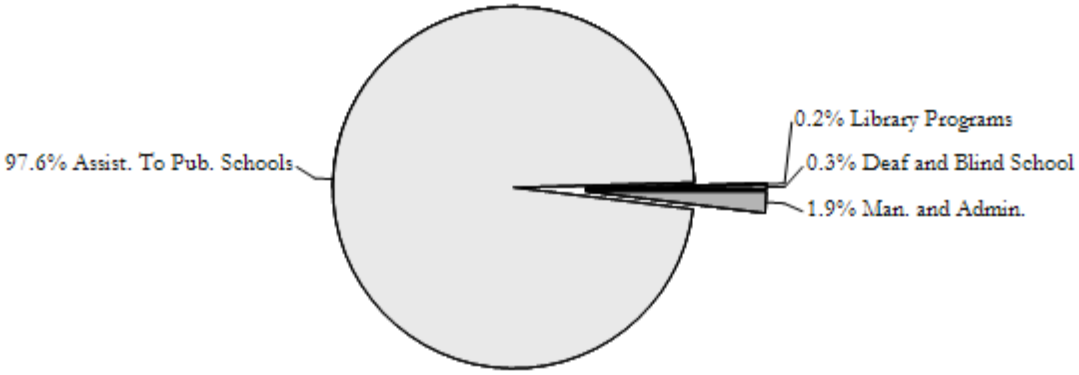


All charts are based on the FY 2020-21 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



All charts are based on the FY 2020-21 appropriation.

GENERAL FACTORS DRIVING THE BUDGET

The Governor's FY 2021-22 request for the Department of Education consists of 69.6 percent General Fund, 19.5 percent cash funds, 11.3 percent federal funds, and 0.6 percent reappropriated funds. Although local government revenues provide a significant source of funding for K-12 education in Colorado ($3.1 billion anticipated for school finance alone in FY 2020-21), local funds are not reflected in the State's annual appropriations to the Department of Education. The following sections review two significant factors driving the Department's budget outside of school finance (which staff will present in a separate briefing document): (1) categorical programs and (2) marijuana-related revenues.

CATEGORICAL PROGRAMS

Programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation) have traditionally been referred to as "categorical" programs. Unlike public school finance funding, there is no legal requirement that the General Assembly increase funding commensurate with the number of students eligible for any particular categorical program.

However, similar to total program funding discussed above, 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 2019 the percentage change in the Denver-Aurora-Lakewood consumer price index was 1.9 percent, so the General Assembly was required to increase state funding for categorical programs by at least that amount ($6,422,958) for FY 2020-21.

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 $202.3 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 $92.8 million higher than the minimum amount that would have otherwise been required.

The following table details the allocation of the $202.3 million increase since FY 2000-01 among categorical programs. For details concerning the allocation of the funding increase provided for FY 2020-21, please see the Assistance to Public Schools, Categorical Programs section of Part III of this department.

INCREASES IN STATE FUNDING FOR CATEGORICAL PROGRAMS SINCE FY 2000-01

LONG BILL LINE ITEM	FY 2000-01 APPROPRIATION	FY 2020-21 APPROPRIATION	TOTAL INCREASE IN ANNUAL APPROPRIATION OF STATE FUNDS SINCE FY 2000-01	
Special education - children with disabilities	$71,510,773	$206,223,158	$134,712,385	188.4%
English Language Proficiency Program	3,101,598	24,105,549	21,003,951	677.2%
Public school transportation	36,922,227	61,582,729	24,660,502	66.8%
Career and technical education programs	17,792,850	27,778,242	9,985,392	56.1%
Special education - gifted and talented children	5,500,000	12,844,494	7,344,494	133.5%
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%

INCREASES IN STATE FUNDING FOR CATEGORICAL PROGRAMS SINCE FY 2000-01				
LONG BILL LINE ITEM	FY 2000-01 APPROPRIATION	FY 2020-21 APPROPRIATION	TOTAL INCREASE IN ANNUAL APPROPRIATION OF STATE FUNDS SINCE FY 2000-01	
Comprehensive health education	600,000	1,131,396	531,396	88.6%
Total	**$142,164,395**	**$344,473,378**	**$202,308,983**	**142.3%**

MARIJUANA-RELATED REVENUE

Over the past several years, marijuana tax revenues have played an increasing role in the Department's budget. The Department first received appropriations of marijuana revenue for the Building Excellent Schools Today (B.E.S.T.) Program in FY 2013-14 (a total of $4.0 million). However, appropriations of marijuana-related revenue have grown significantly since that time. The Department's FY 2017-18 appropriation included a total of $90.4 million originally derived from marijuana revenues, including a $30.0 million statutory appropriation in S.B. 17-267 (Sustainability of Rural Colorado) for per pupil distributions to rural and small rural school districts.

DEDICATED REVENUES

Current law dedicates specific marijuana revenues specifically to education, including retail marijuana excise taxes and a share of special sales tax revenues (also from retail marijuana).

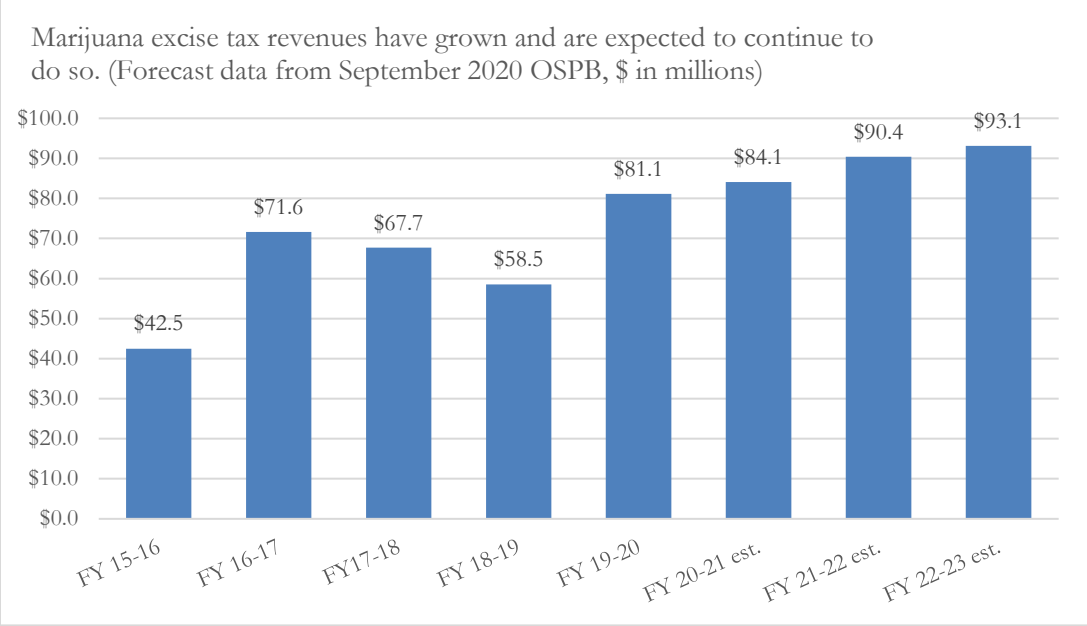
Retail Marijuana Excise Taxes. Current law dedicates *all* retail marijuana excise tax revenues to education. Pursuant to Amendment 64, the State Constitution requires the first $40.0 million of annual marijuana excise tax revenues to the Public School Capital Construction Assistance Fund (PSCCAF) which supports the Building Excellent Schools Today (B.E.S.T.) program as well as a share of the formulaic distribution for charter school capital construction. However, the General Assembly has flexibility with the use of excise tax revenues above the first $40.0 million and has made several statutory changes in recent years to modify the disposition and use of those revenues.

- For FY 2014-15 through FY 2017-18, statute transferred any *additional* excise tax collections (above $40.0 million per year) to the *Public School "Permanent" Fund,* which is a constitutionally created trust fund that generates income to support public K-12 schools.
- Starting July 1, 2018, H.B. 18-1070 (Additional Public School Capital Construction Funding) required the transfer of 90.0 percent of excise tax revenues to support the BEST Program.[2]
- Beginning in FY 2019-20, H.B. 19-1055 (Public School Capital Construction Financial Assistance) transfers *all* marijuana excise tax revenues to the PSCCAF, thereby eliminating deposits of excise tax revenues to the Permanent Fund.
- Finally, *for FY 2020-21 only*, H.B. 20-1418 (School Finance) diverts all excise tax revenues above the first $40.0 million to the State Public School Fund, making those revenues available for appropriation to support school finance (rather than BEST) in FY 2021-22. Beginning in FY 2021-22, current law would again credit 100.0 percent of excise tax revenues to the PSCCAF.

Excise tax revenues have fluctuated since the inception of the tax in FY 2014-15, largely driven by changes in the "Average Market Rate" calculated by the Department of Revenue. However, revenues have rebounded from FY 2018-19 to FY 2019-20 and current revenue projections anticipate continued growth (see chart below with forecast data from the September 2020 Office of State

[2] The bill specifically required the transfer of the greater of 90.0 percent of excise tax revenues or $40.0 million.

Planning and Budgeting Revenue Forecast).[3] Looking forward, it is important to note that excise tax revenues have grown significantly since the inception of the tax, from $42.5 million in FY 2015-16 (the first full year of collections) to $81.1 in FY 2019-20, and current revenue estimates anticipate continued growth (see chart below – with forecast data from the September 2020 OSPB revenue forecast). As a result, the General Assembly's flexibility with respect to excise tax revenues will continue to provide opportunities to provide additional support for B.E.S.T. or to assist with budget balancing, school finance, or other uses.



Special Sales Tax Revenues for School Finance. Current law, as enacted in S.B. 17-267 (Sustainability of Rural Colorado) also dedicates a specific share of special sales tax revenues to education by crediting 12.59 percent of annual collections to the State Public School Fund. Under statute, those revenues are appropriated to support school finance (the state share of districts' total program funding) in the year after the year of collection. For example, the current FY 2020-21 appropriation for total program includes $24.2 million in assumed FY 2019-20 marijuana revenues based on the May 2020 OSPB revenue forecast update. For context, the $24.2 million assumed in the FY 2020-21 appropriation represents $27.04 per pupil based on current pupil count estimates and 0.3 percent of current FY 2020-21 total program funding.

MARIJUANA TAX CASH FUND APPROPRIATIONS

In addition to the dedicated *revenues* discussed above, the General Assembly supports a variety of programs within the Department of Education with appropriations from the *Marijuana Tax Cash Fund* (MTCF) supports several other programs, including $22.4 million in total appropriations in FY 2020-21. The following table shows recent appropriations to the Department from the MTCF, from FY 2018-19 through the Governor's FY 2021-22 request.

[3] For additional discussion of marijuana taxes, including excise tax dynamics, see the FY 2021-22 JBC Staff Budget Briefing on Marijuana Policy available at: http://leg.colorado.gov/sites/default/files/fy2021-22_marbrf.pdf

RECENT MARIJUANA TAX CASH FUND APPROPRIATIONS TO THE DEPARTMENT OF EDUCATION				
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 REQ.
Behavioral Health Care Professionals Grant Program	$11,930,434	$14,937,032	$11,948,026	$11,948,174
Early Literacy Competitive Grant	5,378,678	5,378,678	5,378,678	5,378,678
K-5 Social and Emotional Health Pilot Program	0	43,114	0	0
Office of Dropout Prevention and Student Reengagement	2,000,419	2,004,279	2,006,088	2,006,099
School Bullying Prevention and Education	2,000,000	2,000,000	1,000,000	1,000,000
Concurrent Enrollment Expansion and Innovation Grant Program	0	1,500,000	1,476,896	1,476,896
Colorado Imagination Library Program	0	0	0	410,221
Comprehensive Quality Physical Education Instruction Pilot[a]	0	1,100,000	0	0
Central Appropriations	89,296	116,262	129,453	153,704
Total	**$21,398,827**	**$27,079,365**	**$21,939,141**	**$22,373,772**

[a] Pursuant to S.B. 19-246, these funds remain available through FY 2023-24.

SUMMARY: FY 2020-21 APPROPRIATION & FY 2021-22 REQUEST

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION:						
HB 20-1360 (Long Bill)	$6,328,385,349	$4,652,659,058	$1,015,987,081	$40,151,896	$619,587,314	612.0
HB 20-1418 (School Finance)	(532,382,433)	(722,777,639)	32,401,424	0	157,993,782	(3.0)
Other legislation	(1,888,565)	(870,498)	(865,899)	(152,168)	0	0.0
TOTAL	**$5,794,114,351**	**$3,929,010,921**	**$1,047,522,606**	**$39,999,728**	**$777,581,096**	**609.0**
FY 2021-22 REQUESTED APPROPRIATION:						
FY 2020-21 Appropriation	$5,794,114,351	$3,929,010,921	$1,047,522,606	$39,999,728	$777,581,096	609.0
R1 Total program increase	810,909,134	578,471,080	232,438,054	0	0	0.0
R2 Categorical programs increase	8,611,834	0	8,611,834	0	0	0.0
R3 State match for Colorado imagination library	410,221	0	410,221	0	0	0.0
R4 Repurpose early intervention funding	0	0	0	0	0	0.0
R5 Maintain FY 2020-21 reductions	(925,255)	(925,255)	0	0	0	(0.4)
R6 Outdated appropriations and additional program suspensions	(1,276,222)	(212,222)	(1,064,000)	0	0	(0.2)
R7 Reduce capital construction assistance	(4,591,038)	0	(4,591,038)	0	0	0.0
R8 Personal services and operating reductions	(1,716,123)	(617,981)	(797,894)	(300,248)	0	(9.8)
R9 Return unused fund balances	(250,000)	0	(250,000)	0	0	0.0
Annualize prior year budget actions	913,216	913,216	0	0	0	0.0
Centrally appropriated items	658,659	(157,225)	(9,652)	686,575	138,961	0.0
Indirect cost assessment	267,274	0	32,502	0	234,772	0.0
Annualize prior year legislation	(36,052,592)	2,183,569	(1,398,705)	154,738	(36,992,194)	0.4
Non-prioritized items	(143,966)	(67,336)	(23,284)	(53,346)	0	0.0
TOTAL	**$6,570,929,493**	**$4,508,598,767**	**$1,280,880,644**	**$40,487,447**	**$740,962,635**	**599.0**
INCREASE/(DECREASE)	$776,815,142	$579,587,846	$233,358,038	$487,719	($36,618,461)	(10.0)
Percentage Change	13.4%	14.8%	22.3%	1.2%	(4.7%)	(1.6%)

R1 TOTAL PROGRAM INCREASE: The request includes a net increase of $810.9 million total funds (including $578.5 million General Fund and $232.4 million cash funds) for the state share of districts' total program funding. Based on the Office of State Planning and Budgeting (OSPB) September 2020 Revenue Forecast, and including OSPB's projection of local revenues, the proposal would: (1) increase statewide average per pupil funding by $902 (11.2 percent); and (2) decrease the dollar value of the budget stabilization factor by $601.1 million (from $1.17 billion in FY 2020-21 to $572.4 million in FY 2021-22), returning the dollar value of the budget stabilization factor to the same level as in FY 2019-20. The request does not specify a budget stabilization factor for FY 2022-23 or subsequent years. The Committee should note that this request requires separate legislation. [Staff will address this request in greater detail at the JBC Staff Briefing on School Finance scheduled for December 4, 2020.]

R2 CATEGORICAL PROGRAMS INCREASE: 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. The request, based on the OSPB-projected inflation rate for CY 2020 (2.5 percent), seeks an increase of $8.6 million cash funds from the State Education Fund to support the required increase. The request proposes to allocate the increase among six programs. The following table shows the requested allocation of additional funds by program. See Appendix C for a discussion of the Department's response to a request for information associated with categorical funding.

