

JOINT BUDGET COMMITTEE



STAFF FIGURE SETTING FY 2023-24

DEPARTMENT OF EDUCATION (Programs *other than* School Finance and Categorical Programs)

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

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HOW TO USE THIS DOCUMENT

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections

following the Department Overview and the division summary tables. Decision items, both department-requested items and staff-initiated items, are discussed at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

In some of the analysis of decision items in this document, you may see language denoting certain 'levels of evidence', e.g. theory-informed, evidence-informed, or proven. For a detailed explanation of what is meant by 'levels of evidence', and how those levels of evidence are categorized, please refer to Section 2-3-210 (2), C.R.S.

DEPARTMENT OVERVIEW

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

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

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

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

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

SUMMARY OF STAFF RECOMMENDATIONS

Note: Only amounts that are highlighted are addressed in this figure setting packet.

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$7,138,403,069	\$4,500,428,610	\$1,517,239,273	\$72,285,315	\$1,048,449,871	638.3
TOTAL	\$7,138,403,069	\$4,500,428,610	\$1,517,239,273	\$72,285,315	\$1,048,449,871	638.3

DEPARTMENT OF EDUCATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$7,138,403,069	\$4,500,428,610	\$1,517,239,273	\$72,285,315	\$1,048,449,871	638.3
R1/BA1 State share of total program increase	(158,516,275)	0	(158,516,275)	0	0	0.0
R2 Categorical programs increase	0	0	0	0	0	0.0
R3 Translation services	127,768	127,768	0	0	0	0.9
R4 Inflationary adjustment	251,151	251,151	0	0	0	0.0
R5 Gifted and talented DMS	250,000	0	250,000	0	0	0.0
R6 Personnel for school support - Part A	127,020	46,347	80,673	0	0	1.4
R6 Personnel for school support - Part B	83,811	83,811	0	0	0	0.9
R7 Proactive intervention turnaround schls	1,000,000	1,000,000	0	0	0	0.0
R8 Evaluation support	90,799	90,799	0	0	0	0.9
R9 Lease space consolidation	507,665	507,665	0	0	0	0.0
R10/BA4 CSI mill levy equalization	0	0	0	0	0	0.0
R11 Imagination library growth	717,225	717,225	0	0	0	0.0
R12 Vision for strategic alignment	175,000	175,000	0	0	0	0.0
R13 CSDB teacher salary increase	264,899	264,899	0	0	0	0.0
BA2 Healthy meals for all public school students	0		0	0	0	0.0
BA3 CSDB student transportation insurance	4,300	4,300	0	0	0	0.0
BA5 Audit payment true-up	1,500,000	0	1,500,000	0	0	0.0
NP BA Statewide operating expense inflation	99,834	77,936	3,085	18,813	0	0.0
NP BA DPA Pay Plan	11,060	11,060	0	0	0	0.0
SI BEST cash grants	13,000,000	0	13,000,000	0	0	0.0
Centrally appropriated line items	9,364,927	4,681,458	2,022,896	1,085,190	1,575,383	1.8
SI Statewide assessments	1,287,259	0	1,320,702	0	(33,443)	0.0
SI Facility schools current law	980,190	0	980,190	0	0	0.0
SI CSI interest earned	154,077	0	154,077	0	0	0.0
SI Indirect cost adjustments	150,912	690,985	75,455	(690,985)	75,457	0.0
SI Accountability and improvement planning	56,702	56,702	0	0	0	0.5
SI Funding source adjustment	0	284	0	(284)	0	0.0
Annualize prior year legislation	(61,112,954)	(3,809,780)	(57,296,974)	(6,200)	0	(7.8)
SI Charter school facilities assistance	(7,205,987)	0	(7,205,987)	0	0	0.0
Annualize prior year budget actions	(591,456)	(390,021)	10,189	27,247	(238,871)	(0.4)
SI Eliminate funding for early childhood identifier	(298,000)	0	(298,000)	0	0	0.0
SI computer science grant program	(250,000)	(250,000)	0	0	0	0.0
SI Facility school administration	(82,693)	0	0	(82,693)	0	0.0
TOTAL	\$6,940,550,303	\$4,504,766,199	\$1,313,319,304	\$72,636,403	\$1,049,828,397	636.5
INCREASE/(DECREASE)	(\$197,852,766)	\$4,337,589	(\$203,919,969)	\$351,088	\$1,378,526	(1.8)
Percentage Change	(2.8%)	0.1%	(13.4%)	0.5%	0.1%	(0.3%)

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 EXECUTIVE REQUEST	\$7,278,861,569	\$4,631,406,924	\$1,514,885,093	\$82,563,631	\$1,050,005,921	643.4
Request Above/(Below) Recommendation	\$338,311,266	\$126,640,725	\$201,565,789	\$9,927,228	\$177,524	6.9

DESCRIPTION OF INCREMENTAL CHANGES

R3 TRANSLATION SERVICES: The request includes \$145,159 reappropriated funds and 0.9 FTE for FY 2023-24, annualizing to \$154,537 and 1.0 FTE in FY 2024-25, for translation services to improve access to Department resources and State Board of Education proceedings. Staff recommends \$127,768 General Fund and 0.9 FTE for FY 2023-24. The funding is to allow the Department to hire one FTE to translate, interpret, and coordinate translation work, as well as to procure translation and interpretation for languages and workload the new hire cannot cover. This will allow more department documents to be translated and provide interpretation at the State Board of Education and other public meetings when needed. The source of the funding was not specified in the request, but staff understands that it is indirect cost recoveries.

R4 INFLATIONARY ADJUSTMENT: The recommendation includes a requested \$251,151 General Fund for FY 2023-24 and ongoing, most of which is to provide inflationary adjustments for the Department’s contracted information technology services. The Department administers most of its information technology services internally rather than under the umbrella of the Governor’s Office of Information Technology. As a result, it has been significantly affected by ongoing increases in its enterprise software licenses. With average annual increases that have exceeded ten percent for many products, these costs have displaced funding historically used for staffing and other program needs. The request also identifies a need for additional funding for a contracted security position that is budgeted in the information technology line item, based on the sharp increase in the cost of that contract.

R6 PERSONNEL FOR SCHL SUPPORT PRT A: The Department requests funds to support new FTE in several line items. In the sections covered in this briefing packet, the request is for \$311,458 total funds and 2.3 FTE, annualizing to 2.5 FTE, including 1.5 FTE in the Division of On-line Learning and 1.0 FTE for staff who support the School Transformation Grant Program. The staff recommendation includes \$127,020 total funds and 1.4 FTE. The recommendation includes: (1) In the Division of On-line Learning, 1.0 FTE to address administrative work (such as reviews of on-line school applications and managing complaints) and technical assistance (such as how to start on-line schools and programs). The recommendation also includes 0.5 FTE to support work related to Innovation Schools, a type of school that operates under a school district but for which some district and state requirements are waived. These schools, which currently serve 48,258 students, require State Board approval, and the Department has associated workload. However, it currently has no related funding for FTE. The staff recommendation does not include 1.0 additional FTE requested to support the School Transformation Grant Program, because current law restricts administrative costs for this program to 5.0 percent and there is no room for increases within the cap.

R7 PROACTIVE INTERVENTION TURNAROUND SCHOOLS: The recommendation includes a requested increase of \$1,000,000 General Fund, to be continued in future years, for the School

Transformation Grant Program. The increase (on a current base of \$6.5 million) would be used specifically for schools which are early in the accountability clock process. The request would provide eight to 10 schools that are “on the clock” (because they are rated priority improvement or turnaround) a \$25,000 planning grant, followed by \$50,000 to \$100,000 for implementation, with the goal of avoiding having these schools remain on the accountability clock. Schools that remain on the clock require intensive (and expensive) state interventions.

R8 EVALUATION SUPPORT: The Department requests \$108,850 General Fund and 0.9 FTE, annualizing to \$116,141 General Fund and 1.0 FTE for a three year term-limited program evaluator. The staff recommendation includes \$90,799 and 0.9 FTE for FY 2023-24, calculated consistent with Committee common policy. As recommended, the position would be for evaluation services for programs in the Department’s career pathways unit.

R9 LEASE SPACE CONSOLIDATION: Staff recommends the Department’s request for a one-time appropriation of \$507,665 General Fund for buildout and moving costs related to consolidating 100% of Department staff into Capitol Complex lease space. This will involve creating hybrid neighborhoods with flexible workstations and more collaboration space. The effort will eliminate all private lease space occupied by the Department by the end of FY 2023-24, resulting in estimated savings of \$1,050,994 total funds, including \$177,760 General Fund in FY 2024-25 and ongoing.

R10/BA4 CSI MILL LEVY EQUALIZATION: The Department request includes a \$10,000,000 General Fund increase for mill levy equalization for Charter School Institute (CSI) charter schools, which would bring total General Fund support to \$27,000,000 after annualization of prior year actions. Reappropriated funds included in the request double-count this figure. Staff does not recommend this increase and recommends continuing to provide funding at the current \$17,000,000 level. Many school districts throughout the state have received voter permission to raise local tax revenue above the approved state per-pupil operating revenue amount (PPOR). However, charter schools that are authorized by the CSI instead of their local school district do not have access to such additional local mill levy support. This program provides state funding to compensate for this difference in revenue. The staff recommendation is based on the impact on the General Fund, the state’s lack of control over local mill levy override decisions, and the fact that charter schools have access to local mill levy funding if they choose to seek authorization from their local school district instead of CSI.

R11 IMAGINATION LIBRARY GROWTH: The request includes an increase of \$569,555 for the Colorado Imagination Library, bringing total funding to \$1,476,695 for FY 2023-24 and ongoing. The staff recommendation is for an increase of \$717,225 General Fund for a total of \$1,624,365, which is intended to cover projected program growth plus a buffer of 10.0 percent. The increase provides a state match for this evidence-based program to help bring one book per month to approximately 87,000 more children—birth through age 5—across the State and bring total coverage to 35 percent of the eligible population. Current law requires that appropriations cover the program’s growth.

R12 VISION FOR STRATEGIC ALIGNMENT: The recommendation includes a requested one-time General Fund appropriation of \$175,000 for FY 2023-24 to provide the Department with funding for a contractor to conduct an internal assessment and gather stakeholder feedback on how forthcoming grants management and customer relations management tools can effectively interact with the Department’s Universal Improvement Plan platform. The Department’s goal is to build an integrated system that shows the multiple funding streams and interactions between Department staff and school

districts, so that the Department can assist districts in accessing grants and resources that support district goals.

R13 CSDB TEACHER SALARY INCREASE: The recommendation includes \$264,899 General Fund requested by the Colorado School for the Deaf and Blind (CSDB) to provide staff step increases and other adjustments, consistent with the Colorado Springs District 11 pay scale. The District 11 Board of Education and the Colorado Springs Education Association agreed to the following for FY 2021-22: a 3.65 percent increase to the salary schedule, a one-step movement for staff who have not reached the maximum step increase (representing an approximately a 2.0 percent increase), and a 4.0 percent non-recurring compensation increase. The CSDB requests funding to match these adjustments. The total request includes an offsetting reduction for a 3.0 percent non-recurring compensation increase added in FY 2022-23.

BA2 HEALTHY MEALS FOR ALL PUBLIC SCHOOL STUDENTS: The request is for a General Fund appropriation of \$115,282,874 for FY 2023-24, annualizing to \$71,372,565 in FY 2024-25 to implement Proposition FF, Healthy Meals for All Public School Students, as adopted by the voters in November 2022. The request also proposes a statutory change to create a related cash fund. Staff is recommending that the appropriation for this program be included in a separate bill for which the Committee has already provided drafting authority. Therefore no funding would be included in the Long Bill. However, staff recommends a legislative set-aside of \$115.0 million General Fund Exempt for this legislation. Details of the legislative proposal are included in this packet.

BA3 CSDB STUDENT TRANSPORTATION INSURANCE: For FY 2022-23, the Committee approved a request from the Colorado School for the Deaf and the Blind (CSDB) for \$21,700 General Fund supplemental funding to cover the annual expense of an additional student transportation insurance policy. The recommendation annualizes this amount to \$26,000 (\$4,300 more) for FY 2023-24 and ongoing.

NP BA STATEWIDE OPERATING EXPENSE INFLATION: The request includes an increase of \$99,834 total funds for a common policy operating expense adjustment. Committee action on this item is pending.

NP BA DPA PAY PLAN: The request includes \$11,060 General Fund for a common policy pay adjustment. Committee action on this item is pending.

SI (STAFF INITIATED) BEST CASH GRANTS: The recommendation includes an increase of \$13.0 million for cash grants for the Building Excellent Schools Today (B.E.S.T.) program. This amount is a placeholder based on current law and projections and will be modified based on the March forecast and Committee action on legislative proposals.

CENTRALLY APPROPRIATED LINE ITEMS: The includes adjustments to centrally-appropriated line items, as detailed in the table below. Amounts shown are the request where Committee common policy decisions are pending. The table incorporates nonprioritized requests for centrally appropriated line items.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$3,069,785	\$1,202,376	\$452,059	\$338,105	\$1,077,245	0.0
OIT IT Accessibility testing and remediation	2,929,144	1,655,845	582,314	690,985	0	1.8
Health, life, and dental	1,517,151	907,764	343,909	130,104	135,374	0.0
Payments to OIT	489,442	276,701	97,285	115,456	0	0.0
AED	435,928	230,634	128,384	38,668	38,242	0.0
SAED	435,928	230,634	128,384	38,668	38,242	0.0
Health, life, dental true-up	395,941	165,920	62,849	41,193	125,979	0.0
Legal services	385,174	222,307	152,964	9,903	0	0.0
Capitol Complex leased space	244,297	1,126	110,146	26,105	106,920	0.0
OIT Budget package	133,734	75,604	26,583	31,547	0	0.0
Capitol Complex inflation	84,313	25,983	16,149	8,304	33,877	0.0
ALJ services	65,876	0	65,876	0	0	0.0
DPA Capitol complex staffing	45,064	9,609	8,440	3,489	23,526	0.0
Risk legal adjustment correction	35,203	35,203	0	0	0	0.0
DPA COE common policy	11,067	0	0	11,067	0	0.0
Short-term disability	8,756	5,468	3,292	643	(647)	0.0
DPA Transfer perf. budgeting to DPA	2,783	1,392	0	1,391	0	0.0
PERA Direct Distribution	(341,836)	142,198	(119,900)	(364,134)	0	0.0
Payment to risk management and property funds	(259,403)	(259,403)	0	0	0	0.0
OIT Real time billing	(145,558)	(82,289)	(28,933)	(34,336)	0	0.0
Shift differential	(141,569)	(141,569)	0	0	0	0.0
CORE adjustment	(14,622)	(7,310)	(5,665)	(1,647)	0	0.0
Adjust for JBC common policy	(10,981)	(10,981)	0	0	0	0.0
Workers' compensation	(9,500)	(4,564)	(1,240)	(321)	(3,375)	0.0
Vehicle lease payments	(1,190)	(1,190)	0	0	0	0.0
TOTAL	\$9,364,927	\$4,681,458	\$2,022,896	\$1,085,190	\$1,575,383	1.8

SI STATEWIDE ASSESSMENTS: The recommendation includes \$1,287,259 total funds, including an increase of \$1,320,702 cash funds from the State Education Fund, for increased costs for statewide assessments. This is driven by the projected cost for re-procuring college entrance examinations (currently the PSAT/SAT suite of tests).

SI FACILITY SCHOOLS CURRENT LAW: The recommendation includes an increase of \$980,190 cash funds from the State Education Fund to reflect projected costs for services under current law, assuming flat student enrollment and required inflationary increases in base per pupil funding.

SI CSI INTEREST EARNED: The recommendation includes an increase of \$154,077 to provide spending authority for the Charter School Institute (CSI) for interest earnings in the CSI Mill Levy Equalization account.

SI INDIRECT COST ADJUSTMENTS: The recommendation includes a net increase of \$150,912, including an increase of \$690,985 General Fund and a decrease of the same amount from indirect cost recoveries and the Indirect Cost Excess Recovery Fund, because the request as submitted incorporated more spending than the revenue that is projected to be available. The final figure is subject to further adjustment once the Committee has completed common policy decisions.

SI ACCOUNTABILITY AND IMPROVEMENT PLANNING: The recommendation includes an increase of \$56,702 General Fund and 0.5 FTE for a term-limited position (three years) appropriated in the accountability and improvement planning line item. The additional staff is to assist the Department in addressing exceptional workload related to the reorganization of the Adams14 school district.

SI FUNDING SOURCE ADJUSTMENT: The recommendation includes net \$0 adjustments to fund sources based on revenue projections.

ANNUALIZE PRIOR YEAR LEGISLATION: The recommendation includes adjustments for the out-year impacts of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 07-059 Smart Start Nutrition Program	\$900,000	\$900,000	\$0	\$0	\$0	0.0
HB 20-1032 Timing K-12 education standards review	91,515	91,515	0	0	0	0.0
HB 22-1220 Removing barriers to educator preparation	50,289	50,289	0	0	0	1.4
HB 22-1260 Access to medically necessary svcs for students	13,500	13,500	0	0	0	0.0
HB 08-1384 Improving retention of quality educators	8,500	8,500	0	0	0	0.0
SB22-127 Special education funding	0	0	0	0	0	0.0
HB20-1427 Cigarette Tobacco and Nicotine Tax	(35,000,000)	0	(35,000,000)	0	0	0.0
SB22-202 State match mill levy override	(10,041,238)	(41,238)	(10,000,000)	0	0	(0.5)
SB 22-147 and HB 22-1243 Behavioral Healthcare for Children	(7,000,000)	0	(7,000,000)	0	0	(0.4)
HB 22-1331 Supplemental funding for facility schools	(5,134,000)	0	(5,134,000)	0	0	0.0
HB 22-1366 Improving Students Postsecondary Options	(1,625,000)	(1,625,000)	0	0	0	(1.9)
SB 22-192 Opportunities for credential attainment	(800,000)	(800,000)	0	0	0	(0.4)
HB22-1295 Dept. Early Childhood universal PK	(465,795)	(465,795)	0	0	0	(4.0)
HB 22-1294 Special Ed Services in Charter Schools	(375,000)	(375,000)	0	0	0	0.0
HB 22-1376 Supportive learning environments for K-12 students	(309,124)	(309,124)	0	0	0	(0.2)
SB 22-070 K-12 licensed personnel performance evaluations	(301,056)	(301,056)	0	0	0	0.0
HB 19-1187 Increase student aid applications	(250,000)	(250,000)	0	0	0	0.0
HB 22-1390 Public School Finance	(227,973)	(227,973)	0	0	0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 22-1202 At-risk student measure school finance	(163,338)	(163,338)	0	0	0	(0.5)
SB 22-004 Evidence based training in science of reading	(162,974)	0	(162,974)	0	0	(0.3)
HB 22-1374 Foster care success act	(123,006)	(123,006)	0	0	0	0.0
HB 21-1304 (Early Childhood System)	(98,787)	(98,787)	0	0	0	(1.0)
SB 22-207 Prevention of Title IX misconduct in public schools	(57,850)	(57,850)	0	0	0	0.0
HB 22-1215 Study of expanded extended high school programs	(16,426)	(16,426)	0	0	0	0.0
SB 22-069 Learning disruption effect on teacher evaluation	(16,086)	(16,086)	0	0	0	0.0
SB 22-193 Air quality improvements	(6,200)	0	0	(6,200)	0	0.0
HB 22-1390 Public school finance	(2,905)	(2,905)	0	0	0	0.0
TOTAL	(\$61,112,954)	(\$3,809,780)	(\$57,296,974)	(\$6,200)	\$0	(7.8)

SI CHARTER SCHOOL FACILITIES ASSISTANCE: The recommendation includes a reduction of \$7.2 million cash funds for capital construction assistance for charter school facilities based on formulas in current law. This is a placeholder pending updated marijuana revenue forecast information.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The recommendation includes adjustments for the out-year impacts of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize FY23 sup for Real-time billing	\$145,558	\$82,289	\$28,933	\$34,336	\$0	0.0
FY 23 R4 Department infrastructure	64,806	65,806	(1,000)	0	0	1.0
FY 23 R3 State Board operating increase	12,003	12,003	0	0	0	0.0
FY 23 R7 Empowering parents with info	(307,507)	(307,507)	0	0	0	(0.3)
Annualize prior year salary survey	(262,748)	956	(17,744)	(7,089)	(238,871)	0.0
Annualize S2 Healthy Meals	(243,568)	(243,568)	0	0	0	(1.1)
TOTAL	(\$591,456)	(\$390,021)	\$10,189	\$27,247	(\$238,871)	(0.4)

SI ELIMINATE FUNDING FOR EARLY CHILDHOOD IDENTIFIER: The recommendation includes a reduction of \$298,000 cash funds from the State Education Fund for Department work related to providing unique identifiers for children in state-supported early childhood education programs. This function is repealed due to the creation of the new Department of Early Childhood. Additional appropriations may be required in the Department of Early Childhood for this purpose, but this will require confirmation and potentially other legislative action.

SI ELIMINATE FUNDING FOR COMPUTER SCIENCE GRANT PROGRAM: The recommendation eliminates \$250,000 General Fund for a computer science grant program to assist schools in developing computer science programs for underrepresented populations. The program repeals July 1, 2024 and legislative intent with respect to funding in FY 2023-24 is unclear. Applications and awards thus far have been below the appropriated level.

SI FACILITY SCHOOL ADMINISTRATION: The recommendation reduces the appropriation for Facility School Unit administration by \$82,693 reappropriated funds to conform to the formula established in current law.

MAJOR DIFFERENCES FROM THE REQUEST

The recommendation includes the following major differences from the *request* for the portions of the Department budget addressed in this figure setting packet. This list highlights only the largest dollar changes and items that may be of particular interest. Other changes are included throughout the packet.

- Healthy Meals for All Public School Students (Proposition FF) amounts (\$115.2 million General Fund) are recommended as an appropriation in separate legislation and therefore would not be included in the Long Bill. Related amounts are therefore not included in the table above. However, staff recommends a set-aside of \$115.0 million for a Committee bill that is being drafted to implement Proposition FF provisions.
- Staff recommends a set-aside of \$20.0 million from the State Education Fund for a Committee bill that is being drafted to increase funding and provide multiple other changes to support facility schools and students with exceptionally severe or specialized needs. [As this relates to new legislation, this amount is also not reflected above.]
- Staff does not recommend the request for an increase for \$10.0 million General Fund for CSI Mill Levy Equalization proposed in Request R10/BA4.
- Staff has included a \$13.0 million increase in cash funds appropriations for B.E.S.T. cash grants. This reflects current law and is a placeholder pending updated marijuana forecast information and Committee decisions about legislation related to amounts in the Public School Capital Construction Assistance Fund.
- Staff recommends that the Committee sponsor legislation that would make \$4.7 million currently available in the Public School Capital Construction Assistance Fund available for expenditure for the B.E.S.T. program.
- Staff has included a reduction of \$7.2 million for capital construction assistance for charter school facilities based on formulas in current law. This is a placeholder pending updated marijuana forecast information.
- Staff has added \$1.3 million cash funds from the State Education Fund for increased costs for state assessments related to the re-procurement of college entrance exams.
- Staff has included an increase of \$1.0 million from the State Education Fund for estimated facility school costs to be included in the Long Bill and a decrease of \$82,693 reappropriated funds for the Facility School Unit based on requirements in current law.
- The staff recommendation does not include a requested increase of 1.0 FTE in R6 for a position related to Transformation Grants but does include an additional 0.5 FTE for a term-limited accountability and improvement planning position.
- Staff has included a 10.0 percent “buffer” for Imagination Library Program growth, as costs of program growth must be fully covered by appropriations under current law.
- Staff has corrected annualization amounts for multiple programs. This includes, among others:
 - Eliminating \$7,000,000 million in one-time ARPA cash funds appropriated in S.B. 22-147 and H.B. 22-1243 for the Behavioral Health Care Matching Grant Program
 - Eliminating \$1,625,000 in one-time General Fund appropriated in H.B. 22-1366 (Improving Students Postsecondary Options)

- Eliminating \$375,000 one-time General Fund appropriated in H.B. 22-1294 (Special Education in Charter Schools)
- Adding back \$1,000,000 General Fund and \$1,000,000 reappropriated funds for CSI Mill Levy Equalization added in the 2023 School Finance Act. The Department eliminated this funding as one-time only, but the fiscal note for the H.B. 22-1390 (School Finance) indicates that the funds were intended to be ongoing.
- Eliminating \$298,000 cash funds from the State Education Fund related to funding for establishing identifiers for children in early childhood legislation. The statutory provision assigning this responsibility to the Department of Education has repealed. (This item has been highlighted as a decision item as staff anticipates that action may be needed to move this responsibility to the Department of Early Childhood.)
- Eliminating \$250,000 General Fund added in H.B. 19-1187 related to increasing student financial aid applications. The related provision repeals July 1, 2023.
- Eliminating \$98,787 added in H.B. 21-1304 (Early Childhood System). The related provision repeals July 1, 2023.
- Staff has also recommended eliminating \$250,000 General Fund for a computer science grant program because legislative intent related to continuing this program in FY 2023-24 is unclear. (This item has been highlighted as a decision item.)

DECISION ITEMS AFFECTING MULTIPLE DIVISIONS

→ R6 PERSONNEL FOR SCHOOL SUPPORT

REQUEST: The Department requests funds to support new FTE in several line items. In the sections covered in this figure setting packet, the request is for \$311,458 total funds and 2.3 FTE, annualizing to 2.5 FTE, including 1.5 FTE in the Division of On-line Learning line item and 1.0 FTE for staff who support the School Transformation Grant Program line item. As outlined in more detail in the Department’s hearing response, the request includes:

- 1.0 FTE in the Division of Online Learning to address administrative work (such as reviews of on-line school applications and managing complaints) and technical assistance (such as how to start on-line schools and programs) for online and blended learning programs.
- 0.5 FTE in the Division of Online Learning to manage Department workload related to Innovation Schools, a type of school that operates under a school district but for which some district and state requirements are waived. These schools, which currently serve 48,258 students, require State Board approval, and the Department has associated workload. However, it currently has no related funding for FTE.
- 1.0 FTE to support the School Transformation Grant Program in light of the increasing resources the General Assembly has devoted to the program.

EVIDENCE LEVEL: The request identifies the positions for the Division of Online Learning and Innovation Schools as “Theory Informed”. “Theory-informed program or practice” means a program or practice that reflects a moderate to low or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by tracking and evaluating performance measures including pre- and post-intervention evaluation of program outcomes, evaluation of program outputs, identification and implementation of a theory of change, or equivalent measures. **Staff believes that evidence level measures are not applicable to administrative positions such as these.**

The request identifies the position for the School Transformation Grant Program as “Evidence-informed”. An “Evidence-informed program or practice” means a program or practice that reflects a moderate, supported, or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by an evaluation with a comparison group, multiple pre- and post-evaluations, or an equivalent measure. Staff agrees that careful independent reviews of this program have thus far have shown the program has modest positive impacts, similar to impacts of shown by other national studies of turnaround interventions. However, the role of state FTE in the achieving these results is difficult to assess, given that the program as created in statute limits administrative support to 5.0 percent of total funding. Staff considers the evidence level **not applicable**.

RECOMMENDATION: Staff recommends:

- \$80,673 cash funds from the State Education Fund and 0.9 FTE for Online/Hybrid Learning administration, annualizing to \$86,063 cash funds from the State Education Fund and 1.0 FTE plus centrally appropriated amounts for FY 2024-25.
 - \$46,347 General Fund and 0.5 FTE Innovation School Work. This amount annualizes to \$48,677 plus centrally appropriated amounts for FY 2024-25.
- Staff does not recommend adding a position for the School Transformation Grant Program in the Long Bill, as this does not appear to be authorized under current law, which restricts administration to 5.0 percent of appropriations. Previous appropriations in bills and increases funded in the Long Bill seem to be inconsistent with this cap due to technical errors. Regardless, staff recommends that any funding for additional staff for this program be included in legislation (e.g., the School Finance Act) that also removes or modifies the existing 5.0 percent cap.
 - Staff does not recommend including the requested “pots”/centrally appropriated amounts, consistent with Committee common policy. However, salaries requested and recommended differ from “common policy,” as it is not clear how common policy should be applied to these requests. The Department of Education does not use the classified staff salary schedule for many of its employees and instead identifies professional staff as “consultants”. Given this, salaries are not based on FY 2023-24 minimum position salaries. For the positions recommended, staff has explained the Department’s rationale for the amount requested.
 - If the request for 0.5 FTE is approved in the line item for the Division of Online Learning, the line item should be renamed “Office of Online and Blended Learning and Innovation Schools” so that it can incorporate a new 0.5 FTE for this different purpose or the Department should identify a different line item into which this 0.5 FTE will be placed. **Staff requests permission to work with the Department to identify the best location, in light of the staff recommendation to reorganize the Department’s line items.**

ANALYSIS:

The analysis addresses the three positions separately, since the functions are not related.

1.0 FTE FOR ONLINE/HYBRID EDUCATION SUPPORT

General Background on Online Schools and Programs: Three types of online educational choices are available for students: online schools and programs; supplemental online education; and blended learning.

- Online schools and programs may serve students from a single district or across multiple districts. Multiple-district online schools must be authorized by a district, the Charter school Institute or a Board of Cooperative Educational Services (BOCES). These schools must also be certified by the Department, which reviews the school's quality, governance, and financial stability. Single-district online programs are funded at the same level as brick-and-mortar schools in a district. The school finance formula includes a separate component for multi-district online programs, which is \$8,686 per pupil in FY 2022-23.¹
- Supplemental online education includes online courses to *augment* an educational program offered by a district, charter school or BOCES. A statewide initiative supports supplemental online education. H.B. 16-222 required the department to designate a BOCES to implement statewide supplemental online and blended learning program. Colorado River BOCES received the initial designation, and this designation was just renewed. The state budget includes \$1.22 million for the program, and school districts also pay for each course taken by a student.
- Blended learning is a formal education program through which a student learns partially through digital content with some element of student control and partly at a supervised physical location that is not the student's home. There are multiple blended learning models, and the Department of Education anticipates expansion of blended and hybrid models that combine online and traditional educational settings.

Background on Administration: The request indicates that the Office of Blended and On-line learning (line item currently entitled Division of On-line Learning) is currently appropriated 3.3 FTE. This includes one supervisor/principal consultant and two senior consultants, as well as 0.3 FTE for the Executive Director of the Schools of Choice Unit. Duties include:

- Oversee certification process for multi-district on-line schools and programs, providing technical assistance and clarifying policy guidance.
- Support statewide accountability and improvement activities for online schools, including review of unified improvement planning by online schools and supporting their participation in school improvement activities.
- Ensure districts properly code students in on line programs, and supporting School Finance in evaluating these programs for funding eligibility through pupil count audits.
- Write legislative reports, including reports required annually and every five years about multi-district on-line schools
- Oversee awarding Section 22-5-119 funding for the designated BOCES of the statewide supplemental on-line and blended learning program.

The Office has had additional responsibilities in the last few years related to State Board of Education and Executive Branch decisions to allocate GEER and ESSER funds for this division, including a project related to supporting statewide access for school districts to open educational resources (OER).² Insofar as additional initiatives have been supported by federal custodial funds, JBC Staff

¹ This is the same amount paid for the ASCENT program, TREP and various other programs supported solely by state funding.

² <https://www.oercommons.org/hubs/oercolorado> The OER project was supported through federal GEER funds, but may be sufficiently useful that the General Assembly wishes to support it. It so, staff believes specific statutory authority would be advisable.

anticipates that this workload will decline, unless the General Assembly chooses to add statutory authorization and state funding for these purposes.

In response to staff's questions, the Department provided the following table showing the funding that has been available for projects managed by this office in recent years.

		FY20-21	FY21-22	FY22-23	FY23-24 (Requested)
Colorado Empowered Learning funding for the 22-5-119, C.R.S. program	State funds	\$1,220,000	\$1,220,000	\$1,220,000	\$1,220,000
	Federal funds	\$4,950,000 (GEER)	\$1,050,000 (GEER) \$650,000 (ESSER I)	\$750,000 (ESSER II)	\$750,000 (ESSER III)
Large/small district online learning collaboration project	Federal funds			\$50,000 (ESSER II)	
Operating budget for Office of Online and Blended	State funds	\$372,396	\$379,368	\$388,608	\$395,251 +\$80,578*
	Federal funds		\$55,000 (ESSER II)	\$125,000 (ESSER II)	
*The increased ask in this decision item is for \$130,910 which includes the 0.5FTE request for work under the Innovation Schools Act. Of that total amount, \$80,578 is for the Office of Online and Blended Learning					

Rationale for Increase: The Department highlights the sharp increase in on-line enrolled students from FY 2019-20 to FY 2021-22, and significant new one-time investments in hybrid and online operations during the COVID pandemic, which have increased the need for ongoing statewide development and oversight. The Department believes that the **investments in on-line and blended learning have established a long-term demand for increased services and it sees “both a need and an opportunity” for the State to take a more active oversight role.**

Since the start of the pandemic, the State has certified 8 additional multi-district on-line schools, districts have opened 8 additional single-district on-line schools, and districts have opened 20 additional single district on-line programs. **In FY 2021-22, 31,382 students were enrolled in on-line programs.** Further the state-supported supplemental on-line program (operated by Colorado River BOCES) has seen large increase in course enrollments. Enrollment ballooned from 3,352 course enrollments in FY 2019-20 to 66,603 enrollments in FY 2020-21. Although FY 2021-22 enrollment was far lower, at 11,943 course enrollments, this is still far more than pre-pandemic.

Staff concurs that the State is likely to benefit from additional attention to online programs. While staff does not expect online education to replace in-person K-12 educational services in most circumstances, there are clearly situations in which high quality online education is desirable, including, for example, in remote locations where online education may enable a student to access courses they could not otherwise. Nationally, even in FY 2017-18, 21.0 percent of all public elementary and secondary schools offered one or more courses that was entirely online, including 58.9 percent of high

schools. The smallest schools are far more likely to offer such courses.³ As indicated by the Department, there is evidence that the demand for online and hybrid education is significantly elevated post-pandemic, even if it is far below pandemic levels. Staff is aware of substantial growth in online education in the postsecondary arena as well (available to high school students through concurrent enrollment). Clearly, the quality of online education can be highly variable. Given this, it seems appropriate for the Department to want to take a more active oversight role.

Funding Amount: The request is for \$97,772 from the State Education Fund and 0.9 FTE in FY 2023-24, annualizing to \$104,101 from the State Education Fund and 1.0 FTE in FY 2024-25. The staff recommendation components are shown in the table below

ONLINE/BLENDED LEARNING (1.0 FTE) RECOMMENDATION		
	FY 2023-24	FY 2024-25
Prorated FTE	0.9 FTE	1.0 FTE
Personal Services	\$77,653	\$84,713
Standard Operating	1,350	1,350
Capital Outlay	1,670	0
<i>Centrally Appropriated Est.</i>		<i>18,958</i>
Total - State Education Fund	\$80,673	\$105,021

0.5 FTE FOR INNOVATION SCHOOLS

General Background on Innovation Schools: The Innovation Schools Act provides a pathway for schools and districts to obtain greater individual school autonomy and managerial flexibility in order to implement diverse approaches to learning. The Act allows schools greater control over matters such as educational programming, personnel selection and evaluation, calendars and scheduling, and budgeting. Under the Act, a public school or group of public schools may submit an innovation plan to a local board of education outlining the innovative practices the school or schools intend to implement and identifying the state laws or rules and local policies that the school(s) seek to waive. Once approved by a local board of education, the district submits the innovation plans and waiver requests to the Colorado State Board of Education for approval. Department data indicates that there are currently 107 innovation schools in 18 school districts, including many schools in Denver. As of the FY 21-22 pupil count, 48,258 students were enrolled in 107 innovation schools across the State and 17 school districts. This represents approximately 5% of the overall public school population statewide.

State Administration: The Department reports that it has no staff related to Innovation Schools. Staff responsibilities include:

- Writing an annual report⁴;
- Managing agenda items for the State Board of Education to approve or deny plans submitted by school districts for innovation schools and innovation zones;
- Managing a database that tracks waivers of state laws for each school;
- Responding to inquiries from the public and providing technical assistance to state and local officials.

³ National Center for Education Statistics. <https://nces.ed.gov/fastfacts/display.asp?id=79>

⁴ <https://www.cde.state.co.us/choice/innovationschools>

The request also notes new responsibilities related to:

- Disputes between innovation zones with alternative governance and school district boards related to S.B. 22-197 (Innovation Schools with Alternative Governance; Sens. Coleman & Hansen; Rep. Bacon). The fiscal note estimated 4-120 hours;
- Managing state responsibilities for “community schools as innovation schools” that will require evaluating community schools as defined by S.B. 22-054 (Recommend Community Schools for Turnaround Plan; Sens. Zenzinger and Kirkmeyer & Rep. Titone) and S.B. 19-102 (Innovation School Operating as Community School; Sen. Zenzinger & Rep. Titone). Both fiscal notes reflected no fiscal impact; and
- Evaluating and advising on legal structures that may enable local design/flexibility.

Rationale for Increase: The Department states that staffing is required to establish long-needed capacity for managing state work under the Innovations Schools Act, and that it has never received related funding. Staff’s understanding is that a major workload driver is presentations to the State Board of Education for schools and innovation zones that are requesting waivers under the Innovation Schools Act. As described below, earlier initiatives to fund a position were withdrawn due to budget constraints, so the department has been relying on other funding sources which are reportedly becoming less available. *Staff is concerned that it appears that there have been other bills more recently identified as having “no fiscal impact” which are reportedly also driving workload.* Nonetheless, **so long as statute requires various activities at the state department level, including approval by the State Board of Education of innovation school waivers, it seems appropriate to fund related administrative costs.**

Funding Amount: The request is for \$58,207 General Fund and 0.5 FTE, annualizing to \$60,207 and 0.5 FTE. The staff recommendation is reflected in the table below and includes slight differences due to the LCS versus the Executive Branch common policy calculations. The salary amount is based on an \$84,886 annual salary for a full-time position. This is slightly below mid-point of the Department’s FY 2022-23 schedule for the “Principal Consultant” position, which is the highest level consultant position. In response to staff questions, the Department indicated that:

- In 2008, S.B. 08-130 appropriated a full FTE at \$79,000 per year for innovation work. This FTE was pulled as part of the Great Recession budget reduction. Since then, the Department has relied on staff funded by other programs to sustain this work where possible. A salary of \$85,000 in FY 2023-24 would be less than what was originally funded in FY 2008-09 based on inflationary increases.
- This funding would be allocated to a current Senior Policy Consultant position (requested salary fits this position’s costs). Currently, the bulk of this work falls on this individual, and the Executive Director. Federal charter school (grant is being reduced in future years) and state online funding currently fund staff covering this work. Thus, while the costs have been covered, the workload is increasing, federal funding sources declining, and the actual workload is driven by Innovation Schools.

INNOVATION SCHOOLS (0.5 FTE) RECOMMENDATION		
	FY 24	FY 25
Prorated FTE	0.5	0.5

Personal Services	\$44,002	\$48,001
Standard Operating	675	675
Capital Outlay	1,670	0
<i>Centrally Appropriated Est.</i>		<i>10,009</i>
Total – General Fund	\$46,347	\$58,686

1.0 FTE FOR SCHOOL TRANSFORMATION GRANT PROGRAM

General Background on School Transformation Grant Program:

Funding for school transformation is one component of the state’s accountability system. As the program has evolved over time, it requires the Department to contract with providers of high-quality turnaround leadership development programs and to award grants to school districts and charter schools throughout the state that are in Turnaround or Priority Improvement status under the statewide accountability system. Most recently, schools in Improvement status and on Performance Watch status are eligible, although at a lower priority for grants.

Program grants support identifying and recruiting school turnaround leaders, providing professional development for educators in schools that are implementing priority improvement, and planning for and implementing rigorous school redesign strategies. Qualifying schools, school districts, and charter schools are eligible to participate and receive grants for up to four years. The Executive Request for FY 2023-24 is for \$7,571,562 state funds and 3.9 FTE, including this requested increase for 1.0 FTE and a separate proposed increase of \$1,000,000 General Fund for grants.

State funding is not the only source for school turnaround support grants or turnaround grant administration. The State also operates under the federal accountability system established under the Every Student Succeeds Act of 2015. Schools may be identified as failing to meet standards and requiring additional support under either the state or federal system or just one. Schools qualifying under the federal system may access related federal funding for support services. *The State uses a consolidated system for grant applications, known as EASI (Empowering Action for School Improvement), for a wide range of state- and federally-funded supports.*⁵ Federal funds also support administration.

The request references recent results from external evaluations that indicate that the turnaround programs are effectively targeting schools with the greatest needs, since schools that are awarded funds and are participating have higher percentages of disadvantaged students (free-and-reduced lunch, minority, etc.) than schools that are eligible but not participating. The request also cites data indicating that schools that participate in CDE-offered supports come off the accountability clock and stay off the clock at higher rates than schools that do not participate.

State Administration: The Department reports there are 8.0 FTE dedicated to supporting school and district transformation for schools and districts furthest along on the accountability clock.

The Department seeks additional staff to maintain support for schools with substantial turnaround needs as well as to expand services to those schools that are earlier in the accountability clock process. It specifically indicates the need for an additional 1.0 FTE for:

- Improving coordination and coherence across the various school improvement initiatives and serving as a primary liaison between districts and the State Board as part of a reorganization process.

⁵ <https://www.cde.state.co.us/fedprograms/easiapplication>

- Enabling the School Quality and Support division to support an increased number of eligible districts and schools. Funding added in FY 2022-23 for grants (\$2.0 million) has enabled the program to serve up to 40 additional schools. In addition School Transformation Grant eligibility was expanded by the General Assembly pursuant to S.B. 22-137 (Transition Back to Standard K-12 Accountability), increasing the volume of eligible schools.⁶

Rationale for Increase: The request highlights the increase in funding provided by the General Assembly for the School Transformation Grant program in recent years, an increasing number of districts applying for support, and increased complexity in supporting school districts, in light of recent State Board of Education action, which includes directing a school district to reorganize (Adams 14). The additional 1.0 FTE will increase staff capacity to support the various school support programs administered and funded by the Department, including department-coordinated programs, such as the Turnaround Network, and supports that are identified by districts and funded by the State, such as district designed and led supports.