R2 Requested Increases in *State* Funding for Categorical Programs				
Long Bill Line Item	FY 2020-21 Appropriation	FY 2020-21 Request	Change in State Funding	Percent Change
Special Education - Children with Disabilities	$206,223,158	$211,086,792	$4,863,634	2.4%
English Language Proficiency Program	24,105,549	25,569,664	1,464,115	6.1%
Public School Transportation	61,582,729	63,093,912	1,511,183	2.5%
Career and Technical Education Programs	27,778,242	28,370,549	592,307	2.1%
Special Education - Gifted and Talented Children	12,844,494	13,021,531	177,037	1.4%
Expelled and At-risk Student Services Grant Program	9,493,560	9,493,560	0	0.0%
Small Attendance Center Aid	1,314,250	1,317,226	2,976	0.2%
Comprehensive Health Education	1,131,396	1,131,978	582	0.1%
Total	**$344,473,378**	**$353,085,212**	**$8,611,834**	**2.5%**

R3 STATE MATCH FOR COLORADO IMAGINATION LIBRARY PROGRAM: The request includes an increase of $410,221 cash funds from the Marijuana Tax Cash Fund for FY 2021-22 (increasing to $907,140 in FY 2022-23) to provide a state match for the Colorado Imagination Library Program created in S.B. 20-185 (the Colorado Imagination Library Program). Subject to available appropriations, S.B. 20-185 requires the State Librarian to contract with a Colorado non-profit organization and operation of the Colorado Imagination Library Program, which would mail one book per month to participating children statewide from birth to age 5. However, the bill did not provide any appropriation to support the program in FY 2020-21. Rather, the bill authorized the Department to seek and accept gifts, grants, and donations to support the program. According to the Department, no external funding has materialized. The request is seeking $410,221 as a state match to stand up the program in FY 2021-22, with increasing costs in subsequent years as more local affiliates (and children) participate. The Governor's Office estimates that the request would enable 32,305 additional children to participate in FY 2021-22 (above the approximately 11,500 that are currently participating through local affiliates), with increasing numbers in subsequent years. Please note that JBC Staff questions whether this program qualifies as an authorized use of the Marijuana Tax Cash fund under current law and suggests that the request may require separate legislation.

R4 REPURPOSE EARLY INTERVENTION FUNDING: The request proposes a "technical legislative change" to correspond with a request to transfer authority for special education early intervention evaluations from the Department of Education to the Department of Human Services. As framed, the request would: (1) transfer early intervention evaluation authority to the Department of Human Services; and (2) make $2.7 million currently dedicated to such evaluations within the Special Education Programs for Children with Disabilities line item available for services provided to students from age 3 to 21 (rather than supporting the evaluations for children between birth and age 2). Staff is aware of concerns among school districts and special education directors about this request. Please note that this request is contingent upon the approval of a corresponding request in the Department of Human Services (R6 – Early Intervention Program Changes). The Committee is scheduled to hear the Department of Human Services request in a briefing by Tom Dermody on December 4, 2020.

R5 MAINTAIN FY 2020-21 REDUCTIONS: Request R5 proposes to continue FY 2020-21 budget balancing actions totaling $925,255 General Fund and 0.4 FTE. The 2020 School Finance Bill (H.B.

20-1418) suspends both of these programs *for FY 2020-21 only*. As a result, both components of R5 would require statutory change. The proposed General Fund reductions include:

- $675,255 and 0.4 FTE to further delay implementation of the Local School Food Purchasing Program created in H.B. 19-1132 (School Incentives to Use Colorado Food and Producers). House Bill 19-1132 created two grant programs to promote the use of Colorado food products in school meal programs. As a budget balancing action for FY 2020-21, H.B. 20-1418 delays implementation of the program for one year (until FY 2021-22). Request R5 proposes to extend the suspension of the program.
- $250,000 for Computer Science Education Grants originally required by H.B. 19-1277 (Computer Science Grant Program). As created in H.B. 19-1277, the program would provide grants to public schools to increase participation of traditionally underrepresented students in computer science education. The bill requires an annual appropriation of $250,000 General Fund to support the program. House Bill 20-1418 eliminates the requirement to appropriate those funds in FY 2020-21 but would require the appropriation again in FY 2021-22. Again, the request would extend the suspension of the program.

R6 OUTDATED APPROPRIATIONS AND ADDITIONAL PROGRAM SUSPENSIONS: Request R6 includes reductions totaling $1.3 million total funds (including $212,222 General Fund and $1.1 million cash funds) and 0.2 FTE associated with three line items. The Committee should note that all three reductions require statutory change. The proposed reductions include:

- $212,222 General Fund and 0.2 FTE to eliminate the FY 2021-22 appropriation for the *Workforce Diploma Pilot Program* created in H.B. 19-1236 (Workforce Diploma Pilot Program). The program makes 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. As discussed in the first issue brief in this document, the General Assembly's FY 2020-21 balancing actions reduced the appropriation for this program by $800,000 General Fund (from $1.0 million in FY 2019-20 to $212,222 in FY 2020-21). Request R6 would eliminate funding for the program in FY 2021-22 and includes a statutory change to suspend the program for one year.
- $1,014,000 cash funds from the State Education Fund associated with a proposal to suspend the administration of fourth- and seventh grade *social studies assessments* for FY 2020-21. Under current statute, the Department administers social studies assessments on a sampling basis (one third of fourth- and seventh-grade students take the assessments in a given year). Given current circumstances (budgetary challenges as well as the pandemic), the Department is proposing to suspend administration for one year, which requires statutory change.
- $50,000 cash funds from the State Education Fund to eliminate funding for the *Basic Skills Placement or Assessment Tests* line item originally authorized in H.B. 12-1345 (School Finance). This line item reimburses schools for the administration of basic skills placement or assessment tests to high school students. However, since the creation of the line item in 2012, the Department has provided a total of $13,000 in reimbursements (with no payments in most years). The request includes a statutory change to eliminate the requirement that the Department provide reimbursements for the assessments.

R7 REDUCE CAPITAL CONSTRUCTION ASSISTANCE: Request R7 includes reductions to two capital construction-related programs totaling $4.6 million cash funds from the Public School Capital Construction Assistance Fund (PSCCAF). The Committee should note that the request requires statutory change. The proposed reductions include:

- $3.0 million from *cash grants under the Building Excellent Schools Today (B.E.S.T.) program* (from $60.0 million appropriated in FY 2020-21 to $57.0 million in FY 2021-22, a 5.0 percent reduction). As discussed in the first issue brief in this document, the General Assembly's FY 2020-21 appropriation reduced B.E.S.T. cash grants by $100.0 million in FY 2020-21 (from $160.0 million required under previous law to $60.0 million in H.B. 20-1418) and transferred $100.0 million from the PSCCAF to the State Public School Fund to support school finance. The request would further reduce cash grants in FY 2021-22. The reduction does not require statutory change. However, the transfer to the State Public School Fund would require legislation.
- $1,591,038 from the State Aid to Charter School Facilities line item (also a 5.0 percent reduction below the FY 2020-21 appropriation). This line item provides distributions to charter schools on a formula (per pupil) basis. The reduction in appropriations and the transfer to the State Public School Fund would both require statutory change.

R8 PERSONAL SERVICES AND OPERATING REDUCTIONS: Request R8 includes reductions to 22 line items totaling $1.7 million total funds ($617,981 General Fund, $797,894 cash funds, and $300,248 reappropriated funds) and 9.8 FTE. In contrast to the other decision items proposing balancing adjustments (R4, R5, R6, R7, and R9), the reductions in request R8 focus on the Department's internal/administrative funding and FTE rather than distributions outside of the Department. The following table summarizes the proposed reductions by line item. This reduction is discussed in greater depth in the second issue brief in this document.

R8 PERSONAL SERVICES AND OPERATING REDUCTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Financial transparency system maintenance[a]	($387,000)	$0	($387,000)	$0	0.0
Special education programs for gifted and talented	(226,000)	0	(226,000)	0	(1.0)
School finance administration	(224,905)	0	0	(224,905)	(2.5)
General department and program administration	(176,193)	(100,850)	0	(75,343)	(2.0)
Educator effectiveness unit admin	(130,500)	(118,000)	(12,500)	0	(1.0)
Library programs administration	(100,000)	(100,000)	0	0	(1.0)
Health, life, and dental	(78,847)	(78,847)	0	0	0.0
Accountability and improvement planning	(64,568)	(64,568)	0	0	(1.0)
Statewide assessment program	(50,000)	0	(50,000)	0	(1.0)
Leased space	(37,000)	0	(37,000)	0	0.0
Reprinting and distributing laws concerning education[a]	(35,480)	0	(35,480)	0	0.0
State Board of Education	(35,417)	(35,417)	0	0	0.0
Amortization equalization disbursement (AED)	(33,076)	(33,076)	0	0	0.0
Supplemental amortization equalization disbursement (SAED)	(33,076)	(33,076)	0	0	0.0
Breakfast after the bell	(24,897)	(24,897)	0	0	(0.3)
B.E.S.T. financial assistance priority assessment	(15,000)	0	(15,000)	0	0.0
Content specialists	(15,000)	0	(15,000)	0	0.0
ELL technical assistance	(15,000)	(15,000)	0	0	0.0
Information technology services	(10,000)	(10,000)	0	0	0.0
Reimbursement for juveniles held in jail	(10,000)	0	(10,000)	0	0.0
Preschool to postsecondary education alignment	(9,914)	0	(9,914)	0	0.0

R8 PERSONAL SERVICES AND OPERATING REDUCTIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Longitudinal analyses of student assessment results	(4,250)	(4,250)	0	0	0.0
TOTAL	**($1,716,123)**	**($617,981)**	**($797,894)**	**($300,248)**	**(9.8)**

[a] These requests may require separate legislation and statutory change.

R9 RETURN UNUSED FUND BALANCES: Request R9 includes three components to assist with budget balancing in FY 2021-22:

- A reduction of $250,000 cash funds from the State Education Fund to better align the appropriation for At-risk Supplemental Aid with anticipated expenditures in FY 2021-22. This program provides supplemental assistance to charter schools serving increased numbers of at-risk students, and the Department reports that reversions have averaged $547,410 per year for the past three years. The request would reduce the appropriation by $250,000 to make those funds available for other uses (such as school finance) in FY 2021-22. This component of the request does not require statutory change and could be accomplished through the Long Bill.
- A statutory transfer of $2.0 million from the Early Literacy Fund ELF to the State Education Fund to make those funds available for other uses (such as school finance in FY 2021-22). As discussed in the first issue brief in this document, the FY 2020-21 balancing actions included a transfer of $3.5 million in excess fund balance from the ELF to the State Education Fund. According to the Department, the ongoing pandemic has limited the Department's use of additional funds for in-person activities such as training and the Department anticipates an available balance of at least $2.0 million at the end of FY 2020-21, making those funds available for transfer to the State Education Fund. This transfer would require separate legislation.
- A proposal to revert $750,000 in undistributed funds associated with the Comprehensive Quality Physical Education Instruction Pilot Program created in S.B. 19-246 (School Finance) to the Marijuana Tax Cash Fund (MTCF). Senate Bill 19-246 appropriated $1.1 million from the MTCF to support the program in FY 2019-20 and made those funds available to the Department through FY 2023-24.[4] According to the Department, $750,000 of that original amount remains undistributed at this time. Based in part on concerns about the Department's ability to ensure fidelity of implementation of the program given the pandemic[5], the request proposes to return the unspent funds to the MTCF. Given that S.B. 19-246 makes the funds available through FY 2023-24, reverting the funds to the MTCF would require statutory change.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The request includes a net increase of $913,216 General Fund to restore the FY 2020-21 Health, Life, and Dental reduction taken in lieu of a 5.0 percent personal services base reduction.

CENTRALLY APPROPRIATED ITEMS: The request includes a net increase of $658,659 total funds related to employee benefits and other centrally appropriated items. The following table summarizes the requested changes.

[4] See section 22-99-105, C.R.S.

[5] According to the Department, of the three recipient schools, one is operating in-person, one is full-time remote, and one is operating under a hybrid model.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health, life, and dental	$487,499	$113,649	$59,265	$181,449	$133,136	0.0
Payment to risk management / property funds	295,955	295,955	0	0	0	0.0
Capitol Complex leased space	163,283	48,985	19,562	31,758	62,978	0.0
PERA direct distribution	37,405	(467,715)	(2,622)	507,742	0	0.0
Vehicle lease payments	10,844	10,844	0	0	0	0.0
Administrative law judges	8,445	0	6,987	1,458	0	0.0
Legal services	2,667	1,542	1,057	68	0	0.0
Leased space	0	0	0	0	0	0.0
AED	(66,014)	(26,285)	(26,835)	4,041	(16,935)	0.0
SAED	(66,014)	(26,285)	(26,835)	4,041	(16,935)	0.0
Payments to OIT	(64,566)	(27,802)	(9,614)	(27,150)	0	0.0
Workers' compensation	(58,845)	(26,284)	(7,679)	(3,977)	(20,905)	0.0
CORE operations	(55,030)	(21,314)	(21,318)	(12,398)	0	0.0
Shift differential	(30,214)	(30,214)	0	0	0	0.0
Short-term disability	(6,756)	(2,301)	(1,620)	(457)	(2,378)	0.0
TOTAL	**$658,659**	**($157,225)**	**($9,652)**	**$686,575**	**$138,961**	**0.0**

INDIRECT COST ASSESSMENT: The request includes an increase in the Department's indirect cost assessments.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes a net decrease of $36.1 million total funds to reflect the FY 2021-22 impact of bills passed in previous sessions, as summarized in the following table. The reduction is largely driven by the elimination of $37.0 million in one-time federal funding associated with COVID-19 and reflected in H.B. 20-1418 (School Finance).

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 20-1379 (Suspend PERA DD)	$1,220,885	$870,498	$198,219	$152,168	$0	0.0
HB 20-1032 (Timing K12 Education Standards Review)	131,515	131,515	0	0	0	0.0
SB 18-200 PERA unfunded liability	19,753	6,301	3,076	2,570	7,806	0.0
HB 20-1418 (School Finance)	(37,424,745)	1,175,255	(1,600,000)	0	(37,000,000)	0.4
TOTAL	**($36,052,592)**	**$2,183,569**	**($1,398,705)**	**$154,738**	**($36,992,194)**	**0.4**

NON-PRIORITIZED ITEMS: The request includes decreases totaling $143,966 total funds (including $67,336 General Fund) for items requested by other agencies that impact this department. The table below itemizes the two non-prioritized items requested for FY 2021-22.

NON-PRIORITIZED ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
DPA Center for Organizational Effectiveness	$12,410	$0	$0	$12,410	$0	0.0
OIT Budget request package	(156,376)	(67,336)	(23,284)	(65,756)	0	0.0
TOTAL	**($143,966)**	**($67,336)**	**($23,284)**	**($53,346)**	**$0**	**0.0**

BUDGET REQUESTS IMPACTING FY 2020-21 – COVID-19 STIMULUS PACKAGE

The Governor's 2020 budget request includes a preview of a COVID-19 Stimulus Package that will be formally submitted for consideration during the supplemental budget cycle that starts in January.

During the annual supplemental budget cycle, the Joint Budget Committee (JBC) does not have the same opportunity to discuss issues of interest directly with state agency staff as it does with budget requests submitted in November. Many of the proposed FY 2020-21 stimulus requests include substantial investments of General Fund (e.g., $20.0 million General Fund in the proposal for the Department of Education). Committee members are encouraged to raise questions related to these proposals during this JBC staff briefing so that staff can include these items on the agency's budget hearing agenda. Beyond investigating the details or concerns with proposed changes, no action is required to be taken by the JBC at this time.

FY 2020-21 COVID-19 Stimulus Proposal -- To Be Acted on in January 20211[1]

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2020-21 Appropriation						
HB 20-1360 (Long Bill)	$6,328,385,349	$4,652,659,058	$1,015,987,081	$40,151,896	$619,587,314	612.0
HB 20-1418 (School Finance)	(532,382,433)	(722,777,639)	32,401,424	0	157,993,782	(3.0)
Other legislation	(1,888,565)	-870,498	-865,899	-152,168	0	0.0
TOTAL	**$5,794,114,351**	**$3,929,010,921**	**$1,047,522,606**	**$39,999,728**	**$777,581,096**	**609.0**
FY 2020-21 Proposed COVID-19 Stimulus						
FY 2020-21 Appropriation	$5,794,114,351	$3,929,010,921	$1,047,522,606	$39,999,728	$777,581,096	609.0
S1 Statewide broadband initiatives	20,000,000	20,000,000	0	0	0	0.0
TOTAL	**$5,814,114,351**	**$3,949,010,921**	**$1,047,522,606**	**$39,999,728**	**$777,581,096**	**609.0**
INCREASE/(DECREASE)	$20,000,000	$20,000,000	$0	$0	$0	0.0
Percentage Change	0.3%	0.5%	0.0%	0.0%	0.0%	0.0%

[1] The General Fund amount listed for the COVID-19 Stimulus Package above is reflected as a General Fund appropriation because it originates as General Fund. However, if the money is appropriated to the Governor's Office of Information and then provided to the Department of Education then actual appropriation would be counted as reappropriated funds.