State policy changes have increased the number of schools eligible for state grant support, as well as the total funding available. The Department notes that the 2022 preliminary accountability frameworks reflect an increase to 302 schools on “Performance Watch”, as opposed to 180 schools in prior years.⁷ Pursuant to changes in S.B. 22-137, schools with an “Improvement” rating in FY 2022-23 are eligible for support for three years, increasing the number of eligible schools. In response to staff questions, the Department provided data identifying a **large increase in the schools eligible for support**, due to changes in the state eligibility requirements in FY 2022-23. In FY 2021-22, 148 schools were eligible to apply for state transformation grant funding. For FY 2022-23, this figure had increased to 544 (a 267 percent increase). **Awards also increased**, but not at the same rate. Data provided by the Department showed 70 schools awarded funding in FY 2021-22 versus 117 anticipated to receive grants in FY 2022-23 (a 67.1 percent increase). These were associated with 37 school districts in FY 2021-22 and 42 in FY 2022-23.

The table below, provided by the Department compares grant funding requested versus awarded. As shown, both requests and awards increased in FY 2022-23.⁸

⁶ For FY 2022-23 only the law allows schools with the Improvement category (level 3, which is next to highest of the 4 accountability categories) to receive school transformation grants and to receive these grants for three years. The fiscal note for the bill indicated no fiscal impact and stated that the modifications “do not increase workload in the department or require additional appropriations” but the text also indicated that the Department might seek additional grant funding. Changes to the Performance System adopted in the 2022 legislative session are detailed here: https://www.cde.state.co.us/accountability/priority_improvement_turnaround_supplement_2022

⁷ “Performance Watch” includes schools in their first year of being Improvement/Priority Improvement, before they are “on the clock”, and schools in their first year of better performance, when they are no longer Improvement/Priority Improvement and are “off the clock” but have not exited the accountability system.

⁸ Amounts requested and awarded reflect multi-year commitments, rather than the projected expenditures for a given fiscal year.

	EASI Cohort 5 (2021-22)	EASI Cohort 6 (2022-23)
Total Requested	\$20,639,181	\$23,834,713
Total Awarded	\$9,391,196	\$18,349,323
Total Number of LEAs and Schools Awarded	LEAs funded: 37 Including 70 schools that received one or more awards	LEAs funded: 42 Including 117 schools that received one or more awards
<i>State Awards</i>	<i>\$2,864,646</i>	<i>\$7,726,361</i>
<i>Federal Awards</i>	<i>\$2,603,092</i>	<i>\$10,622,962</i>
<i>ESSER Awards</i>	<i>\$3,923,458</i>	<i>–</i>

JBC Staff Observations/Concerns:

- Based on available data, **the program is above the cap established in statute for the share of funds spent on administration.** Section 22-13-105 (5), C.R.S., states "The department may expend up to five percent of the money annually appropriated for the program to offset the costs incurred in implementing the program." However, budget schedules indicate \$554,399 (12.6 percent) was spent on administration in FY 2021-22, and 9.0 percent is estimated to be spent on administration in FY 2022-23, even after the grants increases. The Department has responded that the General Assembly has previously added administrative staff for the program, both through new legislation and the Long Bill, resulting in this pattern.⁹ Regardless, staff does not believe *additional* funds should be added for administration without a change to the statute. From data provided, it appears the program is already using more of the state funds appropriation for the program for FTE than the General Assembly anticipated, as the line item reflects 3.0 FTE, while the data provided (shown below) indicates the program is using 3.8 state funded FTE. Since the General Assembly does not control FTE, but only dollars, this per se does not violate statute. However, this in combination with the percentage of funds being spent on administration indicates to staff that the statute should be revisited. *Staff notes that the staff being funded in the line item do not appear to be merely technical grants administrators but rather high level professionals who are responsible for helping schools improve performance. Given this, a 5.0 percent cap on administrative costs may not make sense.*
- **Staff also believes it would be helpful for both the program and the General Assembly going forward to identify some standard metrics that relate staffing needs to grant eligibility, grant dollars, grant applications, and grants awarded.** *This is particularly true if the General Assembly contemplates extending the authorization for districts and schools in "Improvement" status to access the program for cohorts beyond FY 2022-23--as this greatly increases eligible programs—and/ or if it expects to continue to add funds for grants.* In response to staff questions about the funding sources for the current 8.0 FTE and how this related to grant funding sources, the Department provided the data below on grants and FTE. It also provided data indicating that staff in other line items are also involved in administration related to these grants. The figures provided suggest that the program is currently using approximately 1.0 FTE per every \$1.3 to \$1.4 million in grants. The Department notes workload drivers for state and federal FTE are not necessarily the same or purely related to the size of grants. While this may be true, the program needs to establish a better system for

⁹ The fiscal note for S.B. 14-124 (School Turnaround Leaders Development Program) identified a "Technical or Mechanical Defect" in the bill noting that the 5.0 percent rate was insufficient to cover the department's fixed costs to establish the new program or the ongoing administrative cost to run the program.

identifying what drives its workload and how this relates to eligibility, applications, grants awarded, and total dollars available.

PROGRAM FUNDING SOURCE	GRANTS	FTE
FY 2022-23*		
Federal Funds	\$11,572,523	4.2
State Funds	5,782,984	3.8
All Funds	17,355,507	8.0
FY 2023-24 Request		
Federal Funds	12,000,000	4.3
State Funds	6,937,603	4.8
All Funds	18,937,603	9.0

*Note: Amounts in this table differs from the one above because this table reflects annual fiscal year funding, as opposed to multi-year grant commitments.

- **Staff encourages that Department and the General Assembly to be more attentive to the impact of legislation and funding increases on FTE needs for this program.** There are clearly multiple factors driving the current request. This includes the reorganization of Adams 14, increasing grants, and changes in eligibility criteria. At least the latter two items have been driven by decisions of the General Assembly, with administrative impacts that were not acknowledged when the bills/funding decisions were made.

Funding Amount: The request is for \$135,891 and 0.9 FTE, annualizing to \$145,534 and 1.0 FTE in FY 2024-25. It includes \$4,500 for travel. For the reasons described above, staff does not recommend funding for this position in the Long Bill.

➔ **STAFF INITIATED (SI) TERM-LIMITED 0.5 FTE POSITION FOR ACCOUNTABILITY AND IMPROVEMENT PLANNING**

REQUEST: The Department did not request this change but has worked with staff to provide supporting information. The recommendation would address significant current workload issues identified by Department staff.

RECOMMENDATION: Staff recommends the addition of a 0.5 FTE term-limited position for three years to support Department’s work related to the reorganization of Adams 14 School District.

SI ACCOUNTABILITY & IMPROVEMENT PLANNING - TERM LIMITED 0.5 FTE POSITION				
	FY 23-24	FY 24-25	FY 25-26	FY 26-27
FTE	0.5	0.5	0.5	0.0
Personal Services	\$54,357	\$59,299	\$59,299	\$0
Standard Operating	675	675	675	0
Capital Outlay	1,670	0	0	0
Centrally appropriated	0	*	*	0
Total Expenditures	\$56,702	\$59,974	\$59,974	\$0

*Centrally appropriated amounts are estimated at \$11,070.

ANALYSIS: In discussions with the Department about the School Transformation Grant position requested by the Department and discussed above, staff came to understand that some of the need for the position was driven by workload associated with the Adams 14 reorganization. Staff responsible for Transformation Grants and staff responsible for Accountability and Improvement Planning are closely linked, because transformation grants are prioritized to support districts that are far along on the accountability clock, with the largest share of grants and Department staff time directed to schools facing board-directed action. The State Board of Education has ordered reorganization of the Adams 14 School District, which is driving an exceptional level of workload for those Department staff who are experts in school turnaround, i.e., the staff who are responsible for school transformation grants and accountability and improvement planning.

In response to staff questions, the Department states as follows:

CDE provides intensive support to districts and schools as they advance to year 5 and are required to come before the state board for an accountability hearing. CDE assigns a staff member, a Transformation Support Manager, to each district with a school on the clock. These staff members support districts leading up to the hearing, support the board in information needed to make a determination, and provide ongoing progress monitoring, technical assistance, and support after the state board directs action. Currently three full time Transformation Support Managers provide support to 11 schools across six districts. This work has seen increased complexity during and after the accountability pause, with additional complexity occurring from the state board directing district reorganization for the first time.

Looking ahead to next year (2023-2024), many of these 11 schools will continue their state board directed action. For example, the state board ordered Adams 14 to implement reorganization, as well as a partial management plan for at least two more years. In addition to continuing with these 11 sites, there are another 11 schools that could advance to a state board hearing based on the 2023 School Performance Frameworks. Although some of these additional 11 schools may receive a School Performance Framework that moves them to On Watch, the increased volume of hearings for the next two years is also in the context of unprecedented complexity in state board actions.

JBC Staff understands that 0.5 FTE should be sufficient to address this extraordinary additional workload associated with Adams 14, and that the workload would be expected to abate after three years. If additional schools are not diverted earlier on the accountability clock, more schools may require intensive staff work in the coming years. However, the Department hopes to avert that with its request for additional grants for early intervention.

Staff recognizes that the Department may *also* seek a statutory change and support for 1.0 FTE for the School Transformation Grant position, based on the longer-term demands the Department foresees and described above. This may be warranted based on ongoing growth in the amount of grant funding and grant eligibility. Staff would like to see the Department engage in further analysis of how eligibility, applications, and grant funds available interact to drive workload, so that this can be considered when the General Assembly makes related funding and statutory changes—setting aside the unusual *additional* workload related to Adams 14 and a greater number of schools that could advance to a State Board hearing.

FUNDING AMOUNT: The funding is based on a \$105,000 per year, which is the maximum for a principal Consultant position for FY 2022-23 and the amount the Department had requested for the grants management position. In response to staff requests to justify a salary at this level (for the Transformation Grants position) the Department responded as follows:

- This position needs to support districts with [State Board] directed action. As such, we are typically looking for people with more than 20 years of experience and district leadership. The market rate for district leaders is \$140K or higher, so that is the rationale for the higher range.
- The current salary for positions in our turnaround office tasked with this work averages \$109K with a low of \$105K. Those in supervisory roles earn \$120K-\$140K.

While staff is not certain that a salary in this range should always be required for Transformation Grants administration, staff **does** expect that the Department needs exceptionally skilled staff to support the Board Directed Action for Adams 14. The staff responsible for supporting Adams 14 thus far have been Transformation Grant and Accountability program supervisors.

→ STAFF INITIATED (SI) DEPARTMENTAL REORGANIZATION

REQUEST: The Department did not formally request this change but has cooperated closely with staff in the development of the proposal. The Department expressed support during its budget hearing.

RECOMMENDATION: Staff recommends that the Committee authorize staff to reorganize the Long Bill consistent with the proposal below. This figure setting document is presented in the format of the current Long Bill. However, if the Committee approves this recommendation, the Long Bill will be introduced using the new structure. Please note that staff considers this to be the first step in what will likely be a two-part reorganization. Although the location of line items will change this year, almost all individual line items are remaining intact. A more comprehensive reorganization will require combining some line items and breaking apart others, which staff believes presents too many challenges to complete this year. Staff thus anticipates that there will be some additional changes next year as well.

ANALYSIS:

In recent years, JBC members and JBC staff have found the budget structure for the Department of Education to be confusing.

- The current structure has very little relationship to the Department's internal management structure.
- While the logical structure of the budget likely made sense many years ago, the logic of the structure has eroded as the General Assembly has added and removed programs.
- Because the budget does not appear to follow a consistent logical structure and also is not aligned with the Department's management structure, JBC staff is rarely certain where funding for a new department program should be placed or which department division will be responsible for managing the program. The confusion can result in duplicated line items and additional administrative work for both the Department and JBC Staff. It can also make it difficult to know

which subject matter experts to contact about how a program is progressing. Problems include the following:

- Two subdivisions in the division for Grant Programs, Distributions, and Other Assistance are difficult to differentiate. One subdivision is entitled “Professional Development and Instructional Support”. Another subdivision is entitled “Other Assistance”. It is often unclear whether new programs created by the General Assembly fit better in one subdivision or the other, particularly since these subdivisions do not parallel management groups. JBC Staff has frequently entered data in one subdivision only to find that the Department has recorded it in another. The result can be a confusing duplicate line item that drives workload.
- Line items for administrators are often—but not consistently--separated into a separate division from the programs that they administer. For example, the Educator Effectiveness Unit administration is in an “Assessments and Data Analyses” subdivision of the Management and Administration division, but Department staff budgeted in this line item are responsible for overseeing some of the programs in the Grant Programs, Distributions, and Other Assistance division.
- JBC Staff believes the current misalignment between line items and the Department’s management structure can also be a challenge for Department budget staff. These staff must determine how portions of multiple line items are re-arranged to support the Department’s current administrative structure and assignments.

Because of these challenges, JBC Staff asked the Department to develop a proposal for a new structure and then provided feedback on the Department’s proposal. The current proposal, included on the next page, is the product of these discussions. Staff appreciates the Department’s collaboration. A few notes about the proposal:

- The first table below shows the new structure of divisions and subdivisions. Currently, the Department has four divisions. Under the new structure, it would have ten divisions.
- Much of the current “nesting” of subdivisions and sub-subdivisions within divisions would be eliminated. Instead, some of the current subdivisions would become stand-alone divisions.
 - For example, the Assessments subdivision and the Charter School Institute subdivision would become separate divisions.
 - Similarly, the Grant Programs, Distributions, and Other Assistance subdivision of Assistance to Public Schools would be eliminated. Some of the sub-subdivisions under it would remain nested under School District Operations (along with School Finance and Categorical Programs). Other components would be allocated among entirely new divisions: Educator Talent, Student Learning, School Quality and Support, and Student Pathways.
- With few exceptions, existing line items are kept intact but have been placed in a new division or subdivision.
- The choice of division and subdivision is based on which section of the department is responsible for the *majority* of funding in the line item. As a result, dollar amounts in a given division or subdivision will not align perfectly with who is responsible for the given funds. For example, a

line item for a program may include some funding that is directed to provide information technology support and is overseen by the Department’s information technology section. While it might make sense to divide or combine some existing line items (e.g., separating out information technology costs), such changes add tremendous administrative complexity. JBC Staff and the Department agreed that except where the structure of a current line item creates an administrative problem or confusion for the Department, line items will be kept intact for the moment.

- To support historical comparisons—and because these divisions do not present the same problems as some others—the School Finance and Categorical Programs subdivisions are largely unchanged. This is also true for Library Programs and the Colorado School for the Deaf and the Blind.
- One change embedded in the proposal, which will not be evident from the Committee’s perspective, is that Long Bill letter notes in the new structure will be reflected at the subdivision level, bringing the structure of notations for this department in line with the structure used in other departments.
- The attached tables, based on the FY 2022-23 Long Bill, represent the proposal. If there are any additional adjustment, staff will bring them back to the Committee as “comebacks”.

The first table below compares the division and subdivision of the FY 2022-23 Long Bill with the proposed structure for the FY 2023-24 Long Bill. The second table shows the FY 2022-23 Long Bill by line item and total funds (with adjustments for new line items) if it had been organized using the preliminary new structure. To see the Long Bill as adopted for FY 2022-23, go to: https://leg.colorado.gov/sites/default/files/documents/2022A/bills/2022a_edu_act.pdf

PROPOSED DEPARTMENT OF EDUCATION BUDGET REORGANIZATION OLD VERSUS NEW DIVISIONS AND SUBDIVISIONS					
CURRENT DIVISION AND SUBDIVISION STRUCTURE			PROPOSED DIVISION AND SUBDIVISION STRUCTURE		
DIVISION	SUBDIVISION	SUB-SUBDIVISION	DIVISION	SUBDIVISION	SUB-SUBDIVISION
(1) Management and Administration			(1) Management and Administration		
	Administration & Centrally Appropriated			Administration & Centrally Appropriated	
	Information Technology			Information Technology	
				Special Purpose	
				Indirect Cost Assessment	
	Statewide Assessment Program		(2) Statewide Assessment Program		
	State Charter School Institute		(3) School District Operations		
	Indirect Cost Assessment			Public School Finance	
(2) Assistance to Public Schools				Categorical Programs	
	Public School Finance				District Programs Required by Statute
	Categorical Programs				Other Categorical Programs
		District Programs Required by Statute			Federal and Other Direct Support
		Other Categorical Programs			Nutrition
	Grant Programs, Distributions, and Other Assistance				Capital Construction
	Health and Nutrition		(4) Educator Talent		

**PROPOSED DEPARTMENT OF EDUCATION BUDGET REORGANIZATION
OLD VERSUS NEW DIVISIONS AND SUBDIVISIONS**

CURRENT DIVISION AND SUBDIVISION STRUCTURE			PROPOSED DIVISION AND SUBDIVISION STRUCTURE		
DIVISION	SUBDIVISION	SUB-SUBDIVISION	DIVISION	SUBDIVISION	SUB-SUBDIVISION
		Capital Construction	(5) Student Learning		
		Reading and Literacy			Learning Supports, Intervention, and Planning
		Professional Development and Instructional Support			Early Literacy
		Facility Schools			Facility Schools
		Other Assistance	(6) School Quality and Support		
		Indirect Cost Assessment			Accountability and Transformation
(3) Library Programs					Schools of Choice
(4) Colorado School for the Deaf and the Blind			(7) Student Pathways		
					Health and Wellness
					Dropout Prevention and Student Reengagement
					Career Readiness
			(8) Library Programs		
			(9) Colorado School for the Deaf and the Blind		
			(10) State Charter School Institute		

FY 2022-23 DEPARTMENT OF EDUCATION LONG BILL IF REORGANIZED UNDER NEW PROPOSAL

DIVISION	SUBDIVISION	LINE ITEM	TOTAL FUNDS
(1) Administration	Administration &	Centrally Appropriated	
		State Board of Education	\$407,393
		General Department and Program Administration	5,254,789
		Health Life Dental	7,007,103
		Short Term Disability	74,610
		Paid Family Medical Leave	106,042
		AED	2,357,723
		SAED	2,357,723
		Salary Survey	1,563,472
		PERA Direct Distribution	534,604
		Temporary Employees Related to Authorized Leave	29,961
		Workers' Compensation	235,883
		Legal Services	1,019,771
		Administrative law Judge	140,578
		Payment to Risk Management and Property Funds	996,352
		Leased Space	1,270,993
		Capitol Complex Lease Space	880,504
		CORE Operations	245,466
		Information Technology Services Sub	
		Information Technology Services	5,068,159
		Payments to OIT	747,813
		IT Asset Maintenance	969,147
		Disaster Recovery	19,722
		Special Purpose	
		BOCES Funding per Section 22-5-122, C.R.S.	3,320,784
		Reprinting and Distributing Laws Concerning Education	35,480
		Interstate Compact on Educational Opportunity for	21,298
		Indirect Cost Assessment	744,679
(2) Assessments		Statewide Assessment Program	31,950,569
(3) School District Operations			
	School Finance	Administration	1,933,064
		Financial Transparency System Maintenance	88,120
		School Finance Audit Payments	1,000,000
		State Share of Districts' Total Program	4,881,478,895
		District Per Pupil Reimbursements for Juveniles Held in	10,000
		At-risk Supplemental Aid	4,844,358
		At-risk Per Pupil Additional Funding	5,000,000
		Additional Funding for Rural Districts and Institute	35,000,000
		Contingency Reserve Fund	1,000,000
	Categorical	Special Education Programs for Children with	376,916,223
		English Language Proficiency Program	36,532,149
		Public School Transportation	63,221,962
		Transfer to Dept of Higher Education for Distribute of	28,244,361
		Special Ed Programs for Gifted and Talented Children	12,994,942
		Expelled and At-risk Student Services Grant Program	9,493,560
		Small Attendance Center Aid	1,314,250
		Comprehensive Health Education	1,131,396
	Federal and Other	Direct Support	
		Appropriated Sponsored Programs	694,978,846
	Nutrition		
		Federal Nutrition Programs	156,726,079
		State Match for School Lunch Program	2,472,644

FY 2022-23 DEPARTMENT OF EDUCATION LONG BILL IF REORGANIZED UNDER NEW PROPOSAL

DIVISION	SUBDIVISION	LINE ITEM	TOTAL FUNDS
		Child Nutrition School Lunch Protection Program	2,578,105
		Start Smart Nutrition Program	1,150,000
		Local School Food Purchasing Programs	675,255
		<i>Healthy Meals for All Public School Students [in future years]</i>	
	Public School Capital Construction (BEST)		
		Division of Public School Capital Construction	1,595,001
		Public School Capital Construction Assistance Board -	125,000,000
		Public School Capital Construction Assistance Board -	110,000,000
		Financial Assistance Priority Assessment	150,000
		State Aid for Charter School Facilities	41,918,403
(4) Educator Talent			
		Office of Professional Services	2,598,659
		Educator Effectiveness Unit Administration	3,272,089
		Quality Teacher Recruitment Program	3,000,000
		Educator Recruitment and Retention Program -	5,000,000
(5) Student Learning			
	Learning Supports, Intervention, and Planning Sub-division		
		Preschool to Postsecondary Education Alignment	678,764
		Computer Science Education Grants	805,681
		Colorado High-impact Tutoring Program	4,980,098
		Content Specialists	546,536
		School Bullying Prevention and Education Cash Fund	2,000,000
		English Language Learners Technical Assistance	413,198
		Working Group for Identification of and Educational	40,616
		Parents Encouraging Parents Conferences	68,000
		Early Childhood Program Transition	98,787
		Restraint Complaint 22-1376*	166,669
		School Climate 22-1376*	98,336
	Early Literacy		
		Early Literacy Program Administration and Technical	1,764,695
		Early Literacy Competitive Grant Program	7,500,000
		Early Literacy Program Evidence Based Training	2,702,557
		Early Literacy Program External Evaluation	750,000
		Early Literacy Program Public Information Campaign	501,607
		Early Literacy Program Per Pupil Intervention Funding	26,261,551
		Early Literacy Assessment Tool Program	2,997,072
	Facility Schools		
		Facility Schools Unit and Facility School Board	341,558
		Facility School Funding	12,231,075
(6) School Quality and Support			
	Accountability and Transformation		
		Longitudinal Analyses of Student Assessment Results	1,240,220
		Accountability and Improvement Planning	1,801,768
		Local Accountability System Grant Program	493,907
		School Transformation Grant Program	6,450,371
		Educator Perception	25,000
	Schools of Choice		
		Schools of Choice	10,668,326
		Supplemental Online Education Services	1,220,000
		Division of Online Learning	388,608
(7) Student Pathways			
	Health and Wellness		
		S.B. 97-101 Public School Health Services	182,686
		Behavioral Health Care Professional Matching Grant	14,959,590
		Mental Health Education Resource Bank and Technical	46,709
		K-5 Social and Emotional Health Pilot Program	2,500,000
		Menstrual Hygiene Product Accessibility Grant Program	100,000

FY 2022-23 DEPARTMENT OF EDUCATION LONG BILL IF REORGANIZED UNDER NEW PROPOSAL

DIVISION	SUBDIVISION	LINE ITEM	TOTAL FUNDS
	Office of Dropout Prevention and Student Reengagement		
		Dropout Prevention	2,009,771
		Adult Education and Literacy Grant Program	973,273
		Ninth Grade Success Grant Program	800,000
		Foster Care 22-1374	100,677
		Educational Stability Grant	1,032,484
	Career Readiness		
		Career Development Success Program	4,520,000
		College and Career Readiness	232,731
		Concurrent Enrollment Expansion and Innovation	1,476,896
		Accelerated College Opportunity Exam Fee Grant	562,238
		School Counselor Corps Grant Program	12,260,970
		Fourth-year Innovation Pilot Program - Distributions to	68,208
		High School Innovative Learning Pilot Program	349,039
		John W. Buckner Automatic Enrollment in Advanced	250,000
		Basic Skills Placement or Assessment Tests	50,000
		Indirect Cost Assessment	3,837,060
(8)	State Library - No Changes		-
		Administration	1,203,168
		Federal Library Funding	3,293,558
		Colorado Library Consortium	1,000,000
		Colorado Virtual Library	379,796
		Colorado Talking Book Library	346,146
		Reading Services for the Blind	660,000
		State Grants to Publicly-Supported Libraries Program	3,001,519
		Colorado Imagination Library Program	907,140
		Indirect Cost Assessment	55,327
(9)	CO School for Deaf & Blind - No Changes		
		Personal Services	
		Early Intervention Services	
		Shift Differential	
		Operating Expenses	
		Vehicle Lease Payments	
		Utilities	
		Allocation of State and Federal Categorical Program	
		Medicaid Reimbursements for Public School Health	
		Subtotal	15,698,131
		Fees and Conferences	
		Outreach Services	
		Tuition from Out-of-state Students	
		Grants	
		Subtotal	2,320,000
(10)	Charter School Institute		
		State Charter School Institute Administration,	5,000,000
		Institute Charter School Assistance Fund	1,800,000
		Other Transfers to Institute Charter Schools	21,500,000
		Transfer of Federal Money to Institute Charter Schools	17,400,000
		CSI Mill Levy Equalization	32,209,923
		Implementation of Section 22-30.5-501	242,508
Total*			\$6,919,243,527

* Figures are based on the FY 2022-23 Long Bill, with adjustments to add select new line items that were added in other 2022 session legislation

➔ STAFF INITIATED (SI) INDIRECT COST ADJUSTMENTS

REQUEST: The Department did not request an update to indirect cost adjustment amounts. However, it provided all the detail necessary to update calculations in the Long Bill.

RECOMMENDATION:

- Staff recommends that the Indirect Cost Recovery line items in the Long Bill be updated consistent with the table below, which reflects information provided by the Department. As shown, total collections estimated for FY 2023-24 are \$150,912 higher than the estimate included in the FY 2022-23 Long Bill.

DEPARTMENT INDIRECT COST ASSESSMENT RECOMMENDATION				
DIVISION	TOTAL	CF	RF	FF
Management and Administration	826,788	451,269	0	375,519
Assistance to Public Schools	3,905,863	25,000	55,571	3,825,292
Library Programs	55,327	0	0	55,327
Total FY 2023-24 Recommendation	\$4,732,407	\$476,269	\$55,571	\$4,256,138
Management and Administration	\$744,679	\$375,814	\$0	\$368,865
Assistance to Public Schools	3,837,060	25,000	55,571	3,756,489
Library Programs	55,327	0	0	55,327
Total FY 2022-23 Appropriation	\$4,637,066	\$400,814	\$55,571	\$4,180,681
Increase (Decrease) FY2022-23 to FY2023-24	\$150,912	75,455	\$0	\$75,457

- Staff recommends that the indirect cost recovery amounts above (\$4.7 million total for FY 2023-24) **plus \$500,000 from the Indirect Cost Excess Recoveries Fund** be used to offset General Fund otherwise required in Department line items. Because the request incorporated \$6.0 million from indirect cost recoveries, driven by common policy increases, *the staff recommendation requires approximately \$800,000 more General Fund than the request as submitted.* Final adjustments are pending figure setting for common policy line items.

INDIRECT COST RECOVERIES OFFSET FOR GENERAL FUND IN LONG BILL MULTIPLE LINE ITEMS			
	TOTAL	GENERAL FUND	REAPPROPRIATED FUNDS (INDIRECT COST RECOVERIES)
FY 2023-24 Estimated Recoveries	\$0	(4,732,407)	4,732,407
Indirect Cost Excess Recoveries Fund Reserves	0	(500,000)	500,000
Total Offset for FY 2023-24	\$0	(5,232,407)	5,232,407

- Of the total indirect cost recovery amount, a portion will be identified as statewide indirect cost recoveries, consistent with the statewide indirect cost plan, when those figures are specified.

ANALYSIS:

The Department's indirect cost plan is negotiated annually with the federal Department of Education. State cash funds are generally treated in a manner consistent with the federal plan. The details of the plan are included in an appendix to this document and so are not repeated here.

Consistent with action last year, staff is recommending use of \$500,000 from reserves that have accumulated in the Indirect Costs Excess Recoveries Fund to offset General Fund otherwise required.

The Indirect Cost Excess Recoveries Fund holds the difference between the amount of indirect cost recoveries received and expended each year. It covers shortfalls when annual revenues fall below projections and receives excess funds when revenues exceed expenditures. As of the end of FY 2021-22, the Department’s Fund held a balance of \$1,855,130. Based on growth that was evident last year, JBC Staff and the Department agreed that a spend-down of approximately \$500,000 a year would be appropriate and help avoid a steep “cliff effect” in which General Fund would be required to backfill the difference once indirect cost recoveries in the fund were exhausted. This process began in FY 2022-23.

Indirect cost recovery revenue and expenditures were closely matched in FY 2021-22, so most of the growth occurred prior to FY 2021-22. The Department has indicated that the spend down plan appears to on target, based on revenues and expenditures from indirect cost recoveries thus far in FY 2022-23. The situation will be more clear at the end of the year. The table below shows the Department’s projection for annual indirect cost recoveries (as opposed to revenue in the Excess Recoveries Fund). As shown, while growth is reflected for FY 2023-24 and included in appropriation amounts for this year, the Department currently anticipates a modest decline in indirect cost recovery revenue in FY 2024-25 compared to its FY 2023-24 recoveries based on the formulas determined by the federal Department of Education.

	Cash/Other	Federal	Total
FY 2021-22	\$316,414	\$4,047,238	\$4,363,652
FY 2022-23 Proj	\$360,000	\$4,040,000	\$4,400,000
FY 2023-24 Proj	\$490,000	\$4,180,000	\$4,670,000
FY 2024-25 Proj	\$500,000	\$4,100,000	\$4,600,000

(1) MANAGEMENT AND ADMINISTRATION

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

MANAGEMENT AND ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 Appropriation						
FY 2022-23 Appropriation	\$166,735,587	\$40,211,708	\$34,490,066	\$66,987,423	\$25,046,390	186.9
TOTAL	\$166,735,587	\$40,211,708	\$34,490,066	\$66,987,423	\$25,046,390	186.9
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$166,735,587	\$40,211,708	\$34,490,066	\$66,987,423	\$25,046,390	186.9
R3 Translation services	127,768	127,768	0	0	0	0.9
R4 Inflationary adjustment	251,151	251,151	0	0	0	0.0
R5 Gifted and talented DMS	250,000	0	250,000	0	0	0.0
R6 Personnel for school support - Part A	127,020	46,347	80,673	0	0	1.4
R8 Evaluation support	90,799	90,799	0	0	0	0.9
R9 Lease space consolidation	507,665	507,665	0	0	0	0.0
R10/BA4 CSI mill levy equalization	0	0	0	0	0	0.0
R12 Vision for strategic alignment	175,000	175,000	0	0	0	0.0
BA2 Healthy meals for all public school students	0		0	0	0	0.0
NP BA Statewide operating expense inflation	99,834	77,936	3,085	18,813	0	0.0
NP BA DPA Pay Plan	11,060	11,060	0	0	0	0.0
Centrally appropriated line items	9,507,686	4,824,217	2,022,896	1,085,190	1,575,383	1.8
SI Statewide assessments	1,287,259	0	1,320,702	0	(33,443)	0.0
SI CSI interest earned	154,077	0	154,077	0	0	0.0
SI Indirect cost adjustments	82,109	690,985	75,455	(690,985)	6,654	0.0
SI Accountability and improvement planning	56,702	56,702	0	0	0	0.5
Annualize prior year legislation	(1,165,277)	(1,165,277)	0	0	0	1.4
Annualize prior year budget actions	(1,159,970)	(456,352)	(98,638)	(16,930)	(588,050)	0.7
SI Eliminate funding for early childhood identifier	(298,000)	0	(298,000)	0	0	0.0
TOTAL	\$176,840,470	\$45,449,709	\$38,000,316	\$67,383,511	\$26,006,934	194.5
INCREASE/(DECREASE)	\$10,104,883	\$5,238,001	\$3,510,250	\$396,088	\$960,544	7.6
Percentage Change	6.1%	13.0%	10.2%	0.6%	3.8%	4.1%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$16,948,399	\$8,560,025	(\$1,455,226)	\$9,836,144	\$7,456	(0.5)

DECISION ITEMS – MANAGEMENT AND ADMINISTRATION

→ R3 TRANSLATION SERVICES

REQUEST: The request includes \$145,159 reappropriated funds and 0.9 FTE for FY 2023-24, annualizing to \$154,537 and 1.0 FTE in FY 2024-25, for translation services to improve access to Department resources and State Board of Education proceedings. The funding is to allow the Department to hire one FTE to translate, interpret, and coordinate translation work, as well as to procure translation and interpretation for languages and workload the new hire cannot cover. This will allow more department documents to be translated and provide interpretation at the State Board of Education and other public meetings when needed. The source of the funding was not specified in the request, but the Department indicated that it is indirect cost recoveries.

RECOMMENDATION: Staff recommends the request with the following adjustments:

- Consistent with Committee common policy, staff does not recommend the centrally-appropriated funds associated with this position. The recommendation also includes other minor differences due to differences between LCS common policy spreadsheets and OSPB’s.
- The recommendation is reflected as General Fund. The request presents the funding as being from indirect cost recoveries. However, this request does not change the total amount of indirect cost recoveries available to offset General Fund otherwise required. (As noted earlier in this packet, the Department’s request included using more indirect cost revenue than staff recommends be used in a single year based on projected receipts and revenue in the Indirect Costs Excess Recoveries Fund.)

R3 TRANSLATION SERVICES		
	FY 2023-24	FY 2024-25
Prorated FTE	0.9 FTE	1.0 FTE
Personal Services	\$84,748	\$92,452
Standard Operating	1,350	1,350
Capital Outlay	1,670	0
<i>Centrally appropriated estimate</i>		<i>19,684</i>
Other Costs		
Live interpretation at State Board	10,000	10,000
Additional contracted translation	30,000	30,000
Total	\$127,768	\$153,486

ANALYSIS: Federal Title VI of the Civil Rights Act, which prohibits discrimination on the basis of national origin, is interpreted by the federal government to require that schools communicate information to limited English proficient parents in a language they can understand about any program, service, or activity that is called to the attention of parents who are proficient in English.¹⁰ Agencies and institutions that are required to comply with Title VI includes state departments of education.¹¹ **In light of these legal obligations, staff recommends this request, which is designed to bring the Department into compliance.**

¹⁰ <https://www2.ed.gov/about/offices/list/ocr/docs/dcl-factsheet-lep-parents-201501.pdf>
<https://www2.ed.gov/about/offices/list/ocr/ellresources.html>

¹¹ <https://www2.ed.gov/about/offices/list/ocr/docs/hq43e4.html>

The request indicates that a recent inventory of translation and interpretation services conducted at CDE found gaps in the resources necessary to meet the requirements of Title VI. The request included the following examples.

- Communications Office: Currently, 75% of materials are not able to be translated. These include press releases, fact sheets, press conferences and other resources.
- State Board of Education: Board meetings and relevant documents have not historically been translated. Limited translation has occurred in some instances but additional resources will be needed to more fully comply with Title VI.
- School Quality and Improvement: There are currently no dedicated resources to translate Accountability Hearing materials, which is likely needed in most instances to fully comply with Title VI.
- Training and other resources are not consistently translated.
- Postsecondary and Workforce Readiness: Videos, toolkits, websites, informational documents and other materials could help various programs create greater impact if translated.
- Educator Talent: Outreach and licensure materials for teachers, specifically substitute teachers, is needed to create greater reach in various communities.
- Other areas:
 - Health and Wellness forms used by school nurses.
 - Outreach materials for Colorado Talking Book Library.
 - Various documents at the Office of Student Supports that require ongoing translation and updating.
 - Adult Education programs materials.

In response to staff questions, the Department indicated that the issue was brought to its attention due to State Board of Education and other meetings related to the Adams 14 reorganization. These meetings have involved many individuals who are not proficient in English. This led the Department to further investigate its compliance with existing legal requirements and to request this additional funding.

The proposed solution for addressing this problem includes:

- Adding 1.0 FTE Marketing and Communications Specialist IV to provide ongoing high quality Spanish translation services. In addition to translating documents, this position will coordinate vendors to meet the needs of various offices when they exceed the capacity of the FTE or require translation into languages other than Spanish.
- \$10,000 to provide live interpretation services at State Board of Education meetings when non-English speakers are requested to be in attendance or upon request. (Estimated at \$2,000 per meeting.)
- \$30,000 (500 hours at \$60/hour) for translation of documents beyond what the FTE and existing resources can accommodate, including translation into languages other than Spanish.

Cost for Position: The Department has requested the position at an annualized salary of \$81,852, which it described as mid-point salary range for a Marketing and Communication Specialist IV. Based on the new salary schedules adopted for FY 2023-24, this amount falls between the second quartile (\$78,324)

and the midpoint (\$88,536) of the salary range for the position. In response to staff questions, the Department indicated that it has had trouble filling communications positions at the minimum, and this position must have skills that most do not have, i.e., they must be able to do high quality communications work in both English and Spanish. The Department has thus far had two failed searches for a bilingual communications manager. **Staff recommends funding at the requested amount.**

→ R4 INFLATIONARY ADJUSTMENT

REQUEST: The request includes \$251,151 General Fund for FY 2023-24 and ongoing, most of which is to provide inflationary adjustments for the Department’s contracted information technology services. The Department administers most of its information technology services internally rather than under the umbrella of the Governor’s Office of Information Technology. As a result, it has been significantly affected by ongoing increases in its enterprise software licenses. With average annual increases that have exceeded ten percent for many products, these costs have displaced funding historically used for staffing and other program needs. The request also identifies a need for additional funding for a contracted security position, based on the sharp increase in the cost of that contract.

RECOMMENDATION: Staff recommends the request with the following adjustments:

- The recommendation places the contracted security position increase (\$22,125) in the General Department and Program Administration line item, rather than the Information Technology Services line item where requested, as the Department confirms that this is a front desk position and not related to information technology.

ANALYSIS:

The request identifies specific information technology and security contracts that are either essential to the running of required IT systems within the Department or are part of life safety measures (front desk security) that are impacted by inflationary pressures. The request states that continued funding for these contracts is necessary for daily operations.

Information Technology Inflation: The request highlights recent-year inflationary increases and the further increase that would be projected for FY 2023-24 based on this history.

DEPARTMENT OF EDUCATION IT CONTRACT INCREASES			
	FY 2022-23 CONTRACT	AVERAGE ANNUAL INCREASE FY 2019-20 TO FY 2022-23	INCREASE PROJECTED
Oracle Hardware and Software Technical Support Renewal	\$347,848	6.9%	\$23,995
VMware Support and Subscription Production	244,026	9.9%	24,251
FY20 Microsoft license renewal	200,664	2.3%	4,535
IBM Cognos Software Subscription & Support	141,412	1.9%	2,711
Microsoft Premiere Maintenance	162,000	22.2%	35,947
Tableau	86,381	2.3%	1,987
Informatica	71,480	5.5%	3,935
Red Hat Enterprise Premium Subscription Renewal	79,753	19.9%	15,855
Dell Secureworks	96,721	34.2%	33,045
FY20 Synplicity license renewal	60,010	14.9%	8,920
SSL PKI DigiCert	39,110	8.3%	3,259
IAPO w/OIT for CISCO SMARTnet	93,993	11.0%	10,347

DEPARTMENT OF EDUCATION IT CONTRACT INCREASES			
	FY 2022-23 CONTRACT	AVERAGE ANNUAL INCREASE FY 2019-20 TO FY 2022-23	INCREASE PROJECTED
SPSS renewal	20,445	10.2%	2,084
Airwatch	22,378	6.7%	1,504
Carbon Black Annual Renewal Subscription Licenses	18,158	2.9%	528
Palo Alto	32,357	39.5%	12,765
Toad	60,014	42.8%	25,694
DataSpecs Maintenance Renewal	16,122	3.5%	565
Veeam	31,640	10.1%	3,193
DameWare Remote & SolarWinds Technical & Maintenance	12,346	4.2%	525
Footprints Service CORE Renewal	18,308	25.4%	4,653
Alterex	9,877	1.7%	169
DocuSign Licenses	14,548	58.8%	8,560
Total IT Inflation Adjustment Request	\$1,879,591	11.7%	\$220,467

Staff considerations include the following:

- In FY 2021-22, \$2,070,926 of Information Technology Services line item expenditures, including 42.9 percent of General Fund expenditures, were for operating expenses. These operating expenses were comprised primarily of “Information Technology Maintenance” and “Information Technology Direct Purchase” expenses. Thus, the base amount highlighted in this request appears to incorporate a large share of the operating budget in the Information Technology Services line item, as well as the Asset Maintenance line item.
- In response to staff questions Joint Technology Committee Staff confirmed that vendors are increasing pricing. JTC Staff also noted that, while there might be some ways to decrease the cost, it probably isn’t worth the related up-front expenses.
- In response to staff questions, the Department confirmed that it uses state price agreements and OIT enterprise agreements for all of the above procurements. The Department thus appears to have little if any additional ability to contain these costs.

Contracted Security Guard: The request also includes an increase of \$22,125 for a contracted security guard for the Department’s front desk. This represents a 25.0 percent increase on the base of \$88,500. The Department indicates that the actual increase is 50.0 percent, but it is absorbing the difference. Staff inquired whether adding a staff position, rather than continuing to rely on a contract, might be less expensive. The Department responded as follows:

There are several challenges with hiring an FTE for this position. It is unclear if CDE employed the security position if that would increase the department’s costs for liability insurance or how the department would go about providing training or other support for the position. With that being said, the biggest issue seems to be that there is no clear way to provide for backup for the position. Providing vacation or sick days becomes challenging as there would be no other staff that perform that function. The contractor at present provides a trained substitute when the regular security guard is not available (sick, vacation, or other leave). Given these complexities, even with the increase in costs, the department still would find the approach of a contract more cost effective.