FY 2020-21 COVID-19 Stimulus Item Descriptions

S1 Statewide broadband initiatives: The stimulus supplemental requests include a statewide increase of $160.0 million General Fund to improve broadband infrastructure. That total includes $20.0 million for the Department of Education that is specifically intended to improve broadband access for public school students and teachers. Framed as a second round of the Connecting Colorado Students Grant (CCSG) program (round one was supported by $2.0 million in federal funds CARES Act funds), the request indicates that the Colorado Broadband Office will work with the Department of Education to distribute the funds. While the first round of the CCSG specifically targeted schools and districts with high populations of low-income students, the request indicates that the second round seeks to improve access for all students with a focus on "innovative solutions for connecting students' homes with reliable, future-proof, sustainable infrastructure" and to "increase the single project dollar value for maximum impact." The request also seeks to address school district

connectivity and broadband infrastructure needs. Please note that this request has now been identified as a potential topic in a 2020 special session.

INFORMATIONAL ISSUE 1:
2020 SESSION BUDGET BALANCING ACTIONS

In response to the budget challenges in the 2020 Session, the Joint Budget Committee and the General Assembly took a actions that reduced appropriations to the Department of Education by $8.9 million total funds ($0.9 million General Fund and $8.0 million cash funds) in FY 2019-20. Fiscal year 2020-21 appropriations to the Department were further reduced by $568.4 million total funds ($463.5 million General Fund). The balancing actions in FY 2020-21 included $112.5 million in reductions to cash funds appropriations to a variety of programs in order to make those revenues available for school finance (and offset a portion of the reduction in General Fund appropriations).

SUMMARY

FY 2019-20 Budget

- During the 2020 Session, the General Assembly reduced FY 2019-20 appropriations to the Department of Education for a variety of programs by $8.9 million total funds, including $0.9 million General Fund and $8.0 million cash funds. The cash funds reductions made those funds available to offset additional General Fund reductions in FY 2020-21.

FY 2020-21 Budget

- For FY 2020-21, the General Assembly reduced appropriations for the state share of districts' total program funding by $445.8 million total funds below FY 2019-20 levels, increasing the dollar value of the budget stabilization factor by $601.1 million (from $572.4 million in FY 2019-20 to $1.2 billion in FY 2020-21). Because previous statute prohibited an increase in the budget stabilization factor, the Long Bill included an increase of $155.3 million total funds for school finance. The School Finance bill then reduced the FY 2020-21 appropriation for school finance by $601.1 million total funds, including a reduction of $721.6 million General Fund that was partially offset by an increase in cash funds made available through reductions to other programs.

- In order to maximize funds available for school finance, the FY 2020-21 balancing actions included a number of reductions to other programs, totaling $7.5 million General Fund and $112.5 million cash funds (including a reduction of $100.0 million to cash grants provided through the Building Excellent Schools Today (BEST) program). Because some of those cash fund sources were not readily available for school finance, the School Finance Bill transferred a total of $105.0 million to the State Public School Fund and an estimated $6.4 million to the State Education Fund in FY 2020-21.

- The School Finance Bill also included statutory changes to divert additional FY 2020-21 revenues (originating as marijuana excise taxes and State Land Board collections from School Trust lands in order to make them available for school finance).

- These balancing actions include significant amounts of one-time actions, including all of the cash fund transfers to the State Public School Fund and the State Education Fund. In addition, a variety of the statutory changes, including some program delays and the diversions of FY 2020-21 revenues to the State Public School Fund, were specific to FY 2020-21 only. Those changes would require additional statutory change to continue in FY 2021-22.

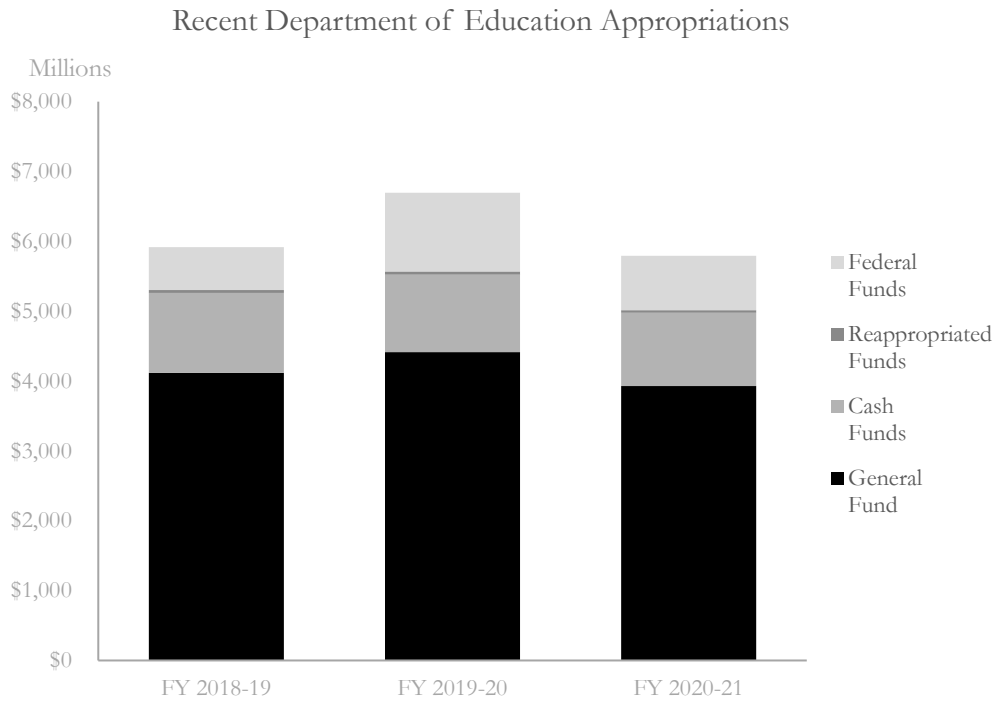
DISCUSSION

Confronting the budget challenges of the 2020 legislative session, the Committee and the General Assembly took a variety of budget balancing actions in the Department of Education for both FY 2019-20 and FY 2020-21 both to balance the General Fund and to reprioritize funding within the Department's budget.

FY 2018-19 to FY 2019-20: Appropriations to the Department increased by $778.0 million total funds from FY 2018-19 to FY 2019-20, including an increase of $297.7 million General Fund. Much of the remaining increase in total funds was due to the allocation of $510.0 million in federal CARES Act funds to offset school districts' costs associated with the pandemic. In terms of balancing actions, the General Assembly reduced FY 2019-20 appropriations by $8.9 million total funds in FY 2019-20, including $900,000 General Fund and $8.0 million cash funds from a variety of programs. The cash funds reductions made those resources available for FY 2020-21.

FY 2019-20 to FY 2020-21: Facing revenue challenges for FY 2020-21, the General Assembly took a variety of actions to both reduce the Department's General Fund appropriations and to make other revenues available for balancing purposes. The Department's total budget decreased by $902.7 million below the FY 2019-20 appropriation, driven by decreases of $484.8 million General Fund and $351.3 million federal funds. The General Assembly's budget balancing actions accounted for reductions of $568.4 million total funds, including $463.5 million General Fund.

The following graph shows the Department's annual appropriations for FY 2018-19 through FY 2020-21. A table with appropriations detail by major fund source follows the graph. Please note that the FY 2019-20 appropriations include the adjustments and reductions made during the 2020 Session.



DEPARTMENT OF EDUCATION APPROPRIATIONS FY 2019-20 THROUGH FY 2020-21						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 Final	$5,918,775,777	$4,116,143,086	$1,146,052,221	$39,385,509	$617,194,961	602.5
FY 2019-20 Adjusted	6,696,803,356	4,413,841,994	1,111,463,635	42,577,029	1,128,920,698	616.4
FY 2020-21	5,794,114,351	3,929,010,921	1,047,522,606	39,999,728	777,581,096	609.0
Change from FY 2019-20 to FY 2020-21	($902,689,005)	($484,831,073)	($63,941,029)	($2,577,301)	($351,339,602)	6.5
Percent change FY 2019-20 to FY 2020-21	*-13.5%*	*-11.0%*	*-5.8%*	*-6.1%*	*-31.1%*	*1.1%*

SUMMARY OF 2020 SESSION BUDGET BALANCING APPROPRIATION CHANGES

The following table summarizes the budget balancing actions that impacted appropriations to the Department of Education for both FY 2019-20 and FY 2020-21, including actions taken through the Long Bill and other legislation. Please note:

- Unless otherwise indicated, JBC Staff assumes that the FY 2020-21 adjustments are ongoing for FY 2021-22. Staff has noted where the Committee (or the General Assembly) specifically designated actions as one-time in nature. Staff has also noted whether the Department's budget request proposes to continue the reduction in FY 2021-22 or restore the funding.
- The table only reflects balancing actions that specifically changed appropriations. The cash fund reductions in the table below made funds available to offset potential General Fund reductions in school finance either through the Long Bill or through the School Finance Bill.
- Staff has not included actions to increase available revenues (in this Department that includes transfers from a variety of cash funds to either the State Public School Fund or the State Education Fund) in this table. A subsequent section of the document summarizes those actions.

2020 SESSION BUDGET BALANCING APPROPRIATION CHANGES - DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION BALANCING ITEMS:						
Capture anticipated reversions (Long Bill Supplemental)	($7,860,000)	($900,000)	($6,960,000)	$0	$0	0.0
Quality Teacher Recruitment (School Finance Bill)	(1,000,000)	0	(1,000,000)	0	0	0.0
TOTAL	**($8,860,000)**	**($900,000)**	**($7,960,000)**	**$0**	**$0**	**0.0**
FY 2020-21 APPROPRIATION BALANCING ITEMS:						
Total Program Adjustments						
Long Bill adjustment (H.B. 20-1360)	$155,311,038	$266,392,235	($111,081,197)	$0	$0	0.0
School Finance Bill (H.B. 20-1418)	(601,115,264)	(721,579,451)	120,464,187	0	0	0.0
Subtotal - Total Program Adjustments	**($445,804,226)**	**($455,187,216)**	**$9,382,990**	**$0**	**$0**	**0.0**
FY 2020-21 Long Bill (H.B. 20-1360)						
Behavioral health care professionals grants decrease	($3,000,000)	$0	($3,000,000)	$0	$0	0.0
CSI mill levy equalization decrease	(2,800,000)	(1,400,000)	0	(1,400,000)	0	0.0
Eliminate National Board stipends	(2,103,256)	0	(2,103,256)	0	0	0.0
Bullying prevention reduction	(1,000,000)	0	(1,000,000)	0	0	0.0
Health, life, dental General Fund base reduction	(863,216)	(863,216)	0	0	0	0.0
Delay ninth grade success program	(800,000)	(800,000)	0	0	0	(0.6)
Workforce diploma pilot decrease	(800,000)	(800,000)	0	0	0	0.0

2020 Session Budget Balancing Appropriation Changes - Department of Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Eliminate ELL excellence awards	(500,000)	0	(500,000)	0	0	0.0
Reduce computer science education grants	(500,000)	0	(500,000)	0	0	0.0
Reduce career development success program	(500,000)	(500,000)	0	0	0	0.0
Reduce state grants to libraries program	(500,000)	(500,000)	0	0	0	0.0
Delay local accountability system grants	(494,267)	(494,267)	0	0	0	(0.5)
Reduce school leadership pilot	(375,807)	(375,807)	0	0	0	0.0
Reduce AP exam fee grants	(280,730)	(280,730)	0	0	0	0.0
Delay automatic enrollment in advanced courses grants	(250,000)	(250,000)	0	0	0	(0.3)
Reduce financial transparency system maintenance	(138,000)	0	(138,000)	0	0	0.0
Eliminate quality teacher recruitment program	(40,000)	0	(40,000)	0	0	0.0
Subtotal - Long Bill Reductions	**($14,945,276)**	**($6,264,020)**	**($7,281,256)**	**($1,400,000)**	**$0**	**(1.4)**
FY 2020-21 School Finance Bill (H.B. 20-1418)						
BEST cash grants	(100,000,000)	0	(100,000,000)	0	0	0.0
K-5 social and emotional health program	(2,500,000)	0	(2,500,000)	0	0	(1.0)
Retaining teachers grant program	(2,500,000)	0	(2,500,000)	0	0	(1.0)
Local school food purchasing programs[a]	(675,255)	(675,255)	0	0	0	(0.4)
Advanced placement incentives pilot	(262,763)	0	(262,763)	0	0	(0.3)
Counselor corps grant program[a]	(250,000)	(250,000)	0	0	0	0.0
Computer science education grants[a]	(250,000)	(250,000)	0	0	0	0.0
Grow your own educator program	(22,933)	(22,933)	0	0	0	(0.3)
Subtotal - School Finance Bill Reductions	**($106,460,951)**	**($1,198,188)**	**($105,262,763)**	**$0**	**$0**	**(3.0)**
Appropriation Reductions in Other Legislation						
PERA direct distribution (HB 20-1379)[b]	($1,220,885)	($870,498)	($198,219)	($152,168)	$0	0.0
TOTAL FY 2020-21 Appropriation Adjustments	**($568,431,338)**	**($463,519,922)**	**($103,359,248)**	**($1,552,168)**	**$0**	**(4.4)**
BALANCING ITEMS AS PERCENTAGE OF TOTAL APPROPRIATION:						
FY 2019-20 Appropriation	$6,696,803,356	$4,413,841,994	$1,111,463,635	$42,577,029	$1,128,920,698	616.4
FY 2020-21 Appropriation	$5,794,114,351	$3,929,010,921	$1,047,522,606	$39,999,728	$777,581,096	609.0
FY 2020-21 Actions as Percentage of FY 2019-20 Appropriation	*(8.5%)*	*(10.5%)*	*(9.3%)*	*(3.6%)*	*0.0%*	*(0.7%)*

[a] These actions required statutory change and were specifically one-time in nature (for FY 2020-21 only).
[b] House Bill 20-1379 eliminated PERA Direct Distribution appropriations for all departments on a one-time basis for FY 2020-21.

FY 2019-20 Appropriation – Mid-year Adjustments

Capture anticipated reversions (Long Bill supplemental): The FY 2020-21 Long Bill included reductions to FY 2019-20 appropriations totaling $7.9 million total funds ($0.9 million General Fund and $7.0 million cash funds) based on anticipated reversions from a variety of programs as reflected in the following table.

FY 2019-20 Balancing Actions - Long Bill Supplemental			
Program/line item	Total Funds	General Fund	Cash Funds
Statewide assessment program	($5,000,000)	$0	($5,000,000)
Quality teacher recruitment program	(1,960,000)	0	(1,960,000)
Career counseling professional development	(500,000)	(500,000)	0
Automatic enrollment in advanced courses grants	(200,000)	(200,000)	0
School leadership pilot program	(200,000)	(200,000)	0

FY 2019-20 BALANCING ACTIONS - LONG BILL SUPPLEMENTAL			
PROGRAM/LINE ITEM	TOTAL FUNDS	GENERAL FUND	CASH FUNDS
TOTAL	**($7,860,000)**	**($900,000)**	**($6,960,000)**

QUALITY TEACHER RECRUITMENT (SCHOOL FINANCE BILL): The School Finance Bill (H.B. 20-1418) reduced the FY 2019-20 appropriation for the Quality Teacher Recruitment Program by an additional $1.0 million cash funds from the State Education Fund (beyond the reduction included in the Long Bill supplemental).

FY 2020-21 TOTAL PROGRAM ADJUSTMENTS

LONG BILL (HB 20-1360): The Long Bill appropriation includes an increase of $155.3 million total funds, including an increase of $303.4 million General Fund that is partially offset by a decrease in cash funds. Pursuant to statute (prior to the enactment of the FY 2020-21 School Finance Bill), the Long Bill appropriation was sufficient to maintain the budget stabilization factor at $572.4 million in FY 2020-21, equal to the level from FY 2019-20.

SCHOOL FINANCE BILL (H.B. 20-1418): As a balancing action, the School Finance Bill reduced appropriations for the state share of districts' total program funding by $601.1 million total funds below the Long Bill appropriation, including a decrease of $721.6 million General Fund that was partially offset by an increase in cash funds appropriations. The appropriation adjustment increased the budget stabilization factor by $601.1 million, from $572.4 million under the Long Bill to $1.2 billion.