→ R8 EVALUATION SUPPORT

REQUEST: The Department requests \$108,850 General Fund and 0.9 FTE, annualizing to \$116,141 General Fund and 1.0 FTE for a three year term-limited program evaluator appropriated in the General Administration line item. The initial focus of the evaluation FTE is the Behavioral Health Care Professional Matching Grant Program, which provides grants to almost half of the state’s local education agencies. The request would supplement funding granted by OSPB for a 1.0 FTE evaluator and related data collection to evaluate this program.

RECOMMENDATION: **Staff recommends the request, with adjustments described below, if the purpose of the position is for ongoing evaluation on the impact of programs in the Department’s “Pathways” unit.** Staff notes, however, that the request appears to focus on the position’s role in evaluating the Behavioral Health Care Professional Matching Grant Program for a term-limited period. Statute limits administrative expenses for the Behavioral Health Care Professional Matching Grant Program to 3.0 percent of the appropriation and specifies that "grant applications and reporting will be designed to limit administrative burden on applicants and recipients". Even if this position is budgeted in a different line item, adding additional administrative funding primarily to serve the program seems to conflict with statutory intent, since the Department appears to be operating at the statutory administrative cap for the program.

If the Committee wishes to fund the position, it should clarify its intent that function of the position is to support evaluation of programs in the Department’s Pathways unit and that this should not be considered an administrative expense of the Behavioral Health Care Professional Matching Grant Program. The recommendation is reflected below. Consistent with Committee common policy, staff has not included centrally-appropriated amounts in the first year and has included small differences from the request due to differences in executive versus legislative branch common policy spreadsheets.

R8 EVALUATION – 1.0 FTE		
	FY 2023-24	FY 24-25
Prorated FTE	0.9	1.0 FTE
Personal Services	\$87,779	\$95,759
Standard Operating	1,350	1,350
Capital Outlay	1,670	-
<i>Centrally appropriated estimate</i>		19,996
Total	\$90,799	\$117,105

EVIDENCE LEVEL: The Department identifies the request as “Step 4: Attain Initial Evidence” on the evidence continuum, which staff understands to mean “Evidence Informed Program or Practice,” which is defined in Section 2-3-210 (2), C.R.S. as a “program or practice that reflects a moderate, supported, or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by an evaluation with a comparison group, multiple pre- and post-evaluations, or an equivalent measure”. Staff believes this was a reference to the evidence level for the Behavioral Professional Matching Grant Program which is discussed in the request, and the Department did not attempt to present evidence related to the value of evaluations per se. Staff generally considers evidence levels not applicable to a requests for FTE. However, there is clearly widespread belief at both the federal and state level (shared by JBC Staff) that evaluations can be used to improve government performance. Staff found some evidence supporting this in studies by the federal General

Accounting Office of federal agencies.¹² In light of this, staff also classifies this request as an Evidence Informed Program or Practice (though likely for different reasons than the Department).

ANALYSIS

Evaluation Activities at the Department

In response to hearing and staff questions, the Department reported that it currently employs 9.0 FTE who spend the majority of their time on evaluation. The Department has indicated that these positions include a 1.0 FTE evaluator position added by the General Assembly in FY 2022-23. Staff has included a table provided by the Department that identifies these activities and funding sources.

DEPARTMENT EVALUATION POSITIONS			
TITLE	DIVISION/UNIT/TEAM	PROGRAMS EVALUATED	FUNDING SOURCE
Director of Library Research services	Library Research Service, State Library	Public Libraries Annual Report, assessment and evaluation projects with libraries and librarians, 5 year report and internal reporting for different State Library divisions.	Library Services and Technology Federal Grant
ESSER Data and Evaluation Lead	Strategic Recovery	ESSER State Set-Aside Funds (the 10% of CARES, CRRSA, and ARP reserved to the state to distribute).	ESSER Federal Funds
Evaluation and Research Principal Consultant	Dropout Prevention and Student Re-engagement / Office of Student Supports	9th Grade Success Grant, Student Re-engagement Grant, Expelled and At-Risk Student Services Grant, Foster Care Success Act Legislative Report, Educational Stability Grant, 21st Century Community Learning Centers, Sexual Risk and Avoidance Education, and McKinney Vento Homeless Education	30% 21st Century Community Learning Centers Administration Federal Funding; 20% Dropout Prevention and Student Re-Engagement State Funding; 30% Expelled and At-Risk Student Services Grant State Funding; 20% Educational Stability Grant State Funding
Program Evaluation and Data Manager	School Quality and Support	School and District Transformation, Schools of Choice, Accountability and Continuous Improvement	10% School Transformation GF, 30% Accountability and Improvement Planning GF, 15% Longitudinal Analyses of Student Assessment Results GF, 10% IDEA Federal Funds, 15% Title II Federal Funds, 10% Division of Online Learning cash funds, 10% Preschool to Postsecondary Alignment cash funds.
Program Evaluation Specialist	Educator Talent on the Research and Impact Team	Mentor Grant Program, Education Workforce Program Grant, Principal Leadership Institute, Recruitment and Retention efforts within Educator Talent	Educator Effectiveness GF
ESEA Research Analyst	Federal Programs and Supports Unit (Office of Program Effectiveness)	Migrant Education Program (Lead), ESEA Title Programs (Co-Lead), Connect for Success Grant (Support)	5% Title III Federal Funds, 35% Migrant Federal Funds, 40% Title I Federal Funds, 10% Title II Federal Funds, 10% Title IV Federal Funds
Evaluation and Research Senior Consultant	Student Pathways/Health Education Services	School Health Professionals Grant, Project AWARE, K-5 Social Emotional Learning Pilot Program	25% Project AWARE federal funding; 75% State Funding from OSPB for evaluating the School Health Professional Grant; This role also may charge to as needed to oversee contractors working on the K-5 Social Emotional Learning Pilot Program

¹² U.S. Government Accountability Office, Evidence-based Policymaking, November 2021. <https://www.gao.gov/assets/gao-22-103910.pdf>

DEPARTMENT EVALUATION POSITIONS			
TITLE	DIVISION/UNIT/TEAM	PROGRAMS EVALUATED	FUNDING SOURCE
Program and Evaluation Assistant	Dropout Prevention	EARSS (grant) and the Dropout Prevention report which includes SRG, NGSG, and ESG (all grant programs)	20% 9th Grade Success Grant Program State Funding; 30% Dropout Prevention and Student Re-Engagement State Funding; 50% Expelled and At-Risk Student Services Grant State Funding
Literacy Business Analyst	Teaching and Learning, Early Literacy and School Readiness Office	READ Act	Early Literacy Administration Cash Funds

As reflected in the table above, the Department currently has staff and funding (typically from multiple sources) for evaluation staff for library and federal programs, including:

- Dropout Prevention
- Educator Talent
- School Quality/Transformation; and
- Student Pathways

However, the Student Pathways position is primarily funded by OSPB for evaluating the School Health Professionals grant, and, as described in the request, this is temporary.

Student Pathways Unit

In response to staff questions, the Department clarified that the position would be assigned to the Student Pathways Unit and primarily focused on state funded grant programs. The unit includes 10 federal grant programs and 27 state grant programs.

10 Federal Grants

1. 21st Century Community Learning
2. Mckinney-Vento Homeless
3. Adult Education And Family Literacy
4. CDC 1801 Healthy Schools Grant
5. Colorado Project Aware
6. Improving Student Health And Academic Achievement (1801 Regular, Non-Covid Grant)
7. School Climate Grant
8. School Nurse Workforce Grant
9. Title V State Sexual Risk Avoidance Education Grant
10. Migrant Education Program

27 State Grants, Programs, Policy Areas:

1. School Health Professional Grant (Behavioral Health Care Professional Matching Grant Program)
2. Accelerated College Opportunity Exam Fee
3. Accelerating Students Through Concurrent Enrollment
4. Adult Education And Literacy
5. Automatic Enrollment In Advanced Course Grant Program (John W. Buckner)
6. Career Development Incentive Program
7. Colorado Student Re-Engagement Grant

8. Comprehensive Health Education Student Wellness
9. Concurrent Enrollment Expansion And Innovation
10. Education Stability Grant
11. Expelled And At Risk Students
12. FAFSA/CASFA Grant
13. High School Innovative Learning Pilot Program
14. K-5 Social And Emotional Health Act
15. Menstrual Hygiene Products Accessibility Grant
16. Ninth Grade Success Grant Program
17. Physical Education Instruction Pilot Program
18. School Counselor Corps Grant
19. Career Advising
20. Asthma Comprehensive Grant
21. College And Career Readiness
22. Medicaid Reimbursements For Public School Health Services
23. Mental Health Education Resource Bank And Technical Assistance
24. Office Of Dropout Prevention And Student Reengagement
25. Brain Injury Program
26. Pathways In Technology Early College High Schools
27. Teacher Recruitment Education And Preparation

Approximately 10 of the 37 grants/programs have evaluation built into/called out from program funding (3 federal, 7 state), and the Department has evaluators working on these programs. These are listed below. It does not have evaluation support for the others.

1. Project Aware (federal)
2. Migrant Education Program (Federal)
3. 21st Century Community Learning Centers (Federal)
4. School Health Professional Grant
5. K-5 Social Emotional Learning Pilot
6. P.E. Pilot Program
7. Dropout Prevention And Student Re-Engagement
8. Expelled And At-Risk Student Services Grant
9. High School Innovative Learning Pilot Program
10. Educational Stability Grant

Behavioral Healthcare Professional Matching Grant Program

The request focuses on the need for additional resources to evaluate the Behavioral Healthcare Professional Matching Grant program. This program is authorized in Section 22-96-103, C.R.S. to provide funding to education providers through a competitive grant process. In FY 2022-23 the program appropriation included \$14,959,590 from the Marijuana Tax Cash Fund and 5.0 FTE and \$7,000,000 and 0.4 FTE from one-time ARPA funds.

The program increases the presence of school health professionals in both elementary and secondary schools to provide substance abuse and behavioral health care to students who have substance abuse or other behavioral health needs; implement substance abuse prevention education and provide evidence-based resources to school staff, students and families; reduce barriers for enrolled students, who are at risk for substance abuse, to access services provided by community-based organizations

for treatment and counseling. The 75+ current grantees (as of July 2022) currently implement evidence-based programs that are evaluated using performance measures that align with their grant goals and objectives specified in their annual Work Plans. Grantees are located throughout Colorado and include school districts, charter schools, and Boards of Cooperative Educational Services (BOCES). The grant funds school counselors, nurses, psychologists, and social workers and supports professional development activities to enhance staff knowledge of behavioral health.

The program is currently tracking outcomes that include: drug-related behavior incidents; students' and parents increase in knowledge about behavioral health needs; staffs' confidence in supporting behavioral health needs; and the availability of school-based prevention and early intervention. The program also tracking attendance and truancy, expulsions, dropouts and graduation rates.

Program evaluation thus far has been supported by OSPB, but this is time-limited, and the program would like to continue to collect data and assess outcomes. Administrative expenses for the program are capped at 3.0 percent by statute, and there are thus insufficient resources to fund the evaluation within the existing program budget.

Justification and JBC Staff Observations About the Need for Program Evaluation Resources

- In response to questions the Department notes:

There is consensus that evaluation should be seen as an investment into making the program more effective in the future. Evaluation cost can vary from 5% to 20% of a grant program's fund (depending on the size of the grant program). For example, Americorps looked at program evaluation of 70 federal programs and found that the average cost for the type of evaluation that we are aiming to do (quasi-experimental) was about 15%. In addition, a quick web search shows many estimates of around 5% to 10% of a grant program as evaluation.

The Student Pathways unit distributes over \$97 million a year and spends approximately \$350,000 on evaluation, which means 0.3% of funding is spent on evaluation. There are over 25 grant programs and policy areas without any current evaluation support, which is why the requested FTE would be focused just on the Student Pathways unit.

- **The Joint Budget Committee and the General Assembly have consistently expressed interest in using evidence to determine which programs are worth funding**, as reflected in S.B. 21-284 (Evidence-based Evaluations for Budget). The General Assembly also has a long history of adding new programs—often of small size—in the Department of Education. Many legislators have experience in education as teachers or as members of local boards of education, and they like to support interesting and innovative programs. **Given this longstanding pattern of adding grant programs, staff concurs with the Department that there is value to putting more resources into program evaluations with the goal of determining how programs should be improved, as well as considering which should be expanded, and which should not be retained.**

Position Cost

The Department requested the position at the mid-point of its principal consultant position. The full-year salary cost is \$84,780 plus PERA and Medicaid. Staff’s understanding is that the Department seeks to retain an existing expert previously funded by OSPB. Staff has thus recommended the position at the level requested with minor adjustments related to legislative versus executive branch common policy calculations.

➔ R9 LEASE SPACE CONSOLIDATION

REQUEST: The Department requests a one-time appropriation of \$507,665 General Fund for buildout and moving costs related to consolidating 100% of Department staff into Capitol Complex lease space. This will involve creating hybrid neighborhoods with flexible workstations and more collaboration space. The effort will eliminate all private lease space occupied by the Department by the end of FY 2023-24, resulting in estimated savings of \$1,050,994 total funds, including \$177,760 General Fund in FY 2024-25 and ongoing.

RECOMMENDATION: Staff recommends the request for a one-time appropriation of \$507,665 in General Department and Program Administration line item, in light of the out-year cost-savings.

ANALYSIS: As outlined in the request, the Department occupies space at the Capitol complex but also leases space at 1560 Broadway (35,515 square feet) and 6000 E Evans (9,039 square feet).

Cap Complex	\$349,780	\$105,483	\$85,626	\$339,612;	\$880,504
Leased Space	\$90,758	\$297,775	\$23,406	\$859,054	\$1,270,993
				1560 Broadway ' : \$1,109,617	
				6000 E Evans : \$161,376	

Pre-pandemic, the Department had expected to continue to use these spaces. However, work from home initiatives, adopted as part of the response to COVID-19, have continued for Department staff into FY 2022-23. The Department believes that a flexible, hybrid approach where staff work from home on individual tasks and work in the office when collaborating has increased the Department’s productivity, enabled the Department to maintain high service standards, and has improved recruitment and retention. Because of this shift, much of the Department’s office space is underutilized, and the Department faces a mismatch between spaces available and spaces needed.

In response, the Department engaged a consulting firm to analyze how to adapt to its new space needs. The analysis produced several possible scenarios that involved changes to the Department’s current 201 East Colfax building, but the Department determined that the related costs, which included code compliance costs, made the return on investment challenging. In light of this, the Department is requesting just \$507,665 for minimal buildout, moving costs, and furniture expenses (one-third of the average of the proposals presented by the consultant). It is assumed that this level of buildout will not trigger any code compliance requirements but will enable the Department to consolidate its leased space into the Capitol Complex. The exact portions of the original proposals that will be funded have not yet been determined; the decisions will be made in an agile framework as staff are moved and needs prioritized.

FY 2024-25 SPACE CONSOLIDATION SAVINGS ESTIMATE					
	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Cap Complex FY 2022-23	\$880,504	\$349,780	\$105,483	\$85,629	\$339,612
Lease Space FY 2022-23	\$1,270,993	\$90,758	\$297,775	\$23,406	\$859,054
New Cap Complex Appropriation FY 2024-25	\$1,100,504	\$262,778	\$209,292	\$92,972	\$535,461
PROJECTED FY 2024-25 SAVINGS	(\$1,050,993)	(\$177,760)	(\$193,966)	(\$16,063)	(\$663,205)

➔ R12 STRATEGIC ALIGNMENT

REQUEST: The request includes a one-time General Fund appropriation of \$175,000 for FY 2023-24 to provide the Department with funding for a contractor to conduct an internal assessment and gather stakeholder feedback on how forthcoming grants management and customer relations management tools can effectively interact with the Department’s Universal Improvement Plan platform. The Department’s goal is to build an integrated system that shows the multiple funding streams and interactions between Department staff and school districts, so that the Department can assist districts in accessing grants and resources that support district goals.

RECOMMENDATION: **Staff recommends the request for a one-time appropriation of \$175,000 General Fund for Request R12 based on the use-case presented.** However, *staff also believes it would be reasonable to reject this, simply on the basis that all of the Customer Relations Management and Grants Management tools that this initiative will support are being funded internally by the Department using federal ESSER resources.* The Department has set-aside \$10.0 million for these projects. The Department has presented a strong use-case for \$175,000 if the General Assembly wishes to make a small contribution to this overall effort. However, if the Department was able to set aside \$10.0 million for the IT projects, why not \$10.2 million to incorporate the stakeholder input process included in this request?

ANALYSIS:

Background – Unified Improvement Plan System, Customer Relations, Grants Management, ESSER Investments
 Each year, schools in Colorado Complete a Unified Improvement Plan (UIP), which the Department introduced in 2009 to streamline school and district efforts to meet state and federal improvement planning requirements. Adopting a common improvement planning approach has enabled the State to include planning as a critical component of “continuous improvement.” Over time, several state and federal programs and grants have been built into the UIP process. The UIP system enables schools that are “on the clock” and other schools with high priority needs to seek additional support in the improvement planning process.

The Department wishes to further coordinate and centralize platforms used for assisting districts. CDE is in the process of developing three new systems using federal Elementary and Secondary Student Relief (ESSER) funds. These funds are part of \$171.6 million that comprise the 10.0 percent “State Reserve” of total ESSER funds that is being used at the discretion of the State Board of Education (subject to federal requirements). The majority of these funds (\$110.8 million) were included in ESSER III and are available through September 2024. Of this total, **the State Board**

of Education set aside \$10.0 million in ESSER funds for three information technology projects:

- Grants management system
- Data pipeline system
- Customer relationship management tool

The Department notes that it currently has multiple grant applications and four different application portals as part of the UIP process and access to federal funding. Each grant application is different and some require paper submissions. This situation is burdensome for school staff and makes it difficult for Department staff to see whether districts are pursuing and spending state and federal funds in ways consistent with their UIP

In Fall 2022, the Department was in the process of evaluating the submissions it had received for the new grants management system, and it reported that the planned customer relationship management system and a modernized data pipeline system were both in early stages of design. Once rolled out, the Department wishes to intentionally connect these three systems with the UIP system to increase efficiency within the Department and to better serve the field.

The issues the Department is trying to solve for include:

- 1) How to align four systems (i.e., Online UIP System, grants management system, data pipeline system, and CRM tool), to improve efficiencies for the department and districts
- 2) How to effectively seek stakeholder feedback to meaningfully guide these separate but connected systems to increase efficiencies for both program and technical improvements for the varied users.

While still in development, benefits are expected to include:

- Pre-populate data in any of the systems. For example, the identified needs from a district's UIP and other demographic data from Data Pipeline could be populated into the grants management system.
- Grants data and information from the Data Pipeline could be populated into the Online UIP to help the field better reflect on their performance data, demographics and available state and federal resources to identify needs and drive high leverage practices. With improved data dashboard capabilities, the department can incorporate this new information in more intuitive visualizations.
- The Customer Relations Management system is a way for the Department to catalog its interactions with districts in relation to the data that can be supplied through the other three systems (i.e., Online UIP System, grants management, contact management). With a coordinated summary, Department staff will be able to tailor their support much more precisely to districts' unique context.

In sum:

- The coordination of the information from these four systems will enable the Department to better evaluate programming and interventions.
- Coordination of these four systems will create efficiency and avoid duplication of reporting for districts.
- This initiative will help with greater transparency for public reporting.

Looking Forward

The Governor's Office, which is the driver for this request (although the State Board has concurred), anticipates that the funds will be used as quickly as possible so as to identify any changes to the implementation of current projects as early in the build process as can be achieved. If additional needs are identified by this effort, the expectation is that these would be identified in the first half of FY 2023-24 so as to include any future need in the Budget Amendment process for the FY 2024-25 budget. Staff understands that such additional investments are expected to be modest and in the \$250,000 to \$300,000 range.

→ R10/BA4 CSI MILL LEVY OVERRIDE EQUALIZATION

REQUEST: The request, as modified by BA4, includes a \$10,000,000 General Fund increase for mill levy equalization for Charter School Institute (CSI) charter schools, which would bring total General Fund support to \$27,000,000 after annualization of prior year actions. Reappropriated funds included in the request double-count this figure. Many school districts throughout the state have received voter permission to raise local tax revenue above the approved state per-pupil operating revenue amount (PPOR). However, charter schools that are authorized by the CSI instead of their local school district do not have access to such additional local mill levy support. For FY 2022-23, the General Assembly provided \$17.0 million General Fund to help address the disparate revenue available to CSI charter schools versus schools operating within the same region that are authorized by their local school district. The request would increase this contribution, reducing the gap in per pupil funding available for CSI schools compared to other public schools.

RECOMMENDATION: Staff does not recommend the requested increase of \$10,000,000 General Fund for the CSI Mill Levy Override Equalization line item.

- Staff believes that CSI's position is that its schools should not receive less funding per student than students at neighboring public schools is compelling. CSI charter schools fill important niches in the array of school offerings, including unique programs for new immigrants and, most recently, the Ute Mountain Ute community. The funding differences between CSI schools and district schools are substantial. While successful CSI charters overcome the discrepancy, CSI charters clearly face more financial obstacles than most district schools.
- Nonetheless, staff remains concerned about the *source* for equalizing funding (state General Fund) and the resulting impact on the state budget.
 - Staff is concerned about building incentives for charter schools, and their local school districts, to encourage charter schools to pursue CSI authorization instead of local district authorization. While there are clearly many factors that charter schools and districts take into account when deciding upon an authorizer, as the CSI mill levy override equalization amount grows, it will build incentives in favor of CSI authorization. This is directly contrary to the State's financial interest in ensuring that school districts contribute local tax funding in support of students attending local public charter schools.
 - In light of the above concern, staff believes that reducing the budget stabilization factor across the public education system and increases to address the needs of students with disabilities should be a higher priority than increasing funding for students in CSI charters.

- Staff **does** recommend increasing the Mill Levy Override Equalization line item for interest earnings available. Last year, the Committee added \$209,923 cash funds spending authority. Staff recommends increasing this to figure to \$364,000, based on input from the program.

ANALYSIS

Background - State Charter School Institute

The State Charter School Institute (CSI) is a statewide charter school authorizer, functioning as an independent agency in the Department of Education. Governed by a nine-member board, the CSI is allowed to authorize charter schools located within a school district's boundaries if the school district has not retained exclusive chartering authority. With the permission of the geographic district, CSI can also authorize schools within districts that have retained exclusive chartering authority.

There are 40 CSI schools operating in FY 2022-23, located in 16 different school districts and serving more than 20,000 students. This makes CSI comparable in size to the 15th largest school district in the State. However, CSI's portfolio of charter schools is a small share of the approximately 265 charter schools operating statewide, most of which operate under the authorization of their local school district.

CSI schools have access to per pupil operating revenue (PPOR) equal to the PPOR for the district in which they are geographically located. For students enrolled in CSI schools, state fund allocations to the district are reduced by an amount equal to the full PPOR calculated for the district (including the state and local share) multiplied by the number of CSI students. However, the school district's total *local* mill levy funds do not change, despite serving fewer students.

- The net fiscal impact for the district is that its total PPOR support is reduced by the number of students who are served in a CSI school instead of a district school.
- The impact for CSI is that it receives a PPOR payment for each student in a CSI charter school that equals the PPOR for the district in which the CSI charter school is located.
- The net impact on the state budget is the same as if the student were enrolled in the student's school district.

In addition, CSI schools receive allocations for federal funds distributed by the Department, consistent with the various federal allocation policies. This includes allocations of federal Title I and special education funds and, most recently, federal ESSER funds. Further, CSI schools have access to some funds specifically designated for charter schools, such as the BEST Charter School Facilities Assistance program.

Unlike schools in most public school districts, CSI schools generally do not receive support from mill levy overrides and bond measures approved by voters.¹³ This is because CSI is not legally connected to local school districts, and neither the State nor CSI appear to have authority to require school districts to transfer funds to CSI or to request that voters authorize mill levy or bond funding for CSI schools. This differs from the situation for district-authorized charter schools. District-authorized charter schools historically had uneven access to local mill levy override revenues, based on decisions at the district level. However, H.B. 17-1375 required *all* districts to share override revenues with *district-authorized* charter schools on an equal per pupil basis beginning in FY 2019-20.

¹³ One school district, Durango, included a CSI school as part of a mill levy measure. CSI reports this is the sole exception.

Since CSI-authorized schools do not have access to local override revenues, H.B. 17-1375 created the Mill Levy Equalization Fund to support *state* payments to CSI schools to equalize the local override revenues available in CSI schools’ geographic districts.

Request – CSI Mill Levy Equalization

The Governor’s Office seeks an increase of \$10,000,000 General Fund to support mill levy equalization payments for CSI schools in FY 2023-24, increasing total funding to \$27,000,000 from the \$17,000,000 currently appropriated. The request is to appropriate that amount into the Mill Levy Equalization Fund and then reappropriate the same amount out of the cash fund (as reappropriated funds) to support the actual equalization payments.

PROJECTED STATE MILL LEVY OVERRIDE FUNDING BY SCHOOL IF REQUEST IS APPROVED						
DISTRICT	CSI SCHOOL NAME	2022-23 CSI SCHOOL OCT COUNT FUNDED	DISTRICT PER PUPIL OVERRIDE FUNDING ²	FULL EQUALIZATION	FY 2023-24 REQUEST	REQUEST AS % FULL FUNDING
Adams 12 Five Star	Academy Of Charter Schools	1,850.0	1,771	3,275,461	2,562,921	78.2%
Adams 12 Five Star	Global Village Academy - Northglenn	832.0	1,771	1,473,072	1,152,622	78.2%
Adams 12 Five Star	The Pinnacle Charter School	1,942.0	1,771	3,438,349	2,690,375	78.2%
Aurora	Colorado Early Colleges - Aurora	477.0	2,730	1,302,409	660,818	50.7%
Aurora	Montessori Del Mundo Charter	270.5	2,730	738,578	374,741	50.7%
Aurora	New America School - Lowry	109.0	2,730	297,615	151,005	50.7%
Aurora	New Legacy Charter High School	109.0	2,730	297,615	151,005	50.7%
Brighton 27j	High Point Academy	710.0	795	564,384	564,384	100.0%
Colorado Springs	Coperni 3	292.0	3,065	894,861	404,526	45.2%
Colorado Springs	Colorado Military Academy	688.5	3,065	2,109,972	953,822	45.2%
Colorado Springs	Colorado Springs Charter Academy	308.0	3,065	943,895	426,692	45.2%
Colorado Springs	Colorado Springs Early Colleges	635.5	3,065	1,947,549	880,398	45.2%
Colorado Springs	Colorado International Language Academy	290.8	3,065	891,184	402,864	45.2%
Colorado Springs	James Irwin Charter Academy	299.0	3,065	916,313	414,223	45.2%
Colorado Springs	Coperni 2	185.0	3,065	566,950	256,292	45.2%
Colorado Springs	Mountain Song Community School	359.3	3,065	1,101,108	497,761	45.2%
Colorado Springs	Thomas Maclaren State Charter	926.5	3,065	2,839,345	1,283,539	45.2%
Commerce City	Community Leadership Academy/ Victory Prep	609.5	808.67	492,884	492,884	100.0%
Douglas	Ascent Classical Academy - Douglas County	928.9	1,167	1,083,762	1,083,762	100.0%
Douglas	Colorado Early Colleges Douglas County	1,149.0	1,167	1,340,557	1,340,557	100.0%
Durango	Animas High School	217.5	2,124	462,027	301,316	65.2%
Durango	Mountain Middle School	331.6	2,124	704,406	459,386	65.2%
Eagle	Stone Creek School	295.0	2,280	672,496	408,682	60.8%
Jefferson County	Goldenview	753.9	1,891	1,425,498	1,044,425	73.3%
Mesa Valley	Caprock Academy	887.3	760	674,022	674,022	100.0%
Mesa Valley	Monument View Montessori	50.0	760	37,982	37,982	100.0%
Montezuma Cortez	Kwiyagat Community Academy	48.0	0	0	0	N/A
Poudre	Ascent Classical Academy - Northern Colorado	607.3	2,082	1,264,437	841,331	66.5%
Poudre	Axis International Academy	171.2	2,082	356,449	237,174	66.5%
Poudre	Colorado Early College Fort Collins	1,043.5	2,082	2,172,633	1,445,626	66.5%
Poudre	Colorado Early College - Windsor	1,021.8	2,082	2,127,452	1,415,564	66.5%

PROJECTED STATE MILL LEVY OVERRIDE FUNDING BY SCHOOL IF REQUEST IS APPROVED						
DISTRICT	CSI SCHOOL NAME	2022-23 CSI SCHOOL OCT COUNT FUNDED	DISTRICT PER PUPIL OVERRIDE FUNDING ²	FULL EQUALIZATION	FY 2023-24 REQUEST	REQUEST AS % FULL FUNDING
Poudre	Academy Of Arts & Knowledge	173.6	2,082	361,446	240,499	66.5%
Roaring Fork	Ross Montessori School	250.0	2,802	700,444	346,341	49.4%
Salida	Salida Montessori Charter School	128.0	1,805	231,044	177,326	76.7%
Steamboat Springs	Mountain Village Montessori Charter School	128.0	2,133	272,989	177,326	65.0%
Westminster 50	Crown Pointe Charter Academy	458.0	3,058	1,400,358	634,496	45.3%
Westminster 50	Early College Of Arvada	207.5	3,058	634,442	287,463	45.3%
Westminster 50	Ricardo Flores Magon Academy	253.0	3,058	773,560	350,497	45.3%
Poudre	Cec Online School	247.0	2,048	505,856	342,185	67.6%
Jefferson County	Prospect Academy	59.0	1,830	107,970	81,736	75.7%
Aurora	Wildflower - Aurora	0.0	2,730	169,413	85,892	N/A
Mesa Valley	Ascent - Grand Junct.	0.0	760	325,280	325,280	N/A
Brighton 27j	Ascent - 27j	0.0	795	340,260	340,260	N/A
Total		20,302.7		\$42,236,328	\$27,000,000	63.9%

The request highlights the following issues:

The CSI plays an important role in the State as an effective authorizer for charter schools. CSI authorizes schools throughout the State that are premised on a wide array of educational approaches: alternative education, tribal culture and language, classical, dual language, early college, Montessori, project-based and Waldorf.

- CSI holds its schools accountable through regular review and analysis of outcome data. In FY 2021-22, of the schools with sufficient data, 35 of 36 CSI schools earned one of the state’s highest two rating for academic performance (Performance or Improvement).
- Collectively, CSI schools serve minority students, English language learners, and students eligible for free or reduced lunch at rates that are similar to the rates at other public schools. It continues to prioritize service to and outcomes for at-risk children. Board resolutions and CSI activities reflect significant efforts to expand charter school capacity for serving students with special needs¹⁴, and the Board has directed CSI staff to incorporate diversity, equity, and inclusion into organizational goals.

CSI schools face persistent and systemic funding disparities. These funding disparities have significant impact on CSI students. The request highlights the four CSI schools in Aurora which are disproportionately minority, economically disadvantaged, and serve a large share of English learners. It notes that these four schools are receiving nearly \$1,900 per student less than their district peers in FY 2022-23.

- CSI teachers and principals receive \$10,000-\$15,000 less in salary per year on average (CSI average teacher salary of \$44,645, versus district average teacher salary of \$60,168), resulting

¹⁴ Enrollment of students with disabilities resulting in individualized education plans (IEPs) in CSI schools is still substantially below that of other schools, on average: 7.7 percent of CSI school students have IEPs, compared to 11.9 percent of students statewide. However, a larger share of CSI school students (3.9 percent) have Section 504 disability plans, compared to 3.3 percent of students statewide.

in turnover that is far higher than at other schools (26% teacher turnover at CSI schools compared to 17% at district schools).

- CSI schools spend a much larger share of their operating expenses on facility costs: CSI schools spend an average of 18% of total spending on facility costs, compared to less than 4% for district schools.
- CSI schools are limited in transportation and food service offerings: Fewer than half of CSI schools have the ability to offer regular transportation services between school and home. CSI schools must often rely on non-district school food authorities to support their food service programs.

State Budget Impact and Potential Growth

The current CSI request would increase the CSI mill levy equalization figure to \$27.0 million, **increasing the state funded mill levy equalization support to \$1,475 per pupil at most CSI schools.** The exceptions are those where there is no mill levy override in place (Montezuma-Cortez) or where the current mill levy override is below this figure per pupil for the district (such as Mesa Valley and Douglas County).

- **Staff anticipates CSI will continue to seek further increases to “equalize” funds.** The most recent figures indicate it will take \$42.2 million to equalize local district mill levy override amounts, based on the number of CSI students estimated to be enrolled in FY 2023-24 and local mill levies enacted to date.
- **“Equalization” is a moving target.** The cost of “full” equalization this year (\$42.2 million) is more than last year’s calculation, which was \$40.5 million. The figure would have been higher if a Douglas County mill levy override had passed in November 2022, highlighting the extent to which the equalization calculation is driven by local voter decisions, as well as the number of students attending CSI schools.
- Last year, staff compared data from Legislative Council Staff on the maximum mill levy overrides allowed in districts where CSI schools currently operate with the current mill levy overrides. In some cases, school districts are already at the cap allowed (25-30 percent of total program funding). In other cases, districts have not thus far adopted any mill levy overrides. Based on this analysis, **staff calculated that if voters in all of the 16 districts where CSI schools operated voted to increase their local district mill levy overrides to the maximum now allowed under state law, and the State chose to equalize this figure for CSI schools, \$57.8 million would be required--\$16.7 million more than CSI’s current estimate of the cost of “full” equalization.**
- In the last few years, the number of CSI schools has not changed substantially, but new schools have joined (three this year). More importantly, **the number of students enrolled in CSI schools has increased.** For the five year period from FY 2017-18 to FY 2022-23, CSI enrollment increased by 25.3 percent, while total state enrollment *fell* by 3.0 percent.
- Even if CSI schools and pupil counts remain stable, over time the cost of equalizing funding for CSI students will increase based on factors such as total funding (since mill levy overrides are capped at 25 to 30 percent of total program formula funding) and property values.

CSI emphasizes that even if the State were to equalize operating mill levies, there are other areas in which its schools still are not equal, including local mill levies for bonds (which are not included in the calculation) and state "declining enrollment" support for districts which effectively increase many districts' per pupil revenue but in which CSI does not share. CSI is not pursuing equality in these areas, but presumably might in the future.

The alternative - authorization by local school districts

Charter schools and districts have a choice. They may be authorized by local districts or they may be authorized by CSI. Further, pursuant to H.B. 17-1375, charter schools that operate within school districts have equitable access to local funds, as well state funds. *Previous budget requests have indicated that many CSI schools could have been district-authorized charter schools.* According to an FY 2018-19 budget request, of the portfolio of 41 CSI schools at that time, 13 were previously approved by local districts and transferred to CSI (schools choose CSI or local districts for a variety of reasons, including financial differences), six were new schools that were also approved by local districts but chose CSI, and 20 were new schools that did not even apply for authorization by a local district and went straight to CSI. Of that portfolio of schools, two were originally denied by a local district before applying to CSI. If those schools had been authorized by districts, they would have access to local revenues, as provided by H.B 17-1375.

Given funding sources, it is in the State's financial interest to have local districts authorize charter schools, rather than CSI. Allowing a school to be authorized by CSI is typically a district decision: 172 of 178 school districts have retained exclusive chartering authority. CSI authorizes schools in districts that have not retained exclusive chartering authority and in districts that choose to release the charter to CSI or waive their exclusive chartering authority for a CSI school. CSI noted during its budget hearing that last year one CSI school transferred to the geographic district to access mill levy override funds and that at least three CSI schools are actively considering a transfer. From a state financial perspective, this should be something the State wants.

CSI notes that there are multiple considerations when a school seeks CSI authorization and a school district allows CSI to authorize a school, rather than retaining the authority itself. From a financial perspective, a district may take into consideration mill levy sharing, impact on declining enrollment funding, impact on federal funding allocations, and costs to authorize. Beyond the financial, it may consider its influence on charter school programming and how this will affect the district's overall performance rating. Likewise, a school will consider issues such as mill levy/mill levy override equalization support, inclusion in future bonds, and distribution of state and federal funds, as well as accountability procedures and potentially caps on enrollment.

While staff recognizes that districts and schools have many considerations when selecting an authorizer, if the State ratchets up its support for CSI mill levy overrides using solely state funds, it builds incentives for schools to seek CSI authorization and districts to support this, since state funds, rather than local district funds, will cover mill levy override costs.

➔ STAFF INITIATED INCREASE FOR STATEWIDE ASSESSMENT PROGRAM

REQUEST: The Department did not request this item, but provided the data required for this recommendation.

RECOMMENDATION: Staff recommends the following adjustments to the Statewide Assessment Program line item, based on the costs of procuring the State’s suite of exams.

- An increase of \$1,338,709 from the State Education Fund for increased costs for the College Entrance Suite of exams. The contract for the exams is re-procured in FY 2023-24, and an increase was anticipated.
- A reduction of \$51,450, including \$18,007 from the State Education Fund for English Language Proficiency assessments.

The table below provides detail on the costs of the statewide exams funded in this line item. Amounts in the table also include annualization of prior year salary survey.

SUMMARY OF FY 2023-24 RECOMMENDATION FOR STATEWIDE ASSESSMENT				
PROGRAM LINE ITEM				
DESCRIPTION	FY 2022-23 APPROPRIATION	FY 2023-24 REQUEST	ANNUAL CHANGE	ANNUAL CHANGE
I. CMAS: Contract for developing, scoring, and reporting CMAS (not including alternate assessments) - math and English	<u>12,477,677</u>	<u>12,477,677</u>	<u>0</u>	0.0%
Cash Funds - State Education Fund	10,591,483	10,591,483	<u>0</u>	0.0%
Federal Funds	1,886,194	1,886,194	<u>0</u>	0.0%
II. Alternate Math and English Assessments: Contract for developing, scoring, and reporting Colorado alternate assessments	<u>950,000</u>	<u>950,000</u>	<u>0</u>	0.0%
Federal Funds	950,000	950,000	<u>0</u>	0.0%
III. Science and Social Studies: Contract for developing, scoring, and reporting science and social studies assessments	<u>6,294,179</u>	<u>6,294,179</u>	<u>0</u>	0.0%
Cash Funds - State Education Fund	5,979,470	5,979,470	<u>0</u>	0.0%
Federal Funds	314,709	314,709	<u>0</u>	0.0%
IV. Alternate Science and Social Studies: Contract to develop, score, and report Alternate assessments for science and social studies	<u>1,632,130</u>	<u>1,632,130</u>	<u>0</u>	0.0%
Cash Funds - State Education Fund	979,278	979,278	<u>0</u>	0.0%
Federal Funds	652,852	652,852	<u>0</u>	0.0%
V. English Language Proficiency: Contract for developing, scoring, and reporting the Colorado English language proficiency assessment	<u>2,845,760</u>	<u>2,794,310</u>	<u>(51,450)</u>	-1.8%
Cash Funds - State Education Fund	996,016	978,009	<u>(18,007)</u>	-1.8%
Federal Funds	1,849,744	1,816,301	<u>(33,443)</u>	-1.8%
VI. College Entrance Suite: SAT for 11th grade students and PSAT for 9th and 10th grade students - Cash Funds (State Education Fund)	<u>4,009,541</u>	<u>5,348,250</u>	<u>1,338,709</u>	33.4%
VII. Spanish Language Arts:	<u>1,543,909</u>	<u>1,543,909</u>	<u>0</u>	0.0%
Cash Funds - State Education Fund	1,543,909	1,543,909	<u>0</u>	0.0%
Federal Funds	0	0	<u>0</u>	
VIII. Administration: Staff and operating expenses	<u>2,197,374</u>	<u>2,250,854</u>	<u>53,480</u>	2.4%
FTE	<u>16.5</u>	<u>16.5</u>	<u>0</u>	0.0%
Cash Funds - State Education Fund	573,029	579,881	<u>6,852</u>	1.2%

SUMMARY OF FY 2023-24 RECOMMENDATION FOR STATEWIDE ASSESSMENT				
PROGRAM LINE ITEM				
DESCRIPTION	FY 2022-23 APPROPRIATION	FY 2023-24 REQUEST	ANNUAL CHANGE	ANNUAL CHANGE
Federal Funds	1,624,345	1,670,973	46,628	2.9%
Adjustment to Align with Request - Cash Funds	0	0	0	
Total	31,950,569	33,291,308	1,340,739	4.2%
FTE	16.5	16.5	0	0.0%
Cash Funds - State Education Fund	24,672,725	26,000,280	1,327,554	5.4%
Federal Funds	7,277,844	7,291,029	13,185	0.2%

For additional detail on assessments and projected costs, please see the line item detail for Assessments and Data Analysis.

Note that S.B. 23-061 (Eliminate State Assessment in Social Studies), if enacted, will reduce the annual funding required for state assessments by \$1,025,521 General Fund ongoing. The bill was passed by the Senate Appropriations Committee on February 17, 2023 and referred to the Committee of the Whole.

→ STAFF INITIATED ELIMINATE APPROPRIATION FOR UNIQUE STUDENT IDENTIFIERS FOR CHILDREN RECEIVING EARLY CHILDHOOD EDUCATION

REQUEST: The Department did not request this item but is aware of the issue.

RECOMMENDATION: Staff recommends that \$298,000 cash funds appropriated from the State Education Fund to the line item for Longitudinal Analysis of Student Assessment Results be removed. The associated statutory provision at Section 22-2-134, C.R.S., was repealed in H.B. 22-1295 (Department of Early Childhood). Staff anticipates that funding for this function will need to be added in the Department of Early Childhood, but staff will require further input from the Executive Branch and the analyst for the Department of Early Childhood on the appropriate next steps. Staff is uncertain where the statutory authority for this function now exists (if anywhere).

ANALYSIS: In FY 2014-15, H.B. 14-1298 (School Finance) appropriated \$298,000 cash funds from the State Education Fund to support the creation and assignment of unique student identifiers for children receiving state- or federally- subsidized early childhood education services.

H.B. 22-1295 (Department of Early Childhood) repealed Section 22-2-134, C.R.S., in the Department of Education, so this provision should no longer be funded within the Department of Education. Staff has requested additional feedback from the Executive Branch about what further steps, if any, are required related to this responsibility.

→ PENDING NON-PRIORITIZED AND COMMON POLICY ITEMS

The following common policy and non-prioritized items were pending at the time this figure setting packet was submitted for printing. In these instances the request is reflected, even though the Committee's decision is pending. **Staff requests permission to incorporate the Committee's policy when it has made decisions on these items.**

- NP BA DPA Pay Plan
- NP Statewide operating expenses inflation
- Worker’s Compensation (DPA)
- Payment to Risk Management & Property Funds (DPA)
- Vehicle Lease Payments (DPA)
- Payments to OIT and related requests and decision items, including Accessibility Testing (GOV)
- Legal Services (LAW)
- Administrative Law Judge Services (DPA)
- Capitol Complex Leased Space (DPA)
- CORE Operations (DPA)
- NP Center for Organizational Effectiveness (COE) common policy (DPA)
- NP Capitol Complex Staffing (DPA)
- NP Performance Budgeting (DPA)

In addition, **if Committee common policy is modified after this document is printed, staff requests permission to make related adjustments to any affected line item.**

LINE ITEM DETAIL — MANAGEMENT AND ADMINISTRATION

(A) ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS

STATE BOARD OF EDUCATION

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

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

REQUEST: The Department requests \$425,560 General Fund and 2.5 FTE, including an increase of \$12,003 to annualize FY 2022-23 R3 (State Board Operating Increase) and \$6,164 to annualize prior year salary survey.

RECOMMENDATION: Staff recommends the request, which is calculated consistent with common policy and shown in the table below.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, STATE BOARD OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE

FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$407,393	\$407,393	\$0	\$0	\$0	2.5
TOTAL	\$407,393	\$407,393	\$0	\$0	\$0	2.5
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$407,393	\$407,393	\$0	\$0	\$0	2.5
Annualize prior year budget actions	18,167	18,167	0	0	0	0.0
TOTAL	\$425,560	\$425,560	\$0	\$0	\$0	2.5
INCREASE/(DECREASE)	\$18,167	\$18,167	\$0	\$0	\$0	0.0
Percentage Change	4.5%	4.5%	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

GENERAL DEPARTMENT AND PROGRAM ADMINISTRATION

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

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

REQUEST: The Department requests an appropriation of \$6,325,829 total funds (including \$2,765,337 General Fund) and 42.6 FTE, including the following changes from the FY 2022-23 appropriation:

- An increase of \$37,388 General Fund and 0.5 FTE to annualize FY 2022-23 Request R4 (Departmental Infrastructure)
- An increase of \$207,957 total funds to annualize prior year salary survey.
- An increase of \$99,834 total funds for the statewide operating expense request
- An increase of \$127,421 Reappropriated Funds for R3 Translation services
- An increase of \$90,775 General Fund for R8 Evaluation support
- An increase of \$507,665 General Fund for R9 Lease space consolidation

RECOMMENDATION: The staff recommendation is shown in the table below. Differences between the request and recommendation have previously been discussed and include a fund source difference for the R3 position (staff applied General Fund instead of reappropriated funds) and staff’s inclusion of a portion of the Department’s R4 Inflationary adjustment in this line item. Note that the Statewide operating expense request is pending. Staff requests permission to work with Department staff to

calculate the allocation of indirect cost recoveries between this line item and the associated centrally appropriated line items if changes are necessary based on the Committee’s common policies.¹⁵

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, GENERAL DEPARTMENT AND PROGRAM ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$5,254,789	\$1,947,036	\$186,491	\$3,121,262	\$0	40.3
TOTAL	\$5,254,789	\$1,947,036	\$186,491	\$3,121,262	\$0	40.3
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$5,254,789	\$1,947,036	\$186,491	\$3,121,262	\$0	40.3
R9 Lease space consolidation	507,665	507,665	0	0	0	0.0
Annualize prior year budget actions	245,345	141,925	316	103,104	0	0.5
R3 Translation services	127,768	127,768	0	0	0	0.9
NP BA Statewide operating expense inflation (pending)	99,834	77,936	3,085	18,813	0	0.0
R8 Evaluation support	90,799	90,799	0	0	0	0.9
R4 Inflationary adjustment	22,125	22,125	0	0	0	0.0
TOTAL	\$6,348,325	\$2,915,254	\$189,892	\$3,243,179	\$0	42.6
INCREASE/(DECREASE)	\$1,093,536	\$968,218	\$3,401	\$121,917	\$0	2.3
Percentage Change	20.8%	49.7%	1.8%	3.9%	0.0%	5.7%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$22,496)	(\$149,917)	\$0	\$127,421	\$0	0.0

OFFICE OF PROFESSIONAL SERVICES

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

Prior to FY 2011-12, funding for the Office of Professional Services was subject to annual appropriation. However, Section 22-60.5-112 (1) (b) (I), C.R.S. (as modified by H.B. 18-1100 (Educator Licensure Cash Fund and S.B. 21-206 (Educator Licensure Cash Fund), continuously appropriates funds in the Educator Licensure Cash Fund to the Department from FY 2011-12 through FY 2023-24.

¹⁵ These centrally appropriated line items include the following: Health, Life, and Dental; Short-term Disability; AED; SAED; Salary Survey; Workers’ Compensation; Payment to Risk Management and Property Funds; and Capitol Complex Leased Space.

House Bill 21-1104 (Professional Educator Licensure Renewal Period) significantly modified funding for this Office. This bill extended the licensing period for professional educators from five to seven years. Based on this, revenue to the Educator Licensure Cash Fund was expected to decline by \$1.82 million in both FY 2021-22 and FY 2022-23, as license renewal payments moved out to future years. The bill included a reduction of 4.0 FTE and \$358,512 cash funds for the office and provided backfill of \$2,922,976 General Fund to be spent over FY 2021-22 and FY 2022-23.

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

REQUEST: The Department requests an appropriation of \$3,417,530 total funds, including \$81,164 General Fund and 1.4 FTE to annualize H.B. 22-1220 (Removing Barriers to Educator Preparation) and \$47,970 cash funds to annualize prior year salary survey.

RECOMMENDATION: Staff recommends the request, which is calculated consistent with Committee common policy and shown below.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, OFFICE OF PROFESSIONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$3,288,396	\$689,737	\$2,598,659	\$0	\$0	24.8
TOTAL	\$3,288,396	\$689,737	\$2,598,659	\$0	\$0	24.8
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$3,288,396	\$689,737	\$2,598,659	\$0	\$0	24.8
Annualize prior year legislation	81,164	81,164	0	0	0	1.4
Annualize prior year budget actions	47,970	0	47,970	0	0	0.0
TOTAL	\$3,417,530	\$770,901	\$2,646,629	\$0	\$0	26.2
INCREASE/(DECREASE)	\$129,134	\$81,164	\$47,970	\$0	\$0	1.4
Percentage Change	3.9%	11.8%	1.8%	0.0%	0.0%	5.6%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

DIVISION OF ON-LINE LEARNING

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

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

REQUEST: The Department requests an appropriation of \$526,161 total funds and 4.7 FTE. The request includes an increase of \$130,91 and 1.4 FE for R6 (Personnel for School Support) and \$6,643 to annualize prior year salary survey.

RECOMMENDATION: The staff recommendation in the table below incorporates minor adjustments to R6 that have been previously discussed. *Note that the staff recommendation may result in a change to the name of the line item (as reflected in the table below) or could involve the 0.5 FTE position being appropriated in a different line item.*

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, OFFICE OF ONLINE AND BLENDED LEARNING AND INNOVATION SCHOOLS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$388,608	\$0	\$388,608	\$0	\$0	3.3
TOTAL	\$388,608	\$0	\$388,608	\$0	\$0	3.3
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$388,608	\$0	\$388,608	\$0	\$0	3.3
R6 Personnel for school support - Part A	127,020	46,347	80,673	0	0	1.4
Annualize prior year budget actions	6,643	0	6,643	0	0	0.0
TOTAL	\$522,271	\$46,347	\$475,924	\$0	\$0	4.7
INCREASE/(DECREASE)	\$133,663	\$46,347	\$87,316	\$0	\$0	1.4
Percentage Change	34.4%	n/a	22.5%	0.0%	0.0%	42.4%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$526,161	\$50,332	\$475,829	\$0	\$0	4.7
Request Above/(Below) Recommendation	\$3,890	\$3,985	(\$95)	\$0	\$0	(0.0)

SCHOOLS OF CHOICE

The General Assembly added this line item to the FY 2019-20 Long Bill to support the staff carrying out the Department’s responsibilities under the State’s Charter Schools Act (Sections 22-30.5-101 through 22-30.5-704, C.R.S.). In FY 2019-20, the line item included an appropriation of \$315,504 General Fund and 2.6 FTE to reflect the state-funded staff related to charter school oversight. In FY 2020-21, the Committee began reflecting \$10.0 million federal funds and 4.0 FTE associated with federal charter school grants (and under the supervision of the Schools of Choice Office) from the Appropriated Sponsored Programs line item in the Assistance to Public Schools section of the Long Bill. As a result, the line item now seeks to reflect the total funds associated with the Schools of Choice Office.

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

REQUEST: The Department requests an appropriation of \$10,671,909 total funds, including \$345,409 General Fund, and 6.8 FTE for this line item, including an increase of \$3,583 General Fund to annualize prior year salary survey.

RECOMMENDATION: Staff recommends the request, which is calculated to be consistent with Committee common policy.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, SCHOOLS OF CHOICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$10,668,326	\$341,826	\$0	\$0	\$10,326,500	6.8
TOTAL	\$10,668,326	\$341,826	\$0	\$0	\$10,326,500	6.8
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$10,668,326	\$341,826	\$0	\$0	\$10,326,500	6.8
Annualize prior year budget actions	3,583	3,583	0	0	0	0.0
TOTAL	\$10,671,909	\$345,409	\$0	\$0	\$10,326,500	6.8
INCREASE/(DECREASE)	\$3,583	\$3,583	\$0	\$0	\$0	0.0
Percentage Change	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

HEALTH, LIFE, AND DENTAL

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

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

REQUEST: The Department requests \$8,935,713 total funds, including \$3,686,261 General Fund. The request includes:

- A reduction of \$40,713 to annualize H.B. 22-1295 (Department of Early Childhood)
- An increase of \$1,913,092 for OSPB common policy adjustments
- Increases for centrally appropriated benefits for personnel requests, including \$10,114 reappropriated funds for R3 Translation services, \$35,967 total funds for R6 Personnel for school support, and \$10,150 General Fund for R8 Evaluation support.

RECOMMENDATION: The staff recommendation is summarized in the table below and reflects Committee common policy. As previously discussed, amounts requested for R3, R6, and R8 are not included, and this explains the difference between the request and recommendation.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, HEALTH, LIFE, AND DENTAL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$7,007,103	\$2,627,473	\$952,717	\$776,887	\$2,650,026	0.0
TOTAL	\$7,007,103	\$2,627,473	\$952,717	\$776,887	\$2,650,026	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$7,007,103	\$2,627,473	\$952,717	\$776,887	\$2,650,026	0.0
Centrally appropriated line items	1,913,092	1,073,684	406,758	171,297	261,353	0.0
R6 Personnel for school support	0	0	0	0	0	0.0
R8 Evaluation support	0	0	0	0	0	0.0
R3 Translation services	0	0	0	0	0	0.0
Annualize prior year legislation	(40,713)	(40,713)	0	0	0	0.0
TOTAL	\$8,879,482	\$3,660,444	1,359,475	\$948,184	\$2,911,379	0.0
INCREASE/(DECREASE)	\$1,872,379	\$1,032,971	\$406,758	\$171,297	\$261,353	0.0
Percentage Change	26.7%	39.3%	42.7%	22.0%	9.9%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$8,935,713	\$3,686,261	\$1,379,775	\$958,298	\$2,911,379	0.0
Request Above/(Below) Recommendation	\$56,231	\$25,817	\$20,300	\$10,114	\$0	0.0

SHORT-TERM DISABILITY

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

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

REQUEST: The Department requests an appropriation of \$83,602 total funds, including 31,429 General Fund. The request includes:

- A reduction of \$461 to annualize H.B. 22-1295 (Department of Early Childhood)
- An increase of \$8,756 for OSPB common policy adjustments
- Increases for centrally appropriated benefits for personnel requests, including \$120 reappropriated funds for R3 Translation services, \$451 total funds for R6 Personnel for school support, and \$125 General Fund for R8 Evaluation support.

RECOMMENDATION: The staff recommendation is summarized in the table below and reflects Committee common policy. As previously discussed, amounts requested for R3, R6, and R8 are not included, and this explains the difference between the request and recommendation. The adjustment for the DPA Pay Plan is pending.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, SHORT-TERM DISABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$74,610	\$26,110	\$9,254	\$8,702	\$30,544	0.0
TOTAL	\$74,610	\$26,110	\$9,254	\$8,702	\$30,544	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$74,610	\$26,110	\$9,254	\$8,702	\$30,544	0.0
Centrally appropriated line items	8,756	5,468	3,292	643	(647)	0.0
NP BA DPA Pay Plan	1	1	0	0	0	0.0
R6 Personnel for school support - Part A	0	0	0	0	0	0.0
R8 Evaluation support	0	0	0	0	0	0.0
R3 Translation services	0	0	0	0	0	0.0
Annualize prior year legislation	(461)	(461)	0	0	0	0.0
TOTAL	\$82,906	\$31,118	\$12,546	\$9,345	\$29,897	0.0
INCREASE/(DECREASE)	\$8,296	\$5,008	\$3,292	\$643	(\$647)	0.0
Percentage Change	11.1%	19.2%	35.6%	7.4%	(2.1%)	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$696	\$311	\$265	\$120	\$0	0.0

S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

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

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

REQUEST: The Department requests an appropriation of \$2,801,351 total funds (including \$1,055,622 General Fund). The request includes:

- A reduction of \$14,400 General Fund to annualize H.B. 22-1295 (Department of Early Childhood)
- An increase of \$435,928 for OSPB common policy adjustments
- An increase of \$363 for the DPA Pay Plan adjustment
- Increases for centrally appropriated benefits for personnel requests, including \$3,752 reappropriated funds for R3 Translation services, \$14,085 total funds for R6 Personnel for school support, and \$3,900 General Fund for R8 Evaluation support.

RECOMMENDATION: The staff recommendation is summarized in the table below and reflects Committee common policy. As previously discussed, amounts requested for R3, R6, and R8 are not included, and this explains the difference between the request and recommendation. The adjustment for the DPA Pay Plan is pending.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$2,357,723	\$829,320	\$291,609	\$274,225	\$962,569	0.0
TOTAL	\$2,357,723	\$829,320	\$291,609	\$274,225	\$962,569	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$2,357,723	\$829,320	\$291,609	\$274,225	\$962,569	0.0
Centrally appropriated line items	435,928	230,634	128,384	38,668	38,242	0.0
NP BA DPA Pay Plan	363	363	0	0	0	0.0
R6 Personnel for school support	0	0	0	0	0	0.0
R8 Evaluation support	0	0	0	0	0	0.0
R3 Translation services	0	0	0	0	0	0.0
Annualize prior year legislation	(14,400)	(14,400)	0	0	0	0.0
TOTAL	\$2,779,614	\$1,045,917	\$419,993	\$312,893	\$1,000,811	0.0
INCREASE/(DECREASE)	\$421,891	\$216,597	\$128,384	\$38,668	\$38,242	0.0
Percentage Change	17.9%	26.1%	44.0%	14.1%	4.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$2,801,351	\$1,055,622	\$428,273	\$316,645	\$1,000,811	0.0
Request Above/(Below) Recommendation	\$21,737	\$9,705	\$8,280	\$3,752	\$0	0.0

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

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

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

REQUEST: The Department requests an appropriation of \$2,801,351 total funds (including \$1,055,622 General Fund). The request includes:

- A reduction of \$14,400 General Fund to annualize H.B. 22-1295 (Department of Early Childhood)
- An increase of \$435,928 for OSPB common policy adjustments
- An increase of \$363 for the DPA Pay Plan adjustment
- Increases for centrally appropriated benefits for personnel requests, including \$3,752 reappropriated funds for R3 Translation services, \$14,085 total funds for R6 Personnel for school support, and \$3,900 General Fund for R8 Evaluation support.

RECOMMENDATION: The staff recommendation is summarized in the table below and reflects Committee common policy. As previously discussed, amounts requested for R3, R6, and R8 are not included, and this explains the difference between the request and recommendation. The adjustment for the DPA Pay Plan is pending.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$2,357,723	\$829,320	\$291,609	\$274,225	\$962,569	0.0
TOTAL	\$2,357,723	\$829,320	\$291,609	\$274,225	\$962,569	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$2,357,723	\$829,320	\$291,609	\$274,225	\$962,569	0.0
Centrally appropriated line items	435,928	230,634	128,384	38,668	38,242	0.0
NP BA DPA Pay Plan	363	363	0	0	0	0.0
R6 Personnel for school support	0	0	0	0	0	0.0
R8 Evaluation support	0	0	0	0	0	0.0
R3 Translation services	0	0	0	0	0	0.0
Annualize prior year legislation	(14,400)	(14,400)	0	0	0	0.0
TOTAL	\$2,779,614	\$1,045,917	\$419,993	\$312,893	\$1,000,811	0.0
INCREASE/(DECREASE)	\$421,891	\$216,597	\$128,384	\$38,668	\$38,242	0.0
Percentage Change	17.9%	26.1%	44.0%	14.1%	4.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$21,737	\$9,705	\$8,280	\$3,752	\$0	0.0

SALARY SURVEY

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

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

REQUEST: The Department is requesting an appropriation of \$3,080,118 total funds (including \$1,212,709 General Fund) based on OSPB’s common polices.

RECOMMENDATION: The staff recommendation is summarized in the table below. The difference between the request and recommendation is a small unexplained difference in the common policy calculation between the Department and amounts adopted by the Committee. Staff notes that the DPA Pay Plan amount is pending.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, SALARY SURVEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$1,563,472	\$556,834	\$215,041	\$156,919	\$634,678	0.0
TOTAL	\$1,563,472	\$556,834	\$215,041	\$156,919	\$634,678	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$1,563,472	\$556,834	\$215,041	\$156,919	\$634,678	0.0
Centrally appropriated line items	3,058,804	1,191,395	452,059	338,105	1,077,245	0.0
NP BA DPA Pay Plan	10,333	10,333	0	0	0	0.0
Annualize prior year budget actions	(1,563,472)	(556,834)	(215,041)	(156,919)	(634,678)	0.0
TOTAL	\$3,069,137	\$1,201,728	\$452,059	\$338,105	\$1,077,245	0.0
INCREASE/(DECREASE)	\$1,505,665	\$644,894	\$237,018	\$181,186	\$442,567	0.0
Percentage Change	96.3%	115.8%	110.2%	115.5%	69.7%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$3,080,118	\$1,212,709	\$452,059	\$338,105	\$1,077,245	0.0
	\$10,981	\$10,981	\$0	\$0	\$0	0.0

MERIT PAY

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

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

REQUEST: Pursuant to OSPB’s common policies, the Department is not requesting any funding for merit pay increases for FY 2023-24.

RECOMMENDATION: Pursuant to the Committee’s common policies, staff is not recommending a merit pay increase for FY 2023-24.

PERA DIRECT DISTRIBUTION

The General Assembly added this line item to the FY 2019-20 Long Bill to provide a common policy allocation payment for the state portion of the PERA Direct Distribution created in Section 24-51-414, C.R.S., enacted in S.B. 18-200. House Bill 20-1379 (Suspend Direct Distribution to PERA for FY 2020-21) suspended the direct distribution payments for FY 2020-21. However, these appropriations returned in FY 2021-22.

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

REQUEST: The Department requests an appropriation of \$192,768 total funds (including \$142,198 General Fund) for this line item. Please note that the request only reflects the direct distribution directly associated with Department of Education staff – not the education system as a whole.

RECOMMENDATION: The staff recommendation matches the Department request and is consistent with Committee common policy.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, PERA DIRECT DISTRIBUTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$534,604	\$0	\$148,880	\$385,724	\$0	0.0
TOTAL	\$534,604	\$0	\$148,880	\$385,724	\$0	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$534,604	\$0	\$148,880	\$385,724	\$0	0.0
Centrally appropriated line items	(341,836)	142,198	(119,900)	(364,134)	0	0.0
TOTAL	\$192,768	\$142,198	\$28,980	\$21,590	\$0	0.0
INCREASE/(DECREASE)	(\$341,836)	\$142,198	(\$119,900)	(\$364,134)	\$0	0.0
Percentage Change	(63.9%)	n/a	(80.5%)	(94.4%)	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

TEMPORARY EMPLOYEES RELATED TO AUTHORIZED LEAVE

This item was originally created and added as a statewide compensation policy for FY 2022-23. The line item provides backfill support for staff taking leave for family or medical reasons, so that the Department can fill a vacant position with a temporary replacement.

REQUEST: The Department requested \$29,961 General Fund continuing funding for this line item.

RECOMMENDATION: The staff recommendation for this line item is **pending**.

Traditionally, statewide compensation policies require annual approval by the Committee on a statewide basis and this item was not requested as a statewide compensation policy for FY 2023-24. Nevertheless, this item was included by the Department as a continuation, base budget appropriation. Without Committee action on a statewide basis for this policy, staff is reflecting this as a department request for continued base funding for this policy.

WORKERS' COMPENSATION

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

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

REQUEST: The Department requests \$226,383 total funds, including \$108,769 General Fund, which includes a decrease of \$9,500 total funds based on OSPB's common policies.

RECOMMENDATION: The staff recommendation is **pending** a Committee common policy.

LEGAL SERVICES

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

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

REQUEST: The Department requests \$1,419,731 total funds (including \$810,878 General Fund) for the purchase of legal services in FY 2023-24. The request includes an increase of \$385,174 total funds based on Executive Branch common policy and a decrease of \$19,714 to annualize S.B. 22-070 (K-12 licensed personnel evaluations). The request also includes an increase of \$14,786 General Fund for BA2 Healthy Meals for All Public School Students.

RECOMMENDATION: The staff recommendation for the dollar amount for this line item is **pending** a Committee's common policy decision regarding legal services. However, as reflected later in this packet, the staff recommendation does not include a Long Bill amount for BA2, as related costs will be adjusted in separate legislation.

ADMINISTRATIVE LAW JUDGE SERVICES

This line item provides funding for the Department to purchase services from the Department of Personnel and Administration, Administrative Hearings Division. The appropriations for this line item consist of cash funds from the Educator Licensure Cash Fund and reappropriated funds transferred from the Special Education Programs for Children with Disabilities line item.

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

REQUEST: The Department requests \$206,454 cash funds, including an increase of \$65,876 for OSPB common policy for administrative law judge services.

RECOMMENDATION: The staff recommendation is **pending** a Committee common policy.

PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

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

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

REQUEST: The Department requests \$772,152 General Fund for this line item. The request represents a decrease of \$259,403 below the FY 2022-23 appropriation based on OSPB's common policies, which is partially offset by an increase of \$35,203 for a legal adjustment.

RECOMMENDATION: The staff recommendation is **pending** a Committee common policy.

LEASED SPACE

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

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

REQUEST: The Department requests continuation funding of \$1,270,993 total funds for this line item, including \$90,758 General Fund.

RECOMMENDATION: Staff recommends the requested continuation funding. The Department expects to vacate its leased space by the end of FY 2023-24 and is not proposing funding adjustments in the interim.

CAPITOL COMPLEX LEASED SPACE

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

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

REQUEST: The Department requests \$1,254,178 total funds (including \$386,498 General Fund) based on OSPB's common policy for Capitol Complex Leased Space.

RECOMMENDATION: The staff recommendation is **pending** a Committee common policy.

STATEWIDE TRAINING [REQUESTED NEW LINE ITEM]

This line item would be created if a non-prioritized request to fund the Department of Personnel's Center for Organizational Effectiveness is approved.

REQUEST: The Department requests \$11,067 reappropriated funds for this new line item, based on OSPB common policy.

RECOMMENDATION: The staff recommendation is **pending** a Committee common policy.

REPRINTING AND DISTRIBUTING LAWS CONCERNING EDUCATION

Section 22-2-112 (1)(i), C.R.S., requires the Department to "cause to be reprinted annually laws enacted by the general assembly concerning education...and to furnish copies thereof to interested persons." By statute, the State Public School Fund supports all publishing costs. Prior to FY 2010-11, this appropriation identified the source of funding as rental income earned on state education trust lands that is credited to the State Public School Fund. Pursuant to H.B. 10-1369, the revenue source is now interest and investment income earned on the Public School ("Permanent") Fund that is credited to the State Public School Fund. For FY 2021-22, the Department proposed eliminating this line item, which would have required a statutory change. The General Assembly did not proceed with this proposal.

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

REQUEST: The Department requests continuation funding of \$35,480 cash funds.

RECOMMENDATION: Staff recommends the request for continuation funding of \$35,480 cash funds from the State Public School Fund.

(B) INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY SERVICES

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

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

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

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

REQUEST: The Department requests \$5,664,534 total funds (including \$5,130,505 General Fund) and 35.9 FTE. The request includes the following changes:

- Annualization of prior year budget actions, including an increase of \$28,418 General Fund and 0.5 FTE to annualize FY 2022-23 Request R4 and \$95,960 to annualize prior year salary survey.
- Annualization of prior year budget legislation, including a reduction of \$30,875 for H.B. 22-1220 Removing Barriers to Educator Preparation, a reduction of \$90,200 for S.B. 22-070 K-12 Personnel Evaluations, an increase of \$13,500 for H.B. 22-1260 Access to Medically Necessary Services, a reduction of \$88,000 for H.B. 22-1374 Foster Care Success Act, a reduction of \$263,900 for H.B. 22-1376 Supportive Learning Environments for K-12 students, and a reduction of \$57,200 for H.B. 22-1295 Department of Early Childhood.
- An increase of \$251,151 General Fund for Request R4 Inflationary adjustment

RECOMMENDATION: The staff recommendation is summarized in the table below. The recommendation differs from the request due to: (1) the recommendation (approved during School Finance figure setting) to add the amount approved for Request R5 DMS into this line item; (2) a change to FY 2023-24 Request R4. As discussed previously, staff corrected an error in the location for a portion of this request (\$22,125 General Fund), so that it is in the General Department and Program Administration line item, rather than this one.

MANAGEMENT AND ADMINISTRATION, INFORMATION TECHNOLOGY, INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$5,664,534	\$5,130,505	\$0	\$534,029	\$0	35.4
TOTAL	\$5,664,534	\$5,130,505	\$0	\$534,029	\$0	35.4
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$5,664,534	\$5,130,505	\$0	\$534,029	\$0	35.4
R5 Gifted and talented DMS	250,000	0	250,000	0	0	0.0
R4 Inflationary adjustment	229,026	229,026	0	0	0	0.0
Annualize prior year budget actions	124,378	122,683	0	1,695	0	0.5
Annualize prior year legislation	(516,675)	(516,675)	0	0	0	0.0
TOTAL	\$5,751,263	\$4,965,539	\$250,000	\$535,724	\$0	35.9
INCREASE/(DECREASE)	\$86,729	(\$164,966)	\$250,000	\$1,695	\$0	0.5
Percentage Change	1.5%	(3.2%)	n/a	0.3%	0.0%	1.4%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$5,523,388	\$4,987,664	\$0	\$535,724	\$0	35.9
	(\$227,875)	\$22,125	(\$250,000)	\$0	\$0	0.0

PAYMENTS TO OIT

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

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

REQUEST: The Department requests \$1,225,431 total funds (including \$692,782 General Fund) based on OSPB's common policies. The request includes the following changes:

- An increase of \$489,442 total funds (including \$276,701 General Fund) for the statewide common policy adjustment for Payments to OIT.
- An increase of \$133,734 total funds (including \$4,163 General Fund) associated with OIT's non-prioritized budget request package.
- A decrease of \$145,558 total funds (including a decrease of \$82,289 General Fund) for OIT Real-time billing.

RECOMMENDATION: The staff recommendation for this line item is **pending** the Committee's common policy decision for FY 2023-24. Staff requests permission to adjust all pending line items and apply a fund split once the Committee establishes the relevant common policies.

IT ACCESSIBILITY [NEW LINE ITEM]

This new line item is proposed as part of a statewide OIT request for accessibility testing and remediation, pursuant to the requirements of H.B. 21-1110 (Colorado Laws for Persons with Disabilities).

REQUEST: The Department requests \$2,929,144 total funds and 1.8 FTE. Fund sources includes \$1,655,845 from the General Fund, \$582,314 cash funds, and \$690,985 reappropriated funds.

RECOMMENDATION: The staff recommendation for this line item is **pending** the Committee's common policy decision for FY 2023-24. Staff requests permission to adjust all pending line items and apply a fund split once the Committee establishes the relevant common policies. However, **staff notes that the \$690,985 reappropriated funds included in this request must be modified to General Fund**, because the only potential source of reappropriated funds for this line item is indirect cost recoveries, and staff does not recommend spending from the Indirect Costs Excess Recovery Fund at this scale.

CORE OPERATIONS

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

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

REQUEST: The Department requests \$233,627 total funds (including \$116,804 General Fund) for FY 2023-24. The request includes a decrease of \$14,622 total funds based on OSPB's common policies and an increase of \$2,783 for a non-prioritized proposal to transfer performance budgeting to the Department of Personnel.

RECOMMENDATION: The staff recommendation for this line item is **pending** the Committee's common policy decision for FY 2023-24. Staff requests permission to adjust all pending line items and apply a fund split once the Committee establishes the relevant common policies.

INFORMATION TECHNOLOGY ASSET MAINTENANCE

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

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

REQUEST: The Department requests \$969,147 General Fund for FY 2023-24, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request.

DISASTER RECOVERY

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

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

REQUEST: The Department requests a continuation appropriation of \$19,722 General Fund, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request.

(C) ASSESSMENTS AND DATA ANALYSES

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

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

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

- Establish definitions for school readiness and postsecondary and workforce readiness (PWR).
- Expand and revise P-13 standards to incorporate 21st Century skills, reflect PWR, and be internationally competitive.
- Launch a PWR assessments pilot program.
- Adopt new assessments which measure the newly adopted standards.
- Require all school boards to adopt pathways that lead to PWR and create endorsements for high school diplomas.
- Revise higher education admission requirements as necessary to incorporate the use of newly created standards and assessments that reflect college and workforce readiness.

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

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

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

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

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

standards in FY 2013-14 and 2014-15. The Department began administering the PARCC assessments, including the items specific to the Colorado standards in spring 2015.

- In 2017, Colorado began a transition away from the PARCC and toward more Colorado-specific assessments, although the developer of the test (Pearson) has remained the same.
- Senate Bill 15-056 (Frequency of Statewide Social Studies Testing) allowed the Department to administer the statewide social studies assessment on a sampling basis.

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

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

House Bill 17-1181 (Required State Assessment for Ninth-grade Students), enacted in 2017:

- Eliminated the statewide assessments in English language arts and mathematics that were previously administered to ninth grade students and instead required school districts to administer the pre-college entrance exam that is aligned with the pre-college entrance exam administered in tenth grade and the college entrance exam administered in eleventh-grade.

Based on the above decisions:

- Since FY 2017-18, school districts have administered the PSAT in ninth- and tenth grade and the SAT in eleventh grade.
- In addition, H.B. 20-1135 (Replace High School Social Studies Assessment) eliminated the social studies assessment entirely for high school students, beginning in FY 2020-21, although sampled assessments continue at lower grade levels.

COVID-19 Response: House Bill 21-1161 allowed for the temporary reduction of assessments in response to the COVID-19 pandemic. The bill specified that, for FY 2020-21, if allowed by federal authorities, the Department could suspend the English Language Arts assessment in grades four, six and eight; suspend the mathematics assessment for grades three, five, and seven; and suspend social science and social studies assessments.

Testing Regimen for FY 2021-22, FY 2022-23, and FY 2023-24

- The usual testing regimen was reinstated beginning in FY 2021-22. The following table shows the planned assessments for FY 2023-24 by grade level based on current law, as well as the current federal requirements under the Every Student Succeeds Act.
- The Department is re-procuring the college entrance tests in FY 2023-24 which is driving increases in the appropriation required.

ANTICIPATED FY 2023-24 STATEWIDE ASSESSMENT SCHEDULE		
GRADE	COLORADO STATE ASSESSMENT REQUIREMENTS	EVERY STUDENT SUCCEEDS ACT FEDERAL REQUIREMENTS
3	English language arts, including Spanish language arts math	reading/language arts math
4	English language arts, including Spanish language arts math social studies (sampled once in elementary)	reading/language arts math
5	English language arts math science	reading/language arts math science (in grades 3, 4, or 5)
6	English language arts math	reading/language arts math
7	English language arts math social studies (sampled once in middle school)	reading/language arts math
8	English language arts math science	reading/language arts math science (6, 7, 8, or 9)
9	reading: aligned to CAS and grade 10 math: aligned to CAS and grade 10	
10	reading: aligned to CAS and college entrance math: aligned to CAS and college entrance	
11	College entrance: reading/writing College entrance: math science	reading/language arts (9, 10, 11, or 12) math (9, 10, 11, or 12) science (10, 11, or 12)
K-12	English Language Proficiency	English Language Proficiency

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

STATEWIDE ASSESSMENT PROGRAM

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

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

REQUEST: The Department requests an appropriation of \$31,004,049 total funds (including \$24,679,577 cash funds from the State Education Fund and \$7,324,472 federal funds) and 16.5 FTE for FY 2023-24. The request includes an increase of \$53,480 total funds to annualize FY 2022-23 salary survey.

RECOMMENDATION: The staff recommendation reflects new information provided by the Department in February 2023. This includes increases in costs due to the re-procurement of the PSAT/SAT suite of exams, as well as other adjustments. As reflected in the table below, **the recommendation includes \$33,291,308 total funds including \$26,000,280 from the State Education Fund and \$7,291,029 federal funds, and 16.5 FTE**

Overview of Line Item Recommendation: The following table provides an overview of the existing appropriation and the recommendation for FY 2023-24, based on the Department's projection of how the total requested amount will be used. The sections following the table provide additional detail for each component shown in the overview.

SUMMARY OF FY 2023-24 RECOMMENDATION FOR STATEWIDE ASSESSMENT				
PROGRAM LINE ITEM				
DESCRIPTION	FY 2022-23 APPROPRIATION	FY 2023-24 REQUEST	ANNUAL CHANGE	ANNUAL CHANGE
I. CMAS: Contract for developing, scoring, and reporting CMAS (not including alternate assessments) - math and English	<u>12,477,677</u>	<u>12,477,677</u>	<u>0</u>	0.0%
Cash Funds - State Education Fund	10,591,483	10,591,483	<u>0</u>	0.0%
Federal Funds	1,886,194	1,886,194	<u>0</u>	0.0%
II. Alternate Math and English Assessments: Contract for developing, scoring, and reporting Colorado alternate assessments	<u>950,000</u>	<u>950,000</u>	<u>0</u>	0.0%
Federal Funds	950,000	950,000	<u>0</u>	0.0%
III. Science and Social Studies: Contract for developing, scoring, and reporting science and social studies assessments	<u>6,294,179</u>	<u>6,294,179</u>	<u>0</u>	0.0%
Cash Funds - State Education Fund	5,979,470	5,979,470	<u>0</u>	0.0%
Federal Funds	314,709	314,709	<u>0</u>	0.0%
IV. Alternate Science and Social Studies: Contract to develop, score, and report Alternate assessments for science and social studies	<u>1,632,130</u>	<u>1,632,130</u>	<u>0</u>	0.0%
Cash Funds - State Education Fund	979,278	979,278	<u>0</u>	0.0%
Federal Funds	652,852	652,852	<u>0</u>	0.0%
V. English Language Proficiency: Contract for developing, scoring, and reporting the Colorado English language proficiency assessment	<u>2,845,760</u>	<u>2,794,310</u>	<u>(51,450)</u>	-1.8%
Cash Funds - State Education Fund	996,016	978,009	<u>(18,007)</u>	-1.8%
Federal Funds	1,849,744	1,816,301	<u>(33,443)</u>	-1.8%
VI. College Entrance Suite: SAT for 11th grade students and PSAT for 9th and 10th grade students - Cash Funds (State Education Fund)	<u>4,009,541</u>	<u>5,348,250</u>	<u>1,338,709</u>	33.4%
VII. Spanish Language Arts:	<u>1,543,909</u>	<u>1,543,909</u>	<u>0</u>	0.0%
Cash Funds - State Education Fund	1,543,909	1,543,909	<u>0</u>	0.0%

SUMMARY OF FY 2023-24 RECOMMENDATION FOR STATEWIDE ASSESSMENT				
PROGRAM LINE ITEM				
DESCRIPTION	FY 2022-23 APPROPRIATION	FY 2023-24 REQUEST	ANNUAL CHANGE	ANNUAL CHANGE
Federal Funds	0	0	<u>0</u>	
VIII. Administration: Staff and operating expenses	2,197,374	2,250,854	53,480	2.4%
FTE	<u>16.5</u>	<u>16.5</u>	<u>0</u>	0.0%
Cash Funds - State Education Fund	573,029	579,881	<u>6,852</u>	1.2%
Federal Funds	1,624,345	1,670,973	<u>46,628</u>	2.9%
Adjustment to Align with Request - Cash Funds	0	0	<u>0</u>	
Total	31,950,569	33,291,308	1,340,739	4.2%
FTE	<u>16.5</u>	<u>16.5</u>	<u>0</u>	0.0%
Cash Funds - State Education Fund	24,672,725	26,000,280	<u>1,327,554</u>	5.4%
Federal Funds	7,277,844	7,291,029	<u>13,185</u>	0.2%

I. ENGLISH LANGUAGE ARTS AND MATHEMATICS – CONTRACT FOR DEVELOPMENT, SCORING, AND REPORTING RELATED TO CMAS IN MATHEMATICS AND ENGLISH LANGUAGE ARTS

The largest component of this line item is a contract to develop, maintain, manufacture, score, and report the assessments in mathematics and English language arts. The costs for FY 2023-24 reflect the Department’s estimates of costs for the CMAS. The following table details the basis for the recommendation. The contract shifted from a per-student cost in FY 2017-18 to an itemized cost starting in FY 2018-19. The Department is not expecting any change in the cost of these assessments from FY 2022-23 to FY 2023-24.

MATH AND ENGLISH LANGUAGE ARTS TEST ADMINISTRATION COSTS			
DESCRIPTION	FY 2022-23 APPROPRIATION	FY 2023-24 ESTIMATE	ANNUAL CHANGE
Content Development	\$3,690,224	\$3,690,224	\$0
Ancillary Development	580,426	580,426	0
Program Management	1,303,743	1,303,743	0
Information Technology (test management, test admin and reporting systems)	1,194,659	1,194,659	0
Psychometrics	786,808	786,808	0
Quality Assurance/Customer Service	190,460	190,460	0
Product_Mg._Dist	925,204	925,204	0
Receiving/Scanning/Editing	380,156	380,156	0
Reporting	746,514	746,514	0
Scoring	2,118,336	2,118,336	0
Travel and Meetings	561,147	561,147	0
Total Assessments	\$12,477,677	\$12,477,677	\$0
Cash funds - State Education Fund	10,591,483	10,591,483	0
Federal Funds (Assessment & IDEA B)	1,886,194	1,886,194	0

Recommendation I. English Language Arts and Mathematics: As detailed in the above table, staff recommends providing \$12,477,677 total funds to cover the costs of mathematics and English language arts administration in FY 2023-24. The recommendation includes \$10,591,483 cash funds from the State Education Fund and \$1,886,194 federal funds.

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

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

SUMMARY OF COSTS FOR ALTERNATE ENGLISH LANGUAGE ARTS AND MATH			
DESCRIPTION	FY 2022-23 APPROPRIATION	FY 2023-24 STAFF RECOMMENDATION	ANNUAL CHANGE
Totals Alternate Assessments	\$950,000	\$950,000	\$0
Federal Funds (Assessment & IDEA B)	950,000	950,000	0

Recommendation II. Alternate English Language Arts and Math: As shown in the table above, staff recommends reflecting a continuation appropriation of \$950,000 federal funds in FY 2023-24 for the development and administration of alternate English language arts and mathematics assessments for students with significant cognitive disabilities, with no change from the FY 2022-23 appropriation.

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

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

SUMMARY OF COSTS ASSOCIATED WITH PEARSON CONTRACT FOR SCIENCE AND SOCIAL STUDIES			
DESCRIPTION	FY 2022-23 APPROPRIATION	FY 2023-24 ESTIMATE	ANNUAL CHANGE
Content Development	\$1,448,371	\$1,448,371	\$0
Ancillary Development	729,508	729,508	0
Program Management	579,873	579,873	0
Information Technology (test management, test admin and reporting systems)	1,157,784	1,157,784	0
Psychometrics	239,782	239,782	0
Quality Assurance/Customer Service	102,274	102,274	0
Product_Mg._Dist	118,268	118,268	0
Receiving/Scanning/Editing	83,429	83,429	0
Reporting	383,735	383,735	0
Scoring	1,250,774	1,250,774	0
Travel and Meetings	200,381	200,381	0
Total Assessments	\$6,294,179	\$6,294,179	0
Cash funds - State Education Fund (~95%)	\$5,979,470	\$5,979,470	\$0
Federal Funds (Assessment & IDEA B)	\$314,709	\$314,709	\$0

Recommendation III. Science and Social Studies: As detailed in the table above, staff recommends appropriating a total of \$6,294,179 for the ongoing development and administration of science and social studies assessments in FY 2023-24, including \$5,979,470 cash funds from the State Education Fund and \$314,709 federal funds.

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

This component supports a contract for alternate science and social studies assessments for students with significant cognitive disabilities. The Department is also contracting with Pearson for the alternate assessments. The following table summarizes the current FY 2022-23 appropriation and the staff recommendation for FY 2023-24.