- The Governor's FY 2021-22 budget request proposes to reverse this reduction and return the value of the budget stabilization factor to $572.4 million (equal to FY 2019-20 levels). Based on the Governor's Office's assumptions, the request includes an increase of $810.9 million total funds, including $578.5 million General Fund and $232.4 million cash funds, to achieve the targeted level of the budget stabilization factor. As discussed above, the school finance request for FY 2021-22 will be discussed in greater detail in a separate briefing for school finance (scheduled for December 4, 2020).

FY 2020-21 LONG BILL (H.B. 20-1360)

BEHAVIORAL HEALTH CARE PROFESSIONALS GRANTS DECREASE: The appropriation includes a reduction of $3.0 million cash funds from the Marijuana Tax Cash Fund below the FY 2019-20 appropriation for the Behavioral Health Care Professionals Matching Grant Program.

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

CSI MILL LEVY EQUALIZATION DECREASE: The appropriation includes a decrease of $2.8 million total funds, including $1.4 million General Fund and $1.4 million reappropriated funds, for State Charter School Institute (CSI) mill levy equalization payments. The decrease represents a reduction of 20.0 percent below the FY 2019-20 appropriation.

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

ELIMINATE NATIONAL BOARD STIPENDS: The appropriation includes a decrease of $2.1 million cash funds from the State Education Fund to eliminate the Stipends for National Board Certified Educators line item for FY 2020-21.

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

BULLYING PREVENTION REDUCTION: The appropriation includes a decrease of $1.0 million cash funds from the Marijuana Tax Cash Fund for the School Bullying Prevention Fund line item, a 50.0 percent reduction below the FY 2019-20 appropriation.

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

DELAY NINTH GRADE SUCCESS PROGRAM: The appropriation includes a decrease of $800,000 General Fund and 0.6 FTE to delay the implementation of the Ninth Grade Success Program created in S.B. 19-246 (School Finance).

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

WORKFORCE DIPLOMA PILOT DECREASE: The appropriation includes a decrease of $800,000 General Fund (79.0 percent) for the Workforce Diploma Pilot Program created in H.B. 19-1236 (Workforce Diploma Pilot Program).

- With request R6 (Eliminate Outdated Appropriations and Program Suspensions), the Governor's request proposes to eliminate funding for this program entirely in FY 2021-22, a reduction of $212,222 General Fund and 0.2 FTE below the FY 2020-21 appropriation.

ELIMINATE ELL EXCELLENCE AWARDS: The appropriation eliminates funding for the English Language Learners Excellence Awards Program for FY 2021-22, a decrease of $500,000 cash funds from the State Education Fund.

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

REDUCE COMPUTER SCIENCE EDUCATION GRANTS: The appropriation includes a reduction of $500,000 cash funds from the State Education Fund for Computer Science Education Grants (a reduction of 47.7 percent below the FY 2019-20 appropriation).

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

REDUCE CAREER DEVELOPMENT SUCCESS PROGRAM: The appropriation includes a reduction of $500,000 General Fund for the Career Development Success Program (a reduction of 10.0 percent below the FY 2019-20 appropriation).

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

REDUCE STATE GRANTS TO LIBRARIES PROGRAM: The appropriation includes a reduction of $500,000 General Fund for the State Grants to Publicly-Supported Libraries Program (a reduction of 16.7 percent below the FY 2019-20 appropriation).

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

DELAY LOCAL ACCOUNTABILITY SYSTEM GRANTS: The appropriation eliminates funding for the Local Accountability Systems Grants Program (a reduction of $494,267 General Fund and 0.5 FTE) to delay implementation of the program.

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

REDUCE SCHOOL LEADERSHIP PILOT: The appropriation includes a reduction of $375,807 General Fund for the School Leadership Pilot Program (a reduction of 50.0 percent below the anticipated appropriation for FY 2020-21).

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

REDUCE AP EXAM FEE GRANTS: The appropriation includes a reduction of $280,730 General Fund for the Accelerated College Opportunity Exam Fee Grant Program (formerly known as the Advanced Placement Exam Fee Program), a reduction of 50.0 percent below the anticipated appropriation for FY 2020-21.

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

DELAY AUTOMATIC ENROLLMENT IN ADVANCED COURSES GRANTS: The appropriation eliminates funding for the John W. Buckner Automatic Enrollment in Advanced Courses Grant Program (a reduction of $250,000 General Fund and 0.3 FTE below the anticipated appropriation for FY 2020-21) to delay implementation of the program.

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

REDUCE FINANCIAL TRANSPARENCY SYSTEM MAINTENANCE: The appropriation includes a reduction of $138,000 cash funds from the State Education Fund for financial transparency system maintenance (a reduction of 23.0 percent below the FY 2019-20 appropriation) based on anticipated contract costs for FY 2020-21.

- With request R8, the Governor's FY 2021-22 budget request proposes to further reduce this appropriation in FY 2021-22, a reduction of $387,000 cash funds below the FY 2020-21 appropriation.

ELIMINATE QUALITY TEACHER RECRUITMENT PROGRAM: The appropriation eliminates funding for the Quality Teacher Recruitment Program for FY 2020-21 (a reduction of $40,000 cash funds from the State Education Fund below the adjusted FY 2019-20 appropriation).

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22.

FY 2020-21 SCHOOL FINANCE BILL (H.B. 20-1418)

BEST CASH GRANTS: The School Finance Bill decreased appropriations for cash grants under the Building Excellent Schools Today (BEST) program by $100.0 million cash funds from the Public School Capital Construction Assistance Fund below the Long Bill appropriation (from $160.0 million in the Long Bill to a final appropriation of $60.0 million). As discussed below, the bill also transfers $100.0 million from the Public School Capital Construction Assistance Fund to the State Public School Fund in FY 2020-21 and then appropriates those funds to support school finance.

- The Governor's FY 2021-22 budget request continues this reduction and proposes an additional reduction of $3.0 million (from $60.0 million in FY 2020-21 to $57.0 million in FY 2021-22).

K-5 SOCIAL AND EMOTIONAL HEALTH PROGRAM: The School Finance Bill delays implementation of the K-5 Social and Emotional Health Program, eliminating an appropriation of $2.5 million cash funds from the Marijuana Tax Cash Fund and 1.0 FTE that was included in the Long Bill. As discussed below, the bill also transfers the $2.5 million made available from the Marijuana Tax Cash Fund to the State Public School Fund in FY 2020-21 and then appropriates those funds to support school finance.

- The Governor's FY 2021-22 budget request proposes to continue this reduction in FY 2021-22. No further statutory change is necessary to do so.

RETAINING TEACHERS GRANT PROGRAM: The School Finance Bill eliminates the appropriation for the Retaining Teachers Grant Program (a reduction of $2.5 million cash funds from the Retaining Teachers Fund and 1.0 FTE below the Long Bill appropriation). In addition, the bill repeals the Retaining Teachers Fund and transfers the fund balance (estimated at $2.5 million) to the State Education Fund in FY 2020-21 and then appropriates those funds to support school finance.

- The Governor's FY 2021-22 budget request continues this reduction and does not propose any funding for this program. No further statutory change is necessary.

LOCAL SCHOOL FOOD PURCHASING PROGRAMS: The School Finance Bill delays implementation of the Local School Food Purchasing Programs created in H.B. 19-1132 (School Incentives to Use Colorado Food and Producers), and eliminates the Long Bill appropriation of $675,255 General Fund and 0.4 FTE.

- With request R5 (Maintain FY 2020-21 Reductions), the Governor's FY 2021-22 budget request would continue this reduction for FY 2021-22. Maintaining that reduction would require additional statutory change.

ADVANCED PLACEMENT INCENTIVES PILOT: The School Finance Bill repeals the Advanced Placement Incentives Pilot Program at the end of FY 2019-20 (rather than at the end of FY 2020-21 as under previous statute) and eliminates the Long Bill appropriation of $272,763 cash funds from the State Education Fund and 0.3 FTE.

- The Governor's FY 2021-22 budget request continues this reduction. As the program is now repealed, no further statutory change is necessary.

COUNSELOR CORPS: The School Finance Bill eliminates a statutory requirement to appropriate $250,000 General Fund to the Counselor Corps Grant Program line item in FY 2020-21 to assist students and families with completing state and federal financial aid applications and reduces the Long Bill appropriation by $250,000 General Fund. House Bill 19-1187 (Increase Student Aid Application Completion) requires annual appropriations of that amount for FY 2019-20 through FY 2021-22. Because the School Finance Bill only struck the requirement for FY 2020-21, current law would require the General Assembly to restore the appropriation in FY 2021-22.

- The Governor's FY 2021-22 budget request restores this funding, consistent with current statute (an increase of $250,000 General Fund above the FY 2020-21 appropriation).

COMPUTER SCIENCE EDUCATION GRANTS: The School Finance Bill eliminates a statutory requirement to appropriate $250,000 General Fund for the Computer Science Education Grant Program in FY 2020-21 and reduces the Long Bill appropriation by that amount. However, the bill does not adjust requirements for FY 2021-22 or FY 2022-23 and current law would thus require an appropriation of $250,000 General Fund in FY 2021-22.

- With request R5 (Maintain FY 2020-21 Reductions), the Governor's FY 2021-22 budget request would continue this reduction for FY 2021-22. Similar to the Local School Food Purchasing Programs discussed above, maintaining that reduction would require additional statutory change.

GROW YOUR OWN EDUCATOR PROGRAM: The School Finance Bill repeals the Grow Your Own Educator Program, which was originally created in H.B. 18-1309 (Programs Addressing Educator Shortages) and eliminates a Long Bill appropriation of $22,933 General Fund and 0.3 FTE.

- The Governor's FY 2021-22 budget request continues this reduction. As the program is now repealed, no further statutory change is necessary.

ACTIONS TO INCREASE AVAILABLE REVENUES

In addition to the appropriation adjustments discussed above, the School Finance Bill includes a number of transfers (totaling $111.4 million) from several Department of Education cash funds to either the State Education Fund or the State Public School Fund in order to make additional revenues available to support school finance. In some cases, most notably the $100.0 million transfer from the Public School Capital Construction Assistance Fund to the State Public School Fund, the transfers were enabled by the appropriation reductions discussed above. Please note that all of these items are assumed to be one-time.

SCHOOL FINANCE BILL - STATUTORY TRANSFERS OF CASH FUNDS

SOURCE FUND	TRANSFER AMOUNT
Transfers to the State Public School Fund	
Public School Capital Construction Assistance Fund	$100,000,000
Marijuana Tax Cash Fund	2,500,000
High Cost Special Education Trust Fund	2,500,000
Subtotal - Transfers to the State Public School Fund	$105,000,000
Estimated Transfers to the State Education Fund	
Early Literacy Fund	$3,500,000
Retaining Teachers Fund	2,500,000
Full-day Kindergarten Capital Construction Fund	185,085
School Cardiopulmonary Resuscitation and Automated Defibrillator Training Fund	98,165
Closing the Achievement Gap Fund	59,205
Great Teachers and Leaders Fund	22,581
Nonpublic School Fingerprint Fund	15,546
Teacher of the Year Fund	11,831
Student Re-engagement Grant Program Fund	9,011
Subtotal - Transfers to the State Education Fund	$6,401,424
TOTAL	**$111,401,424**

In addition to the cash fund transfers, the School Finance Bill also included two diversions of "new" FY 2020-21 revenues to assist with budget balancing in FY 2020-21 and FY 2021-22. Please note that both provisions are for FY 2020-21 revenues only.

- First, the bill diverts State Land Board revenues that would otherwise have been credited to the Public School (Permanent) Fund in FY 2020-21 to the State Public School Fund to support school finance. Based on information available at the time, the bill assumed that this provision would make an additional $10.0 million available in FY 2020-21 and appropriated that amount for the state share of districts' total program funding. However, the Department of Natural Resources now estimates that this provision will credit $37.7 million to the State Public School Fund in FY 2020-21. Barring midyear adjustments to appropriations, the additional 27.7 million in revenues will be available in the State Public School Fund to assist with budget balancing for FY 2021-22.

- Second, the bill credits a portion of FY 2020-21 marijuana excise tax revenues (any collections above the first $40.0 million) to the State Public School Fund to be available for budget balancing in FY 2021-22. Based on the September 2020 Office of State Planning and Budgeting Revenue Forecast, this provision will credit an estimated $44.1 million to the State Public School Fund in FY 2020-21 (or $71.5 million under the September 2020 Legislative Council Staff Revenue Forecast). Again, those revenues will be available to assist with budget balancing for FY 2021-22.

Finally, while they were not officially budget balancing actions from the Committee, two other bills from the 2020 Session will make additional revenues available for education.

- House Bill 20-1420 (Adjust Tax Expenditures for State Education Fund) transfers $113.0 million from the General Fund to the State Education Fund in FY 2020-21 and $23.0 million in FY 2021-22. Barring midyear changes to appropriations for FY 2020-21, those funds will be available for appropriation in FY 2021-22 or subsequent years.
- Following the voters' approval of Proposition EE in the November 2020 election, H.B. 20-1427 (Cigarette Tobacco and Nicotine Products Tax) will provide additional revenues for rural schools for FY 2020-21 through FY 2022-23, credit additional revenues to the State Education Fund for those years, and provide additional funding for preschool services in FY 2023-24 and beyond. Staff will account for the additional State Education Fund revenues during figure setting for FY 2021-22.

POINTS TO CONSIDER

Looking toward the FY 2021-22 budget, staff offers the following points to consider regarding the Department of Education.

- As the Committee discussed during the FY 2020-21 balancing process, school finance (specifically the state share of districts' total program funding) represents the vast majority (94.5 percent in FY 2020-21) of the Department's General Fund appropriations and will inherently play a role in budget balancing. While other actions can certainly play a role in balancing in this Department, major reductions in General Fund will inherently impact school finance.
- Second, staff notes that the Governor's request for FY 2021-22 continues nearly all of the balancing action reductions approved for FY 2020-21 (except, of course, for the increase in the budget stabilization factor). Outside of school finance and the statewide reductions to both health, life, and dental insurance and PERA direct distribution, the balancing actions that are specific to this department include more than $120 million (total funds) in appropriation reductions in FY 2020-21. The Governor's request only proposes to restore $250,000 of that amount and proposes to continue (and in some cases increase) all of the other reductions in FY 2021-22.
- Staff also notes that several of the most significant balancing actions (including the $100.0 million transfer from the Public School Capital Construction Assistance Fund and the statutory diversions of State Land Board and marijuana excise tax revenues) were one-time in nature. While an additional transfer from the Public School Capital Construction Assistance Fund may be feasible for FY 2021-22 based on a large remaining balance, ongoing transfers would not be sustainable without further reductions in grant funding. At a minimum, continuing transfers and/or revenue diversions would require statutory change.
- Finally, should additional balancing options be necessary for FY 2021-22 or subsequent years, staff would recommend that the Committee consider extending the diversion of available marijuana excise tax revenues (above the first $40.0 million) to the State Public School Fund.

Doing so in FY 2021-22 would make those revenues (an estimated $50.4 million based on the September 2020 OSPB revenue forecast) available to assist with school finance in FY 2022-23.

ISSUE 2: REQUEST R8 – PERSONAL SERVICES AND OPERATING REDUCTIONS

Most of the budget balancing actions for the Department of Education (including those approved by the General Assembly for FY 2020-21 and those proposed by the Department for FY 2021-22) impact discrete programs that distribute funds to schools and school districts. In contrast, request R8 proposes reductions totaling $1.7 million and 9.8 FTE, spread over 22 line items affecting the Department's internal administration and operations.

SUMMARY

- Most of the budget balancing actions for the Department of Education that the General Assembly approved for FY 2020-21 and that the Department has proposed for FY 2021-22 impact programs that distribute funds to schools and school districts.

- With request R8, the Department has identified and proposed reductions totaling $1.7 million and 9.8 FTE impacting the Department's internal administration and operations. Spread over 22 line items, the reductions largely relate to eliminating vacant positions and reducing operating costs, particularly operating costs associated with in-person meetings and travel that have been curtailed by current circumstances.

- Based on the available information, JBC staff does have some concerns about proposed reductions to the Department's budget staff and the school finance unit.

RECOMMENDATION

Staff recommends discussing the reductions proposed in R8 with the Department at the upcoming hearing. In particular, staff would recommend discussing the potential impact of eliminating the 1.0 FTE in the Department's budget office and 2.5 FTE in the school finance unit.

DISCUSSION

As discussed in the previous issue, the General Assembly approved more than $120 million in budget balancing actions in the Department of Education outside of school finance for FY 2020-21. The Department's FY 2021-22 request proposes to maintain the vast majority of those reductions in FY 2021-22. In addition, with requests R6, R7, R8, and R9 the Department is proposing an additional $7.8 million total funds ($830,203 General Fund) in new reductions for FY 2021-22. The components of those decision items are discussed above with the summary table describing the requested changes from the FY 2020-21 appropriation to the FY 2021-22 request.

Like the Department's budget as a whole, virtually all of those reductions, including the balancing actions approved for FY 2020-21 and the requested reductions for FY 2021-22, focus on funds that the Department distributes to local schools and school districts. Request R8 (Personal Services and Operating Reductions) is different in that it proposes a total of $1.7 million in reductions ($617,981 General Fund) to line items and funds that directly support the Department's internal operations and administration. As shown in the following table, the proposed reductions cover 22 different line items

and would also eliminate 9.8 FTE. For purposes of discussion, staff has divided the proposed reductions into three categories: (1) programmatic changes that include significant changes in operations and or staff; (2) operating expenses reductions; and (3) centrally appropriated items and common policies. A brief description of each programmatic change and a summaries of the other two categories follow the table.

R8 PERSONAL SERVICES AND OPERATING REDUCTIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Programmatic Changes					
Financial transparency system maintenance[a]	($387,000)	$0	($387,000)	$0	0.0
Special education programs for gifted and talented	(226,000)	0	(226,000)	0	(1.0)
School finance administration	(224,905)	0	0	(224,905)	(2.5)
General department and program administration	(176,193)	(100,850)	0	(75,343)	(2.0)
Educator effectiveness unit admin	(130,500)	(118,000)	(12,500)	0	(1.0)
Library programs administration	(100,000)	(100,000)	0	0	(1.0)
Accountability and improvement planning	(64,568)	(64,568)	0	0	(1.0)
Statewide assessment program	(50,000)	0	(50,000)	0	(1.0)
Reprinting and distributing laws concerning education[a]	(35,480)	0	(35,480)	0	0.0
Breakfast after the bell	(24,897)	(24,897)	0	0	(0.3)
Subtotal – Programmatic Changes	**($1,419,543)**	**($408,315)**	**($710,980)**	**($300,248)**	**(9.8)**
Operating Expenses Reductions					
State Board of Education	($35,417)	($35,417)	$0	$0	0.0
B.E.S.T. financial assistance priority assessment	(15,000)	0	(15,000)	0	0.0
Content specialists	(15,000)	0	(15,000)	0	0.0
ELL technical assistance	(15,000)	(15,000)	0	0	0.0
Information technology services	(10,000)	(10,000)	0	0	0.0
Reimbursement for juveniles held in jail	(10,000)	0	(10,000)	0	0.0
Preschool to postsecondary education alignment	(9,914)	0	(9,914)	0	0.0
Longitudinal analyses of student assessment results	(4,250)	(4,250)	0	0	0.0
Subtotal – Operating Expenses Reductions	**($114,581)**	**($64,667)**	**($49,914)**	**$0**	**0.0**
Centrally Appropriated Items and Common Policy					
Health, life, and dental	($78,847)	($78,847)	$0	$0	0.0
Leased space	(37,000)	0	(37,000)	0	0.0
Amortization equalization disbursement (AED)	(33,076)	(33,076)	0	0	0.0
Supplemental amortization equalization disbursement (SAED)	(33,076)	(33,076)	0	0	0.0
Subtotal – Centrally Appropriated Items	**($181,999)**	**($144,999)**	**($37,000)**	**$0**	**0.0**
TOTAL	**($1,716,123)**	**($617,981)**	**($797,894)**	**($300,248)**	**(9.8)**

[a] These requests may require separate legislation and statutory change.

PROGRAMMATIC CHANGES

The request includes a total of $1.4 million ($408,315 General Fund) and 9.8 FTE in reductions to ten separate line items that JBC Staff has categorized as programmatic changes. Each change is summarized below.

FINANCIAL TRANSPARENCY SYSTEM MAINTENANCE: The request includes a reduction of $387,000 cash funds from the State Education Fund associated with a proposal to bring the operations and maintenance of the Financial Transparency System (originally authorized in H.B. 14-1292). An external contractor currently manages and maintains the system, at an estimated cost of $462,000 in FY 2020-21. The Department argues that it can maintain the system internally at a cost of $75,000 per year.

SPECIAL EDUCATION PROGRAMS FOR GIFTED AND TALENTED: The request includes a reduction of $226,000 cash funds from the State Education Fund and 1.0 FTE associated with administration of the gifted and talented categorical program. While the request shows this as an overall budget reduction, the Department has since acknowledged that it cannot reduce the overall level of categorical funding. Therefore, if the Committee approves the request then it could consider either moving those funds to a different categorical program or simply leaving the funds in the gifted and talented line item for distribution to schools. If the Committee wishes to approve the request to reduce administrative funding then staff would recommend simply reducing the appropriation by 1.0 FTE with no change to the program's funding.

SCHOOL FINANCE ADMINISTRATION: The request includes a reduction of $224,905 reappropriated funds (originating in the state share of districts' total program funding line item) and 2.5 FTE for public school finance administration. The FTE include: 1.0 FTE school finance fiscal support/accounting advisor (vacant since July 1, 2020); 1.0 FTE school finance pupil count auditor (a new position that has not been filled); and 0.5 FTE program assistant (for a position that has been restructured). Based on initial feedback from school districts, staff is concerned about the potential impact on services to school districts if the fiscal support and pupil count auditor positions are eliminated. However, staff also notes that any reduction to appropriations for school finance administration would increase the amount actually flowing to schools by that amount.

GENERAL DEPARTMENT AND PROGRAM ADMINISTRATION: The request includes a reduction of $176,193 total funds and 2.0 FTE for the Department's general department and program administration line item. The positions in question include: 1.0 FTE budget analyst and 1.0 FTE data privacy analyst. The reduction also include a 2.5 percent salary reduction for the Commissioner of Education and a $3,000 reduction in operating expenses. Given the small size of the Department's budget office (3.0 filled FTE) relative to the size of the budget, staff does not believe that eliminating the budget position is advisable and expects to recommend against that reduction during figure setting.

EDUCATOR EFFECTIVENESS UNIT ADMIN: The request includes a reduction of $130,500 total funds and 1.0 FTE for educator effectiveness unit administration. The request would eliminate an educator effectiveness coordinator position that the Department reports has been vacant since July 2020.

LIBRARY PROGRAMS ADMINISTRATION: The request includes a reduction of $100,000 General Fund and 1.0 FTE from library programs administration. The Department has not identified a specific position but intends to reduce costs through anticipated retirements and/or reductions in travel and other operating costs.

ACCOUNTABILITY AND IMPROVEMENT PLANNING: The request includes a reduction of $64,568 General Fund and 1.0 FTE for an accountability division evaluation and data manager position. According to the Department, the position is new and has not been filled.

STATEWIDE ASSESSMENT PROGRAM: The request includes a reduction of $50,000 cash funds from the State Education Fund and 1.0 FTE to eliminate an administrative assistant position in the statewide assessment program that has been vacant since July 2018.

REPRINTING AND DISTRIBUTING LAWS CONCERNING EDUCATION: The request includes a reduction of $35,480 cash funds from the State Public School Fund to eliminate funding for the annual printing and distribution of books specific to the State's education statutes. Please note that statute currently requires this service (see Section 22-2-112 (1)(i), C.R.S.). As a result, eliminating the appropriation would require statutory change. Staff is also aware that, in the past, school district personnel have expressed concern about eliminating the distribution of these books each year.

BREAKFAST AFTER THE BELL: The request includes a reduction of $24,897 General Fund and 0.3 FTE to eliminate the separate appropriation of state funds for the administration of the Breakfast After the Bell program. The Department has indicated that it will absorb the administrative costs of this program within other nutrition program line items and that the separate appropriation is no longer necessary given current budgetary constraints.

OPERATING EXPENSES REDUCTIONS

The request includes a total of $114,581 in reductions to operating expenses appropriations for 8 different line items (not impacted by the programmatic changes discussed above). According to the Department, the majority of the operating expenses adjustments are driven by changes in costs associated with the pandemic (e.g., reductions in in-person meetings, travel, trainings, etc.).

CENTRALLY APPROPRIATED ITEMS AND COMMON POLICY

Finally, the request includes a total of $181,999 in reductions to four centrally appropriated line items. The reductions to health, life, and dental, AED, and SAED are driven by 2.5 percent general fund reductions to achieve General Fund savings. The reduction in leased space is driven primarily by a reduction in the capital construction programs' leased space costs.

INFORMATIONAL ISSUE 3: EDUCATOR LICENSURE CASH FUND

The Educator Licensure Cash Fund has been continuously appropriated to the Department since FY 2011-12. However, the continuous appropriation is currently set to expire at the end of FY 2020-21, meaning that the funds supporting the educator licensure program will again be subject to annual appropriation in FY 2021-22. Staff is not making any recommendations regarding the status of the cash fund.

DISCUSSION

The Office of Professional Services 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, in response to long waiting periods for license approvals, beginning in FY 2011-12, the General Assembly continuously appropriated those funds to the Department to provide additional flexibility. In addition to using the flexibility to manage fluctuations in workload, the Department has previously argued that the continuous appropriation was beneficial to the creation of a new electronic licensure program and has used the additional flexibility to support the development of that program. Based on those concerns, the General Assembly has repeatedly extended the continuous appropriation (most recently through H.B. 18-1100 (Educator Licensure Cash Fund, a JBC Bill).

Under current law (see Section 22-60.5-112 (1) (b) (I), C.R.S.) the continuous appropriation of the cash fund will expire at the end of FY 2020-21 and the funds will again be subject to annual appropriation for FY 2021-22.

Staff believes that the Department is pursuing legislation to extend the continuous appropriation in the 20201 session and is not making any recommendation regarding whether or not to extend the continuous appropriation. However, given the Committee's previous interest in the issue, staff wanted to call the upcoming expiration to the Committee's attention.

APPENDIX A
NUMBERS PAGES
(DIGITAL ONLY)

Appendix A details actual expenditures for the last two fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. This information is listed by line item and fund source. ***Appendix A is only available in the online version of this document.***