SUMMARY OF COSTS ASSOCIATED WITH PEARSON CONTRACT FOR ALTERNATE SCIENCE AND SOCIAL STUDIES			
DESCRIPTION	FY 2022-23 APPROPRIATION	FY 2023-24 ESTIMATE	ANNUAL CHANGE
Content Development	\$314,112	\$314,112	\$0
Ancillary Development	79,251	79,251	0
Program Management	219,576	219,576	0
Information Technology	267,946	267,946	0
Psychometrics	233,745	233,745	0
Quality Assurance/Customer Service	4,213	4,213	0
Product_Mg._Dist	21,513	21,513	0
Receiving/Scanning/Editing	45,773	45,773	0
Reporting	243,257	243,257	0
Travel and Meetings	202,744	202,744	0
Totals Alternate Assessments	\$1,632,130	\$1,632,130	\$0
Cash funds - State Education Fund (~60%)	\$979,278	\$979,278	\$0
Federal Funds (Assessment & IDEA B)	\$656,667	\$652,852	(\$3,815)

Recommendation IV. Alternate Science and Social Studies: As detailed in the table above, staff recommends appropriating a total of \$1,632,130 for the development and administration of alternate science and social studies assessments for students with significant cognitive disabilities in FY 2023-24, including \$979,278 cash funds from the State Education Fund and \$652,852 federal funds.

V. ENGLISH LANGUAGE PROFICIENCY (ACCESS)

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

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

The following table details the basis for the staff recommendation for FY 2023-24. For the past several years, the State has contracted with the University of Wisconsin to administer the ACCESS assessments. The Department began using a revised version of the assessment in FY 2015-16. The revised version includes both a paper-based form and an on-line form. The following table shows the FY 2022-23 appropriation and the FY 2023-24 recommendation for this component. As shown, costs are projected to decline for FY 2023-24 for this assessment due to declines in the student population taking these exams.

SUMMARY OF COSTS ASSOCIATED WITH ENGLISH LANGUAGE PROFICIENCY (ACCESS FOR ELLS)			
DESCRIPTION	FY 2021-22 APPROPRIATION	FY 2022-23 ESTIMATE	ANNUAL CHANGE
Online Price per Student	\$27.75	\$28.75	\$1.00
Paper Price per Student	\$27.75	\$30.75	\$3.00
Alternate Price per Student	\$141.25	\$141.25	\$0.00
Total Population Estimate	<u>100,000</u>	<u>94,000</u>	<u>(6,000)</u>
<i>Online Population Estimate (grades 1-12)</i>	<i>89,000</i>	<i>84,060</i>	<i>(4,940)</i>
<i>Paper Population Estimate (kindergarten)</i>	<i>10,000</i>	<i>9,000</i>	<i>(1,000)</i>
Alternate Population Estimate	<u>1,000</u>	<u>940</u>	<u>(60)</u>
Online Cost Estimate	2,469,750	2,416,725	(\$53,025)
Paper Cost Estimate	277,500	276,750	(\$750)
Alternate Cost Estimate	141,250	132,775	(\$8,475)
Additional Cost for Students Requiring Braille	2,260	2,260	\$0
Discount	(\$45,000)	(34,200)	\$10,800
Totals	\$3,007,210	\$2,794,310	(\$51,450)
Total	\$2,845,760	\$2,794,310	(\$51,450)
Cash funds - State Education Fund	\$996,016	\$978,009	(\$18,007)
Federal Funds	\$1,849,744	\$1,816,301	(\$33,443)

Recommendation V. English Language Proficiency (ACCESS): As detailed in the table above, staff recommends appropriating \$2,794,310 total funds (including \$978,009 cash funds from the State Education Fund and \$1,816,301 federal funds) to support English language proficiency assessments in FY 2023-24.

VI. COLLEGE ENTRANCE SUITE – FUNDING FOR ADMINISTRATION OF SPRING 2024 COLLEGE ENTRANCE AND COLLEGE ENTRANCE PREPARATION

Section 22-7-1006.3 (2), C.R.S., as enacted in H.B. 15-1323, requires the Department of Education to pay for and administer a college entrance examination to all 11th grade students that is administered

throughout the United States and relied upon by institutions of higher education. The statute also now requires the Department to pay for and administer a college entrance *preparation* exam to all 9th and 10th graders that is aligned with the college entrance exam to be administered to those students as 11th graders. The Department administered the ACT to all 11th graders from 2001 (following the passage of S.B. 00-186) through 2016. However, under the requirements enacted in H.B. 15-1323, FY 2015-16 was the Department’s final year administering the ACT, and the Department transitioned to the College Board entrance exam (SAT) and preparation exam (PSAT). Please note that the Department is re-procuring the college entrance exam for FY 2023-24.

The following table details the basis for the existing FY 2022-23 appropriation and staff’s recommendation for FY 2023-24 for the college entrance suite of tests.

SUMMARY OF COSTS ASSOCIATED WITH COLLEGE ENTRANCE SUITE			
DESCRIPTION	FY 2022-23 APPROPRIATION	FY 2023-24 ESTIMATE	ANNUAL CHANGE
<i>College Entrance Test 22-7-1006.3 (2)(b) -- Required</i>			
<i>Estimated # of students</i>	<i>65,826</i>	<i>60,000</i>	(5,826)
Price per student	\$33.50	\$54.00	\$20.50
Subtotal:	\$2,205,171	\$3,240,000	\$1,034,829
<i>College Entrance Test 22-7-1006.3 (2)(b) -- Student Request</i>			
<i>Estimated # of Students</i>	<i>6,583</i>	<i>2,500</i>	(4,083)
Price per student	\$9.20	\$22.50	13.30
Subtotal:	\$60,564	\$56,250	(4,314)
<i>10th Grade Test -- 22-7-1006.3(2)(a.5)*</i>			
<i>Estimated # of students</i>	<i>68,470</i>	<i>60,000</i>	(8,470)
Price per student	\$12.00	\$17.10	\$5
Subtotal:	\$821,640	\$1,026,000	\$204,360
<i>9th Grade Test -- 22-7-1006.3(2)(a)*</i>			
<i>Estimated # of students</i>	<i>65,869</i>	<i>60,000</i>	(5,869)
Price per student	\$14.00	\$17.10	\$3
Subtotal:	\$922,166	\$1,026,000	\$103,834
TOTAL (Cash Funds - State Education Fund)	\$4,009,541	\$5,348,250	\$1,338,709

Recommendation VI. College Entrance Suite: As detailed in the table above, the staff recommends appropriating \$5,348,250 cash funds from the State Education Fund for the college entrance suite contract for FY 2023-24.

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

This component supports the development and administration of Spanish literacy assessments. Section 22-7-1006.3 (4)(b), C.R.S., requires the Department to administer Spanish literacy assessments

to eligible third and fourth graders.¹⁶ For eligible students, the Spanish reading and writing assessments substitute for the CMAS English language arts assessments. The following table shows the FY 2021-22 appropriation and FY 2022-23 staff recommendation for this component.

SUMMARY OF COSTS ASSOCIATED WITH SPANISH LANGUAGE ARTS (READING AND WRITING)			
	FY 2022-23 APPROPRIATION	FY 2022-24 ESTIMATE	ANNUAL CHANGE
Administration of Assessment - CF - State Education Fund	\$1,543,909	\$1,543,909	(\$0)

Recommendation VII. Spanish Language Arts: As detailed in the table above, staff recommends appropriating \$1,543,909 cash funds from the State Education Fund for Spanish language arts assessments in FY 2023-24.

VIII. ADMINISTRATION – SUPPORT FOR STATE STAFF THAT ADMINISTER ASSESSMENTS

The following table displays the personal services and operating expenses components of the Department’s administration of the statewide assessment program, including the FY 2022-23 appropriation and the FY 2023-24 staff recommendation. The amounts for FY 2023-24 include annualization of FY 2022-23 salary survey.

SUMMARY OF COSTS ADMINISTRATION PORTION OF STATE ASSESSMENT LINE ITEM			
DESCRIPTION	FY 2022-23 APPROP.	FY 2023-24 ESTIMATE	ANNUAL CHANGE
Subtotal Personal Services	\$2,109,226	\$2,162,706	\$53,480
FTE - Total	16.5	16.5	0
Cash funds - State Education Fund	530,949	537,801	6,852
Federal Funds	1,578,277	1,624,905	46,628
Subtotal: Operating Expenses	\$88,148	\$88,148	\$0
Cash funds - State Education Fund	42,080	42,080	0
Federal Funds	46,068	46,068	0
Total Administration Costs	\$2,197,374	\$2,250,854	\$53,480
FTE	16.5	16.5	16.5
Cash funds - State Education Fund	573,029	579,881	6,852
Federal Funds	1,624,345	1,670,973	46,628

Recommendation VIII. Administration: As detailed in the table above, staff recommends appropriating \$2,250,854 total funds and 16.5 FTE for expenditures related to staff who administer the statewide assessment program in FY 2023-24.

¹⁶ According to the Department, eligible students: (1) must be in grade 3 or 4; (2) must have had instruction in an English language proficiency program three years or less; and must have had instruction and assessments in their native language in reading and writing in the current or previous school year. In FY 2018-19, 2,910 students took these assessments, including 1,734 in grade 3 and 1,176 in grade 4.

LONGITUDINAL ANALYSES OF STUDENT ASSESSMENT RESULTS

This line item provides funding and staff for longitudinal analyses of student assessment results, including the assignment of individual student identifiers for all students in public schools, including preschool children participating in the Colorado Preschool Program and disabled preschool children receiving special education services. The General Assembly has provided General Fund to support 4.1 FTE within this line item for ongoing work associated with the longitudinal data system. In addition, the Department received a federal grant to improve state longitudinal data systems in FY 2010-11, and used those funds through FY 2013-14. The Department used the federal grant to replace the state’s data collection system, link student data from prekindergarten to the workforce, and provide additional enhancements to the state’s data systems. In FY 2014-15, H.B. 14-1298 (School Finance) appropriated \$298,000 cash funds from the State Education Fund to support the creation and assignment of unique student identifiers for children receiving state- or federally- subsidized early childhood education services. The General Assembly has continued that amount each year since then, including FY 2020-21. However, statutory authority this activity ended with the adoption of H.B. 22-1295 (Department of Early Childhood).

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

REQUEST: The Department requests an appropriation of \$938,109 total funds (including \$640,109 General Fund and \$298,000 cash funds from the State Education Fund) and 5.6 FTE for FY 2023-24. The request includes the following changes.

- An decrease of \$307,507 General Fund and 0.3 FTE to annualize the FY 2022-23 R7 Empowering Parents with School Information appropriation. All remaining appropriations from that initiative will be removed in FY 2023-24.
- An increase of \$5,396 General Fund to annualize prior year salary survey.

RECOMMENDATION: The staff recommendation is summarized in the table below. It reflects the changes included in the request but also eliminates the appropriation of \$298,000 cash funds from the State Education Fund that was for the creation and assignment of unique student identifiers for children receiving state- or federally- subsidized early childhood education services. This is no longer a statutory function of this department since the passage of H.B. 22-1295 (Department of Early Childhood).

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, LONGITUDINAL ANALYSES OF STUDENT ASSESSMENT RESULTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$1,240,220	\$942,220	\$298,000	\$0	\$0	5.9
TOTAL	\$1,240,220	\$942,220	\$298,000	\$0	\$0	5.9
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$1,240,220	\$942,220	\$298,000	\$0	\$0	5.9
Annualize prior year budget actions	(302,111)	(302,111)	0	0	0	(0.3)

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, LONGITUDINAL ANALYSES OF STUDENT ASSESSMENT RESULTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SI Eliminate funding for early childhood identifier	(298,000)	0	(298,000)	0	0	0.0
TOTAL	\$640,109	\$640,109	\$0	\$0	\$0	5.6
INCREASE/(DECREASE)	(\$600,111)	(\$302,111)	(\$298,000)	\$0	\$0	(0.3)
Percentage Change	(48.4%)	(32.1%)	(100.0%)	0.0%	0.0%	(5.1%)
FY 2023-24 EXECUTIVE REQUEST	\$938,109	\$640,109	\$298,000	\$0	\$0	5.6
Request Above/(Below) Recommendation	\$298,000	\$0	\$298,000	\$0	\$0	(0.0)

BASIC SKILLS PLACEMENT OR ASSESSMENT TESTS

With the enactment of H.B. 12-1345, the General Assembly established a program to reimburse school districts for costs incurred in administering basic skills placement or assessment tests. The bill authorized school districts to administer the tests as frequently as desired during high school but specifies that the state will only reimburse school districts for one administration per student. The bill provided \$1.0 million cash funds from the State Education Fund in FY 2012-13 for such reimbursements. The General Assembly created this line item in the FY 2013-14 Long Bill to continue to provide funding for the program but reduced the amount of funding to \$320,917 in FY 2013-14 based on actual use of the program. The General Assembly further reduced the appropriation to \$50,000 for FY 2015-16 based on the lack of use of the program (there were no expenditures in FY 2014-15 or FY 2015-16). The Department reimbursed \$13,736 in expenses for FY 2016-17 but did not make any reimbursements in FY 2017-18, FY 2018-19, or FY 2019-20. During the FY 2021-22 budget cycle the Department proposed eliminating the line item; however, this requires a statutory change, and no related legislation was adopted during the 2021 legislative session.

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

REQUEST: The Department requested a continuation amount of \$50,000 cash funds from the State Education Fund for FY 2023-24.

RECOMMENDATION: In light of ongoing statutory requirements, staff recommends the request for an appropriation of \$50,000 cash funds. Any unused amount will revert to the State Education Fund.

PRESCHOOL TO POSTSECONDARY EDUCATION ALIGNMENT

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

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

REQUEST: The Department requests an appropriation of \$700,238 total funds (including \$37,584 General Fund and \$662,654 cash funds from the State Education Fund) and 4.0 FTE for FY 2023-24. The request include an increase of \$21,474 to annualize prior year salary survey.

RECOMMENDATION: Staff recommends the request for \$700,238 total funds (including \$37,584 General Fund and \$662,654 cash funds from the State Education Fund) and 4.0 FTE for FY 2023-24. The calculation in the request is consistent with Committee common policy.

EDUCATOR EFFECTIVENESS UNIT ADMINISTRATION

The General Assembly created this line item in FY 2012-13 to support the ongoing costs of the Educator Effectiveness Unit charged with implementation of S.B. 10-191 (Principal and Teacher Effectiveness). Senate Bill 21-185 (Supporting Educator Workforce in Colorado) provided an increase in FY 2021-22 which was annualized in FY 2022-23 to include \$1,230,110 General Fund and 5.7 FTE for the administration of programs created or reauthorized in S.B. 21-185, including the Quality Teacher Recruitment Program, the Educator Recruitment and Retention program, and the Teacher Recruitment and Educator Preparation Program (TREP)

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

REQUEST: The Department requests an appropriation of \$3,459,032 total funds (including \$3,325,145 General Fund and \$133,887 cash funds from the State Education Fund) and 18.2 FTE for FY 2023-24. The request includes the following changes.

- A reduction of \$191,142 General Fund to annualize the impact of S.B. 22-070 (K-12 Personnel Performance Evaluations)
- A reduction of \$16,086 General Fund to annualize the impact of S.B. 22-069 (Learning Disruption Effect on Teacher Evaluations)
- An increase of \$29,847 for prior year salary survey

RECOMMENDATION: The staff recommendation is summarized in the table below and aligns with the request, which is calculated consistent with Committee common policy.

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, EDUCATOR EFFECTIVENESS UNIT ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$3,636,413	\$3,507,016	\$129,397	\$0	\$0	18.2
TOTAL	\$3,636,413	\$3,507,016	\$129,397	\$0	\$0	18.2
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$3,636,413	\$3,507,016	\$129,397	\$0	\$0	18.2
Annualize prior year budget actions	29,847	25,357	4,490	0	0	0.0
Annualize prior year legislation	(207,228)	(207,228)	0	0	0	0.0
TOTAL	\$3,459,032	\$3,325,145	\$133,887	\$0	\$0	18.2

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, EDUCATOR EFFECTIVENESS UNIT ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	(\$177,381)	(\$181,871)	\$4,490	\$0	\$0	0.0
Percentage Change	(4.9%)	(5.2%)	3.5%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
	\$3,459,032	\$3,325,145	\$133,887	\$0	\$0	18.2
Request Above/(Below)						
Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

ACCOUNTABILITY AND IMPROVEMENT PLANNING

The General Assembly created this line item in FY 2013-14 to support accountability and improvement planning efforts associated with the implementation of S.B. 09-163. The line item supports training, technical assistance, and data analysis provided to districts and schools, especially low-performing districts and schools. The line item also supports an independent State Review Panel to review struggling schools' and districts' improvement plans and advise the State Board of Education regarding consequences for those districts and schools under the accountability clock created by S.B. 09-163.

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

REQUEST: The Department requests \$1,801,768 total funds (including \$1,251,436 General Fund) for FY 2022-23. The request includes the following changes.

- An increase of \$175,000 General Fund for Request R12 (Developing a Vision for Strategic Alignment).
- An increase of \$8,314 to annualize FY 2022-23 salary survey.

RECOMMENDATION: The staff recommendation includes \$2,041,784 total funds, including \$1,491,452 General Fund and \$550,332 federal funds, and 11.4 FTE. As discussed earlier in this packet, in addition to the amounts included in the request, staff recommends \$56,702 General Fund and 0.5 FTE for a three year term-limited position to help this unit address workload driven by the reorganization of Adams 14 and the needs of other districts that are far along on the accountability clock.

(D) STATE CHARTER SCHOOL INSTITUTE

Background Information: This subsection includes funding for the State Charter School Institute (CSI), which is as an independent agency in the Department of Education. The CSI is allowed to authorize charter schools located within a school district's boundaries if the school district has not retained exclusive authority to authorize charter schools or if the school district allows the charter school applicant to seek CSI authorization. A nine-member board governs the CSI with a statutory mission to "foster high-quality public school choices offered through institute charter schools, including particularly schools that are focused on closing the achievement gap for at-risk students". Statute authorizes the board to hire staff or contract employees. Any CSI staff shall be deemed employees subject to the state personnel system, except that all positions classified by the board as professional officers and professional staff "are declared to be educational in nature and exempt from the state personnel system". [Section 22-30.5-505 (1), C.R.S.]

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

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

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

There are currently 43 Institute charter schools, located in 17 different school districts and serving more than 20,000 students. The CSI has total pupil count of 20,302.7 funded pupils in FY 2022-23. For the five year period from FY 2017-18 to FY 2022-23, CSI enrollment increased by 25.3 percent, while state enrollment as a whole fell by 3.0 percent over the same period.

STATE CHARTER SCHOOL INSTITUTE ADMINISTRATION, OVERSIGHT, AND MANAGEMENT

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

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

REQUEST: The Department requests a continuation appropriation of \$5,000,000 reappropriated funds and 11.7 FTE for FY 2023-24, with no change from the 2023-24 appropriation. The funds are continuously appropriated to the Department and are shown in the Long Bill for informational purposes only.

RECOMMENDATION: Staff recommends the request for \$5,000,000, which is similar to recent-year expenditures.

INSTITUTE CHARTER SCHOOL ASSISTANCE FUND

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

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

This is one of the three Institute line items that remain subject to annual appropriation. However, Section 22-30.5-515.5 (1)(c), C.R.S., limits the year-end balance of the fund to no more than \$750,000 at the end of any given year or, pursuant to 22-30.5-515 (d), another limit established by the institute board in collaboration with a council of institute charter schools. The statute requires the SCSi to distribute any amount above the cap in the fund at the end of the year to all SCSi schools on an equal per pupil basis and continuously appropriates the excess balance to the SCSi.

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

REQUEST: The Department requests a continuation appropriation of \$1,800,000 cash funds from the Institute Charter School Assistance Fund, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends the requested amount of \$1,800,000 cash funds, which is similar to the actual level of expenditure in recent years.

OTHER TRANSFERS TO INSTITUTE CHARTER SCHOOLS

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

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

REQUEST: The Department requests an informational appropriation of \$21,500,000 reappropriated funds for FY 2023-24, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends the requested amount of \$21,500,000 cash funds, which is similar to the actual level of expenditure in recent years.

TRANSFER OF FEDERAL MONEY TO INSTITUTE CHARTER SCHOOLS

This line item reflects federal funds received by the SCSi for pass-through to Institute charter schools, along with the SCSi FTE supported with federal funds. Moneys appropriated to this line item are reflected as reappropriated funds because they are first reflected within other line items within the

Department's budget (e.g., Special Education Programs for Children with Disabilities, English Language Proficiency Program, Federal Nutrition Programs, and Appropriated Sponsored Programs). The request reflects the SCSI's anticipated expenditures under the continuous appropriation provided by S.B. 12-121.

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

REQUEST: The Department requests a continuation appropriation of \$17,400,000 reappropriated funds and 4.5 FTE, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends the requested amount of \$17,400,000 cash funds. FY 2021-22 expenditures were considerably higher, at \$27.2 million, but this likely reflects the temporary impact of federal pandemic relief funds.

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

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

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

REQUEST: The Department requests an appropriation of \$243,362 reappropriated funds and 1.6 FTE, including an increase of \$854 to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends approving the requested amount of \$243,362 reappropriated funds and 1.6 FTE for FY 2023-24, which is consistent with the Committee's common policy. The (non-SCSI) Department staff incur costs associated with SCSI activities, and this line item is the mechanism to cover at least a portion of the necessary costs.

Department implementation of Section 22-30.5-513 (11) -- See page 87a

CSI MILL LEVY EQUALIZATION

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

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

REQUEST: The Department requests an appropriation of \$26,000,000 General Fund to be appropriated into the Mill Levy Equalization Fund and \$26,000,000 reappropriated funds to appropriate that amount out of the cash fund for distribution to SCSI schools). This includes an increase of \$7,000,000 General Fund in Department Request R10 (CSI Mill Levy Equalization) and a

further increase of \$3,000,000 in Budget Amendment BA4, offset by a reduction of \$1,000,000 General Fund appropriated in H.B. 22-1390, which the Department treated as a one-time appropriation.

RECOMMENDATION: As discussed previously in this packet, Staff recommends denying Department Requests BA4 and R10 (CSI Mill Levy Equalization). However, staff believes the Department reduction of \$1,000,000 General Fund from the base was a technical error and has not included that change. In addition, as also previously discussed, the staff recommendation includes providing spending authority for interest earned on the CSI Mill Levy Equalization Account, as reflected in the table below.

MANAGEMENT AND ADMINISTRATION, STATE CHARTER SCHOOL INSTITUTE, CSI MILL LEVY EQUALIZATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$34,209,923	\$17,000,000	\$209,923	\$17,000,000	\$0	0.0
TOTAL	\$34,209,923	\$17,000,000	\$209,923	\$17,000,000	\$0	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$34,209,923	\$17,000,000	\$209,923	\$17,000,000	\$0	0.0
SI CSI interest earned	154,077	0	154,077	0	0	0.0
R10/BA4 CSI mill levy equalization	0	0	0	0	0	0.0
Annualize prior year legislation	0	0	0	0	0	0.0
TOTAL	\$34,364,000	\$17,000,000	\$364,000	\$17,000,000	\$0	0.0
INCREASE/(DECREASE)	\$154,077	\$0	\$154,077	\$0	\$0	0.0
Percentage Change	0.5%	0.0%	73.4%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$17,845,923	\$9,000,000	(\$154,077)	\$9,000,000	\$0	0.0

(E) INDIRECT COST ASSESSMENT

INDIRECT COST ASSESSMENT

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

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

REQUEST: The Department requests \$735,324 total funds (including \$385,792 cash funds and \$349,532 federal funds) for FY 2023-24. The request represents a decrease of \$9,355 total funds below the FY 2022-23 appropriation based on the Department’s projections of indirect cost assessments for FY 2023-24.

RECOMMENDATION: Based on updated information provided by the Department, staff recommends approving the adjustment reflected in the table below.

MANAGEMENT AND ADMINISTRATION, INDIRECT COST ASSESSMENT, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$744,679	\$0	\$375,814	\$0	\$368,865	0.0
TOTAL	\$744,679	\$0	\$375,814	\$0	\$368,865	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$744,679	\$0	\$375,814	\$0	\$368,865	0.0
SI Indirect cost adjustments	82,109	0	75,455	0	6,654	0.0
TOTAL	\$826,788	\$0	\$451,269	\$0	\$375,519	0.0
INCREASE/(DECREASE)	\$82,109	\$0	\$75,455	\$0	\$6,654	0.0
Percentage Change	11.0%	0.0%	20.1%	0.0%	1.8%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$735,324	\$0	\$385,792	\$0	\$349,532	0.0
	(\$91,464)	\$0	(\$65,477)	\$0	(\$25,987)	0.0

DEPARTMENT IMPLEMENTATION OF SECTION 22-30.5-513 (11), C.R.S

This provision, added in H.B. 22-1294 (Special Education in Charter Schools), specified that, for FY 2022-23 the General Assembly would appropriate \$375,000 General Fund to CSI for distribution to eligible institute charter schools, defined as schools at which at least 50 percent of the student population receives special education services through an administrative unit of the CSI.

REQUEST: The Department requested \$375,000 General Fund continuation funding for this line item.

RECOMMENDATION: The staff recommendation does not include funding for this line item, as the fiscal note indicated that this amount was for one-time only.

(2) ASSISTANCE TO PUBLIC SCHOOLS

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

Only the highlighted items are addressed in this packet. The Committee reviewed recommendations for School Finance during the staff presentation on February 13, 2023.

ASSISTANCE TO PUBLIC SCHOOLS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 Appropriation						
FY 2022-23 Appropriation	\$6,942,780,997	\$4,440,519,337	\$1,481,391,794	\$815,270	\$1,020,054,596	233.4
TOTAL	\$6,942,780,997	\$4,440,519,337	\$1,481,391,794	\$815,270	\$1,020,054,596	233.4
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$6,942,780,997	\$4,440,519,337	\$1,481,391,794	\$815,270	\$1,020,054,596	233.4
R1/BA1 State share of total program increase	(158,516,275)	0	(158,516,275)	0	0	0.0
R2 Categorical programs increase	0	0	0	0	0	0.0
R5 Gifted and talented DMS	0	0	0	0	0	0.0
R6 Personnel for school support - Part A	0	0	0	0	0	0.0
R6 Personnel for school support - Part B	83,811	83,811	0	0	0	0.9
R7 Proactive intervention turnaround schls	1,000,000	1,000,000	0	0	0	0.0
BA2 Healthy meals for all public school students	0	0	0	0	0	0.0
BA5 Audit payment true-up	1,500,000	0	1,500,000	0	0	0.0
SI BEST cash grants	13,000,000	0	13,000,000	0	0	0.0
SI Facility schools current law	980,190	0	980,190	0	0	0.0
SI Indirect cost adjustments	68,803	0	0	0	68,803	0.0
Annualize prior year legislation	(59,947,677)	(2,644,503)	(57,296,974)	(6,200)	0	(9.2)
SI Charter school facilities assistance	(7,205,987)	0	(7,205,987)	0	0	0.0
Annualize prior year budget actions	328,170	(93,675)	108,827	7,632	305,386	(1.1)
SI computer science grant program	(250,000)	(250,000)	0	0	0	0.0
SI Facility school administration	(82,693)	0	0	(82,693)	0	0.0
TOTAL	\$6,733,739,339	\$4,438,614,970	\$1,273,961,575	\$734,009	\$1,020,428,785	224.0
INCREASE/(DECREASE)	(\$209,041,658)	(\$1,904,367)	(\$207,430,219)	(\$81,261)	\$374,189	(9.4)
Percentage Change	(3.0%)	(0.0%)	(14.0%)	(10.0%)	0.0%	(4.0%)
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$321,503,103	\$118,228,654	\$203,020,670	\$83,711	\$170,068	7.4

DECISION ITEMS - ASSISTANCE TO PUBLIC SCHOOLS

→ BA2 HEALTHY MEALS FOR ALL PUBLIC SCHOOL STUDENTS [LEGISLATION REQUIRED (ALREADY AUTHORIZED); ADDITIONAL REFERRED MEASURE RECOMMENDED]

REQUEST: The request is for a General Fund appropriation of \$115,282,874 for FY 2023-24, annualizing to \$71,372,565 in FY 2024-25 to implement Proposition FF, Healthy Meals for All Public School Students, as adopted by the voters in November 2022. The request also proposes a statutory change to create a related cash fund.

RECOMMENDATION:

- Staff is recommending that the appropriation for this program be included in a separate bill for which *the Committee has already provided drafting authority*. Therefore **no funding would be included in the Long Bill**. Details of the legislative proposal are included in this packet.
- **Staff recommends a set-aside from the General Fund Exempt Account that will be created in the bill of \$115,500,000 for FY 2023-24.** This is the amount identified in the fiscal note for H.B. 22-1414.
- **For the older school nutrition programs, staff is not recommending any change at this time (continuation budget amounts) due to uncertainty about the near-term changes.** Enrollment in the Healthy School Meals for All Public School Students is at the discretion of districts. While staff assumes that the older programs may eventually be eliminated, this is not feasible until districts make the transition.
- **In addition to the bill related to Proposition FF implementation, staff recommends that the JBC authorize drafting for a referred measure to address potential inaccuracies in the revenue projection for Proposition FF,** unless members are aware that other legislators will be addressing this.

*ANALYSIS:***BACKGROUND – NUTRITION PROGRAMS**

The CDE School Nutrition Unit administers the School Breakfast Program, National School Lunch Program, Afterschool Snack Program, Fresh Fruit and Vegetable Program, Special Milk Program, Summer Food Service Program, Seamless Summer Option, and Provisional Programs (including Community Eligibility Program (CEP), which improves access to free school meals in high poverty local education agencies).

Currently, schools receive money from the state and federal governments, as well as payments from families, to pay for student meals. Federal programs, like the federal School Breakfast Program and National School Lunch Program, reimburse school meal providers for all or a portion of the cost of meals, based on a student's family income. In Colorado, students eligible for reduced-price meals receive free meals because the state covers the student's portion of the cost. As a result, some students pay full price for a school meal and some eat for free.

In response to the COVID-19 pandemic, beginning in the spring of 2020 and continuing through FY 2021-22, the federal government covered the cost to provide free school meals to *all* students. Approximately 355,000 students, or 40 percent of all Colorado students in kindergarten through twelfth grade, would have met family income criteria to be eligible for free school meals in Colorado had universal free school meals not been available. For FY 2022-23, federal and state programs have returned to pre-pandemic law and operation. However, free meals will again be available in FY 2023-24, based on the adoption of Proposition FF, for all school districts that opt in.

BACKGROUND – H.B. 22-1414 AND PROPOSITION FF

During the 2022 legislative session, the General Assembly adopted H.B. 22-1414, which referred a measure to the voters authorize and fund free meals for all students on an ongoing basis. Voters adopted the referred measure, Proposition FF, in November 2022. Statutory provisions added in Section 22-82.9-201 through 209, C.R.S., create the Healthy School Meals for All Program and require the state to participate in the federal demonstration program for Medicaid direct certification. Statutory provisions added in Section 29-22-104 (p.5), C.R.S., establish a funding mechanism for the program through a change in income tax deductions for filers with incomes greater than \$300,000.

Federal Medicaid direct certification demonstration program. The measure requires that the Colorado Department of Education (CDE) apply to participate in the federal demonstration project for direct certification for children receiving Medicaid benefits. If selected, CDE must enter into an agreement with the Colorado Department of Health Care and Financing (HCPF) to directly certify students enrolled in Medicaid as eligible for free and reduced price meals without further application.

Healthy School Meals for All Program. The referred measure creates the Healthy School Meals for All Program to provide reimbursement to participating school food authorities (SFAs) for offering meals without charge to all students, beginning in FY 2023-24. The reimbursement amount is based on the federal free meal reimbursement rate for each meal served, minus the amount an SFA receives from the federal school breakfast and lunch programs, and current state reimbursement programs.

Conditional upon the state’s participation in the federal demonstration project, the program also includes three other components for participating SFAs. These programs begin the first full year after the State begins including Medicaid direct certification in calculating eligible student percentages. Thus, **these programs will begin in FY 2024-25.**

- Local food purchasing grant program. Participating SFAs that establish a parent and student school food advisory committee may receive a grant to purchase Colorado grown, raised, or processed products. CDE must distribute to each participating SFAs a grant of \$5,000, or \$0.25 for each lunch provided in the prior school year, whichever is greater. No more than 25 percent of the grant may be used to purchase value-added processed products, up to 10 percent may be used to cover costs, and up to 12 percent may be used to support the school advisory committee.
- Employee wages or stipends. Participating SFAs may receive the greater of \$3,000 or \$0.12 per school lunch, to be used to increase wages or provide stipends for employees who prepare and serve school meals.
- Technical assistance and education grant program. CDE must issue a grant to a statewide nonprofit to assist with the promotion of Colorado products to participating SFAs and to assist them with preparing meals using basic ingredients with minimal reliance on processed products. Grants may be used for training, technical assistance, physical infrastructure for SFAs, growers

associations, and other organizations that aggregate products for producers, as well as for education, outreach, and promotion for schools and growers to engage with school communities.

Community eligibility provision. In order to participate in the program, SFAs must maximize federal reimbursement by participating in the community eligibility provision (CEP), if eligible. If the US Department of Agriculture creates the option for the community eligibility provision to be implemented statewide, CDE must work with SDAs and state and local agencies to participate

Reporting. Beginning December 1, 2024, CDE must submit an annual report on the program to the General Assembly. CDE must contract with an independent auditor to conduct a biennial financial and performance audit of the program, and make the audit easily accessible on the website.

Funding. Beginning in FY 2023-24, the General Assembly must appropriate the amount necessary for the program, including at least \$5.0 million for the technical assistance grant program when that provision becomes effective. The appropriation must include an amount of General Fund at least equal to the revenue generated from the income tax add-back (discussed below), but no more than the amount required to fund the direct and indirect costs of implementing the program. The Department may not expend more than 1.5 percent of the amount appropriated for administrative costs.

Add-back to Colorado taxable income. Beginning for tax year 2023, the bill requires taxpayers with adjusted gross incomes of \$300,000 or more to add back a portion of their federal itemized or standard deductions when calculating their Colorado taxable income. Taxpayers filing singly are required to add back itemized or standard deductions that exceed \$12,000 in total, and taxpayers filing jointly are required to add back itemized or standard deductions that exceed \$16,000 in total.

This provision does not apply in a future year if the Healthy School Meals for All program is repealed. The bill specifies that this section constitutes a voter-approved revenue change if approved by voters at the November, 2022 election.

CURRENT STATUS OF IMPLEMENTATION

- The Department was notified in December 2022 that Colorado has been accepted to participate in the federal demonstration program to directly certify students enrolled in Medicaid as eligible for free and reduced price meals without further application.
- Progress update on anticipated school district participation in the Healthy Meals for All Public School Students program: The Colorado School Nutrition Association sent a survey out to School Food Authorities on 1/24/23. This survey will be open until the end of February. As of 1/30: 71 responses; 9 unsure - they want to know what will happen w/ at-risk measure/funding before deciding; 1 no; 61 SFAs believe they will move ahead pending approval from their Superintendent and/or local school board
- As anticipated in Proposition FF, the three grant programs created by the bill will begin in FY 2024-25 (the first full year after the State begins including Medicaid direct certification in calculating percentages of students eligible for free meals).

ENROLLMENT, INTERACTION WITH AT-RISK MEASURE, AND COST ESTIMATES

The number of districts who will opt-in to Prop FF is still uncertain, though Staff assumes most if not all will ultimately opt-in.

- As reflected above, districts are concerned about the interaction with the state’s At-Risk funding measure, which has historically been tied to student enrollment in free and reduced lunch programs. At-Risk student counts affect districts’ funding from the State under the school finance formula. Students are less likely to enroll in free and reduced lunch programs if that is not required to obtain a free meal, so a program that provides free meals for all students could lower a school district’s At Risk count if the count relies on this.¹⁷ The federal demonstration program to directly certify students enrolled in Medicaid will help to address this problem, but there will still be students who are not on Medicaid and who would qualify for federal free and reduced price lunch who will not enroll because it is not required for meals.
- Colorado is in the process of transitioning to a new measure for calculating the At-Risk student population for purposes of the school finance formula, pursuant to the provisions of H.B. 22-1202. A recent letter to the Legislative Interim Committee on School Finance, dated January 31, 2023, describes the progress of a Working Group assembled to address details of the new At-Risk Measure. The working group recommends waiting to implement the new At-Risk measure until FY 2024-25 but also recommends an "equalization factor" that would bring a district's new At-Risk count up to their 2022-23 At-Risk count, if it came out lower. (before Healthy Meals for All takes effect). Staff is not certain what the implication will be for the FY 2023-24 year, i.e., whether an “equalization factor” related to FY 2022-23 enrollment in free and reduced-price lunches is being recommended or is something the General Assembly would consider for FY 2023-24. However, **such a provision for the At-Risk measure in FY 2023-24 that is based on enrollment in free and reduced-price lunch for FY 2022-23 could help address districts’ concerns about participating in the Healthy School Meals for All Public School Students program.**
- **Colorado’s costs for the Healthy Meals program will be dependent on the number of districts that participate, the number of students who receive meals, and federal funding received for free and reduced-price lunches, since the state funding will “wrap around” federal funds.** As described above, students’ willingness to apply for free and reduced-price meals is expected to decline if they are not required to enroll in order to receive free meals. The provisions of Proposition FF attempt to address this through: (1) implementing automatic enrollment for students who receive Medicaid; and (2) maximizing use of federal community eligibility provisions (CEP), which enable entire school populations to be eligible for free and reduced-price lunches based on the percentage of their student population that qualifies for the federal program. The Department reports that in FY 2022-23, 26 districts and 107 schools are participating in CEP, but the Department anticipates that 60 districts and 400 schools will be able to qualify for CEP.
- **The fiscal note for H.B. 22-1414 reflected anticipated costs of up to \$115.5 million for the program that are then projected to fall in FY 2024-25 to \$71.5 million to \$101.5 million as community eligibility and federal funding is leveraged to offset state costs.** This is also the reason grant programs authorized in H.B. 22-1414 are delayed until the State makes full use of automatic enrollment based on Medicaid and increased use of community eligibility provisions.

¹⁷ Department staff note that many schools and school districts combine applications for free and reduced lunch with other applications for low income students such as student fee relief. This is expected to help sustain enrollment in the federal programs even when free meals are available for all students.

- **The higher first year costs are expected to be fully covered by the revenue received over 1.5 years: from January 2023 to June 2024. In subsequent years, annual projected revenue of \$104.2 million generated by tax changes is expected to cover program costs of \$71.5 to 101.5 million.**¹⁸ As described below, the structure creates some complications from an implementation perspective, because the revenue received as a result of the tax provisions will not actually be known until well after the close of FY 2023-24, when expenditures begin. At present, the estimates included in H.B. 22-1414/the blue book for Proposition FF are the best information available.
- **The table below shows the Department’s current estimates for program participation, which are based on the 20.0 percent increase in enrollment in meals that occurred when the federal government began paying for all student meals during the pandemic.** As shown, the Department also assumes that over 50 percent of students receiving free meals will have costs for their meals covered in whole or in part by federal reimbursement in FY 2023-24

HEALTHY MEALS FOR ALL (HMFA) - PROP FF						
	DISTRICTS*	SCHOOLS	TOTAL STUDENT COUNT	FREE ELIGIBLE STUDENTS (FEDERAL PROGRAM COUNT)	REDUCED-PRICE ELIGIBLE STUDENTS (FEDERAL PROGRAM COUNT)	PAID ELIGIBLE STUDENTS (FUNDED BY PROP FF STARTING IN FY 2023-24)
FY2022-23 - Current						
Colorado Public School Districts*	186	1,935	883,264	291,898	63,068	528,298
Currently participating in National School Lunch Program	181	1,743	798,193	275,820	60,047	462,326
Currently Participating in Community Eligibility Program - (district wide or by site)	25	106	34,144	21,905	1,978	10,261
Currently eligible to participate in Community Eligibility Program	63	357	117,896	80,388	10,933	26,575
Breakfast - Average Daily Meals served (using October 2022; 17 serving days)			143,422	86,392	15,500	41,530
Lunch - Average Daily Meals served (using October 2022; 17 serving days)			344,615	156,982	33,826	153,807
FY 2023-24 - Estimate						
Breakfast - Average Daily Meals served (using October 2022; 17 serving days; 20% increase in participation)			172,107	107,057	15,214	49,836
Lunch - Average Daily Meals served (using October 2022; 17 serving days; 20% increase in participation)			413,538	195,769	33,200	184,569

*CO Public School District and sites - all districts and sites that report pupil count
 - Estimated participation increase in SY 2023-24 is 20% as this is the increase for SY 2021-22 with universal free meals for pandemic
 - There is not a forecasted increase in CEP eligibility in SY 2023-24, but anticipate an increase in CEP participation compared to SY 2022-23
 - Reduced Price meals for SY 2023-24 were adjusted to Free Meals in response to expected increase in CEP participation - forecasting CEP increase sites to increase which will decrease Reduced- price Meal counts, not students

¹⁸ leg.colorado.gov/sites/default/files/documents/2022A/bills/fn/2022a_hb1414_f1.pdf

SET-ASIDE RECOMMENDED

Staff recommends that the Committee adopt a set-aside for the Committee bill being drafted to address Proposition FF revenue in the amount of the fiscal note for H.B. 22-1414: \$115,500,000 to be appropriated from a new General Fund Exempt Account that will be created in the bill. As described above, Proposition FF estimates are currently the best information available on projected expenditures for the program.

PROVISIONS ANTICIPATED IN COMMITTEE BILL (INITIAL DRAFT)

The Committee has already authorized a bill draft related to Proposition FF, which is in process. Provisions are expected to include the following, based on work with the affected state agencies. Staff anticipates further adjustments as departments review the bill draft.