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation

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	361,910	294,522	354,167	318,820	*
FTE	1.8	2.0	2.0	2.0	
General Fund	361,910	294,522	354,167	318,820	
General Department and Program Administration	4,088,033	4,181,081	4,662,006	4,487,596	*
FTE	34.0	36.3	34.6	32.6	
General Fund	1,818,159	1,820,748	1,546,820	1,446,499	
Cash Funds	107,105	77,449	186,144	186,177	
Reappropriated Funds	2,162,769	2,282,884	2,929,042	2,854,920	
Office of Professional Services	2,003,479	2,443,199	2,813,601	2,814,218	
FTE	23.1	21.8	25.0	25.0	
Cash Funds	2,003,479	2,443,199	2,813,601	2,814,218	
Division of On-line Learning	362,742	283,811	379,368	379,433	
FTE	1.6	2.0	3.3	3.3	
Cash Funds	362,742	283,811	379,368	379,433	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Schools of Choice	0	267,613	10,361,851	10,361,926	
FTE	0.0	2.4	6.8	6.8	
General Fund	0	267,613	335,009	335,084	
Federal Funds	0	0	10,026,842	10,026,842	
Health, Life, and Dental	3,065,997	5,213,689	5,845,927	7,117,795	*
General Fund	2,044,487	1,984,124	1,682,930	2,580,948	
Cash Funds	569,373	583,786	1,028,944	1,088,209	
Reappropriated Funds	452,137	415,036	715,651	897,100	
Federal Funds	0	2,230,743	2,418,402	2,551,538	
Short-term Disability	40,542	62,726	81,167	74,411	
General Fund	24,700	22,885	26,038	23,737	
Cash Funds	8,125	7,757	13,206	11,586	
Reappropriated Funds	7,717	6,776	10,138	9,681	
Federal Funds	0	25,308	31,785	29,407	
S.B. 04-257 Amortization Equalization Disbursement	1,262,134	1,969,087	2,400,236	2,301,146	*
General Fund	770,715	681,647	773,531	714,170	
Cash Funds	252,297	229,150	389,672	362,837	
Reappropriated Funds	239,122	200,200	299,139	303,180	
Federal Funds	0	858,090	937,894	920,959	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	1,262,134	1,969,089	2,400,236	2,301,146	*
General Fund	770,715	681,647	773,531	714,170	
Cash Funds	252,297	229,150	389,672	362,837	
Reappropriated Funds	239,122	200,202	299,139	303,180	
Federal Funds	0	858,090	937,894	920,959	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
PERA Direct Distribution	0	1,288,681	0	1,258,290	
General Fund	0	935,444	0	402,783	
Cash Funds	0	201,941	0	195,597	
Reappropriated Funds	0	151,296	0	659,910	
Federal Funds	0	0	0	0	
Merit Pay	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Workers' Compensation	317,235	305,684	328,159	269,314	
General Fund	231,999	133,826	146,579	120,295	
Cash Funds	65,719	0	42,823	35,144	
Reappropriated Funds	19,517	13,383	22,177	18,200	
Federal Funds	0	158,475	116,580	95,675	
Legal Services	750,801	901,288	1,175,178	1,177,845	
General Fund	433,996	520,985	679,305	680,847	
Cash Funds	297,541	357,178	465,720	466,777	
Reappropriated Funds	19,264	23,125	30,153	30,221	
Administrative Law Judge Services	208,286	233,596	141,413	149,858	
Cash Funds	172,333	193,277	117,005	123,992	
Reappropriated Funds	35,953	40,319	24,408	25,866	
Payment to Risk Management and Property Funds	212,856	448,387	416,600	712,555	
General Fund	212,856	448,387	416,600	712,555	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Leased Space	298,639	827,146	1,241,882	1,204,882	*
General Fund	61,525	0	87,218	87,218	
Cash Funds	224,010	65,082	262,844	225,844	
Reappropriated Funds	13,104	0	13,798	13,798	
Federal Funds	0	762,064	878,022	878,022	
Capitol Complex Leased Space	475,305	411,335	747,163	910,446	
General Fund	232,175	0	224,149	273,134	
Cash Funds	103,558	45,632	89,510	109,072	
Reappropriated Funds	139,572	98,263	145,323	177,081	
Federal Funds	0	267,440	288,181	351,159	
Reprinting and Distributing Laws Concerning Education	30,818	31,759	35,480	0	*
Cash Funds	30,818	31,759	35,480	0	
Statewide training	0	0	0	12,410	*
Reappropriated Funds	0	0	0	12,410	
Salary Survey	0	1,343,727	0	0	
General Fund	0	435,558	0	0	
Cash Funds	0	156,428	0	0	
Reappropriated Funds	0	130,463	0	0	
Federal Funds	0	621,278	0	0	
Salary Survey for Classified Employees	94,449	0	0	0	
General Fund	54,429	0	0	0	
Cash Funds	20,549	0	0	0	
Reappropriated Funds	19,471	0	0	0	
Federal Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Salary Survey for Exempt Employees	659,124	0	0	0	
General Fund	379,688	0	0	0	
Cash Funds	143,451	0	0	0	
Reappropriated Funds	135,985	0	0	0	
Federal Funds	0	0	0	0	
SUBTOTAL - (A) Administration and Centrally-Appropriated Line Items	15,494,484	22,476,420	33,384,434	35,852,091	7.4%
FTE	60.5	64.5	71.7	69.7	(2.8%)
General Fund	7,397,354	8,227,386	7,045,877	8,410,260	19.4%
Cash Funds	4,613,397	4,905,599	6,213,989	6,361,723	2.4%
Reappropriated Funds	3,483,733	3,561,947	4,488,968	5,305,547	18.2%
Federal Funds	0	5,781,488	15,635,600	15,774,561	0.9%
(B) Information Technology					
Information Technology Services	3,662,683	3,932,677	4,573,915	4,564,862 *	
FTE	25.8	27.4	30.9	30.9	
General Fund	3,562,317	3,824,465	3,939,464	3,930,334	
Cash Funds	0	0	0	0	
Reappropriated Funds	100,366	108,212	634,451	634,528	
CORE Operations	278,197	246,047	327,125	272,095	
General Fund	105,658	105,604	126,702	105,388	
Cash Funds	34,831	36,636	126,731	105,413	
Reappropriated Funds	137,708	103,807	73,692	61,294	
Information Technology Asset Maintenance	2,372,074	1,558,765	969,147	969,147	
General Fund	2,372,074	1,558,765	969,147	969,147	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Disaster Recovery	19,722	19,722	19,722	19,722	
General Fund	19,722	19,722	19,722	19,722	
Payments to OIT	637,079	973,481	1,228,473	1,007,531 *	
General Fund	319,108	417,818	528,980	433,842	
Cash Funds	9,693	144,951	182,920	150,022	
Reappropriated Funds	308,278	410,712	516,573	423,667	
Federal Funds	0	0	0	0	
SUBTOTAL - (B) Information Technology	6,969,755	6,730,692	7,118,382	6,833,357	(4.0%)
FTE	25.8	27.4	30.9	30.9	0.0%
General Fund	6,378,879	5,926,374	5,584,015	5,458,433	(2.2%)
Cash Funds	44,524	181,587	309,651	255,435	(17.5%)
Reappropriated Funds	546,352	622,731	1,224,716	1,119,489	(8.6%)
Federal Funds	0	0	0	0	0.0%
(C) Assessments and Data Analyses					
Statewide Assessment Program	31,468,924	21,739,401	32,632,815	31,569,615 *	
FTE	18.9	18.9	17.5	16.5	
Cash Funds	26,077,093	15,577,937	25,446,180	24,382,329	
Federal Funds	5,391,831	6,161,464	7,186,635	7,187,286	
Longitudinal Analyses of Student Assessment Results	583,210	677,769	765,973	761,832 *	
FTE	5.2	4.7	4.1	4.1	
General Fund	432,704	491,213	467,973	463,832	
Cash Funds	150,506	186,556	298,000	298,000	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Basic Skills Placement or Assessment Tests	0	0	50,000	0	*
Cash Funds	0	0	50,000	0	
Preschool to Postsecondary Education Alignment	605,728	604,633	672,672	662,949	*
FTE	4.2	4.3	4.0	4.0	
General Fund	32,633	27,738	37,309	37,316	
Cash Funds	573,095	576,895	635,363	625,633	
Educator Effectiveness Unit Administration	1,753,943	1,896,118	2,011,257	1,881,315	*
FTE	12.5	13.1	12.5	11.5	
General Fund	1,637,498	1,764,174	1,874,519	1,757,031	
Cash Funds	116,445	131,944	136,738	124,284	
Accountability and Improvement Planning	1,097,396	1,557,880	1,784,651	1,720,318	*
FTE	4.3	11.7	11.4	10.4	
General Fund	1,097,396	1,007,548	1,234,319	1,169,986	
Federal Funds	0	550,332	550,332	550,332	
SUBTOTAL - (C) Assessments and Data Analyses	35,509,201	26,475,801	37,917,368	36,596,029	(3.5%)
FTE	45.1	52.7	49.5	46.5	(6.1%)
General Fund	3,200,231	3,290,673	3,614,120	3,428,165	(5.1%)
Cash Funds	26,917,139	16,473,332	26,566,281	25,430,246	(4.3%)
Federal Funds	5,391,831	6,711,796	7,736,967	7,737,618	0.0%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(D) State Charter School Institute					
State Charter School Institute Administration, Oversight, and Management	4,077,928	5,149,968	3,500,000	3,500,000	
FTE	18.6	17.6	11.7	11.7	
Cash Funds	3,499,788	1,649,968	0	0	
Reappropriated Funds	578,140	3,500,000	3,500,000	3,500,000	
Institute Charter School Assistance Fund	1,167,167	1,689,636	460,000	460,000	
Cash Funds	1,167,167	1,689,636	460,000	460,000	
Other Transfers to Institute Charter Schools	14,452,058	23,760,432	9,000,000	9,000,000	
FTE	1.0	0.0	0.0	0.0	
Cash Funds	0	14,760,432	0	0	
Reappropriated Funds	14,452,058	9,000,000	9,000,000	9,000,000	
Transfer of Federal Moneys to Institute Charter Schools	7,090,243	17,078,899	7,600,000	7,600,000	
FTE	1.6	8.2	4.5	4.5	
Reappropriated Funds	0	0	7,600,000	7,600,000	
Federal Funds	7,090,243	17,078,899	0	0	
Department Implementation of Section 22-30.5-501 et seq., C.R.S.	203,495	197,041	239,992	240,110	
FTE	0.6	1.0	1.6	1.6	
Reappropriated Funds	203,495	197,041	239,992	240,110	
CSI Mill Levy Equalization	11,047,724	14,000,000	11,200,000	11,200,000	
General Fund	5,523,862	7,000,000	5,600,000	5,600,000	
Reappropriated Funds	5,523,862	7,000,000	5,600,000	5,600,000	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
SUBTOTAL - (D) State Charter School Institute	38,038,615	61,875,976	31,999,992	32,000,110	NaN
FTE	21.8	26.8	17.8	17.8	0.0%
General Fund	5,523,862	7,000,000	5,600,000	5,600,000	0.0%
Cash Funds	4,666,955	18,100,036	460,000	460,000	0.0%
Reappropriated Funds	20,757,555	19,697,041	25,939,992	25,940,110	0.0%
Federal Funds	7,090,243	17,078,899	0	0	0.0%
(E) Indirect Cost Assessment					
Indirect Cost Assessment	647,025	674,595	784,757	841,213	
Cash Funds	327,741	388,374	451,796	484,298	
Federal Funds	319,284	286,221	332,961	356,915	
SUBTOTAL - (E) Indirect Cost Assessment	647,025	674,595	784,757	841,213	7.2%
FTE	0.0	0.0	0.0	0.0	0.0%
Cash Funds	327,741	388,374	451,796	484,298	7.2%
Federal Funds	319,284	286,221	332,961	356,915	7.2%
TOTAL - (1) Management and Administration	96,659,080	118,233,484	111,204,933	112,122,800	0.8%
FTE	153.2	171.4	169.9	164.9	(2.9%)
General Fund	22,500,326	24,444,433	21,844,012	22,896,858	4.8%
Cash Funds	36,569,756	40,048,928	34,001,717	32,991,702	(3.0%)
Reappropriated Funds	24,787,640	23,881,719	31,653,676	32,365,146	2.2%
Federal Funds	12,801,358	29,858,404	23,705,528	23,869,094	0.7%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(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	1,635,436	2,216,317	1,904,480	1,680,350	*
FTE	17.6	17.3	17.9	15.4	
Cash Funds	74,686	492,981	87,494	87,519	
Reappropriated Funds	1,560,750	1,723,336	1,816,986	1,592,831	
Federal Funds	0	0	0	0	
Financial Transparency System Maintenance	600,000	600,000	462,000	75,000	*
Cash Funds	600,000	600,000	462,000	75,000	
School Finance Audit Payments	0	0	2,200,000	600,000	
Cash Funds	0	0	2,200,000	600,000	
State Share of Districts' Total Program Funding	4,468,585,178	4,628,802,222	4,183,792,730	4,994,701,864	*
General Fund	3,036,590,106	3,643,099,781	3,627,539,238	4,206,010,318	
General Fund Exempt	885,333,333	523,323,333	84,491,394	84,491,394	
Cash Funds	546,661,739	462,379,108	471,762,098	704,200,152	
Federal CARES Act Funds	0	510,000,000	37,000,000	0	
Federal Funds	0	510,000,000	37,000,000	0	
District Per Pupil Reimbursements for Juveniles Held in Jail	1,894	0	10,000	0	*
Cash Funds	1,894	0	10,000	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
At-risk Supplemental Aid	4,570,427	4,521,650	5,094,358	4,844,358	*
Cash Funds	4,570,427	4,521,650	5,094,358	4,844,358	
At-risk Per Pupil Additional Funding	5,000,000	5,000,000	5,000,000	5,000,000	
Cash Funds	5,000,000	5,000,000	5,000,000	5,000,000	
Additional Funding for Rural Districts and Institute Charter Schools	29,999,532	19,999,939	0	0	
General Fund	0	19,999,939	0	0	
Cash Funds	29,999,532	0	0	0	
Charter School Institute At-risk Funding Technical Correction	545,147	0	0	0	
General Fund	545,147	0	0	0	
Hold-harmless Full-day Kindergarten Funding	8,677,554	0	0	0	
Cash Funds	8,677,554	0	0	0	
SUBTOTAL - (A) Public School Finance	4,519,615,168	5,171,140,128	4,235,463,568	5,006,901,572	18.2%
FTE	17.6	17.3	17.9	15.4	(14.0%)
General Fund	3,037,135,253	3,663,099,720	3,627,539,238	4,206,010,318	15.9%
General Fund Exempt	885,333,333	523,323,333	84,491,394	84,491,394	0.0%
Cash Funds	595,585,832	472,993,739	484,615,950	714,807,029	47.5%
Reappropriated Funds	1,560,750	1,723,336	1,816,986	1,592,831	(12.3%)
Federal Funds	0	510,000,000	37,000,000	0	(100.0%)