- Create a new Proposition FF General Fund Exempt (GFE) Account comprised of Proposition FF revenue, as defined.
- Make appropriations beginning in FY 2023-24 for the program from this new Proposition FF GFE Account, even though the initial FY 2023-24 appropriation will be more than the money in the account at the *beginning* of FY 2023-24. Include the FY 2023-24 appropriations in the new legislation, because that is where the new GFE Account will be created.
- Provide for a statutory adjustment between expenditures from the General Fund and new Proposition FF General Fund Exempt Account. Specify that any amount up to the amount of the total appropriation that is not available in the Proposition FF GFE Account shall be paid from the General Fund. At the close of the fiscal year, accounts shall be adjusted so that expenditures are made from the Proposition FF GFE Account to the full extent of all amounts available in the Account at the close of the fiscal year, with the balance paid from the General Fund.
- Specify when/how amounts will be deposited into and accounted for in the new Proposition FF GFE Account. This will rely on an accrual approach, as required by GAAP. The Department of Revenue will transfer the Prop FF cash into the new GFE account, based on accrual estimates, on a 1/12 (monthly) basis. The accrual amounts through FY 2023-24 will likely rely on original Proposition FF estimates. Those accrual estimates will then improve over time as we have more real information.
- Clarify that appropriations for the components of the program may be separated, based on the entitlement and non-entitlement components. Clarify that amounts may be transferred from the non-entitlement components into the entitlement components (but not the other way around). Provide **overexpenditure authority**, similar to that provided in Section 24-75-109, C.R.S., for Medicaid, for the entitlement components of the program, with legislative action required to release any overexpenditure, as is done for the Medicaid program. Any overexpenditures would be paid first from the Proposition FF GFE Account and second from the General Fund, if there is not sufficient GFE revenue in the Prop FF GFE Account (as for the rest of the program).
- Require the Department of Revenue to provide an annual report, beginning with December 2024, that identifies the CY 2023 Prop FF revenue as accounted as of December 2024. Continue these annual reports in subsequent years for the most recently completed calendar/tax year, i.e.,

December 2025 would report on CY 2024 tax revenues. Reflect the General Assembly’s intent to budget for the Healthy Meals program based on this data.

- Include a provision expressing legislative intent that if the General Fund is required to cover Proposition FF expenditures, such amounts will be repaid by the Prop FF GFE Account at a later date. Add a reporting requirement that would be part of the annual budget submission on November 1, beginning in November 2024, that includes an accounting of any amounts paid by the General Fund, any amounts reimbursed to the General Fund, and any amounts not yet reimbursed to the General Fund by the GFE Account since the program's inception
- Add a provision that specifies that expenditures appropriated from the General Fund for administrative expenses related to Proposition FF in FY 2022-23 shall be repaid. Add a transfer from the GFE account to the General Fund on August 1, 2023 of \$193,354 or whatever portion of that amount was actually expended for start-up administration for the Healthy Meals for All Public Schools Students program.

REFERRED MEASURE RECOMMENDED

Article 10, Section 20 (3)(c) of the State Constitution specifies that “Except by later voter approval, if a tax increase or fiscal year spending exceeds any estimate in (b)(iii) for the same fiscal year, the tax increase is thereafter reduced by up to 100% in proportion to the combined dollar excess, and the combined excess revenue refunded in the next fiscal year.” Subsection (b)(iii) states that ballot measures must include: “For the first full fiscal year of each proposed district tax increase, district estimates of the first full fiscal year of the maximum dollar amount of each increase and of district fiscal year spending without the increase.” In other words, **if the Blue Book for 2022 underestimated the revenue from Proposition FF, the General Assembly would need to refund the difference and reduce the tax increase. However, the General Assembly will not know whether revenue has come in too high until December 2024** at the earliest, almost two years after the tax takes effect. Similar to the current situation with Proposition EE revenue, **determining how to proceed at that point will create substantial challenges due to timing. Addressing the situation before it arises, similar to the way potential excess revenue from marijuana taxes was addressed, will be far more straightforward.**

→ R7 PROACTIVE INTERVENTION IN TURNAROUND SCHOOLS

REQUEST: The request includes an increase of \$1,000,000 General Fund, to be continued in future years, for the School Transformation Grant Program. The requested increase (on a current base of \$6.5 million) would be used specifically for schools which are early in the accountability clock process. The request would provide eight to 10 schools that are “on the clock” (because they are rated priority improvement or turnaround) a \$25,000 planning grant, followed by \$50,000 to \$100,000 for implementation, with the goal of avoiding having these schools remain on the accountability clock. Schools that remain on the clock require intensive (and expensive) state interventions.

EVIDENCE LEVEL: The Department indicated that this request is “theory-informed”. It notes that outcomes are measured for existing turnaround support, but there is no existing proactive intervention program for schools early on the clock, so outcomes are not specific to this group. Staff concurs.

RECOMMENDATION: Staff recommends the request for a \$1,000,000 General Fund increase for FY 2023-24 and ongoing.

ANALYSIS:

Background - School Transformation Grant Program

The General Assembly began funding grants for school transformation in FY 2014-15, when it authorized \$2.0 million cash funds from the State Education Fund to support the School Turnaround Leaders Development Program. The program requires the Department to contract with providers of high-quality turnaround leadership development programs and to award grants to school districts and charter schools throughout the State that are in Turnaround or Priority Improvement status under the statewide accountability system. As the program has been modified over time, including in H.B. 18-1355, program grants support identifying and recruiting school turnaround leaders, providing professional development for educators in schools that are implementing priority improvement, and planning for and implementing rigorous school redesign strategies. Senate Bill 23-137 expanded the program for FY 2022-23 (only) to schools in “Improvement” status. As outlined in Section 22-13-101 through 107, C.R.S., qualifying schools, school districts, and charter schools are eligible to participate and receive grants for up to three years. The General Assembly approved an increase of \$2,314,027 General Fund and 1.8 FTE for FY 2019-20 to expand services available under the program. For FY 2022-23, the Executive Branch requested, and the JBC and General Assembly approved, a \$2,000,000 General Fund increase, bringing the total for the program to \$6,450,371 from the General Fund and State Education Fund and 3.0 FTE.

Background - School Accountability Systems

The School Transformation Grant Program is one component of the State's broader school accountability system. Colorado currently operates under two different accountability systems: the state system established under the S.B. 09-163 (Education Accountability System), as amended in H.B. 18-1355, H.B. 21-1161, and S.B. 22-137, and the federal system, established under the Every Student Succeeds Act (ESSA) of 2015. Schools may be identified as failing to meet standards and requiring additional support under either or both of the systems. In academic year 2019-20, out of over 3,100 schools in Colorado, 100 schools were identified using only the state accountability criteria, 192 schools qualified under federal accountability criteria, and 79 schools qualified under both.

Under the State system, the Department evaluates the performance of schools and school districts relative to state expectations for academic performance. Schools are assigned one of four ratings. Schools identified in the two bottom categories--*priority improvement* or *turnaround*--have historically been eligible for state funding supports (funded primarily in the School Transformation Grant Program line item) and are subject to sanctions if they are not successful in improving their results over time. If a school remains in this status for five years, the State Board of Education is required to take one of four actions: closure, become a charter, pursue external management, or pursue a school of innovation pathway. Pursuant to H.B. 21-1161 (Suspend Statewide Assessments for Select Grades) and S.B. 22-137 (Transition Back to Standard K-12 Accountability), the accountability system (and clock) was suspended for FY 2020-21 and FY 2021-22 but took affect again in FY 2022-23. In academic year 2022, using state criteria only, 40 schools qualified for a “turnaround” state plan, 120 schools qualified for a “priority improvement” plan, and 304 schools qualified for an “improvement” plan. Schools in these categories may all receive school transformation grant supports for the 2022-23 grant cohort.

The separate federal accountability system also identifies and provides supports for schools deemed to be struggling. The system is particularly focused on identifying and offering supports to the lowest

performing 5.0% of Title I schools and the lowest performing 5.0% of schools based on the performance of disaggregated groups (such as English Language Learners). The federal government also suspended its accountability system during the pandemic and has also re-started its accountability system.

Background - the EASI Application and the Broader System of School Supports

Even though eligibility for supports under the state and federal accountability systems differ, the State attempts to provide a unified system of support offerings that can be accessed by schools through a single application, known as Empowering Action for School Improvement (EASI). The application uses a needs-based approach to award services and funding. Through the EASI application process, schools can access a various levels and types of programs, as reflected in the table below.

RESOURCES AVAILABLE TO DISTRICTS AND SCHOOLS IDENTIFIED FOR IMPROVEMENT	
Exploration Supports: Diagnostic Reviews, stakeholder & community and Engagement Planning, Improvement Planning, Early implementation	1 year. Up to \$42,000 for specialized reviews facilitated by CDE and up to \$80,000 for holistic review or district strategic planning using an external provider.
District Designed and Led Improvement Strategies: Districts initiate and expand supports for schools in need of improvement. Improvements are expected to build on planning activities. The Department provides a list of external providers that districts may choose to engage to assist in school leadership development, school improvement support, and other related areas.	Up to 2.5 years. Districts may receive up to \$50,000 for schools identified for targeted support (federal system) or on the state accountability clock; up to \$25,000 for schools in select other categories.
State Offered Services - Most intensive: Accountability Pathways and Planning - for schools on year 3, 4, 5 of the accountability clock. For those nearing the end of the accountability clock, supports exploring turnaround options, taking action, and increasing readiness for the State Board of Education	1 year for planning +up to 2.5 years for supports. Funding is up to \$30,000 per year for planning and \$100,000 per year for implementation per school. A district applying to support multiple schools may receive up to \$400,000 per year.
State-offered Services – Schools on Improvement, Priority, Improvement, & Watch: <i>Multi-tiered System of Supports:</i> prevention-based framework of team-driven data-based problem solving	Up to 2.5 years. \$5,000 for 1 st six months (new LEA), \$65,000 per year after
<i>Connect for Success:</i> Opportunity for schools identified for support and improvement to connect and learn from High Achieving Schools, including receiving a diagnostic visits, reports and support developing an action plan	Up to 2.5 years. \$20,000 for year 1. \$80,000 per school for year 2-3.
<i>School Turnaround Leadership Development Program:</i> Opportunity for educators to connect and partner with leadership development program	Variable time period. Cost depends on the turnaround leadership development provider
<i>School Turnaround Network:</i> The Network accelerates student achievement for select schools through targeted support and flexible resources. This a collaborative endeavor between local schools, their district, and the Department. Schools participate in enhanced diagnostic reviews and planning support, professional learning opportunities with peer schools, and supplemental grants, as well as professional development, on-site performance management, network events, and principal cohort gatherings	Up to 3.5 years. \$30,000 per school for year 1, \$75,000 for year 2, and \$30,000 for year 3
<i>Continuation of Services:</i> Allows for additional support and funding schools and districts to extend services under one of the four options above	Up to 1.5 years. Up to \$40,000.
Facilitated Board Support: Work with school board members to increase understanding of effective governance practices, increased boards support of district improvement efforts, and a develop action plan to improve academic outcomes	Up to \$10,000 per school board

Only a small share of the schools that are eligible to participate in the support programs described above actually do so, as reflected in the table below.

	SCHOOLS ELIGIBLE TO APPLY FOR A GRANT AWARD (NOTE: IMPROVEMENT SCHOOLS WERE ELIGIBLE IN EASI COHORT 6)			SCHOOLS RECEIVING A GRANT AWARD		
	FEDERAL ONLY	STATE ONLY	BOTH	FEDERAL ONLY	STATE ONLY	BOTH
EASI Cohort 1 (2017-18)	158	92	66	37	14	11
EASI Cohort 2 (2018-19)	251	77	81	86	32	49
EASI Cohort 3 (2019-20)	332	73	81	34	32	54
EASI Cohort 4 (2020-21)	329	71	78	32	10	20
EASI Cohort 5 (2021-22)	220	87	61	25	21	24
EASI Cohort 6 (2022-23)	181	323	221	13	39	65

This is in part because not all those who are eligible choose to apply, but it is also due to funding available. The Department reports that in 2019 and 2020 it awarded \$9.5 million and \$11 million in new grants, leaving 65% and 60% of requests, respectively, unfunded. In 2021, it received approximately \$15 million in requests, with \$9.5 million to award, and in 2022, the Department received \$21 million in requests with \$11.5 million to award (excluding district-level requests and awards). **In the last two years, schools that applied generally received support**, though not always the amount they sought. The Department has noted that this was the product of stagnant eligibility lists during the pandemic (because eligibility did not change) and the availability of federal ESSER funds. In response to staff questions, the Department notes that **“We will not have that moving forward**, so the combination of expanded eligibility, increased numbers of schools with priority improvement and turnaround ratings, and no ESSER funds will likely mean we are unable to fund all of the districts that apply. Our approach is to try to fund as many sites as viable and if viable applications exceed available funding, we rely on prioritization to award funds.”

Effectiveness of State's School Supports

The Department is currently working with the Center for Assessment, Design, Research and Evaluation (CADRE) at the University of Colorado at Boulder's School of Education to evaluate the supports it is providing to the lowest performing schools in the state.

- **Initial work by CADRE at the University of Colorado indicated that the program had small positive impacts, with the mixture of results due in part to the range of services available.**
- **More recent work contracted through the Office of the State Auditor, as well as CADRE, confirms that the program has positive impacts, although the degree of impact varies.**
- **Through its partnership with CADRE, the Department continues its efforts to determine what interventions are most effective.**

2021 CADRE Initial Evaluation: According to a CADRE report, the Department conducted some preliminary analyses in the summer of 2020 to examine the progress and success of the schools it was supporting through three existing programs: the School Turnaround Network, the School Turnaround Leadership Development Program, and Connect for Success. CADRE conducted further analysis of the School Turnaround Network (STN), which began in FY 2014-15, the and School Turnaround Leadership Development (STLD) program, created in S.B. 14-124 and fully launched in FY 2016-17. As described in the CADRE report, *Evaluation of Colorado School Turnaround Network and School*

*Turnaround Leadership Development Grants: Descriptive Analysis of 2015-2020 Cohorts*¹⁹: **"The research literature reviewed suggests that the effects of turnaround initiatives and interventions are inconclusive.** Even though the results are mixed across the literature, key themes emerge that success longer-term interventions tend to be more successful and that turnaround programs seem to be more effective in improving math achievement relative to reading achievement." For example, the CU study referenced a *meta-analysis of 67 studies* focused on evaluating the efficacy of interventions to improve student achievement in low-performing schools by Schueler et. al. As summarized in the CU study:

"Schueler et al. found that, on average, these programs reported small to medium-sized positive, statistically significant effects on student achievement in math...and small, positive (though not statistically significant) effects in English Language Arts achievement..., primary on state summative tests. A key takeaway from this meta-analysis is that despite mixed findings, interventions implemented for one year can produce positive effects in some cases, although longer-term programs appeared to have a larger effect on outcomes."

As discussed in the CADRE report, **the mixed results of studies are likely tied to the wide range of different interventions that are used in school turnaround activities. This variability is also true for the programs supported by the State.** Districts currently have wide latitude in resources they use in their turnaround efforts.

In its initial study, CADRE analyzed longitudinal administrative data collected by the state to track the academic performance of schools receiving STN and STLD supports, comparing them to the performance of schools that were eligible to receive the supports but did not access them. The key findings, as summarized in the Executive Summary [with emphasis added]:

"On average, we found trends in student achievement consistent with small positive effects for each cohort of STN and STLD schools for years during and after participating in the programs. To put these findings into context, **these small positive changes are consistent with the average magnitude of positive effects found in other recent studies of school turnaround interventions.**

Based on examining historical academic performance data, the schools participating in the STLD and STN programs tended to experience a downward trend in performance over time prior to starting these programs. However, for reasons that need to be studied further, these lowest performing schools often tended to experience an increase in performance, as indicated by state accountability ratings, the year prior to receiving supports. **This performance increase was consistently observed across each cohort of schools participating in these programs and was also observed in comparison schools that were eligible to participate but did not receive any EASI supports.**

When comparing student achievement in each cohort of [participating] schools with schools eligible for but not participating in these programs, no clear pattern of trends

¹⁹ <https://www.colorado.edu/cadre/2021/04/02/evaluation-colorado-school-turnaround-network-and-school-turnaround-leadership>

surface. That is, differences in average achievement performance trends between the two groups of schools varied across cohorts and programs."

A similar descriptive review of other CDE supports—Connect for Success, Multi-Tiered Systems of Support, also generally reflects “small positive effects...on school outcomes” from these programs based on available data.²⁰

School Accountability Audit Findings: House Bill 21-1294 (Section 2-3-127, C.R.S.), required the Office of the State Auditor to select and contract with an entity to conduct a performance evaluation of Colorado’s K-12 statewide accountability system. The resulting report, issued November 2022, was the result of a contract with the Human Resources Research Organization (HumRRO). Among other components, the audit examined the impact of the state interventions for schools that were performing poorly. The report noted that there were 577 schools that received either a Priority Improvement or Turnaround Plan rating (the two lowest performance ratings) at some point from FY 2014-15 through FY 2018-19. Of these 577 Priority Improvement/Turnaround schools, 212 (37 percent) participated in one or more of four optional state-supported intensive intervention programs: the Tiered Intervention Grant Program, the Connect for Success Grant Program, which connects high-performing and low-performing schools, the Transformation Network Grant Program, and the School Turnaround Leaders Development Grant Program.

“Our analysis showed that **between 2014–15 and 2018–19, participating schools generally experienced more gains or fewer losses in academic achievement, academic growth, and graduation rates than non-participating schools. However, this result did not always hold across all grades, subjects, or student groups.** Of note are changes in math achievement among grades 4 through 10, in which participating schools tended to gain less or lose more than nonparticipating schools from 2015–16 through 2018–19. At the high school level, the results of our comparative analysis using graduation rates show that, in all years, participating schools had higher graduation rates than non-participating schools....**A stronger pattern of positive results** of participating in one or more of the four state-supported interventions emerges when breaking out the analysis **for those Priority Improvement/ Turnaround schools that serve a high percentage of economically disadvantaged students** (75 percent or more free or reduced lunch students), students of color (75 percent or more Black students and/or Hispanic students), and/or students with disabilities (more than 13 percent students with disabilities).”²¹ [Emphasis added]

2022 CADRE Qualitative Case Studies of Turnaround Support Services: The Department describes the activities and results of CADRE’s work and recommendations in its annual School Transformation Grant Legislative Report.²² Its most recent study, *Learnings from a Multi-site Case Study of Former*

²⁰ <https://www.colorado.edu/cadre/2022/04/08/descriptive-analyses-connect-success-multi-tiered-systems-support-and-accountability>

²¹ <https://leg.colorado.gov/audits/evaluation-colorado%E2%80%99s-k-12-education-accountability-system>

²²<https://www.cde.state.co.us/sites/default/files/docs/cdedepcom/2021-22%20School%20Transformation%20Grant%20Legislative%20Report.pdf>

Turnaround Schools is also included on CADRE's website.²³ CADRE used a case study approach to better understand the past and current work undertaken by schools to implement and sustain improvement strategies. As described in the legislative report, the evaluation questions addressed what conditions and practices led to better outcomes. The study included three sites in the Greeley-Evans 6 School District. Resulting policy recommendations included:

- Using the School Turnaround Network partnership approach—where a high performing school partners with a low performing school—as a mechanism for motivating change at the low performing school. This appears to be more effective than a punitive or top-down school improvement grant model. The report recommends that CDE consider piloting the network approaches with some chronically low performing schools that have typically faced top-down reform choices.
- Provide open-source modules to assist additional sites, even if these sites cannot access the same level of capacity building support schools receive from the School Turnaround Network.

Neither of these recommendations is called out in the current budget request, but staff assumes that they may be pursued within existing resources or through new legislation. **Staff appreciates the Department's efforts to continue to rigorously study and evaluate what interventions are most effective.**

Rationale for Adding Funding and Staff Concerns

- **Staff supports offering supports earlier in the accountability process.**
 - The Department has emphasized that **earlier interventions are less expensive**. A school or district that gets to the stage of board action (after 5 years) can require \$400,000 or more a year in funding.
 - Perhaps more importantly, schools and districts that remain on the accountability clock are presumed to not be serving their students well, and a school that reaches the end of the clock without improving faces consequences that are disruptive for students, staff and families. **Earlier intervention is likely to be better for students, staff, and families.**
 - The program has repeatedly emphasized to staff their interest in intervening earlier rather than later.
 - The program has an impressive **history of attempting to evaluate** the programs it implements.

Staff nonetheless has some reservations/cautions.

- **Most schools so far have not required additional state supports to emerge from Priority Improvement/Turnaround.** According to the data developed for the November 2022 accountability system audit, based on data from 2010-11 to 2017-18, 720 schools received Priority Improvement Plan or Turnaround Plan ratings at some point in this period. *Of these 720 schools, only 132 schools (18 percent) remained in these two lower performance rating categories more than two years.* Based on this data, it appears that the majority of schools categorized as having a low performance status successfully emerge from this status with little or no state-funded support services (since there was previously no funding for schools so early on the accountability clock).

²³ <https://www.colorado.edu/cadre/2022/08/12/learnings-multi-site-case-study-former-turnaround-schools>

- **Staff's understanding is that these funds will be solely for schools on Priority Improvement or Turnaround Status**, which have historically represented 3.0 percent to 4.0 percent of schools and districts, based on the Accountability System Audit.²⁴ Only these categories are allowed as of FY 2023-24. The funds will simply serve the schools earlier in the process. **The Department indicates that it expects the grants to go to schools in year 2 and 3 on the accountability clock, which would be consistent with the staff expectation.** *If the program is extended to schools in Improvement status (as in FY 2022-23), this could drive substantial additional demand, workload, and pressure to increase funding.* The Accountability System audit indicates that in FY 2018-19 26.6 percent of districts (49 schools) and 21.6 percent of schools (395 schools) were on Improvement status, representing a far larger share of schools and districts.
- **While the program has a strong history of evaluating outcomes, the request does not specifically indicate that the program will be evaluating these early interventions.** Staff anticipates that it take three to five years until there is sufficient data to evaluate the impact of this initiative. However, if the Committee wishes to ensure that there is such an evaluation, it could add a footnote or RFI to this line item clarifying the purpose for which the funds were added and expressing legislative intent that an evaluation will be conducted when there is sufficient data available.

→ SI PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD - CASH GRANTS
[LEGISLATION RECOMMENDED]

REQUEST: The Department requested a continuing appropriation of \$110.0 million cash funds spending authority for the Public School Capital Construction Assistance Board - Cash Grants line item. Although the Executive Request has not proposed changes to the line item since November 1, the Governor's Office has made legislative proposals that would reduce the cash grants available for this program. Specifically, in lieu of current law requiring transfers to the Public School Capital Construction Assistance Fund of \$30.0 million on June 1, 2023 and \$20.0 million on June 1, 2022, the Governor's Office has proposed statutory changes that would reduce the transfers to \$13.0 million on June 1, 2023, \$36.0 million on June 1, 2024, and \$1.0 million on June 1, 2025.

RECOMMENDATION: The final recommendation for this line item is pending additional data that will be presented in March. As a placeholder, the staff recommendation is to reflect a current law appropriation of \$123,000,000 cash funds from the Public School Capital Construction Fund.

- The staff recommendation begins with the amount that staff would be expect to be available for the program based on *current law*, current revenue projections for FY 2022-23 from Marijuana Excise Tax and State Land Board receipts, and the methodology the Committee adopted last year for setting this line item. The result would be an appropriation of \$123,000,000 for FY 2023-24 in the Long Bill.
- Expect to adjust this figure:
 - **Upward** by \$4.7 million based on recommended legislative changes to repurpose amounts originally appropriated in S.B. 21-202 (Public School Air Quality Improvement Grants).
 - **Downward** to address statutory changes to transfers to the Public School Capital Construction Assistance Account based on Marijuana Tax Cash Fund figure setting in March. The proposal from the Governor's Office would reduce the \$123.0 million by

²⁴ 2022 accountability data reflects 8.5 percent of schools in these categories and

\$17.0 million. Eliminating the transfer entirely would reduce recommended cash grant appropriation by \$30.0 million. The staff recommendation on this is *pending*.

- **As necessary** to address any significant changes in Marijuana Excise Tax revenue projections consistent with the March forecast (or any updates to State Land Board revenue projections). Any related recommendations are *pending*.

ANALYSIS

Background: The Building Excellent Schools Today (B.E.S.T.) program, created in H.B. 08-1335, is the State’s primary public school capital construction assistance program. Structured as a competitive grant program, the program provides assistance through both certificates of participation (COPs) and cash grants. State trust lands and marijuana excise tax revenue provide the vast majority of state funding for the program.

Both COP payment and cash grants amounts are subject to annual appropriation by the General Assembly. The COP payment amount is capped by the total COP payments authorized by the General Assembly (\$125 million total funds, including a maximum of \$62.5 million from state funds).

Current Law Calculation - Methodology Adopted Starting FY 2022-23: Beginning with FY 2022-23, the Department proposed, staff recommended, and the JBC supported a new, consistent methodology for setting for the Public School Capital Construction Assistance -- Cash Grants line item. **The approach relies on estimated revenue in the year when figure setting occurs (FY 2022-23 for the FY 2023-24 budget).** The calculation presented in Department spreadsheets (slightly modified from last year’s approach) is as follows:

- Calculate the projected end of year uncommitted fund balance for the current fiscal year (FY 2022-23). By February 2023, much of the revenue for the year is already known. Current year (FY 2022-23) appropriations for cash grants and COP obligations are also known.
- Reduce by required statutory reserves (1 year COP payment reserve required by statute) and \$1.0 million Genreal Fund also required by statute.
- Reduce by projected administrative and transfer obligations for the coming fiscal year (FY 2023-24)
- Remaining balance = Recommended Cash Grants appropriation.

Note that, in this calculation, the COP obligation for FY 2023-24 is assumed to be paid from FY 2023-24 revenue, rather than FY 2022-23 revenue. However: (1) the recommended calculation includes a full one-year of reserves for the COP amount of up to \$62.5 million in state funds; and (2) current law and Constitutional provisions make it unlikely that program revenue will fall below \$80.0 million, including \$40.0 million from marijuana excise taxes and \$40.0 million from the State Land Board. So long as the COP cap does not increase without a corresponding increase in reliable revenue, this approach does not seem particularly risky.

FY 2023-24 CURRENT LAW CALCULATION:

FY 2023-24 CASH GRANTS CURRENT LAW CALCULATION	
FY 2021-22 EOY Cash Balance	\$394,433,698
FY 2022-23 Revenue	

FY 2023-24 CASH GRANTS CURRENT LAW CALCULATION	
Lottery	2,500,000
MJ Excise Tax ¹	67,100,000
Interest	1,847,933
State Land Board	95,850,000
MTCF Transfer (current law) ²	30,000,000
FY 2022-23 Expenditures/Obligations	
Administration	2,024,042
Cash Grants	110,000,000
State Debt Service for COPs	61,962,986
MJ Excise to Charter Schools	17,978,510
Prior year obligations	196,392,461
EOY Balance/Avail for FY24	
203,373,632	
FY 2023-24 Commitments	
State Debt Service Reserve	61,965,436
MJ Excise to Charter Schools	10,333,400
Administration	2,144,042
Min Stat Reserve	1,000,000
Restricted Air Quality Improve Bal. (current law) ³	<u>(4,705,220)</u>
Balance Available = Cash Grants	123,225,534

¹ Subject to adjustment based on the March 2023 Marijuana Excise Tax revenue forecast.

² The amount shown is based on current law, which provides a transfer of \$30.0 million on June 1, 2023. A statutory change has been requested that would reduce the FY 2022-23 transfer to \$13.0 million and provide additional transfer between FY 2023-24 and FY 2024-25.

³ The amount shown is the balance of funds allocated in S.B. 21-202 (School Air Quality Improvements), which cannot be expended without legislative action.

The calculation shown is subject to adjustment based on the March 2023 revenue forecast. In addition, the calculation is based on current law and assumes a \$30.0 million transfer to the Fund in FY 2022-23 (although the Governor now proposes to reduce that to \$13.0 million) and no change to \$4.7 million in the Fund which is currently restricted pursuant to S.B. 21-202 (discussed further below).

RECOMMENDED STATUTORY CHANGE TO ADDRESS S.B. 21-202 FUNDS: Staff recommends that the Committee sponsors legislation to eliminate the restrictions on the use of \$4,705,220 that was originally appropriated in S.B. 21-202 for air quality improvements. The Committee has already authorized drafting related legislation, but no details have been specified yet. The staff recommendation is to modify the law so that these funds may be used to fund B.E.S.T. cash grants. Staff believes the amount is too small (in the context of the amounts required for school capital construction projects) to focus or restrict to a more narrow use.

S.B. 21-202 (Public School Air Quality) transferred \$10.0 million from the General Fund to the Public School Capital Construction Fund for B.E.S.T. grants for public school facility air quality improvement projects, including the acquisition, repair, maintenance, or upgrading of portable high-efficiency particulate air (HEPA) fans or filtration systems. Amounts were authorized to be expended through FY 2021-22. As part of a report included in its January 2022 SMART Act hearing, the Department indicated that it had awarded 67 grants for purchase of over 20,000 air filtration units, with a total cost of \$6.2 million. However, only \$5.3 million of the \$10.0 million allotted was spent by the end of FY 2021-22, leaving \$4.7 million unexpended. As funds were authorized to be used solely

for the purpose of public school air quality improvement grants, they could not be used for other projects. As the deadline for expenditure has passed, the funds cannot be used at all.

Based on information provided during the Department’s budget hearing and further follow-up information provided, **staff recommends that the Committee sponsor legislation that eliminates the restrictions on the use of the funds, thus enabling them to be used for B.E.S.T. cash grants for other projects.** During the budget hearing, and in follow-up materials, the Department indicated that five grantees that had been awarded grants did not submit for reimbursement, three grantees indicated they might purchase more units if given more time, and nine identified varying challenges from finding desired units to electrical capacity. The Department indicated that it did not know if grantees would use the funds if time were extended, but noted that the units are low cost and that the Department of Public Health and Environment has \$47.0 million in federal funds available from the Centers for Disease Control for grants for this purpose, which should be sufficient to provide HEPA portable air cleaners for 30,000 K-12 classrooms.

OTHER LEGISLATION OPTIONS (PENDING) – CHANGES TO MTCF TRANSFERS:

Background: To help close an anticipated severe revenue shortfall due to the pandemic, during the 2020 legislative session the General Assembly diverted \$100.0 million in revenue that was expected to go to the Public School Capital Construction Fund. As the state revenue picture improved during the 2021 legislative session, the General Assembly adopted S.B. 21-207 (Public School Capital Construction Assistance Fund) to repay the funds that had been diverted by transferring \$100.0 million from the Marijuana Tax Cash Fund to the Public School Capital Construction Fund on June 1, 2022.

Subsequently, during the 2022 legislative session, the General Assembly delayed the repayment, moving it into stages to address declining Marijuana Tax Cash Fund projections. The JBC sponsored H.B. 22-1341 (Marijuana Tax Cash Fund). Instead of transferring \$100.0 million from the Marijuana Tax Cash Fund on June 1, 2022, the bill required the following transfers:

- \$50.0 million on June 1, 2022 (done)
- \$30.0 million on June 1, 2023; and
- \$20.0 million on June 1, 2024

Governor 2023 Proposal: On January 3, 2023, through Statewide Marijuana Tax Cash Fund BA1, the Governor’s Office proposed addressing further projected declines in the Marijuana Tax Cash Fund through legislation to make additional delays to the transfer:

- Reducing the June 1, 2023 transfer to \$13.0 million;
- Increasing the June 1, 2024 transfer to \$36.0 million
- Providing a \$1.0 million transfer on June 1, 2025.

Impact of Governor Proposal on B.E.S.T. Cash Grants and Other Options:

- As noted above, the Governor’s Office has proposed reducing the June 1, 2023 transfer from the Marijuana Tax Cash Fund to B.E.S.T. by \$17.0 million. This would reduce the recommended cash grants amount by the same amount. **If the Committee sponsored legislation to implement this proposal, as well as the change to S.B. 21-202, total B.E.S.T. cash grants would be \$110.9 million. This would maintain grants at the same level as FY 2022-23, based on current revenue projections.** Staff believes maintaining the current grant level is a reasonable target.

- If the Committee determines that there is insufficient money for ANY transfer from the Marijuana Tax Cash Fund, it could reduce the transfer by an additional \$13.0 million (total \$30.0 million), thus eliminating it for FY 2022-23. Alternatively, **even if there is insufficient funds to transfer any amount from the Marijuana Tax Cash Fund, the Committee could still choose to transfer \$12.0 to \$13.0 million from the General Fund or another source to the program, thus maintaining funding at the FY 2022-23 level of \$110.0 million.**

BEST CASH GRANTS APPROPRIATIONS HISTORY	
FISCAL YEAR	AMOUNT
FY 2014-15	\$45,000,000
FY 2015-16	50,000,000
FY 2016-17	70,000,000
FY 2017-18	70,000,000
FY 2018-19	85,000,000
FY 2019-20	135,000,000
FY 2020-21	60,000,000
FY 2021-22	160,000,000
FY 2022-23	110,000,000

OTHER JBC AND LEGISLATIVE OPTIONS – TARGETING FUNDS TO ADDRESS INFLATIONARY ISSUES: The Rural School Alliance and other stakeholders have approached the Committee about addressing inflationary increases that have limited schools’ abilities to complete previously-approved B.E.S.T. projects within the funds available.

In response to Committee hearing questions, the Department expressed concern about building *permanent* incentives that might encourage a B.E.S.T. applicants to under-estimate project costs and then return for preferential treatment of supplementals. It also acknowledged that recent inflation was unprecedented and had created significant problems for projects. With this in mind:

- **One option would be a bill to create a temporary B.E.S.T. “pot” for grants to address supplemental needs** related to what has been an extraordinary inflationary environment that was not anticipated by applicants.
- **An alternative option would be to simply add some additional funding and, either via a statutory change or an expression of legislative intent through a footnote, indicate that B.E.S.T. funding should be prioritized to meet the supplemental needs of projects that were faced with extraordinary and unexpected inflationary increases during a specific time period** (e.g., projects initially awarded in FY 2020-21 and FY 2021-22). The B.E.S.T. program reports that it has already increased the “points” for supplementary grant applications, but staff presumes it could do more.
- **If the General Assembly wishes to target funding through legislation, potentially by creating a distinct “pot” for supplemental awards, the General Assembly could consider adding some guardrails to ensure that supplementary funding provided addresses urgent needs.** B.E.S.T. program administration indicates that it believes provisions already established by the Board for evaluating and awarding supplemental grants are functional. Staff understands

that the B.E.S.T. Board has historically ranked entire projects and has not attempted to prioritize some parts over others. However, if the number of supplemental grant applications exceeds funds available (which is almost inevitable) some consideration of whether only portions of projects should be funded might be needed. Alternatively, staff assumes that the B.E.S.T Board might be expected to prorate highly qualified applications to meet the funds available.

- **For context, the B.E.S.T. program reports that it received \$520.0 million in requests for the grant cycle that will be awarded in FY 2022-23** (requests due by February 6). **These requests included \$34 million in supplementary grant requests.** The current FY 2022-23 appropriation for cash grants is \$110.0 million, so fully covering the \$34 million in supplementary requests would require a significant share of the funding available.

→ SI CHARTER SCHOOL CAPITAL CONSTRUCTION ASSISTANCE

REQUEST: The Department did not request an adjustment to the Charter School Capital Construction line item, but provided the calculations below to reflect estimated funding based on current law. The line item request was for a continuation amount of \$41,918,403 cash funds (including \$23,939,893 from the State Education Fund and \$17,978,510 from the Charter School Facilities Assistance Account, which originates as marijuana excise tax revenue).

RECOMMENDATION: Staff recommends approving an appropriation of \$34,712,416 for this line item, based on the statutory formulas established in H.B. 19-1055. The recommendation includes \$24,379,016 from the State Education Fund and \$10,333,400 from the Charter School Facilities Account.

Staff requests permission to adjust that allocation from the Charter School Facilities Assistance Account and the total in this line item based on the March 2023 Revenue Forecast.

ANALYSIS: In 2001 (S.B. 01-129) the General Assembly created a new program to distribute State Education Fund moneys to charter schools for capital construction. The program has been modified several times. Most recently, H.B. 19-1055 again changed the amounts available for this line item. The bill annually adjusts the amount available from each of two fund sources based on statewide student enrollment in charter schools pursuant to Sections 22-54-124(3)(a)(IV)(C) and 22-43.7-104(2)(d), C.R.S.

- From the State Education Fund, statute requires funding be tied to the previous base of \$20.0 million per year and adjusts this figure annually for charter school enrollment. The calculation compares charter school enrollment as a percentage of statewide pupil enrollment in the preceding budget year to the percentage of students who were enrolled in charter schools in the 2017-18 school year.
- For marijuana excise tax revenues, statute requires that a portion of total marijuana excise tax revenues be deposited into the Charter School Facilities Assistance Account. The transfer is based on the percentage of statewide student enrollment that was enrolled in charter schools in the previous school year compared to the overall population of students.

STATUTORY AUTHORITY: Sections 22-54-124(3)(a)(IV)(C) and 22-43.7-104(2)(d). C.R.S.

The following table shows a history of per pupil funding amounts for this line item from FY 2006-07 through the FY 2023-24 recommendation.

STATE FUNDING FOR CHARTER SCHOOL CAPITAL CONSTRUCTION COSTS				
FISCAL YEAR	TOTAL APPROPRIATION	TOTAL FUNDING PER PUPIL FOR ELIGIBLE SCHOOLS ^a	STATE EDUCATION FUND APPROP.	DEDICATED MARIJUANA EXCISE TAX FUNDING ^c
2006-07	\$5,000,000	\$145.09	\$5,000,000	
2007-08	\$7,800,000	\$201.17	\$7,800,000	
2008-09 ^b	5,000,000	115.77	5,000,000	
2009-10	5,135,000	107.47	5,135,000	
2010-11	5,000,000	97.64	5,000,000	
2011-12	5,000,000	90.06	5,000,000	
2012-13	5,000,000	78.98	5,000,000	
2013-14	6,000,000	87.67	6,000,000	
2014-15	7,000,000	94.40	7,000,000	
2015-16	13,500,000	169.29	13,500,000	
2016-17	22,000,000	258.48	20,000,000	2,000,000
2017-18	25,000,000	263.18	20,000,000	5,000,000
2018-19	29,250,000	299.87	20,000,000	9,250,000
2019-20	28,607,917	278.85	20,656,559	7,951,358
2020-21	31,820,762	302.56	22,430,131	9,390,631
2021-22	31,526,047	291.85	22,829,962	8,696,085
2022-23	38,609,676	309.91	23,939,893	17,978,510
2023-24	34,712,416		24,379,016	10,333,400

^a These figures represent the amount that most eligible schools receive.

^b Of the amount appropriated, \$135,000 was allocated to a charter school for the deaf.

^c Based on estimate of 12.5 percent of marijuana excise tax revenues credited to the Public School Capital Construction Assistance Fund in the preceding fiscal year for FY 2016-17 through FY 2018-19. For FY 2019-20 and FY 2020-21, the percentage of marijuana excise tax collections (from the prior year) is based on the statewide charter school enrollment as a percentage of total student enrollment in the prior school year. For FY 2021-22 and FY 2022-23, based on percentage of charter school enrollment in the prior year, adjusted in FY 2020-21 to include spending from fund balance. FY 2022-23 appropriation exceeded excise tax funds available by \$3,308,727.

➔ SI FACILITY SCHOOLS [LEGISLATION RECOMMENDED]

REQUEST: The Department requested a continuation level of \$12,231,075 cash funds from the State Education Fund for the Facility School Funding line item, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends:

- Approving the request for a continuation \$12,231,075 cash funds from the State Education Fund in the Long Bill.
- Approving a **set-aside** of \$20,000,000 cash funds from the State Education Fund for the bill the JBC has authorized staff to draft regarding funding for facility schools and expansion of services for students with extremely severe and specialized needs.

A draft of the proposed bill has been attached to this figure setting packet

ANALYSIS:

BACKGROUND – FACILITY SCHOOLS

The facility school system was authorized by the General Assembly to ensure that students receiving publicly-funded educational services in various types of specialized institutions such as hospitals and therapeutic residential facilities receive appropriate educational services. The system oversees services for children who receive their education through schools operated by community-based facilities or state-operated programs.²⁵ In 2008, the General Assembly modified the method of funding facility schools and certain state programs by:

- Removing pupils educated by facility schools from districts' pupil enrollment counts for purposes of funding.²⁶
- Requiring facility schools and state programs to report information directly to the Department's Facility Schools Unit concerning individual students, including the student's district of residence and the actual number of days of attendance each month.
- Allowing facility schools to bill the Department for statewide average per pupil revenues times 1.33, and allowing facility schools to bill for an additional one-third of per pupil revenue to support Summer school programs. In 2013, the General Assembly modified this provision to provide statewide base per pupil funding times 1.73 in an effort to increase funding for facility schools.

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

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

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

FY 2023-24 LONG BILL – CURRENT LAW

The Department's FY 2023-24 budget request assumes flat funding for the Facility Schools Funding line item. The request does not adjust for any changes in the two variables that determine the necessary amount of funding: the facility school pupil count and the per pupil funding amount for facility schools. The staff recommendation holds pupil count flat, but adjusts the per pupil funding amount to align with current law.

²⁵ Pursuant to Section 22-54-129 (1) (f), C.R.S., "state programs" include the Colorado School for the Deaf and the Blind and the education programs operated by the Colorado Mental Health Institutes at Pueblo and Fort Logan. Because the State has closed the facility at Fort Logan, the School for the Deaf and the Blind and the Colorado Mental Health Institute at Pueblo are the only remaining state programs.

²⁶ Districts continue to include students who reside in a facility or group home and attend a district school in their October count for purposes of funding. Further, students in "out-of-district" placements who attend public school are included in the pupil count of the district of attendance.

- *Pupil count:* Staff is recommending that the Committee assume use an *average* facility school student FTE count of 927, which is the assumption used in FY 2022-23. This may be high given current enrollment, but excess reverts to the State Education Fund under current law.
- *Per pupil funding amount:* Facility school per pupil funding is calculated as the *statewide base per pupil amount* times 1.73. The Colorado Constitution requires the statewide base per pupil funding amount to increase by the rate of inflation each year. Base per pupil funding has been calculated to be \$8,076 for FY 2023-24 (an 8.0 percent increase over FY 2022-23). Multiplied by 1.73, per pupil funding for facility school students will be \$13,972 per pupil.