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(B) Categorical Programs					
(I) District Programs Required by Statute					
Special Education - Children with Disabilities	353,096,926	385,392,725	362,680,692	367,547,910 *	
FTE	109.5	101.9	63.0	63.0	
General Fund	71,572,347	93,572,347	93,572,347	93,572,347	
Cash Funds	104,556,868	109,128,264	112,650,811	117,514,445	
Reappropriated Funds	0	0	191,090	191,090	
Federal Funds	176,967,711	182,692,114	156,266,444	156,270,028	
English Language Proficiency Program	30,815,063	32,524,069	35,369,854	36,834,081 *	
FTE	4.0	3.9	4.6	4.6	
General Fund	3,101,598	3,101,598	3,101,598	3,101,598	
Cash Funds	18,506,610	19,892,838	21,003,951	22,468,066	
Federal Funds	9,206,855	9,529,633	11,264,305	11,264,417	
SUBTOTAL -	383,911,989	417,916,794	398,050,546	404,381,991	1.6%
FTE	113.5	105.8	67.6	67.6	(0.0%)
General Fund	74,673,945	96,673,945	96,673,945	96,673,945	0.0%
Cash Funds	123,063,478	129,021,102	133,654,762	139,982,511	4.7%
Reappropriated Funds	0	0	191,090	191,090	0.0%
Federal Funds	186,174,566	192,221,747	167,530,749	167,534,445	0.0%
(II) Other Categorical Programs					
Public School Transportation	60,282,337	62,394,372	62,032,729	63,543,973 *	
FTE	2.0	2.0	2.0	2.0	
General Fund	36,922,227	36,922,227	36,922,227	36,922,227	
Cash Funds	23,360,110	25,472,145	25,110,502	26,621,746	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education	26,675,279	27,238,323	27,778,242	28,370,549	*
General Fund	17,792,850	17,792,850	17,792,850	17,792,850	
Cash Funds	8,882,429	9,445,473	9,985,392	10,577,699	
Special Education Programs for Gifted and Talented Children	12,412,244	12,306,962	12,844,494	12,795,628	*
FTE	3.0	1.9	1.5	0.5	
General Fund	5,500,000	5,500,000	5,500,000	5,500,000	
Cash Funds	6,912,244	6,806,962	7,344,494	7,295,628	
Expelled and At-risk Student Services Grant Program	9,486,713	9,295,189	9,493,560	9,493,671	
FTE	2.1	2.2	1.0	1.0	
General Fund	5,788,807	5,721,884	5,788,807	5,788,807	
Cash Funds	3,697,906	3,573,305	3,704,753	3,704,864	
Small Attendance Center Aid	1,076,550	1,314,250	1,314,250	1,317,226	*
General Fund	787,645	787,645	787,645	787,645	
Cash Funds	288,905	526,605	526,605	529,581	
Comprehensive Health Education	1,125,475	1,103,367	1,131,396	1,132,058	*
FTE	1.8	1.6	1.0	1.0	
General Fund	294,529	300,000	300,000	300,000	
Cash Funds	830,946	803,367	831,396	832,058	
SUBTOTAL -	111,058,598	113,652,463	114,594,671	116,653,105	1.8%
FTE	8.9	7.7	5.5	4.5	(18.2%)
General Fund	67,086,058	67,024,606	67,091,529	67,091,529	0.0%
Cash Funds	43,972,540	46,627,857	47,503,142	49,561,576	4.3%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
SUBTOTAL - (B) Categorical Programs	494,970,587	531,569,257	512,645,217	521,035,096	1.6%
FTE	122.4	113.5	73.1	72.1	(1.4%)
General Fund	141,760,003	163,698,551	163,765,474	163,765,474	0.0%
Cash Funds	167,036,018	175,648,959	181,157,904	189,544,087	4.6%
Reappropriated Funds	0	0	191,090	191,090	0.0%
Federal Funds	186,174,566	192,221,747	167,530,749	167,534,445	0.0%
(C) Grant Programs, Distributions, and Other Assistance					
(I) Health and Nutrition					
Federal Nutrition Programs	186,134,324	174,646,153	156,678,680	156,679,185	
FTE	18.1	17.0	9.0	9.0	
General Fund	89,676	94,370	97,830	97,865	
Federal Funds	186,044,648	174,551,783	156,580,850	156,581,320	
State Match for School Lunch Program	2,472,644	2,472,644 0.0	2,472,644 0.0	2,472,644 0.0	
Cash Funds	2,472,644	2,472,644	2,472,644	2,472,644	
Child Nutrition School Lunch Protection Program	2,099,631 0.4	1,992,819	2,878,105	2,878,116	
General Fund	1,265,161	1,936,254	2,027,374	2,027,374	
Cash Funds	834,470	56,565	850,731	850,742	
Start Smart Nutrition Program Fund	900,000	900,000	900,000	900,000	
General Fund	900,000	900,000	900,000	900,000	
Start Smart Nutrition Program	898,149	715,296	1,150,000	1,150,000	
FTE	0.1	0.0	0.0	0.0	
Cash Funds	400,000	0	250,000	250,000	
Reappropriated Funds	498,149	715,296	900,000	900,000	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Local School Food Purchasing Programs	0	165,866	0	0	*
FTE	0.0	0.2	0.0	0.0	
General Fund	0	165,866	0	0	
Breakfast After the Bell	23,202	19,585	24,987	90	*
FTE	0.2	0.1	0.3	0.0	
General Fund	23,202	19,585	24,987	90	
S.B. 97-101 Public School Health Services	183,818	140,162	180,708	180,749	
FTE	1.5	1.0	1.4	1.4	
Reappropriated Funds	183,818	140,162	180,708	180,749	
Behavioral Health Care Professional Matching Grant Program	11,761,472	14,774,525	11,948,026	11,948,174	
FTE	3.1	3.5	5.0	5.0	
Cash Funds	11,761,472	14,774,525	11,948,026	11,948,174	
Mental Health Education Resource Bank and Technical Assistance	0	80,128	46,708	46,733	
FTE	0.0	1.0	0.6	0.6	
General Fund	0	80,128	46,708	46,733	
K-5 Social and Emotional Health Pilot Program	0	30,711	0	0	
FTE	0.0	0.2	0.0	0.0	
Cash Funds	0	30,711	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
SUBTOTAL -	204,473,240	195,937,889	176,279,858	176,255,691	(0.0%)
FTE	23.4	23.0	16.3	16.0	(1.8%)
General Fund	2,278,039	3,196,203	3,096,899	3,072,062	(0.8%)
Cash Funds	15,468,586	17,334,445	15,521,401	15,521,560	0.0%
Reappropriated Funds	681,967	855,458	1,080,708	1,080,749	0.0%
Federal Funds	186,044,648	174,551,783	156,580,850	156,581,320	0.0%
(II) Capital Construction					
Division of Public School Capital Construction Assistance	1,340,347	1,266,735	1,475,529	1,475,982	
FTE	15.0	15.1	15.0	15.0	
Cash Funds	1,340,347	1,266,735	1,475,529	1,475,982	
Public School Capital Construction Assistance Board - Lease Payments	70,621,553	77,004,203	125,000,000	125,000,000	
Cash Funds	70,621,553	77,004,203	125,000,000	125,000,000	
Public School Capital Construction Assistance Board - Cash Grants	66,566,692	96,407,010	60,000,000	57,000,000	*
Cash Funds	66,566,692	96,407,010	60,000,000	57,000,000	
Financial Assistance Priority Assessment	148,800	125,400	150,000	135,000	*
Cash Funds	148,800	125,400	150,000	135,000	
State Aid for Charter School Facilities	29,250,000	28,607,290	31,820,762	30,229,724	*
Cash Funds	29,250,000	28,607,290	31,820,762	30,229,724	
Full-day Kindergarten Implementation Grants	0	24,801,942	0	0	
Cash Funds	0	24,801,942	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
SUBTOTAL -	167,927,392	228,212,580	218,446,291	213,840,706	(2.1%)
FTE	15.0	15.1	15.0	15.0	0.0%
Cash Funds	167,927,392	228,212,580	218,446,291	213,840,706	(2.1%)
(III) Reading and Literacy					
Early Literacy Program Administration and Technical Support	0	1,284,609	1,709,570	1,709,948	
FTE	0.0	10.6	12.0	12.0	
Cash Funds	0	1,284,609	1,709,570	1,709,948	
Early Literacy Competitive Grant Program	5,927,148	7,460,927	7,500,000	7,500,000	
FTE	6.4	0.0	0.0	0.0	
Cash Funds	5,927,148	7,460,927	7,500,000	7,500,000	
Early Litearcy Program Evidence Based Training Provided to Teachers	0	18,965	2,702,557	2,702,557	
Cash Funds	0	18,965	2,702,557	2,702,557	
Early Litearcy Program External Evaluation	0	741,404	750,000	750,000	
Cash Funds	0	741,404	750,000	750,000	
Early Literacy Program Public Information Campaign	0	192,617	500,000	500,027	
FTE	0.0	0.4	0.5	0.5	
Cash Funds	0	192,617	500,000	500,027	
Early Literacy Program Per Pupil Intervention Funding	33,242,423	26,209,350	26,261,551	26,261,551	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	33,242,423	26,209,350	26,261,551	26,261,551	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Early Literacy Assessment Tool Program	2,535,569	2,403,625	2,997,072	2,997,072	
Cash Funds	2,535,569	2,403,625	2,997,072	2,997,072	
Adult Education and Literacy Grant Program	907,783	859,141	970,739	970,768	
FTE	0.6	0.8	1.0	1.0	
General Fund	907,783	859,141	970,739	970,768	
SUBTOTAL -	42,612,923	39,170,638	43,391,489	43,391,923	NaN
FTE	7.0	11.8	13.5	13.5	0.0%
General Fund	907,783	859,141	970,739	970,768	0.0%
Cash Funds	41,705,140	38,311,497	42,420,750	42,421,155	0.0%
(IV) Professional Development and Instructional Support					
Content Specialists	459,620	508,293	545,861	662,529 *	
FTE	3.1	3.5	5.0	5.0	
General Fund	0	19,534	0	131,515	
Cash Funds	459,620	488,759	545,861	531,014	
School Bullying Prevention and Education Cash Fund	2,000,000	2,000,000	1,000,000	1,000,000	
Cash Funds	2,000,000	2,000,000	1,000,000	1,000,000	
Office of Dropout Prevention and Student Reengagement	2,021,764	2,938,024	3,048,555	3,048,598	
FTE	0.6	2.3	2.2	2.2	
General Fund	21,510	966,083	1,042,467	1,042,499	
Cash Funds	2,000,254	1,971,941	2,006,088	2,006,099	
Federal Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
English Language Learners Technical Assistance	347,113	378,500	403,932	389,026	*
FTE	3.6	3.4	5.0	5.0	
General Fund	297,566	323,626	348,248	333,336	
Cash Funds	49,547	54,874	55,684	55,690	
English Language Learners Professional Development and Student Support Program	26,999,825	27,000,000	27,000,000	27,000,000	
Cash Funds	26,999,825	27,000,000	27,000,000	27,000,000	
Working Group for Identification of and Educational Support for Students with Dyslexia	0	67,246	40,616	40,616	
General Fund	0	67,246	40,616	40,616	
Dyslexia Markers Pilot Program	0	11,520	127,973	127,973	
General Fund	0	11,520	127,973	127,973	
School Leadership Pilot Program	0	64,560	375,808	375,846	
FTE	0.0	0.8	1.0	1.0	
General Fund	0	64,560	375,808	375,846	
School Transformation Grant Program	1,991,377	4,308,481	4,435,995	4,436,085	
FTE	0.5	2.5	3.0	3.0	
General Fund	0	2,314,027	2,431,221	2,431,278	
Cash Funds	1,991,377	1,994,454	2,004,774	2,004,807	
Computer Science Education Grants	925,358	924,400	551,657	551,693	*
FTE	0.6	1.0	0.4	0.4	
General Fund	0	0	0	0	
Cash Funds	925,358	924,400	551,657	551,693	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Advanced Placement Exam Fee Grant Program	530,512	511,179	280,731	280,741	
FTE	0.3	0.4	0.4	0.4	
General Fund	530,512	511,179	280,731	280,741	
Educator Perception	0	62,500	25,000	75,000	
General Fund	0	62,500	25,000	75,000	
Ninth Grade Success Grant Program	0	789,320	0	0	
FTE	0.0	0.3	0.0	0.0	
General Fund	0	789,320	0	0	
Stipends for Nationally Board Certified Teachers	1,141,712	2,100,396	0	0	
Cash Funds	1,141,712	2,100,396	0	0	
Grow Your Own Educator Program	0	17,852	0	0	
FTE	0.0	0.3	0.0	0.0	
General Fund	0	17,852	0	0	
Quality Teacher Recruitment Program	2,978,250	40,000	0	0	
Cash Funds	2,978,250	40,000	0	0	
Retaining Teachers Fund	3,000,000	3,000,000	0	0	
FTE	0.0	0.0	0.0	0.0	
General Fund	3,000,000	3,000,000	0	0	
Retaining Teachers Grant Program	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Career Counseling Professional Development Program	0	804,727	0	0	
General Fund	0	804,727	0	0	
Transfer to the Department of Higher Education for Rural Teacher Recruitment, Retention, and Professional Development	240,000	240,000	0	0	
Cash Funds	240,000	240,000	0	0	
English Language Proficiency Act Excellence Awards Program	500,000	500,000	0	0	
Cash Funds	500,000	500,000	0	0	
Advanced Placement Incentives Pilot Program	257,659	259,721	0	0	
FTE	0.3	0.3	0.0	0.0	
Cash Funds	257,659	259,721	0	0	
Local Accountability System Grant Program	0	474,765	0	0	
FTE	0.0	0.4	0.0	0.0	
General Fund	0	474,765	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Comprehensive Quality Physical Education Instruction Pilot Program	0	53,429	0	0	
FTE	0.0	0.4	0.0	0.0	
Cash Funds	0	53,429	0	0	
Teacher Residency Expansion Program Fund	600,000	0	0	0	
General Fund	600,000	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
SUBTOTAL -	43,993,190	47,054,913	37,836,128	37,988,107	0.4%
FTE	9.0	15.6	17.0	17.0	(0.0%)
General Fund	4,449,588	9,426,939	4,672,064	4,838,804	3.6%
Cash Funds	39,543,602	37,627,974	33,164,064	33,149,303	(0.0%)
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
(V) Facility Schools					
Facility Schools Unit and Facility Schools Board	240,380	305,051	322,568	322,672	
FTE	2.3	2.0	3.0	3.0	
Reappropriated Funds	240,380	305,051	322,568	322,672	
Facility School Funding	13,145,912	12,114,129	17,024,650	17,024,650	
Cash Funds	13,145,912	12,114,129	17,024,650	17,024,650	
SUBTOTAL -	13,386,292	12,419,180	17,347,218	17,347,322	NaN
FTE	2.3	2.0	3.0	3.0	0.0%
Cash Funds	13,145,912	12,114,129	17,024,650	17,024,650	0.0%
Reappropriated Funds	240,380	305,051	322,568	322,672	0.0%
(VI) Other Assistance					
Appropriated Sponsored Programs	229,407,087	739,557,171	389,748,436	389,750,915	
FTE	76.9	67.1	62.1	62.1	
Cash Funds	1,396,052	2,302,154	2,750,984	2,751,139	
Reappropriated Funds	0	0	651,922	651,922	
Federal Funds	228,011,035	737,255,017	386,345,530	386,347,854	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
School Counselor Corps Grant Program	9,999,432	10,171,390	10,000,000	10,250,072	
FTE	2.5	2.1	2.0	2.0	
General Fund	0	250,000	0	250,000	
Cash Funds	9,999,432	9,921,390	10,000,000	10,000,072	
BOCES Funding per Section 22-5-122, C.R.S.	3,281,982	3,282,209	3,318,279	3,318,316	
FTE	0.8	0.8	1.0	1.0	
Cash Funds	3,281,982	3,282,209	3,318,279	3,318,316	
Contingency Reserve Fund	0	0	1,000,000	1,000,000	
Cash Funds	0	0	1,000,000	1,000,000	
Supplemental On-line Education Services	1,220,000	1,220,000	1,220,000	1,220,000	
Cash Funds	1,220,000	1,220,000	1,220,000	1,220,000	
Interstate Compact on Educational Opportunity for Military Children	19,182	21,668	21,308	21,308	
Cash Funds	19,182	21,668	21,308	21,308	
College and Career Readiness	184,736	229,007	226,620	226,693	
FTE	1.7	2.0	2.4	2.4	
General Fund	184,736	229,007	226,620	226,693	
Workforce Diploma Pilot Program	0	1,012,201	212,222	0	*
FTE	0.0	0.2	0.2	0.0	
General Fund	0	1,012,201	212,222	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Concurrent Enrollment Expansion and Innovation Grant Program	0	1,499,850	1,476,896	1,476,896	
FTE	0.0	0.2	0.0	0.0	
General Fund	0	0	0	0	
Cash Funds	0	1,499,850	1,476,896	1,476,896	
High School Innovative Learning Pilot Program	0	129,293	127,095	127,095	
FTE	0.0	0.2	0.3	0.3	
General Fund	0	129,293	127,095	127,095	
Parents Encouraging Parents Conferences	0	39,947	68,000	68,000	
General Fund	0	39,947	68,000	68,000	
Career Development Success Program	2,000,000	5,000,000	4,500,000	4,500,000	
General Fund	2,000,000	5,000,000	4,500,000	4,500,000	
John W. Buckner Automatic Enrollment in Advanced Courses Grant Program	0	50,000	0	0	
FTE	0.0	0.2	0.0	0.0	
General Fund	0	50,000	0	0	
Colorado Student Leaders Institute Pilot Program	218,825	0	0	0	
Cash Funds	218,825	0	0	0	
SUBTOTAL -	246,331,244	762,212,736	411,918,856	411,959,295	NaN
FTE	81.9	72.8	68.0	67.8	(0.3%)
General Fund	2,184,736	6,710,448	5,133,937	5,171,788	0.7%
Cash Funds	16,135,473	18,247,271	19,787,467	19,787,731	0.0%
Reappropriated Funds	0	0	651,922	651,922	0.0%
Federal Funds	228,011,035	737,255,017	386,345,530	386,347,854	0.0%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
SUBTOTAL - (C) Grant Programs, Distributions, and Other Assistance	718,724,281	1,285,007,936	905,219,840	900,783,044	(0.5%)
FTE	138.6	140.3	132.8	132.3	(0.4%)
General Fund	9,820,146	20,192,731	13,873,639	14,053,422	1.3%
Cash Funds	293,926,105	351,847,896	346,364,623	341,745,105	(1.3%)
Reappropriated Funds	922,347	1,160,509	2,055,198	2,055,343	0.0%
Federal Funds	414,055,683	911,806,800	542,926,380	542,929,174	0.0%
(D) Indirect Cost Assessment					
Indirect Cost Assessment	2,509,321	2,756,885	3,207,087	3,417,905	
Cash Funds	25,000	25,000	25,000	25,000	
Reappropriated Funds	55,571	55,571	55,571	55,571	
Federal Funds	2,428,750	2,676,314	3,126,516	3,337,334	
SUBTOTAL - (D) Indirect Cost Assessment	2,509,321	2,756,885	3,207,087	3,417,905	6.6%
FTE	0.0	0.0	0.0	0.0	0.0%
Cash Funds	25,000	25,000	25,000	25,000	0.0%
Reappropriated Funds	55,571	55,571	55,571	55,571	0.0%
Federal Funds	2,428,750	2,676,314	3,126,516	3,337,334	6.7%
TOTAL - (2) Assistance to Public Schools	5,735,819,357	6,990,474,206	5,656,535,712	6,432,137,617	13.7%
FTE	278.6	271.1	223.8	219.8	(1.8%)
General Fund	3,188,715,402	3,846,991,002	3,805,178,351	4,383,829,214	15.2%
General Fund Exempt	885,333,333	523,323,333	84,491,394	84,491,394	0.0%
Cash Funds	1,056,572,955	1,000,515,594	1,012,163,477	1,246,121,221	23.1%
Reappropriated Funds	2,538,668	2,939,416	4,118,845	3,894,835	(5.4%)
Federal Funds	602,658,999	1,616,704,861	750,583,645	713,800,953	(4.9%)

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
(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	966,759	932,133	1,180,692	1,081,038	*
FTE	11.6	14.0	14.3	13.3	
General Fund	840,848	887,416	913,280	813,597	
Cash Funds	125,911	44,717	267,412	267,441	
Federal Library Funding	2,719,707	2,491,567	3,236,596	3,237,261	
FTE	23.6	24.0	23.8	23.8	
Federal Funds	2,719,707	2,491,567	3,236,596	3,237,261	
Colorado Library Consortium	1,000,000	1,000,000	1,000,000	1,000,000	
General Fund	1,000,000	1,000,000	1,000,000	1,000,000	
Colorado Virtual Library	359,796	359,796	379,796	379,796	
General Fund	359,796	359,796	359,796	359,796	
Cash Funds	0	0	20,000	20,000	
Colorado Talking Book Library, Building Maintenance and Utilities Expenses	87,446	340,493	290,660	290,660	
General Fund	87,446	90,493	90,660	90,660	
Reappropriated Funds	0	250,000	200,000	200,000	
Reading Services for the Blind	560,000	560,000	560,000	560,000	
General Fund	50,000	50,000	50,000	50,000	
Reappropriated Funds	510,000	510,000	510,000	510,000	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
State Grants to Publicly-Supported Libraries Program	2,496,170 0.4	2,988,649	2,501,519	2,501,541	
General Fund	2,496,170	2,988,649	2,501,519	2,501,541	
Colorado Imagination Library Program	0	0	0	410,221 *	
Cash Funds	0	0	0	410,221	
Indirect Cost Assessment	55,327	55,327	55,327	55,327	
Federal Funds	55,327	55,327	55,327	55,327	
TOTAL - (3) Library Programs	8,245,205	8,727,965	9,204,590	9,515,844	3.4%
FTE	35.6	38.0	38.1	37.1	(2.6%)
General Fund	4,834,260	5,376,354	4,915,255	4,815,594	(2.0%)
Cash Funds	125,911	44,717	287,412	697,662	142.7%
Reappropriated Funds	510,000	760,000	710,000	710,000	0.0%
Federal Funds	2,775,034	2,546,894	3,291,923	3,292,588	0.0%

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation

(4) SCHOOL FOR THE DEAF AND THE BLIND

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

(A) School Operations

Personal Services	10,703,582	10,920,568	11,473,908	11,476,805
FTE	136.6	136.6	153.1	153.1
General Fund	9,038,675	9,388,592	9,802,338	9,805,235
Reappropriated Funds	1,664,907	1,531,976	1,671,570	1,671,570
Federal Funds	0	0	0	0
Early Intervention Services	1,192,452	1,227,016	1,280,994	1,281,265
FTE	10.4	10.5	10.0	10.0
General Fund	1,192,452	1,227,016	1,280,994	1,281,265
Shift Differential	120,452	77,086	116,968	86,754
General Fund	120,452	77,086	116,968	86,754
Operating Expenses	668,291	682,770	668,291	668,291
General Fund	668,291	682,770	668,291	668,291
Vehicle Lease Payments	21,710	19,887	26,196	37,040
General Fund	21,710	19,887	26,196	37,040
Utilities	602,580	562,620	687,122	687,122
General Fund	602,580	562,620	687,122	687,122