The recommendation for FY 2023-24 also includes the following anticipated transfer to the Colorado School for the Deaf and the Blind (\$1,750,502) and the Mental Health Institute at Pueblo, which staff has calculated based on the prior year appropriation plus 8.0 percent.

FACILITY SCHOOL FUNDING: FY 2023-24				
DESCRIPTION	FY 2022-23 APPROPRIATION	FY 2022-23 CURRENT PROJECTION	FY 2023-24 STAFF REC.	CHANGE FROM FY 2022-23 APPROP.
Projected Average Facility Schools FTE	927	760	927	0
Multiplied by: Statewide Base Per Pupil Funding X 1.73	\$12,937.22	\$12,937.22	\$13,972.19	\$1,034.97
Total Estimated Facility School payments	\$11,991,250	\$9,832,287	\$12,952,220	\$960,970
Plus: Additional Funding (approximately 2.0 percent) to account for placement and attendance fluctuations	\$239,825	\$196,646	\$259,044	\$19,219
Recommendation for Facility School Funding line item	\$12,231,075	\$10,028,933	\$13,211,265	\$980,190
Estimated portion of the above amount transferred to state agencies:				
<i>Department of Education:</i> Colorado School for the Deaf and the Blind	\$1,620,730	\$1,448,803	\$1,750,502	\$129,772
<i>Department of Human Services:</i> Mental Health Institutes (Pueblo only)	\$161,674	\$77,513	\$174,608	\$12,934

Under current law (Section 22-2-408(2), C.R.S.), funding for the Facility Schools Unit and Board is based on 2.0 percent of the amount payable to each approved facility school. Based on the recommended appropriation of \$13,211,265 for the Facility School Funding line item, the staff recommendation for the Long Bill line item for the Facility Schools Unit and Facility Schools Board is \$264,225 reappropriated funds and 3.0 FTE. Note that this is considerably below the FY 2022-23 appropriation for the line item of \$341,558 reappropriated funds. Staff anticipates that funding for Facility School Unit administration, including base costs, will need to be addressed in the bill discussed further below.

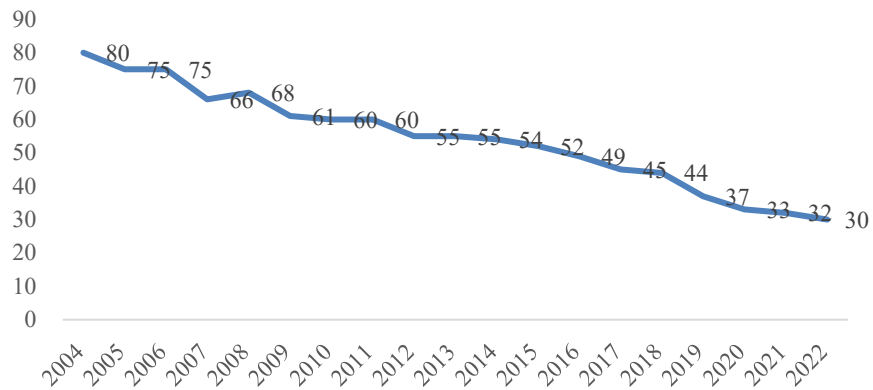
S.B. 21-274, WORK GROUP, AND FY 2021-22 AND FY 2022-23 SUPPLEMENTAL FUNDS

The Joint Budget Committee sponsored S.B. 21-274 (Sustainable Model to Serve Facility School Students) to help address the rapid closure of facility schools that serve students in hospitals, residential child care placements and other day- and overnight placements that serve children and youth with high needs. The bill incorporated a one-time supplemental payment of \$5,700,000 General Fund for facility schools in FY 2021-22 and also provided \$500,000 General Fund for a Facility School Work Group to study and propose changes for a sustainable funding model. The Facility School Work

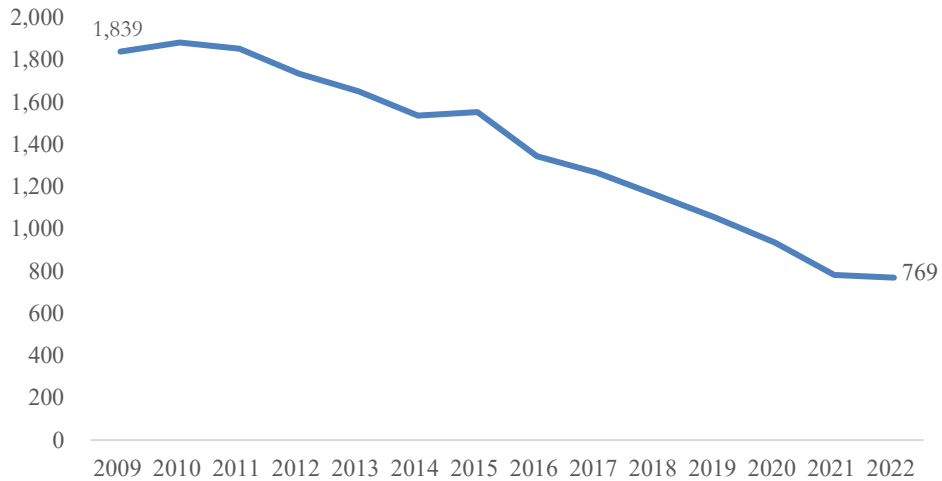
Group was required to submit a written report to the Joint Budget Committee by November 1, 2022, with a new facility school funding model anticipated to be implemented July 1, 2023.

Senate Bill 21-274 did not address what would happen in FY 2022-23 before the new model was implemented. Therefore, during the 2022 legislative session, the General Assembly adopted additional supplemental budget provisions enabling Work Group funding to roll forward into FY 2022-23. The JBC also sponsored H.B. 22-1331 (Supplemental Funding for Facility Schools), which provided additional one-time supplemental payments totaling \$5,134,000 from the State Education Fund for distribution to facility schools in FY 2022-23.

FACILITY SCHOOLS



Facility School Enrollment

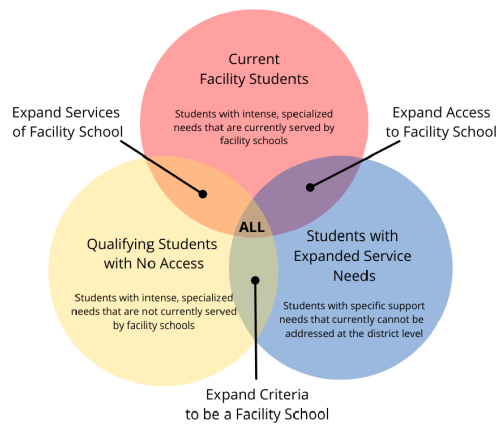


S.B. 21-274 WORK GROUP RECOMMENDATIONS AND RECOMMENDED JBC BILL AND SET-ASIDE

The Facility School Work Group submitted its report as required on November 1, 2022.²⁷ Staff included a detailed description of the report findings and additional follow-up information collected by staff as part of the Staff Budget Briefing document.²⁸ Based on the budget briefing, the Committee authorized staff to begin work on a bill draft to implement the recommendations of the Work Group.

- **The most recent draft is attached to this packet.** Staff believes some additional work is still required on the draft and on the funding model it authorizes. Because this is a substantive bill with a large fiscal note, staff has included it in the packet for public review. **Based on final feedback, staff will bring a version that is ready for introduction back to the Committee in March. At that time, the Committee can vote on whether it wishes to sponsor the bill as a Committee bill,** and, if so, whether it would like the bill to travel with the Long Bill.
- **Regardless of the timing on the bill itself, Staff believes the bill draft and fiscal analysis is sufficiently advanced for the Committee to establish a set-aside for this bill.** While the final amount will be subject to some additional adjustments, **Staff recommends the Committee establish a set-aside associated with this bill of \$20,000,000 cash funds from the State Education Fund for FY 2023-24.**

The Work Group included active representation from school districts, facility schools, state departments, and parent advocates, and appears to have worked effectively as a group. As anticipated by the S.B. 21-274 legislation, the Work Group focused not only on the financial needs of current facility schools but also on the needs of the *types* of students typically served in facility schools. As referenced in the attached bill, these are **students with exceptionally severe or specialized needs who represent a small fraction of the broader population of students with disabilities.** Current facility school enrollment is under 1,000 students, and staff assumes that numbers will remain small, even if facility school enrollment rebounds and other services expand for this student population (the central goal of this bill).



²⁷ <http://www.cde.state.co.us/facilityschools/facility-schools-model-workgroup-4>

²⁸ https://leg.colorado.gov/sites/default/files/fy2023-24_edubrfl.pdf

The bill addresses all of the key recommendations of the workgroup, with some additions and modifications to the details based on initial stakeholder and JBC Staff input.

The bill includes the following provisions:

- **Creates the *specialized day school* as a type of approved facility school.** Requires the Facility Schools Board in the Department of Education to promulgate rules for authorizing specialized day schools as facility schools by July 1, 2024.

Explanation: Currently, facilities must be licensed by the Department of Human Services (for residential and day treatment programs) or the Department of Public Health and Environment (for hospitals) before they can seek and receive approval to become a facility school. This new category of facility school can be authorized by the Department of Education without prior licensing by another agencies. The bill specifies that the Facility Schools Board may enter into interagency agreements with other departments and agencies to implement related provisions so that the Department of Education benefits from other agencies' expertise in areas such as health and safety inspections.

- **Requires the Departments of Education, Human Services, Health Care Policy and Financing, and Public Health and Environment to collaborate to create an interagency resource guide** to provide assistance to facilities that are pursuing licensing to operate as an approved school. **Requires state agencies to identify and recommend legislation and changes to rules and administrative processes** to facilitate licensing and approval processes.

Explanation: The Work Group identified that complex and sometimes conflicting requirements from multiple state agencies can create obstacles to the creation of facility schools. Some facilities are being licensed or funded by one state department but have not completed approvals through another because of these administrative challenges. One school described to JBC Staff how changes to doors that were required by one agency were identified as unacceptable by another agency. Several facilities that are licensed to provide day treatment by the Department of Human Services and are serving students with the highest needs have not become facility schools because they view the facility school process as daunting, and school districts will place with them (and pay high prices) without this.

- **Requires the State Board of Education to begin accrediting facility schools by December 1, 2026, based on the recommendations of the Facility Schools Board.** Schools have one year from approval as a facility school to become accredited. Beginning October 1, 2026, requires the Office of Facility Schools and the Facility Schools Board to create and publish an accreditation outcome report for each approved facility school as part of the process to determine whether an approved facility school becomes and remains accredited.

Explanation: Current law requires the Facility Schools Board to adopt accountability measures for facility schools. The bill expands this oversight role to accreditation. It also requires additional public reporting on school outcomes. However, to recognize the wide range of facility school students' needs and abilities, the bill also modifies requirements for student assessments and curriculum adopted by the Board to encompass alternate assessments and a variety of instructional methods and strategies to meet all student needs.

- Creates the **Shared Operational Services Grant Program for FY 2023-24 and FY 2024-25**. This is a two-year grant program to support an eligible applicant in providing shared operational services for facility schools, such as food services, janitorial, shared office spaces, billing and other “back end” services.

Explanation: The grant program is intended to be a one-time proof-of-concept test to see if facility schools can achieve efficiencies by collaborating on back-end services, thereby lowering operational costs.

- Creates the **Technical Assistance Center in the Office of Facility Schools** to provide technical assistance support to school districts and related administrative units, with priority to serve rural and remote school districts and related administrative units.

Explanation: Many students and school districts do not have effective access to facility schools, which are clustered in urban areas, and the small number of placements available mean that many school districts and special education administrative units are not able to access these services for students who need them. Given this, the Work Group recommended creation of a Technical Assistance Center intended to assist school districts and BOCES that are serving students with exceptionally severe or specialized needs. During the first year, a new 1.0 FTE position will focus on assessing needs. In subsequent years, the Center will add staff and contract for services as needed. One option that has been discussed is that existing facility schools may be able to provide related consulting services.

- **Extends and adds responsibilities for the Facility School Work Group to monitor implementation** of changes to the facility school system. Modifies Work Group membership to include parents and guardians and schools that are not currently approved facility schools. **Adds a requirement to contract for a third-party program evaluation through the Office of Facility Schools.**

Explanation: The Facility School Work Group has been a highly effective stakeholder group for identifying the changes that are needed to improve the system of services for students with exceptionally severe and specialized needs. It has recommended that the Work Group continue to operate in the near-term to monitor the impact of system changes.

- **Requires the Department of Health Care Policy and Financing to recommend a plan to ensure approved schools may use Medicaid reimbursement funding for therapeutic services to the maximum extent feasible.** The agency is required to consult with the Work Group about this.

Explanation: S.B. 21-274 requested further analysis of funding sources available for facility schools, but the Work Group’s report did not tackle Medicaid billing, which is a potentially important source of funding for therapeutic services. Due to the complexity of this topic. The Department of Health Care Policy and Financing has indicated that it can take the lead on investigating the issue.

- **Creates a new baseline funding model for facility schools effective FY 2023-24.**

Explanation: This provision focused on providing a stable revenue stream that will enable small schools to maintain operations even when student numbers fluctuate. **Average funding under this new model is expected to triple compared to amounts authorized under current law and will increase by approximately 75.0 percent when compared to the funding provided in the last two years**, which included both current law (per pupil rates) and state supplementary funding. While the funding per school will vary, total funding per student FTE, including funding from state support, district special education, and insurance revenue (for hospitals) would average \$46,125, of which the State is expected to cover approximately \$28,000 per student FTE.²⁹

PRELIMINARY COST ESTIMATE

Legislative Council Fiscal Notes Staff distributed an earlier draft of the bill to affected agencies. While staff expects some further adjustments, staff believes this represents a reasonable estimate of the cost of the bill. On this basis, staff is recommending a set-aside of \$20.0 million cash funds from the State Education Fund. Staff will refine this figure in a later presentation.

FACILITY SCHOOL BILL COST - PRELIMINARY		
	FY 2023-24	FY 2024-25
Administrative Expenses	\$385,750	\$334,242
FTE	4.0	4.0
Technical Assistance Center	inc. in FTE	100,000
Shared Operational Services Grant	100,000	100,000
Working Group and Evaluation Costs	100,000	200,000
New Specialized Day Schools	2,340,964	4,681,928
Add'l Funding for Baseline Model	16,300,000	16,300,000
Data System Costs	0	129,450
<i>Centrally appropriated admin</i>	0	70,521
Total	\$19,226,714	\$21,916,141

INFORMATIONAL AMOUNTS: APPROPRIATED SPONSORED PROGRAMS

Background: A large share of the federal funds reflected for informational purposes in the Department of Education budget are spent through the Appropriated Sponsored Programs line item. In most years this informational line item is *not* updated in the budget, in part because expenditures have historically been quite stable and in part because staff did not wish to distort conversations about funds that the General Assembly does control with information about the funds they do not.

Beginning with FY 2022-23, however, JBC Staff did recommend updating the line item to reflect the unprecedented amount of federal ESSER funds being distributed to school districts. This change increased the line item by about \$500 million, which staff anticipated would continue through FY 2023-24, with phase-down in FY 2024-25.

Actual expenditure data from the Department indicates that federal funds expenditures for school programs in FY 2022-23 are even higher than expected and are currently \$130.0 million above the estimate in the FY 2022-23 Long Bill. **Staff is not recommending an additional line item**

²⁹ The specific portion covered by the State is still subject to some adjustment based on the assumed contributions from insurance for hospital-based schools.

adjustment this year. However, staff is highlighting these recent estimates. Legislators should note that federal support is also being used for some of the same functions that they are targeting, and that local school districts still have large amounts of federal ESSER funds unspent on their books. As of January 13, districts still had \$945.6 million remaining in ESSER funds, most of which must be obligated by September 30, 2024.

APPROPRIATED SPONSORED PROGRAMS - FEDERAL FUNDS		
	FY 2021-22 ACTUAL	FY 2022-23 ESTIMATE
Grants Not Related To COVID Relief		
Adult Education - WIA	7,845,916	7,500,000
After School Learning Centers	11,774,734	12,000,000
Charter School Grant	5,605,148	5,500,000
CO Troops to Teachers	14,232	15,000
Comprehensive State Literacy	608,674	5,000,000
Early Literacy	60,331	100,000
Educate Homeless Children	910,124	1,000,000
Growing Readers	268,166	280,000
Improving Student Health	288,715	560,000
Improving Student Health Supplemental	318,790	115,000
Migrant Education	6,647,284	6,700,000
Migrant Education Consortium	125,211	75,000
NAEP	133,318	150,000
Neglected Delinquent	466,250	400,000
Project AWARE	1,220,234	2,300,000
Project Rise SLDS	458,683	680,000
Rural and Low Income	580,119	580,000
School Climate Transformation	1,125,477	1,200,000
School Nurse Workforce Initiative	321,472	3,000,000
Sexual Avoidance	755,141	750,000
Student Support	9,766,933	10,500,000
Title I Programs	153,406,518	160,000,000
Title II Programs	23,459,033	24,000,000
Total	\$226,160,503	\$242,405,000
COVID Relief Funding		
CARES Act ESSER I	58,489,450	9,500,000
CARES Act ESSER II	289,042,429	200,000,000
CARES Act ESSER III	179,265,383	300,000,000
CARES Act Improving Student Health	23,720	13,500
CDPHE COVID 19 Testing	595,471	40,000
EANS (Non Public Schools)	9,782,893	10,000,000
EANS Non Public Payroll	124,085	1,500
GEER CSI Per Pupil	3,950	55
GEER Quality Teacher	1,924,464	60,000
GEER Schools of Choice	606,606	460,000
GEER Imagination Library	0	200,000
ARPA IDEA Part B	8,642,516	26,000,000
ARPA IDEA Preschool	604,752	2,000,000
ARPA Homeless	598,633	1,600,000
ARPA LSTA	1,062,131	2,200,000
Mental Health SLFRF Funds*	0	7,000,000
SLFRF Funds for Board Room Renovation*	0	1,774,654
SLFRF Concurrent Enrollment*	339,873	4,500,000
SLFRF Adult Education*	232,810	450,000
USDA Supply Chain Assistance	13,249,584	18,600,000
Pandemic EBT from USDA	134,657	400,000
SNAP State and Local Pandemic EBT	280,907	500,000
ARPA Farm to School Grants	0	1,049,935
Total	\$565,004,314	\$586,349,644

APPROPRIATED SPONSORED PROGRAMS - FEDERAL FUNDS		
	FY 2021-22 ACTUAL	FY 2022-23 ESTIMATE
Total including COVID Relief Funding - Federal Funds	\$791,164,816	\$828,754,644

*These amounts were appropriated by the General Assembly

The total federal COVID Relief grants awarded to the Department and schools in 2020 and 2021, as reported to JBC Staff in 2022, are shown below. This includes federal Elementary and Secondary School Emergency Relief (ESSER) funds (I,II, and III) included in federal Coronavirus Aid Relief and Economic Security Act (CARES Act - March 27, 2020), Consolidated Appropriations Act (CRSSA - December 27, 2020), and American Rescue Plan Act (ARPA - March 11, 2021) legislation, among other awards. The table below shows amounts awarded to the Department, most of which will be expended over several years.

GRANT TITLE	TOTAL AWARD
Governor's Emergency Education Relief (GEER)	\$3,135,361.26
Emergency Assistance to Non-public Schools (EANS)	28,399,748.96
Elementary and Secondary School Emergency Relief (ESSER)	1,742,754,497.01
ARPA-Homeless	7,643,776.00
CDPHE COVID 19	9,944,989.30
CDC COVID 19	433,333.00
CARES Act-Improving Student Health	37,219.61
Total	\$1,792,348,925.14

Federal COVID relief funds awarded under the Elementary and Secondary School Emergency Relief (ESSER) funds (I,II, and III) awarded between March 2020, and March 2021 are shown below. This represents the vast majority of federal COVID allocations for school districts. Funding is being expended over multiple years. Expenditures through January 13, 2023 and unspent balances are shown at the bottom of the table.

FEDERAL ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND (ESSER)			
	ESSER I	ESSER II	ESSER III
	(CARES Act)	(CRRS Act)	(ARPA Act)
	March 2020	December 2020	March 2021
Total State Allocation	\$120,993,782	\$519,324,311	\$1,167,153,961
Allocation to LEAs (90% of total)	108,894,404	467,391,880	1,050,438,565
	\$120.81 per pupil	\$518.70 per pupil	\$1,164.93 per pupil
	Title I formula	Title I formula	Title I formula
State Reserve (10% of total)	12,099,378	51,932,431	116,715,396
Funding Period	Though Sept 30, 2022	Through Sept 30, 2023	Through Sept. 30 2024
Local Education Agency (LEA) Unspent Balances			
Expenses Recorded and State Reimbursed as of 1/13/23	\$120,938,846	\$402,837,146	\$338,087,723
Unexpended Balance of Total LEA Awards	\$54,936	\$116,487,165	\$829,066,238

→ SI COMPUTER SCIENCE EDUCATION GRANTS

REQUEST: The Department’s request includes \$250,000 General Fund for FY 2023-24 for a computer science education grant program created in H.B. 19-1277. The program provides grants to public schools to increase the participation of traditionally underrepresented students in computer science education.

RECOMMENDATION: Staff has removed this \$250,000 General Fund in the staff recommendation, because the General Assembly’s intent with respect to an appropriation for FY 2023-24 is not clear. However, for the same reason, staff is bringing this item to the Committee’s attention as a decision item.

ANALYSIS

Program Background: The Computer Science Education Grant Program provides money to public schools or school districts in order to increase enrollment or participation of traditionally underrepresented students in computer science education. As outlined on the Department’s website for FY 2022-23 applications, CDE will administer the grant program and distribute grant funds through a competitive process to increase enrollment, and/or participation, of traditionally underrepresented students in computer science education activities. Applicants may apply for up to \$10,000 of funding which meets the following:

- Increase student awareness
- Implement outreach
- Improve learning spaces

In addition, funding may be used to purchase resources to support the implementation of computer science education activities. This includes technology equipment equal to no more than 50% of the total grant award.

For the purpose of this grant traditionally underrepresented students might include:

Gender equity and access;

- Race and ethnicity equity and access;
- Students who are enrolled in special education services or programs;
- Students who are English language learners; and
- Students who are eligible for free or reduced-cost lunch.

Statute requires the Department to publish a report on the program no later than January 1, 2022 and each January thereafter. However, Staff has not to-date found this report. Staff also notes that the award for FY 2022-23 school year had a deadline for submitting requests of February 15, 2023.

Statutory and Appropriation History: As originally authorized in H.B. 19-1277 (22-97-201 through 205, C.R.S.) the General Assembly was required to provide an appropriation of \$250,000 General Fund for this program for three years, from FY 2020-21 through FY 2022-23, with the program repealing on July 1, 2024. Due to the projected revenue declines for FY 2020-21, the General Assembly suspended the requirement for an appropriation in FY 2020-21, but did not otherwise modify statute. Thus, a requirement remains on the books to fund the program in FY 2021-22 and FY 2022-23 and for the program to repeal on July 1, 2024.

Considerations with respect to funding the program in FY 2023-24:

- Program goals seem worthy. There is clearly a demand for computer science expertise, and certain populations are definitely underrepresented in the field.

- The program was originally envisioned as operating for three years and was interrupted by the pandemic. Related statutory changes required appropriations for two years but appear to allow program funding in FY 2023-24, which would be a third year. Legislative intent is not clear.
- Staff has not thus far seen information on the impacts of the program and has no information on how it is operating. Department online materials refer to FY 2020-21 grants, which were not awarded.
- In general, staff has concerns about the administrative effort required to distribute relatively small amounts through grant programs, no matter how worthy the program's goals.
- The Department has had a related program, targeted at providing teachers additional training in the field, since 2017 and does appear to have posted reports on that program.³⁰

Note: Report for the Computer Science Education Grant was subsequently identified on the CDE website, dated January 2023. The report indicates that there were 15 applications for \$149,344, of which 10 were awarded a total of \$99,344 in school year 2022.

<http://www.cde.state.co.us/cdedepcom/computerscienceeducationgrantprogramreport>

³⁰ <https://www.cde.state.co.us/computerscience/csed-grant>

LINE ITEM DETAIL - ASSISTANCE TO PUBLIC SCHOOLS

(C) GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE

(I) HEALTH AND NUTRITION

Beginning in FY 2023-24, Colorado will be providing school meals for students using a combination of the National School Lunch Program, older state-funded programs, and the new voter-authorized Healthy School Meals For All Public School Students measure. These programs are described below.

BACKGROUND INFORMATION - NATIONAL SCHOOL LUNCH PROGRAM

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

- *Free* meals: Families with incomes below 130% of the federal poverty level (e.g., \$34,450 for a family of four in FY 2021-22) are eligible.
- *Reduced price* meals: Families with incomes between 130% and 185% of the federal poverty guidelines (e.g., between \$39,000 and \$55,000 for a family of four in 2023) are eligible.

Federal per meal reimbursements differ depending on whether the meal was served to a child who is eligible for free, reduced, or "full" price meals. For example, for school breakfasts, most schools currently receive \$4.41 for each free meal served, \$4.01 for each reduced price meal served, and \$0.85 for each full price meal served, including a current temporary federal increase. Absent other state funding, children receiving a reduced price meal would be charged the difference between the federal reimbursements for free and reduced price meals. However, under the older Colorado Start Smart Nutrition Program and Child Nutrition School Lunch Protection Programs, the State reimburses school districts for that difference.

In Colorado, the Department of Education administers a multitude of school nutrition programs, the largest being the National School Lunch and Breakfast Program, and operates the programs through agreements with local school food authorities (usually school districts). Families are asked to complete a meal application to determine eligibility for free or reduced price meals. This information is confidential and is not shared with any other state or local agencies unless allowed by federal regulation. Under current law, the percentage of students who are eligible for *free* meals is used as a factor to determine the level of per pupil funding for each school district, so districts have had a financial incentive to encourage families to complete these forms even if they do not plan to participate in the school's lunch or breakfast program.

In response to the Coronavirus pandemic, the federal government substantially increased access to free meals. For FY 2020-21 and FY 2021-22, schools participating in the Summer Food Service Program (SFSP; through school year 2020-21) or the Seamless Summer Option (school year 2021-22) have been able to provide free meals to all students at any school site and be reimbursed at the higher

summer food service program rate.³¹ This increased the number of students accessing free meals and eliminated the need for Colorado to provide additional subsidies to make meals free for students who qualify for reduced price breakfast or lunch. In October 2020 only 17 districts representing 36 schools were participating in the typical National School Lunch Program, and this figure had fallen to 3 districts representing 5 schools in October 2021. This change also reduced the quality of data on eligibility for free and reduced-price meals, since students were not been required to file paperwork to receive subsidized meals.

In FY 2022-23, federal nutrition programs returned to pre-pandemic operations. However, based on voter action in November 2022, Colorado will transition to providing meals free to all students permanently for those school districts that participate.

DATA CONCERNING NATIONAL SCHOOL LUNCH PROGRAM IN COLORADO					
	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ACTUAL	FY 22-23 ESTIMATE*	FY 23-24 ESTIMATE*
Children <i>eligible</i> for free meals	298,139	295,313	273,688	291,898	291,898
<i>Annual % Change</i>	-0.6%	-0.9%	-7.3%	6.7%	0.0%
Children <i>eligible</i> for reduced price meals	73,665	59,578	55,912	63,068	63,068
<i>Annual % Change</i>	3.3%	-19.0%	-6.7%	11.3%	0.0%
Children eligible for free or reduced price meals	371,804	354,991	329,600	354,966	354,966
Percent of children eligible for <u>reduced price</u> meals who <i>participate</i> in <u>lunch</u> program	52.9%	6.5%	8.3%	53.6%	53.6%
Percent of children eligible for <u>reduced price</u> meals who <i>participate</i> in <u>breakfast</u> program	25.6%	5.8%	8.3%	24.6%	24.6%

Due to the pandemic, the USDA rolled out waivers/flexibilities for school districts to operate under Summer Food Service Program (SFSP) start of pandemic through SY20-21 and Seamless Summer Option (SSO) SY 21-22. These flexibilities allowed schools to serve meals for free to all students at a higher reimbursement rate.

FY 2023-24 Estimate - no factor was applied to the pupil membership; 20% increase in participation is estimated in SY 2023-24; reduced price meal counts are expected to decrease with higher CEP participation, but this will not affect the reduced price eligible student count

FY 2024-25 Estimate - predicting an increase in Free status due to Direct Certification Medicaid; average increase according to USDA study was ~7.5%

- Eligible counts are actuals from Oct pupil count PreK-12

- Student level participation data is not collected - a proxy measure is used to estimate the percent of children eligible for reduced price meals who participate in lunch/breakfast. This is done by using the reduced-price enrollment of schools that participated in National School Lunch Program (NSLP) or School Breakfast Program (SBP) in October.

BACKGROUND INFORMATION – H.B. 22-1414 AND PROPOSITION FF

During the 2022 legislative session, the General Assembly adopted H.B. 22-1414, which referred a measure to the voters to authorize and fund free meals for all students on an ongoing basis. Voters adopted the referred measure, Proposition FF, in November 2022. Statutory provisions added in Section 22-82.9-201 through 209, C.R.S., create the Healthy School Meals for All Program. Statutory provisions added in Section 29-22-104 (p.5), C.R.S., establish a funding mechanism for the program through a change in income tax deductions for filers with incomes greater than \$300,000. The new state program is designed to “wrap around” existing federal free meal programs.

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[https://www.cde.state.co.us/nutrition/backtoplanning#:~:text=SFAs%20that%20opt%20to%20participate,Service%20Program%20\(SFSP\)%20rate.&text=Meals%20served%20under%20the%20NSLP,lower%20NSLP%20and%20SBP%20rates.](https://www.cde.state.co.us/nutrition/backtoplanning#:~:text=SFAs%20that%20opt%20to%20participate,Service%20Program%20(SFSP)%20rate.&text=Meals%20served%20under%20the%20NSLP,lower%20NSLP%20and%20SBP%20rates.)

Federal Medicaid direct certification demonstration program. The measure requires that the Colorado Department of Education (CDE) apply to participate in the federal demonstration project for direct certification for children receiving Medicaid benefits. If selected, CDE must enter into an agreement with the Colorado Department of Health Care and Financing (HCPF) to directly certify students enrolled in Medicaid as eligible for free and reduced price meals without further application.

Healthy School Meals for All Program. The measure creates the Healthy School Meals for All Program to provide reimbursement to participating school food authorities (SFAs) for offering meals without charge to all students, beginning in FY 2023-24. The reimbursement amount is based on the federal free meal reimbursement rate for each meal served, minus the amount an SFA receives from the federal school breakfast and lunch programs, and current state reimbursement programs.

Conditional upon the state's participation in the federal demonstration project, the program also includes three other components for participating SFAs. These programs begin the first full year after the State begins including Medicaid direct certification in calculating eligible student percentages. Thus, these programs will begin in FY 2024-25.

- Local food purchasing grant program. Participating SFAs that establish a parent and student school food advisory committee may receive a grant to purchase Colorado grown, raised, or processed products. CDE must distribute to each participating SFAs a grant of \$5,000, or \$0.25 for each lunch provided in the prior school year, whichever is greater. No more than 25 percent of the grant may be used to purchase value-added processed products, up to 10 percent may be used to cover costs, and up to 12 percent may be used to support the school advisory committee.
- Employee wages or stipends. Participating SFAs may receive the greater of \$3,000 or \$0.12 per school lunch, to be used to increase wages or provide stipends for employees who prepare and serve school meals.
- Technical assistance and education grant program. CDE must issue a grant to a statewide nonprofit to assist with the promotion of Colorado products to participating SFAs and to assist them with preparing meals using basic ingredients with minimal reliance on processed products. Grants may be used for training, technical assistance, physical infrastructure for SFAs, growers associations, and other organizations that aggregate products for producers, as well as for education, outreach, and promotion for schools and growers to engage with school communities.

Community eligibility provision. In order to participate in the program, SFAs must maximize federal reimbursement by participating in the community eligibility provision (CEP), if eligible. If the US Department of Agriculture creates the option for the community eligibility provision to be implemented statewide, CDE must work with SDAs and state and local agencies to participate

Reporting. Beginning December 1, 2024, CDE must submit an annual report on the program to the General Assembly. CDE must contract with an independent auditor to conduct a biennial financial and performance audit of the program, and make the audit easily accessible on the website.

Funding. Beginning in FY 2023-24, the General Assembly must appropriate the amount necessary for the program, including at least \$5.0 million for the technical assistance grant program when that provision becomes effective. The appropriation must include an amount of General Fund at least equal to the revenue generated from the income tax add-back (discussed below), but no more than the amount required to fund the direct and indirect costs of implementing the program. The

Department may not expend more than 1.5 percent of the amount appropriated for administrative costs.

Add-back to Colorado taxable income. Beginning for tax year 2023, the bill requires taxpayers with adjusted gross incomes of \$300,000 or more to add back a portion of their federal itemized or standard deductions when calculating their Colorado taxable income. Taxpayers filing singly are required to add back itemized or standard deductions that exceed \$12,000 in total, and taxpayers filing jointly are required to add back itemized or standard deductions that exceed \$16,000 in total.

Because additional legislation will be required to implement some of the funding provisions authorized by Proposition FF, related appropriations for FY 2023-24 will not be included in the Long Bill.

FEDERAL NUTRITION PROGRAMS

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

STATUTORY AUTHORITY: Federal nutrition program statutes.

REQUEST: The Department requests an appropriation of \$156,771,616 total funds (including \$101,289 General Fund and \$156,670,327 federal funds) and 9.0 FTE. The request includes a reduction of \$128,340 General Fund and 0.4 FTE to annualize funding included in H.B. 22-1202 (At-Risk Student Measure) and an increase of \$45,536 (including \$1,485 General Fund) to annualize FY 2022-23 salary survey.

RECOMMENDATION: The staff recommendation is shown in the table below. It reflects Committee common policy for the annualization of prior year budget actions and legislation and matches the Department's request.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, FEDERAL NUTRITION PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$156,854,420	\$228,144	\$0	\$0	\$156,626,276	9.4
TOTAL	\$156,854,420	\$228,144	\$0	\$0	\$156,626,276	9.4
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$156,854,420	\$228,144	\$0	\$0	\$156,626,276	9.4
Annualize prior year budget actions	45,536	1,485	0	0	44,051	0.0
Annualize prior year legislation	(128,340)	(128,340)	0	0	0	(0.4)
TOTAL	\$156,771,616	\$101,289	\$0	\$0	\$156,670,327	9.0

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, FEDERAL NUTRITION PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	(\$82,804)	(\$126,855)	\$0	\$0	\$44,051	(0.4)
Percentage Change	(0.1%)	(55.6%)	0.0%	0.0%	0.0%	(4.3%)
FY 2023-24 EXECUTIVE REQUEST	\$156,771,616	\$101,289	\$0	\$0	\$156,670,327	9.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

The federal funding in this line item has not been adjusted regularly. Actual federal receipts were \$397,739,786 in FY 2021-22, but this will fall in FY 2022-23 due to the end of federal COVID-relief programs. During FY 2023-24, state provisions intended to maximize federal reimbursement will start to take effect as the State transitions to using the Healthy Meals for All Public School Student program. Staff will adjust federal funds shown for informational purposes once these trends become more clear.

STATE MATCH FOR FEDERAL SCHOOL LUNCH PROGRAM

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

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

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

REQUEST: The Department requests continuation funding of \$2,472,644 cash funds from the State Public School Fund for FY 2023-24, unchanged from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the Department's request. Pursuant to federal law [Title 42, Chapter 13, Section 1756, Subsection (1) (a), U.S. Code] and the associated federal regulations [Title 7, Chapter II, Part 210, Subpart D, Section 210.17, Subsection (d), U.S. Code of

Federal Regulations], in order to comply with the state revenue matching requirement, state money must be appropriated or used specifically for National School Lunch Program purposes (excluding state-level administrative expenses). Staff recommends continuing to reflect this appropriation as cash funds -- interest and investment income earned on the Public School (Permanent) Fund that is credited to the State Public School Fund.

CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM

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

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

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

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

Expansion of the program increased both the cost of the program and the share of reduced-price meals that are eligible for reimbursement through FY 2018-19 prior to the impact of the COVID-19 pandemic. However, participation and expenditures decreased in FY 2019-20 as a result of school closures related to COVID-19. Expenditures fell significantly in 2020-21 and FY 2021-22 based on federal policy changes associated with the COVID-19 pandemic that have allowed schools to access summer nutrition programs during the school year. Based on this, the General Assembly reduced the appropriation for the program by \$550,000 General Fund in FY 2021-22 but restored the funding in FY 2022-23.

DATA CONCERNING DISTRICTS' SCHOOL LUNCH PROGRAMS AND THE CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM

	FY 19-20*** ACTUAL	FY 20-21 ACTUAL	FY 21-22 ACTUAL	FY 22-23 ESTIMATE	FY 23-24 ESTIMATE
Total number of reduced priced lunches served (all grade levels)	4,872,415	22,896	1,568	5,682,689	5,577,446
Number of above meals for which state reimbursement is available	4,849,843	22,264	1,568	5,682,689	5,577,446
Estimated number of students who benefit from Child Nutrition School Lunch Protection Program subsidy	39,360	1,963	13	33,826	33,826
Child Nutrition School Lunch Protection Program Expenditures (including administration costs of up to 2.0 percent)	\$1,939,937	\$22,528	\$627	\$2,273,076	\$2,230,978
<i>Annual percent change</i>	<i>(5.7%)</i>	<i>(98.8%)</i>	<i>(97.2%)</i>	<i>362316.4%</i>	<i>(1.9%)</i>

FY 21-22 -- no admin costs included at this time. As a reference in October 2020, 17 districts representing 36 schools participated in NSLP and in October 2021, only 3 districts representing 5 schools participated in NSLP.

As of December 2021, only 4 schools were participating in NSLP.

FY 22-23 Estimate - average daily meals (see Prop FF for calculation); 168 average serving days; \$.40 per meal

FY 23-24 Estimate - forecasted participation to increase 20% (see Prop FF tab notes); reduced price meal counts are expected to decrease with higher CEP participation, but this will not affect the reduced price eligible student count

C.R.S. 22-82.9-105 Program Funding - Appropriation allows the department to expend not more than two percent of the moneys annually appropriated for the program to offset the direct and indirect costs incurred by the department in implementing the program pursuant to the article.

***Note: HB 19-1171 Expanded School Lunch Protection Program from grades PreK-8th to PreK-12th grade.

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

REQUEST: The Department requests continuation funding of \$2,578,105 total funds (including \$1,727,374 General Fund and \$850,731 cash funds from the State Education Fund) for FY 2023-24.

RECOMMENDATION: Staff recommends the request for continuation funding due to uncertainty about this program’s funding needs during roll-out of the Healthy Meals for All Public School Students program.

START SMART NUTRITION PROGRAM FUND AND START SMART NUTRITION PROGRAM

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

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

The following table provides data related to districts’ school breakfast programs and the Start Smart Nutrition Program. As shown in the table and discussed above, participation and expenditures declined dramatically in FY 2020-21 and FY 2021-22 as a result of the COVID-19 pandemic and

associated changes in federal policy. Federal programs returned to their pre-pandemic policies for FY 2022-23. However, due to very low expenditures in FY 2020-21 and FY 2021-22, there was a sufficient fund balance in the Smart Start Nutrition Program Fund that there was not a need for a General Fund appropriation to the Fund in FY 2022-23.

DATA CONCERNING DISTRICTS' SCHOOL BREAKFAST PROGRAMS AND THE START SMART NUTRITION PROGRAM					
	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ACTUAL	FY 22-23 ESTIMATE*	FY 23-24 ESTIMATE*
Number of <i>school districts</i> that offer a school breakfast program	168	15	3	168	185
Number of <i>schools</i> that offer a school breakfast program	1,481	33	5	1,546	1,768
Number of reduced price breakfasts served (and reimbursed by State)	2,353,644	9,078	1,204	2,604,040	2,555,813
Estimated number of students who benefit from Start Smart subsidy	19,523	710	7	15,500	15,500
Start Smart expenditures	\$721,450	\$4,856	\$361	\$781,212	\$774,411
<i>Annual percent change</i>	<i>(20.1%)</i>	<i>(99.3%)</i>	<i>(92.6%)</i>	<i>216,182.4%</i>	<i>(0.9%)</i>

FY 20-21 and FY 21-22 - Due to the pandemic, the majority of school districts are operating under the USDA flexibilities/waivers, serving all meals for free at a higher reimbursement rate (SFSP in FY20-21 and SSO in FY21-22). The month of October has been selected to represent the number of districts and schools participating.

Estimate for FY 21-22 - 38 students x 168 days

FY20-21 Start Smart Expenditures - Admin costs are included. FY21-22 - no admin costs included at this time.

FY22-23 Estimate - using average daily meals; 168 average serving days

FY23-24 Estimate - forecasted participation to increase 20%; reduced price meal counts are expected to decrease with higher CEP participation, but this will not affect the reduced price eligible student count

START SMART NUTRITION PROGRAM FUND					
	FY 19-20 ACTUAL	FY 20-21 ACTUAL	FY 21-22 ACTUAL	FY 22-23 ESTIMATE	FY 23-24 ESTIMATE
Beginning Fund Balance	\$348,490	\$546,554	\$1,449,297	\$1,464,998	\$700,266
General Fund Appropriation to the Cash Fund	900,000	900,000	0	0	900,000
Interest Earnings	19,514	14,225	16,480	16,480	16,480
Unrealized Gain/Loss	0	0	0	0	0
Program Expenditures	<u>(721,450)</u>	<u>(11,482)</u>	<u>(779)</u>	<u>(781,212)</u>	<u>(774,411)</u>
Ending Fund Balance	\$546,554	\$1,449,297	\$1,464,998	\$700,266	\$842,335
Spending Authority (Annual Appropriation from the Cash Fund)	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000	\$1,150,000
Appropriation Exceeds/(Falls Short of) Expenditures	\$428,550	\$1,138,518	\$1,149,221	\$368,788	\$375,589

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

REQUEST: The Department requests a continuing level of appropriation of \$1,150,000 cash funds from the Start Smart Nutrition Program Fund for FY 2023-24. It also *restores* a \$900,000 General Fund appropriation that was eliminated in FY 2021-22 in light of the decline in demand for the program and reserves in the cash fund.