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Allocation of State and Federal Categorical Program Funding	192,090	114,463	170,000	170,000	
FTE	0.9	0.9	0.4	0.4	
Reappropriated Funds	192,090	114,463	170,000	170,000	
Medicaid Reimbursements for Public School Health Services	291,025	262,282	425,637	425,818	
FTE	1.4	1.4	1.5	1.5	
Reappropriated Funds	291,025	262,282	425,637	425,818	
SUBTOTAL - (A) School Operations	13,792,182	13,866,692	14,849,116	14,833,095	(0.1%)
FTE	149.3	149.4	165.0	165.0	0.0%
General Fund	11,644,160	11,957,971	12,581,909	12,565,707	(0.1%)
Reappropriated Funds	2,148,022	1,908,721	2,267,207	2,267,388	0.0%
Federal Funds	0	0	0	0	0.0%
(B) Special Purpose					
Fees and Conferences	33,022	75,030	120,000	120,000	
Cash Funds	33,022	75,030	120,000	120,000	
Outreach Services	525,226	464,331	1,000,000	1,000,137	
FTE	3.6	3.6	6.2	6.2	
Cash Funds	398,116	326,617	750,000	750,059	
Reappropriated Funds	127,110	137,714	250,000	250,078	
Tuition from Out-of-state Students	50,002	1,412	200,000	200,000	
Cash Funds	50,002	1,412	200,000	200,000	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Grants	547,720	525,951	1,000,000	1,000,000	
FTE	3.4	3.9	6.0	6.0	
Reappropriated Funds	547,720	525,951	1,000,000	1,000,000	
SUBTOTAL - (B) Special Purpose	1,155,970	1,066,724	2,320,000	2,320,137	NaN
FTE	7.0	7.5	12.2	12.2	(0.0%)
Cash Funds	481,140	403,059	1,070,000	1,070,059	0.0%
Reappropriated Funds	674,830	663,665	1,250,000	1,250,078	0.0%
TOTAL - (4) School for the Deaf and the Blind	14,948,152	14,933,416	17,169,116	17,153,232	(0.1%)
FTE	156.3	156.9	177.2	177.2	0.0%
General Fund	11,644,160	11,957,971	12,581,909	12,565,707	(0.1%)
Cash Funds	481,140	403,059	1,070,000	1,070,059	0.0%
Reappropriated Funds	2,822,852	2,572,386	3,517,207	3,517,466	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - Department of Education	5,855,671,794	7,132,369,071	5,794,114,351	6,570,929,493	13.4%
FTE	623.7	637.4	609.0	599.0	(1.6%)
General Fund	3,227,694,148	3,888,769,760	3,844,519,527	4,424,107,373	15.1%
General Fund Exempt	885,333,333	523,323,333	84,491,394	84,491,394	0.0%
Cash Funds	1,093,749,762	1,041,012,298	1,047,522,606	1,280,880,644	22.3%
Reappropriated Funds	30,659,160	30,153,521	39,999,728	40,487,447	1.2%
Federal Funds	618,235,391	1,649,110,159	777,581,096	740,962,635	(4.7%)

APPENDIX B
FOOTNOTES AND INFORMATION REQUESTS

UPDATE ON LONG BILL FOOTNOTES

The General Assembly includes footnotes in the annual Long Bill to: (a) set forth purposes, conditions, or limitations on an item of appropriation; (b) explain assumptions used in determining a specific amount of an appropriation; or (c) express legislative intent relating to any appropriation. Footnotes to the 2020 Long Bill (H.B. 20-1360) can be found at the end of each departmental section of the bill at https://leg.colorado.gov/bills/HB20-1360. The Long Bill footnotes relevant to this document are listed below.

7 Department of Education, Management and Administration, Administration and Centrally-Appropriated Line Items, Health, Life, and Dental — The General Fund appropriation includes a decrease of $863,216 that is equal to 5.0 percent of the General Fund portion of estimated base salary for the Department. The reduction in the General Fund appropriation is in lieu of a 5.0 percent personal services base reduction and provides the Department with increased flexibility to absorb the reduction and engage in more considered targeted reductions across all department divisions and programs. This reduction is not intended to reduce the Health, Life, and Dental benefit provided to state employees. It is the General Assembly's intent that Health, Life, and Dental costs for employees, as approved in budget actions, be fully paid within personal services appropriations augmented by Department allocations from central benefits appropriations.

COMMENT: This footnote explains assumptions used in determining the amount of the FY 2020-21 appropriation for Health, Life, and Dental. The footnote describes the adjustment made as a statewide compensation balancing action. This item is addressed in the Statewide Compensation briefing document.

9 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 the 2022-23 fiscal year, whichever comes first.

COMMENT: This footnote makes funding appropriated to the Building Excellent Schools Today (B.E.S.T.) Program for cash grants available for up to three years to allow for the completion of projects requiring funding for more than a single fiscal year.

10 Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, 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 school districts.

COMMENT: The General Assembly added this footnote to authorize the Department to Department to hold back $200,000 from the appropriation for the Career Development Success Program. It is staff's understanding that the Department has used these funds to

support the TEACH Colorado program, a joint teacher recruiting effort between the Department and number of other partners, including school districts and the Department of Higher Education.

11 Department of Education, Library Programs, Reading Services for the Blind – This appropriation is for the support of privately operated reading services for the blind, as authorized by Section 24-90-105.5, C.R.S. It is the intent of the General Assembly that $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: This footnote has been included for several years to express the General Assembly's intent concerning this appropriation. The Department annually contracts with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. Broadcasts are provided in Boulder, Louisville, and Lafayette and are available on local cable as a standard radio frequency at 98.9 KHzs. AINC is currently working through cable associations with the cities to expand local coverage. The services provided by AINC are also made available through the internet, telephone, and podcasts. In FY 2012-13, the General Assembly increased the allocation for the contract with AINC from $200,000 per year to $300,000. The General Assembly added $10,000 for FY 2014-15 and an additional $50,000 for FY 2015-16, for a total of $360,000. The amount now stands at $440,000.

The remaining funding (currently $120,000) is used to purchase services from the National Federation for the Blind (NFB) for its Newsline service, which provides eligible Coloradans access to newspapers nationwide and a few magazines via touch tone telephone, internet, and by email. Newsline services now include television listings (based on an individual's zip code); the NFB indicates that this additional service has increased use of their Newsline service nationwide significantly. Anyone who is a patron of the Colorado Talking Book Library (CTBL) is eligible to access Newsline services. The CTBL is able to sign patrons up for the Newsline service through their existing database.

UPDATE ON LONG BILL REQUESTS FOR INFORMATION

The Joint Budget Committee annually submits requests for information to executive departments and the judicial branch via letters to the Governor, the Chief Justice, and other elected officials. Each request is associated with one or more specific Long Bill line item(s), and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S. Copies of these letters are included as Appendix L of the annual Appropriations Report. The requests for information relevant to this document are listed below.

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 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 2018-19 and actual district expenditures for each program in fiscal year 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 2018-19 and actual district expenditures in fiscal year 2018-19.

COMMENT: The provided the requested information, which is summarized below.

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

Please note that pursuant to S.B. 07-199 [Section 22-55-107 (3), C.R.S.], the House and Senate Education Committees may submit to the Joint Budget Committee a joint recommendation regarding the allocation of the required state funding increase for categorical programs for the next budget year. The Joint Budget Committee is required to consider such a recommendation when developing the Long Bill for the following budget year. The Education Committees have not submitted any such recommendations to date.

Statutory Reimbursement Formula: State funding is provided through a statutory formula for five categorical programs. Table A provides a comparison of the state funding available and the maximum statutory reimbursement for each of these programs for FY 2019-20. Based on this comparison, state funding for English language proficiency programs (including both categorical funding and $27.0 million appropriated to the English Language Learners Professional Development and Student Support Program) was the least adequate in FY 2019-20, covering 43.8 percent of the maximum appropriation for that year.

TABLE A: MAXIMUM AMOUNT OF STATE FUNDS DISTRICTS WERE STATUTORILY ELIGIBLE TO RECEIVE FOR FY 2019-20					
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	$200,208,612	$272,241,750	73.5%	$72,033,138
English Language Proficiency Program[b]	Driven by the number of eligible students and statewide average per pupil operating revenue	49,994,436	114,132,688	43.8%	64,138,252
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)	60,798,417	106,367,732	57.2%	45,569,315
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	27,933,575	34,061,167	82.0%	6,127,592
Small Attendance Center Aid	Driven by the number of eligible schools, such schools' enrollment, and eligible districts' per pupil funding	1,314,250	1,357,587	96.8%	43,337
TOTAL					$187,911,634

[a] The estimated increase to fund the statutory maximum for special education for children with disabilities is based on the following: $130,563,750 ($1,250 for each student with disabilities); $137,178,000 (assuming districts received $6,000 per student for 100 percent of the 22,863 students with specified disabilities, rather than for 31.2 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 2019-20 include $22,994,436 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.

Percent of Actual Expenditures Covered by State and Federal Funds: Table A compares available state funding to the amount of state funding that districts are eligible to receive pursuant to state statute. However, these statutory formulas are generally designed to cover only a portion of districts' costs. One should also consider a comparison of actual district expenditures on categorical programs to the amount of state and federal funding available for categorical programs.

Table B provides a comparison of actual district expenditures for categorical programs to available state and federal funding. Based on the availability and relevance of district expenditure data, the table excludes data for three programs: Expelled and At-risk Student Services Grant Program, Small Attendance Center Aid, and Comprehensive Health Education. The data are derived from the Department's response to this request for information.

This analysis indicates that districts spent $1.2 billion in FY 2018-19 on five categorical programs, over and above state and federal funding made available for these programs – the equivalent of 17.7 percent of districts' total program funding for FY 2018-19. Districts spent the largest portion of their total program funding to provide special education services to children with disabilities ($693.5 million), followed by public school transportation services ($216.3 million) and English language proficiency programs ($209.1 million). In percentage terms, state and federal revenues covered the lowest portion of actual expenditures for English language proficiency programs (20.7 percent), followed closely by transportation (21.6 percent) and career and technical education (23.9 percent).

TABLE B: CATEGORICAL PROGRAM REVENUES AND EXPENDITURES: FY 2018-19						
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]	$233,801,754	$161,818,158	$395,619,912	$1,089,097,510	36.3%	$693,477,598
English Language Proficiency Program[b]	45,936,114	8,763,465	54,699,579	263,791,295	20.7%	209,091,716
Other Categorical Programs						
Public School Transportation	59,697,814	0	59,697,814	275,971,759	21.6%	216,273,945
Career and Technical Education	27,238,323	6,027,378	33,265,701	138,969,648	23.9%	105,703,947
Special Education - Gifted and Talented Children	12,090,424	0	12,090,424	37,345,034	32.4%	25,254,610
TOTAL						**$1,249,801,816**

[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.

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, 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 2018-19 and 2019-20.

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

SUMMARY OF FY 2019-20 BOCES GRANT WRITING ALLOCATIONS PURSUANT TO SEC. 22-2-122 (3), C.R.S.						
BOCES	TOTAL ALLOCATIONS	EXPELLED AND AT-RISK STUDENTS	EARLY LITERACY	SCHOOL COUNSELOR CROPS GRANT	EDUCATION STABILITY	NINTH GRADE SUCCESS
East Central	$35,461	$11,685	$9,231	$12,308	$1,253	$985
Northeast	21,277	7,011	5,539	7,385	752	591
San Luis Valley	26,596	8,763	6,923	9,231	940	738
Centennial	28,369	9,348	7,385	9,846	1,003	788
South Central	23,050	7,595	6,000	8,000	815	640
Southeastern	21,277	7,011	5,539	7,385	752	591
Pikes Peak	15,957	5,258	4,154	5,539	564	443
San Juan	14,184	4,674	3,692	4,923	501	394
Mountain	8,865	2,921	2,308	3,077	313	246
Northwest	12,411	4,090	3,231	4,308	439	345
Santa Fe Trail	10,638	3,505	2,769	3,692	376	295
Uncompaghre	8,865	2,921	2,308	3,077	313	246
Colorado River	5,319	1,753	1,385	1,846	188	148
Ute Pass	5,319	1,753	1,385	1,846	188	148
Mount Evans	5,319	1,753	1,385	1,846	188	148
Rio Blanco	3,546	1,168	923	1,231	125	98
Grand Valley	1,773	584	462	615	63	49
Front Range	1,773	584	462	615	63	49
TOTAL	**$250,000**	**$82,376**	**$65,078**	**$86,770**	**$8,835**	**$6,942**

SUMMARY OF FY 2018-19 BOCES GRANT WRITING ALLOCATIONS PURSUANT TO SEC. 22-2-122 (3), C.R.S.				
BOCES	TOTAL ALLOCATIONS	EXPELLED AND AT-RISK STUDENTS	EARLY LITERACY	STATE SCHOOL COUNSELOR CORPS GRANT
East Central	$37,071	$22,561	$11,599	$2,911
Northeast	22,948	22,948	0	0
San Luis Valley	26,479	0	26,479	0
Centennial	22,948	22,948	0	0
South Central	22,948	0	0	22,948
Southeastern	21,183	0	0	21,183
Pikes Peak	19,418	19,418	0	0

SUMMARY OF FY 2018-19 BOCES GRANT WRITING ALLOCATIONS PURSUANT TO SEC. 22-2-122 (3), C.R.S.				
BOCES	TOTAL ALLOCATIONS	EXPELLED AND AT-RISK STUDENTS	EARLY LITERACY	STATE SCHOOL COUNSELOR CORPS GRANT
San Juan	14,122	0	14,122	0
Mountain	7,061	7,061	0	0
Northwest	12,357	0	0	12,357
Santa Fe Trail	10,592	0	0	10,592
Uncompaghre	8,826	0	0	8,826
Colorado River	5,296	0	0	5,296
Ute Pass	5,296	0	0	5,296
Mount Evans	5,296	0	0	5,296
Rio Blanco	3,531	0	0	3,531
Front Range	1,765	0	0	1,765
TOTAL	**$247,136**	**$94,936**	**$52,200**	**$100,000**

The General Assembly also appropriated $3,132,785 in each of those years for distributions to BOCES to assist member districts in meeting the State's educational priorities. The Department's response to this request for information also detailed the distribution of those funds. The distributions for each year are shown in the following tables.

DISTRIBUTIONS TO BOCES TO IMPLEMENT STATE EDUCATIONAL PRIORITIES IN FY 2019-20 (SEC. 22-5-122, C.R.S.)	
BOCES	TOTAL ALLOCATIONS
Centennial	$281,903
Pikes Peak	244,785
East Central	230,966
Expeditionary	201,186
South Central	200,205
San Luis Valley	190,663
Northeast	165,252
Southeastern	164,780
Adams County	136,464
San Juan	134,373
Front Range	132,401
Northwest	126,076
Mountain	120,399
Santa Fe Trail	117,293
Colorado River	111,697
Grand Valley	111,514
Uncompaghre	108,010
Ute Pass	92,707
Mount Evans	91,986
Colorado Digital BOCES	83,741
Rio Blanco	83,600
TOTAL	**$3,130,000**

DISTRIBUTIONS TO BOCES TO IMPLEMENT STATE EDUCATIONAL PRIORITIES IN FY 2018-19 (SEC. 22-5-122, C.R.S.)	
BOCES	TOTAL ALLOCATIONS
Centennial	$281,638

DISTRIBUTIONS TO BOCES TO IMPLEMENT STATE EDUCATIONAL PRIORITIES IN FY 2018-19 (SEC. 22-5-122, C.R.S.)	
BOCES	TOTAL ALLOCATIONS
Pikes Peak	244,720
East Central	230,960
Expeditionary	201,634
South Central	200,356
San Luis Valley	190,683
Northeast	165,237
Southeastern	164,784
Adams County	136,266
San Juan	134,385
Front Range	132,793
Northwest	126,057
Mountain	120,415
Santa Fe Trail	117,090
Colorado River	111,678
Grand Valley	111,591
Uncompaghre	108,018
Ute Pass	92,720
Mount Evans	92,010
Rio Blanco	83,601
Colorado Digital BOCES	83,365
TOTAL	**$3,130,000**

APPENDIX C
DEPARTMENT ANNUAL PERFORMANCE REPORT

Pursuant to Section 2-7-205 (1)(b), C.R.S., the Department of Education is required to publish an **Annual Performance Report** for the *previous fiscal year* by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation for the designated fiscal year. In addition, pursuant to Section 2-7-204 (3)(a)(I), C.R.S., the department is required to develop a **Performance Plan** and submit the plan for the *current fiscal year* to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year.

For consideration by the Joint Budget Committee in prioritizing the Department's FY 2021-22 budget request, the FY 2019-20 Annual Performance Report and the FY 2020-21 Performance Plan can be found at the following link:

https://operations.colorado.gov/performance-management/department-performance-plans