RECOMMENDATION: Staff recommends the request for a continuing level of appropriation of \$1,150,000 cash funds and restoring the \$900,000 General Fund deposit to into the cash fund, in light of Department projections.

LOCAL SCHOOL FOOD PURCHASING PROGRAMS

This line item supports the following two grant programs created in H.B. 19-1132 (School Incentives to Use Colorado Food and Producers):

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

The bill provided an appropriation of \$168,942 General Fund and 0.3 FTE for FY 2019-20 to allow the Department to establish the programs and to begin contracting for the Local School Food Purchasing Technical Assistance and Education Grant Program in FY 2019-20 (grants under the Colorado Food Products Purchasing Incentives Grant Program were set to begin in FY 2020-21).

- The Final Legislative Council Staff Fiscal Note for H.B. 19-1132 anticipated a need for \$675,255 General Fund and 0.4 FTE to support these programs in FY 2020-21, representing an increase of \$506,313 General Fund.
- However, H.B. 20-1418 (School Finance) modified statute to delay implementation of the programs until FY 2021-22 as a budget balancing action.
- Consistent with the bill's original fiscal note, the FY 2021-22 Long Bill included an appropriation of \$675,255 General Fund and 0.4 FTE. No additional delays or other legislative changes to the programs were adopted during the 2021 legislative session.

STATUTORY AUTHORITY: Section 22-100-101 et. seq., C.R.S.

REQUEST: The Department requests \$675,729 General Fund and 0.4 FTE, including annualization of prior year salary survey.

RECOMMENDATION: Staff recommends \$675,729 General Fund and 0.4 FTE, consistent with the request.

Staff notes that the Healthy Meals for All Public School Students creates grant programs that may eventually eliminate the need for this program, but no grants from the Healthy Meals for All Public School Students programs will be available before FY 2024-25.

START-UP ADMINISTRATION FOR HEALTHY MEALS FOR ALL PUBLIC SCHOOL STUDENTS/ HEALTHY MEALS FOR ALL PUBLIC SCHOOL STUDENTS

H.B. 22-1414 and 2022 Proposition FF created the Healthy Meals for All Public School Students program. The FY 2022-23 supplemental appropriations bill included an appropriation of \$178,568 General Fund and 1.1 FTE for the program in a line item entitled *Start-up Administration for Healthy Meals for All Public School Students*.

STATUTORY AUTHORITY: Sections 22-82.9-201 through 209, C.R.S.

REQUEST: The Department requested an appropriation of \$115,268,088 General Fund Exempt and 3.2 FTE for FY 2023-24, but also requested related new legislation.

RECOMMENDATION: Staff recommends including appropriations for this program in separate legislation for FY 2023-24, rather than the Long Bill. The appropriation for start-up administration is also eliminated for FY 2023-24.

MENSTRUAL HYGIENE PRODUCT ACCESSIBILITY GRANT PROGRAM

Senate Bill 21-255 created the Menstrual Hygiene Product Accessibility Grant Program to provide menstrual hygiene products at no cost to students. Grant recipients must have at least 50.0 percent of students eligible for free or reduced price lunch. The bill requires the Department of Education to award grants in amounts that are proportionate to the number of students and restrooms in recipient schools, subject to available appropriation.

STATUTORY AUTHORITY: Section 22-2-147, C.R.S.

REQUEST: The Department requests a continuation amount of \$100,000 General Fund, consistent with the appropriation included in S.B. 21-255.

RECOMMENDATION: Staff recommends the request for \$100,000 General Fund for FY 2023-24.

S.B. 97-101 PUBLIC SCHOOL HEALTH SERVICES

Pursuant to Section 25.5-5-318, C.R.S. (S.B. 97-101), school districts, boards of cooperative educational services (BOCES), and state K-12 educational institutions are authorized to be reimbursed through Medicaid for health care services³² provided to Medicaid-eligible students. In order to do so, districts and BOCES must certify local expenditures on health care services in order to claim and receive federal Medicaid funding.

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

The Department of Health Care Policy and Financing is responsible for the Medicaid billing aspects of the program, including developing regulations and administrative guidelines for submitting claims

³² Services for which districts may bill Medicaid include: targeted case management (e.g., time spent developing an individual education plan for a student eligible for special education services or a health care plan for a student with diabetes); direct services (e.g., providing services as mandated in a student's individual education plan); diagnostic services (e.g., a special education-related evaluation); and health encounters (e.g., a school nurse treating a student with a stomach ache).

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

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

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

REQUEST: The Department requests an appropriation of \$184,958 reappropriated funds and 1.4 FTE for FY 2023-24 for this line item. The request includes an increase of \$2,272 reappropriated funds to annualize the impact of FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends approving the request for \$184,958 reappropriated funds, which is consistent with Committee common policy. For the Committee’s information, the following table reflects the Department’s *total* anticipated costs (and the total anticipated transfer from HCPF) associated with this program for FY 2022-23, including both this line item and the centrally appropriated amounts associated with the program.

HCPF INTERAGENCY AGREEMENT	
LINE ITEM	FY 2023-24 STAFF REC.
S.B. 97-101 Public School Health Services	\$158,140
Indirect Costs (included in this line item)	\$26,818
Health, Life, and Dental	\$4,106
Short-term Disability	\$20
AED	\$1,220
SAED	\$1,220
Salary Survey	\$10,670
Total	\$202,194

BEHAVIORAL HEALTH CARE PROFESSIONAL MATCHING GRANT PROGRAM

The General Assembly added this line item (as the School Health Professionals Grant Program) to the FY 2015-16 Long Bill to support a matching grant program authorized in S.B. 14-215 (Disposition of Legal Marijuana Related Revenue). Pursuant to Sections 22-96-101 through 105, C.R.S., the program is intended to enhance the presence of school health professionals (often school nurses) in secondary schools throughout the State to facilitate better screening, education, and referral care for secondary school students with substance abuse and other behavioral health needs. Local education providers apply for grants under the program. As outlined in Section 22-96-103, C.R.S., the program is intended to provide funding for the following purposes:

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

In FY 2017-18, the General Assembly increased the appropriation by \$9,689,950 cash funds from the Marijuana Tax Cash Fund and 3.0 FTE (from \$2,280,833 and 1.0 FTE in FY 2016-17 to \$11,970,783 and 4.0 FTE in FY 2017-18). For FY 2019-20, S.B. 19-010 (Professional Behavioral Health Services for Schools) added \$3.0 million cash funds from the Marijuana Tax Cash Fund and 1.0 FTE, for a total appropriation of \$14,937,032 and 5.0 FTE in FY 2019-20. For FY 2020-21, the General Assembly reduced the appropriation by \$3.0 million as a budget balancing action, but \$3.0 million from the Marijuana Tax Cash Fund was restored in S.B. 21-268 (School Finance).

For FY 2022-23, the General Assembly added \$7,000,000 cash funds on a one-time basis from federal ARPA funds deposited to the Behavioral and Mental Health Cash Fund pursuant to S.B. 22-147 and H.B. 22-1243.

Statute restricts administrative costs to 3.0 percent of the annual appropriation to offset costs incurred in implementing the program.

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

REQUEST: The Department requests an appropriation of \$21,968,106 cash funds, including \$14,968,106 cash funds from the Marijuana Tax Cash Fund and \$7,000,000 from the Behavioral and Mental Health Cash Fund and 5.4 FTE. The request includes an increase of \$8,516 cash funds to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends an appropriation of \$14,968,106 cash funds from the Marijuana Tax Cash Fund and 5.0 FTE for FY 2023-24. The amount is calculated consistent with Committee common policy and includes \$8,516 cash funds to annualize FY 2022-23 salary survey. The request erroneously requested continuation of \$7,000,000 cash funds and 0.4 FTE from federal ARPA funds deposited in the Behavioral and Mental Health Cash Fund that were appropriated on a one time basis in S.B. 22-147 (Behavioral Health Care Services for Children - \$2.0 million) and H.B. 22-1243 (School Security and School Behavioral Health Services Funding - \$5.0 million and 0.4 FTE).

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, BEHAVIORAL HEALTH CARE PROFESSIONAL MATCHING GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, BEHAVIORAL HEALTH CARE PROFESSIONAL MATCHING GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 Appropriation	\$21,959,590	\$0	\$21,959,590	\$0	\$0	5.4
TOTAL	\$21,959,590	\$0	\$21,959,590	\$0	\$0	5.4
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$21,959,590	\$0	\$21,959,590	\$0	\$0	5.4
Annualize prior year budget actions	8,516	0	8,516	0	0	0.0
Annualize prior year legislation	(7,000,000)	0	(7,000,000)	0	0	(0.4)
TOTAL	\$14,968,106	\$0	\$14,968,106	\$0	\$0	5.0
INCREASE/(DECREASE)	(\$6,991,484)	\$0	(\$6,991,484)	\$0	\$0	(0.4)
Percentage Change	(31.8%)	0.0%	(31.8%)	0.0%	0.0%	(7.4%)
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$7,000,000	\$0	\$7,000,000	\$0	\$0	0.4

MENTAL HEALTH EDUCATION RESOURCE BANK AND TECHNICAL ASSISTANCE

The General Assembly added this line item to the FY 2020-21 Long Bill to support the mental health education resource bank required by H.B. 19-1120 (Youth Mental Health Education and Suicide Prevention). With assistance from the Office of Suicide Prevention and the Suicide Prevention Commission in the Department of Public Health and Environment, the bill requires the Department to create and maintain the resource bank. The resources must be available to elementary and secondary schools free of charge and must be available in both English and Spanish.

In addition, upon request, the bill requires the Department to provide technical assistance to a school district, charter school, or board of cooperative services in designing age-appropriate curricula pertaining to mental health. The bill included an appropriation of \$116,550 General Fund and 0.9 FTE for the Department of Education for FY 2019-20, including one-time costs that were eliminated in subsequent years.

STATUTORY AUTHORITY: Section 22-2-127.9, C.R.S.

REQUEST: The Department requests an appropriation of \$47,221 General Fund and 0.6 FTE for FY 2023-24, including \$512 to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends the request for \$47,221 General Fund and 0.6 FTE for FY 2023-24.

K-5 SOCIAL AND EMOTIONAL HEALTH PILOT PROGRAM

The Department proposed to create this line item for FY 2020-21 to support the K-5 Social and Emotional Health Pilot Program created by H.B. 19-1017 (K-5 Social and Emotional Health). The program was intended to place additional school mental health professionals (including school

counselors, school psychologists, and school social workers) in elementary or K-8 schools that have high poverty and high student needs. The bill authorized the pilot program for three years (FY 2020-21 through FY 2022-23) unless the General Assembly extended the program. House Bill 20-1418 (Public School Finance) delayed implementation as a budget balancing measure and included modifications, including extending the repeal date to July 1, 2033.

Under the program, the Department is required to select no more than ten pilot schools to participate (and may select fewer than ten schools based on available resources). The legislation requires participating schools to hire enough school mental health professionals to follow students as they advance through the school, with the intent that the school maintain a ratio of no more than 250 students per mental health professional. It also requires the Department to adopt rules for the program, to employ or contract with a pilot program coordinator, and to contract for preliminary and final program evaluations. The legislation authorizes appropriations for the program from the Marijuana Tax Cash Fund.

Although funding for the program was not included in the FY 2021-22 Long Bill, \$2,500,000 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE was added in S.B. 21-268 (Public School Finance), making this the first year of implementation.

STATUTORY AUTHORITY: Sections 22-102-101 through 108, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$2,502,225 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE for FY 2023-24, including \$2,225 to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends the request for \$2,502,225 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE for FY 2023-24, calculated consistent with Committee common policy.

LINE ITEMS INCLUDED IN THE NUMBERS PAGES BECAUSE OF PRIOR YEAR FUNDING

BREAKFAST AFTER THE BELL

The General Assembly added this line item to the FY 2014-15 Long Bill to support the Breakfast After the Bell program created in H.B. 13-1006. In FY 2014-15, the bill required schools where at least 80 percent of students qualify for free or reduced-price lunch to offer a free breakfast to every student enrolled in the school. Beginning in FY 2015-16, the program expanded to include all schools with at least 70 percent of students qualifying for free or reduced-price lunch. The program exempts schools in small rural districts with fewer than 1,000 total students. Schools may choose the method and time to offer breakfast, so long as it occurs after the first bell of the school day. Schools where at least 90 percent of students ride to bus to school may choose to offer breakfast on the bus rather than at school. Federal nutrition funds associated with the program are reflected in the Federal Nutrition Programs line item (discussed above). Beginning in FY 2021-22, the Department proposed, and the General Assembly approved, eliminating the small separate appropriation of state funds for this program, as the Department was able to absorb related costs in other Nutrition Program line items.

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

REQUEST/RECOMMENDATION: The Department did not request, and staff does not recommend, funding for this line item.

(II) CAPITAL CONSTRUCTION

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

- 50 percent of the gross amount of revenues from income and mineral royalties derived from state public school lands, or more if required to make lease payments under the terms of lease-purchase agreements. Also, a portion of the interest and income earned on investment of the Public School (Permanent) Fund. Under S.B. 16-035 (The Public School Fund; Section 22-41-102 (3)(g), C.R.S.) interest and income earned on the Permanent Fund over and above the \$21.0 million already distributed under current law is deposited into the PSCCA Fund, up to a limit of \$41.0 million. (\$112.4 million total from State Land Board in FY 2021-22).
- Recreational marijuana excise tax revenues (\$97.3 million in FY 2021-22). Pursuant to H.B. 19-1055 (Public School Capital Construction Financial Assistance), statute credited *all* marijuana excise tax revenues to the PSCCA Fund (previous legislation had increased the share of excise taxes going to the PSCCA Fund from 50.0 percent to 90.0 percent in FY 2018-19). As a one-time adjustment, H.B. 20-1418 (School Finance) credited 50.0 percent of excise taxes to the fund in FY 2020-21 (ensuring it received a minimum of \$40.0 million) and diverted the remaining amount to the State Public School Fund as a budget balancing measure. All marijuana excise taxes are again credited to the PSCCA in FY 2021-22.
- Local matching moneys for COP projects (\$42.4 million in FY 2021-22).
- Lottery proceeds that would otherwise be transferred to the General Fund (\$9.3 million in FY 2021-22).
- Interest and investment income earned on the PSCCA Fund (\$3.5 million in FY 2021-22).

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

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

- (a) establish public school facility construction guidelines for use in assessing and prioritizing public school capital construction needs;
- (b) conduct or contract for a financial assistance priority assessment of public school facilities throughout the state (originally published in 2010 and currently being updated);

- (c) prioritize financial assistance applications for eligible public school facility capital construction projects based on specified criteria; and
- (d) annually submit a prioritized list of projects recommended for financial assistance to the State Board.

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

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

Recent legislative action includes the following:

- As part of budget balancing in 2020 related to the then-projected declines in state revenue, the School Finance Act (H.B. 20-1418) transferred \$100.0 million from the Public School Capital Construction Assistance Fund to the State Public School Fund effective July 1, 2020.
- With statewide revenues improving in 2021, the JBC sponsored S.B. 21-207 (Public School Capital Construction Assistance Fund), which required the transfer of \$100.0 million from the Marijuana Tax Cash Fund on June 1, 2022 to the Public School Capital Construction Fund, effectively repaying the marijuana tax revenues transferred out of the BEST program in 2020. The bill also added a related one-time \$100.0 million appropriation for the BEST program for FY 2021-22. However, due to declines in forecasted Marijuana Tax Cash Fund revenue, the JBC sponsored H.B. 22-1341 (Marijuana Tax Cash Fund), which reduced the transfer on June 1, 2022 to \$50.0 million and provided for additional transfers of \$30.0 million on June 1, 2023 and \$20.0 million on June 1, 2024.
- H.B. 20-1418 (Public School Finance) raised the cap on certificate of participation annual payments to \$125,000,000. Since half of this is expected to be covered through matching funds from school districts, the effective cap on annual payment of *state funds* is \$62,500,000.
- S.B. 21-207 added a \$10.0 million General Fund transfer for public school air quality improvement grants.

DIVISION OF PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE

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

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

REQUEST: The Department requests \$1,646,678 cash funds from the Public School Capital Construction Assistance Fund and 16.0 FTE for FY 2023-24. The request includes an increase of \$52,678 to annual prior year salary and a reduction of \$1,000 to annualize the FY 2023-24 impact of FY 23 request R4 (Department infrastructure).

RECOMMENDATION: Staff recommends the request, which is calculated consistent with Committee common policy.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, DIVISION OF PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$1,595,001	\$0	\$1,595,001	\$0	\$0	16.0
TOTAL	\$1,595,001	\$0	\$1,595,001	\$0	\$0	16.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$1,595,001	\$0	\$1,595,001	\$0	\$0	16.0
Annualize prior year budget actions	51,678	0	51,678	0	0	0.0
TOTAL	\$1,646,679	\$0	\$1,646,679	\$0	\$0	16.0
INCREASE/(DECREASE)	\$51,678	\$0	\$51,678	\$0	\$0	0.0
Percentage Change	3.2%	0.0%	3.2%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Note that the staff recommendation treated FY 2022-23 R4 as time-limited. The need for the position will be reconsidered in FY 2024-25.

PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD – LEASE PAYMENTS

This line item provides spending authority to make payments as required by lease-purchase agreements. The General Assembly has repeatedly increased the authorized amounts of lease purchase payments for the program.

- Prior to FY 2016-17, statute capped annual total lease payments (including state and local revenues) at \$80.0 million and limited the State’s share to no more than \$40 million.
- Senate Bill 16-072 increased the cap on total lease payments to \$90.0 million (up to \$45 million state share) in FY 2016-17 and \$100.0 million (up to \$50 million state share) in FY 2017-18.
- House Bill 19-1055 (Public School Capital Construction Financial Assistance) further increased the cap to \$105.0 million in FY 2019-20 and \$110.0 million (\$55.0 million state share) in subsequent years.
- Most recently, H.B. 20-1418 (School Finance) increased the cap by \$15.0 million, to a total of \$125.0 million (\$62.5 million state share) in FY 2020-21 and subsequent years.

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

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

REQUEST: The Department requests a continuation appropriation \$125.0 million cash funds from the Public School Capital Construction Assistance Fund to support B.E.S.T. COP payments in FY 2023-24, with no change from the FY 2022-23 appropriation (as adjusted by H.B. 20-1418). The request aligns with the current cap on COP payments under statute.

RECOMMENDATION: Staff recommends approving the request, which aligns with the statutory cap on COP payments approved by the General Assembly during the 2020 Session. Staff's recommendation assumes that the General Assembly intends to provide the Department with the flexibility to support payments up to the statutory cap. Staff notes, however, that the Department indicated in 2022 that the program only anticipated \$93.3 million in total COP payments (including \$62.0 million in state funds and \$31.3 million in local funds). Given that statute effectively limits the state share of the COP payments to no more than 50.0 percent of the statutory cap (\$62.5 million in state funds based on a cap of \$125.0 million in total payments), it does not appear to be plausible that the program would reach the statutory cap of \$125 million in total payments.

Staff further recommends avoiding increases in the program's C.O.P. commitments in the absence of additional guaranteed revenue streams.

PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE BOARD – CASH GRANTS

The General Assembly added this line item to the FY 2014-15 Long Bill to appropriate funds to support the B.E.S.T. Program's cash grants. As discussed above, prior to FY 2014-15, moneys for B.E.S.T. cash grants were continuously appropriated to the Department. However, the enactment of S.B. 14-112 made the program's cash grants subject to annual appropriation by the General Assembly.

The FY 2019-20 Long Bill included an appropriation of \$85.0 million cash funds from the PSCCA Fund for cash grants. However, H.B. 19-1055 added \$50.0 million for FY 2019-20 (for a total appropriation of \$135.0 million). The 2019 bill also called for an appropriation of \$160.0 million for FY 2020-21. However, in response to the revenue challenges created by the pandemic, the General Assembly reduced that requirement by \$100.0 million and appropriated \$60.0 million for cash grants in FY 2020-21.

With an improving revenue picture, S.B. 21-207 (Public School Capital Construction Assistance Fund), required the transfer of \$100.0 million from the Marijuana Tax Cash Fund on June 1, 2022 and provided a \$100.0 million appropriation, restoring the total appropriation to \$160.0 million for FY 2021-22. However, in response to declining Marijuana Tax Cash Fund projections in 2022, the JBC sponsored H.B. 22-1341 (Marijuana Tax Cash Fund) which modified the transfer. Instead of transferring \$100.0 million from the Marijuana Tax Cash Fund on June 1, 2022, statute currently requires the following transfers:

- \$50.0 million on June 1, 2022 (done)
- \$30.0 million on June 1, 2023; and

- \$20.0 million on June 1, 2024

In light of the \$50.0 million reduction to the June 2022 transfer, the appropriation for the program was set at \$110.0 million for FY 2022-23.

On January 3, 2023, through Statewide Marijuana Tax Cash Fund BA1, the Governor's Office proposed addressing further projected declines in the Marijuana Tax Cash Fund through legislation to make the following changes to the transfer:

- Reducing the June 1, 2023 transfer to \$13.0 million;
- Increasing the June 1, 2024 transfer to \$36.0 million
- Providing a \$1.0 million transfer on June 1, 2025.

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

REQUEST: The Department requests a continuing appropriation of \$110,000,000 cash funds from the Public School Capital Construction Assistance Fund for FY 2023-24. This figure has not been adjusted since the November 1 submission.

RECOMMENDATION: The preliminary staff recommendation is \$123,000,000 based on current law and projected revenue. However, staff anticipates recommending adjustments to this figure based on updated March 2023 revenue projections for the Marijuana Tax Cash Fund and Committee decisions on potential legislation affecting revenue in the Public School Capital Construction Fund. This includes a staff recommendation to address \$4,705,220 appropriated in S.B. 21-207 (Public School Air Quality Improvement Grants) that has not been used and cannot be used without legislative action (discussed above) and potential adjustments to transfers required under current law from the Marijuana Tax Cash Fund to the Public School Capital Construction Assistance Fund, which are also discussed above.

FINANCIAL ASSISTANCE PRIORITY ASSESSMENT

This line item provides the funding necessary to conduct the financial assistance priority assessment of public school facilities throughout the state as required by Section 22-43.7-108, C.R.S. Pursuant to Section 22-43.7-104 (3), C.R.S., subject to annual appropriation, the Department may expend moneys in the PSCCA Fund to pay the costs of contracting for the financial assistance priority assessment. The Department contracted with Parsons (an assessment, design, and construction consultant) for the original assessment. In FY 2015-16, the General Assembly provided an additional \$2.7 million in one-time funding to: (1) reconfigure and adjust the priority assessment database; and (2) train the new assessment staff added to the Division of Public School Capital Construction Assistance through FY 2015-16 R7.

STATUTORY AUTHORITY: Section 22-43.7-108, C.R.S.

REQUEST: The Department requests an appropriation of \$150,000 cash funds from the Public School Capital Construction Assistance Fund.

RECOMMENDATION: Staff recommends the request for a continuation appropriation of \$150,000 cash funds.

STATE AID FOR CHARTER SCHOOL FACILITIES

In 2001 (S.B. 01-129) the General Assembly created a new program to distribute State Education Fund moneys to charter schools for capital construction, providing that certain "qualified" charter schools will receive a flat amount of funding per pupil for capital construction expenditures. The amount that each charter school received per pupil was originally calculated as 130 percent of the minimum per pupil capital reserve amount that each district is required to budget; for FY 2001-02, qualified charter schools received \$322 per pupil. Thus, the amount of funding was originally required to increase each year based on the number of qualified charter schools, the number of pupils attending such schools, and inflationary increases in the minimum per pupil capital reserve amount.

Subsequently, the General Assembly modified this program in significant ways. First, eligibility for funding was modified. As currently enacted, the program allocates annual appropriations among charter schools on a per pupil basis, except that a qualified charter school does not include one that does not have capital construction costs, is operating in a district school facility that does not have capital construction costs, or is operating in a state facility and is not obligated to make lease payments.

Second, the amount appropriated for the program was modified. With the enactment of H.B. 14-1292 (Student Success Act), the General Assembly made the following changes to funding for the program:

- Increased the appropriation from the State Education Fund from \$7.0 million in FY 2013-14 to \$13.5 million in FY 2014-15 and required an increase to \$20.0 million in FY 2015-16 and subsequent years.
- Authorized additional funding for charter school capital construction from marijuana excise tax revenues. Beginning July 1, 2014, the bill directs the State Treasurer to deposit 12.5 percent of marijuana excise tax moneys deposited into the Public School Capital Construction Assistance Fund (PSCCAF) into the Charter School Facilities Assistance Account within the PSCCAF. Moneys in the account are subject to annual appropriation by the General Assembly. Consistent with the Committee's policy to spend prior year marijuana revenues, the Department spends money deposited into the Charter School Facilities Assistance Account in the year *after* the money is collected.

In the 2019 Session, H.B. 19-1055 again changed the amounts available for this line item. The bill annually adjusts the amount available from each fund source based on statewide student enrollment in charter schools.

- For the State Education Fund, the bill adjusts the previous base (\$20.0 million per year) based on a comparison of charter school enrollment (as a percentage of statewide pupil enrollment) in the preceding budget year to the percentage of students that were enrolled in charter schools in the 2017-18 school year.
- For marijuana excise tax revenues, the bill continues to deposit a percentage of total marijuana excise tax revenues into the Charter School Facilities Assistance Account. However, the transfer is now based on the percentage of statewide student enrollment that was enrolled in charter schools in the previous school year.

House Bill 20-1418 changed the allocation of marijuana excise taxes for FY 2020-21 only. For that year, the bill deposited the first \$40.0 million into the Public School Capital Construction Assistance

Fund (with a share going to the Charter Schools Facilities Account based on the calculations from H.B. 19-1055) and credited any excise taxes above that amount to the State Public School Fund.

STATUTORY AUTHORITY: Sections 22-54-124(3)(a)(IV)(C) and 22-43.7-104(2)(d)

REQUEST: The Department requests a continuing appropriation of \$41,918,403 cash funds (including \$23,939,893 from the State Education Fund and \$17,978,510 from the Charter School Facilities Assistance Account, originally from marijuana excise taxes).

RECOMMENDATION: Staff recommends approving an appropriation of \$34,712,416 based on current estimates of the revenues available based on the calculations created in H.B. 19-1055. The recommendation includes \$24,379,016 from the State Education Fund and \$10,333,400 from the Charter School Facilities Account (originating as Marijuana excise tax revenues).

Staff requests permission to adjust that allocation from the Charter School Facilities Assistance Account based on the March 2023 Revenue Forecast. The following table shows a history of per pupil funding amounts for this line item from FY 2005-06 through the FY 2022-23 recommendation.

(III) READING AND LITERACY

Background – Early Literacy, H.B. 12-1238, and S.B. 19-199

House Bill 12-1238 (READ Act) eliminated the Read-to-Achieve Program and replaced it with the Early Literacy Program. Current law provides two fund sources for the Early Literacy Program:

- \$34.0 million per year transferred from the State Education Fund to the Early Literacy Fund, beginning in FY 2014-15 (as increased by H.B. 14-1292 (Student Success Act) and H.B. 14-1298 (School Finance)).
- \$7.5 million (in FY 2020-21) appropriated directly from the Marijuana Tax Cash Fund to support the Early Literacy Competitive Grant Program. Prior to the enactment of H.B. 16-1408 (Cash Fund Allocations for Health-related Programs), these funds were from tobacco litigation settlement moneys that had previously supported the Read-to-Achieve Program. However, H.B. 16-1408 eliminated the transfer of tobacco settlement money to the Early Literacy Fund and instead directly supports the Early Literacy Competitive Grant Program with marijuana excise tax funds. House Bill 18-1393 (Effective Implementation of READ Act) increased the FY 2018-19 appropriation from the Marijuana Tax Cash Fund for the Early Literacy Competitive Grant Program from \$4.4 million provided in the Long Bill to \$5.5 million.

For FY 2014-15 through FY 2018-19, the READ Act directed the Department to:

- Provide *at least* \$4.0 million per year in competitive grants (H.B. 18-1393 amended this requirement from a requirement of \$4.0 million to *at least* \$4.0 million and added \$1.0 million to the program).
- Spend \$1.0 million per year on regional professional development provided by the Department.
- Utilize up to 1.0 percent of the total annual appropriation from the Early Literacy Fund to administer the program.
- Distribute any remaining funds as “per pupil intervention funding,” distributed to local education providers based on the number of students in each district identified as having significant reading deficiencies in the preceding school year.

Based on concerns about the pace of improvement in literacy outcomes, the General Assembly enacted S.B. 19-199 (READ Act Implementation Measures) to modify the uses of funds under the READ Act both by the Department and by local education providers that receive funds.

Some of the key changes in S.B. 19-199, as subsequently amended, included:

- Requiring that early literacy services provided by local education providers (LEPs) be evidence-based;
- Requiring that each early grade teacher successfully completes evidence-based training in teaching reading, provided by the LEP, CDE, or an institution of higher education. If requested by the LEP, CDE must provide training at no cost. LEPs must submit evidence to CDE that teachers have successfully completed training. H.B. 21-1129 extended the deadline for completing this training to the beginning of the FY 2022-23 school year.
- Requiring that per-pupil funding allocations to LEP be used strictly for specified early literacy activities, rather than allowing these funds to be more broadly embedded in school district spending plans.
- Requiring multi-year professional evaluation of the program, with the first report completed by July 1, 2021.

Along with the statutory changes, the bill changed the structure of funding under the READ Act for FY 2019-20 to reflect the new requirements for schools as well as the Department's new responsibilities.

Additional changes adopted during the 2022 legislative session included:

- Adding new training requirements in the science of reading for principals, administrators, and reading interventionists, with a related appropriations increase (S.B. 22-004 Evidence-Based Training In Science Of Reading); and
- Adding flexibility in the Long Bill, through a footnote, to enable the program to move up to \$1,500,000 among program line items, with a restriction that that transfers to program administration may not increase that line item by more than 10.0 percent (expected to cover the costs for up to 2.0 FTE). This was to address a pattern of reversions and a growing Early Literacy Fund balance.³³

In response to staff questions, the Department noted that "The current plan is to utilize the flexibility to increase funding for Early Literacy Grant grantees in the form of supplemental grants. This will likely occur in the early spring".

The FY 2023-24 request and recommendation, which incorporate solely common policy adjustments, include the following amounts. Most of these are from the Early Literacy Fund, which is supported with an annual statutory \$34.0 million transfer from the State Education Fund. Other funding sources include \$5,378,678 from the Marijuana Tax Cash Fund and \$2,997,072 from the State Education Fund.

- \$1,862,420 from the Early Literacy Fund and 9.3 FTE for the Department's administration of the Early Literacy Program and the provision of technical assistance to local education providers under the bill.

³³ A total \$5.0 million was transferred from the Early Literacy Fund as part of budget balancing between FY 2020-21 and FY 2021-22, but no other transfers are currently anticipated.

- \$7,500,000 (including \$5,378,678 from the Marijuana Tax Cash Fund and \$2,121,322 from the Early Literacy Fund) for the Early Literacy Competitive Grant Program.
- \$2,707,865 from the Early Literacy Fund and 3.5 FTE to support evidence based training provided by the Department. As adjusted by S.B. 19-199 and S.B. 22-004, current law requires the Department to provide such training free of charge to teachers, reading interventionists, principals, and administrators in districts that request the training.
- \$750,000 from the Early Literacy Fund to support an independent evaluation of the program and student outcomes under the program.
- \$502,261 from the Early Literacy Fund and 0.5 FTE to support a public information campaign on the importance of reading.
- \$26,261,551 from the Early Literacy Fund for per pupil intervention funding.

Program Impact: Ongoing program evaluations are required by the READ Act. The most recent evaluation by WestEd was published June 17, 2022.³⁴ Highlights were as follows.

Successes: Local education providers and schools report increasing alignment of materials and approaches to reading and credit the READ Act with this movement. Department staff also express confidence that the new READ program is making a significant difference in how districts teach reading.

Areas for Ongoing Work: The COVID-19 pandemic had a significant negative impact on reading levels. Third grade proficiency is still extremely limited for students identified as having a significant reading deficiency. Many students who do not achieve proficiency on the CMAS are not served under the current READ Act.³⁵ There is a lack of clear guidance on services English language learners and students with disabilities.

EARLY LITERACY PROGRAM ADMINISTRATION AND TECHNICAL SUPPORT

The General Assembly added this line item to the FY 2020-21 Long Bill to support Early Literacy Program administration, technical assistance, and monitoring activities under H.B. 12-1238 and S.B. 19-199. Prior to the enactment of S.B. 19-199, the General Assembly had supported the Department's administrative costs in the appropriation for the Early Literacy Competitive Grant Program. However, S.B. 19-199 separated appropriations for program administration and technical assistance from the actual grant program.

STATUTORY AUTHORITY: Section 22-7-1210 (4)(d)(I), C.R.S.

REQUEST: The Department requests an appropriation of \$1,862,420 cash funds from the Early Literacy Fund and 9.3 FTE. The request includes a reduction of \$162,974 to annualize impacts of S.B. 22-004 and an increase of \$9,560 to annualize prior year salary survey.

³⁴ <https://www.cde.state.co.us/coloradoliteracy/year2evaluationsummaryreport>

³⁵ The report states that 48 percent of 3rd grade students who were not proficient in English Language Arts based on CMAS scores in 2020-21 had not been identified as having a significant reading deficiency. It recommends that the State define clear benchmarks for growth on READ Act interim assessments that align with performance on the CMAS or other appropriate measures.

RECOMMENDATION: The staff recommendation is reflected in the table below and is based on Committee common policy, which aligns with the request.

EARLY LITERACY COMPETITIVE GRANT PROGRAM

Created in FY 2013-14, this line item supports the Early Literacy Competitive Grant Program. Prior to FY 2019-20, this line item also included funding to support the Department's costs for program administration and technical assistance provided to local education providers under the READ Act. As discussed above, those activities now fall under the Early Literacy Program Administration and Technical Support line item.

Senate Bill 19-199 appropriated \$7.5 million total funds (including \$2,121,322 cash funds from the Early Literacy Fund and \$5,378,678 cash funds from the Marijuana Tax Cash Fund) for the Early Literacy Competitive Grant Program in FY 2019-20, an increase of \$2.5 million above the \$5.0 million provided for competitive grants in FY 2018-19. The FY 2020-21 through FY 2022-23 appropriations continued that level of funding.

STATUTORY AUTHORITY: Sections 22-7-1210 (4)(d)(I)(C) and 22-7-1211, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$7,500,000 cash funds (including \$5,378,678 from the Marijuana Tax Cash Fund and \$2,121,322 from the Early Literacy Fund), with no change from the FY 2021-22 appropriation.

RECOMMENDATION: Staff recommends the request for continuation funding of \$7,500,000.

EARLY LITERACY PROGRAM EVIDENCE BASED TRAINING PROVIDED TO TEACHERS

The General Assembly added this line item to the FY 2020-21 Long Bill to support the evidence based training activities required by S.B. 19-199. By the start of the 2021-22 school year, the bill requires local education providers that receive funding through either the competitive grant program or per pupil intervention funding to ensure that all teachers employed to teach kindergarten through third grade completes (or has completed) evidence based training in teaching reading. As a result of the COVID-19 pandemic, the State Board of Education delayed that requirement until January 31, 2022, to allow additional time for teachers to receive the training. House Bill 21-1129 extended the deadline to fall 2022.

Statute requires the Department to provide evidence based training in reading instruction at no cost to local education providers that request such training. Senate Bill 19-199 appropriated \$2,702,557 cash funds from the Early Literacy Fund for this purpose for FY 2019-20 and continued that amount for FY 2020-21. The Long Bill included an appropriation of the same amount for FY 2021-22, but **actual expenditure data indicates that training expenditures were only \$611,091 in FY 2020-21 and still low—at \$1,020,261—in FY 2021-22.** The Department anticipated that most teachers would complete the training by the end of FY 2021-22. Lower expenditures may in part reflect more use of on-line training than was originally anticipated. **New flexibility provided in FY 2022-23 should enable the Department to reallocate unspent training funds to grants,** pending other changes to line item amounts.

STATUTORY AUTHORITY: Section 22-7-1208 (6)(c), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$2,702,557 cash funds from the Early Literacy Fund, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends the request for a continuation amount of \$2,702,557, but expects to recommend appropriation changes next year if spending continues to be far below the appropriation. Staff may also address this issue in comeback for FY 2023-24, based on additional feedback from the Department.

EARLY LITERACY PROGRAM EXTERNAL EVALUATION

The General Assembly added this line item to the FY 2020-21 Long Bill to support the external evaluation of the Early Literacy Program required by S.B. 19-199. No later than October 1, 2019, the bill required the Department to issue a request for proposals and contract for an independent evaluation of the use of per pupil intervention funding and the competitive grant program. The evaluation also has to include a multi-year evaluation to determine whether student outcomes meet the goals of the READ Act.

Senate Bill 19-199 appropriated \$750,000 cash funds from the Early Literacy Fund to support the evaluation costs in FY 2019-20. The Final Legislative Council Staff Fiscal Note for the bill assumed that amount would be ongoing in subsequent years.

The Department selected WestEd to perform the independent evaluation of whether grants to local education providers are successful in moving students' reading growth to the state standards and whether the providers' use of per pupil intervention funding and/or competitive grant program funding result in measurable progress in students' reading. The reports are available at the following link: <https://www.cde.state.co.us/coloradoliteracy/read-act-independent-evaluation-of-colorado-read>

STATUTORY AUTHORITY: Section 22-7-1209 (8)(a), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$750,000 cash funds from the Early Literacy Fund, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request for \$750,000 cash funds. Ongoing evaluation is important to assessing this program's effectiveness and adjustments that may be required.

EARLY LITERACY PROGRAM PUBLIC INFORMATION CAMPAIGN

The General Assembly added this line item to the FY 2020-21 Long Bill to support the public information campaign required by S.B. 19-199. Beginning with FY 2019-20, the bill requires the Department to contract with an external entity to develop and implement a public information campaign related to the importance of reading and to highlight local education providers that are achieving success.

The bill appropriates \$500,000 cash funds from the Early Literacy Fund and 0.5 FTE to support the campaign in FY 2019-20. The Final Legislative Council Staff Fiscal Note for the bill assumed that amount would be ongoing in subsequent years.

The Department selected Cactus (a full-service marketing and research firm with a price agreement with the State) to research, develop, and implement the campaign in Spring of 2020. The campaign is underway (for more information see the campaign's website at: <https://readwithme.today/>).

STATUTORY AUTHORITY: Section 22-7-1209 (7), C.R.S.

REQUEST: The Department requests \$502,261 cash funds from the Early Literacy Fund and 0.5 FTE for FY 2023-24. The request includes an increase of \$654 cash funds to annualize prior year salary survey funding.

RECOMMENDATION: Staff recommends the request for \$502,261 cash funds. The calculation as requested is consistent with Committee common policy.

EARLY LITERACY PROGRAM PER PUPIL INTERVENTION FUNDING

Created in FY 2014-15, this line item reflects funding to be distributed to local education providers based on the statutory formula for early literacy per pupil intervention funding. The FY 2013-14 Long Bill supported this line item with interest income earned on the Public School (Permanent) Fund transferred to the Early Literacy Fund. However, S.B. 13-260 (School Finance) eliminated the annual transfer of interest earned on the Permanent Fund and instead transferred \$16.0 million from the State Education Fund to the Early Literacy Fund to support the Early Literacy Program in FY 2013-14. The enactment of H.B. 14-1292 (Student Success Act) and H.B. 14-1298 (School Finance) increased the annual transfer from the State Education Fund to the Early Literacy Fund by \$18.0 million (for a total transfer of \$34.0 million) in FY 2014-15 and subsequent years.

The Department allocates per pupil intervention funding to local education providers based on the number of students identified with SRDs in the previous budget year. Section 22-7-1210.5, C.R.S., directs the distribution and use of per pupil intervention funds, including reporting requirements for local education providers that receive funding. Section 22-7-1210.5 (4), C.R.S., specifies the eligible uses of per pupil intervention funds.

The General Assembly appropriated more than \$33.2 million per year to this line item for FY 2014-15 through FY 2018-19 (all funding dedicated to early literacy that was not appropriated for program administration or the competitive grant program). The enactment of S.B. 19-199 shifted some funds previously appropriated for per pupil intervention funding to the uses outlined in the previous line items (additional funding for the competitive grant program, evidence based training for teachers, the external evaluation, and the public awareness campaign). Those shifts reduced the amount available for per pupil intervention funding to \$26,261,551 in FY 2019-20 (appropriated in S.B. 19-199).

STATUTORY AUTHORITY: Sections 22-7-1210 (4)(d)(I)(D) and 22-7-1210.5, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$26,261,551 cash funds from the Early Literacy Fund (transferred from the State Education Fund pursuant to Section 22-7-1210 (1) (d), C.R.S.) for FY 2023-24, with no change from the FY 2021-22 appropriation.

RECOMMENDATION: Staff recommends approving the request for continuation funding of \$26,261,551 cash funds. Staff recommends that the General Assembly continue to monitor results and student outcomes under the early literacy program (as modified by S.B. 19-199). Prior to the original requirements established in S.B. 19-199, student outcomes associated with per pupil intervention funding raised questions about local education providers' use of the funds and effectiveness of the program overall. The Department has indicated to staff that it is seeing promising changes in activities in the field that related to the changes made in S.B. 19-199, and staff is hopeful that results will improve. In addition, staff notes that the COVID-19 pandemic has both delayed implementation of some of the requirements and likely added to challenges for struggling readers. Staff recommends that the Committee continue to monitor outcomes from this program and is hopeful that the external evaluation will support those efforts.

EARLY LITERACY ASSESSMENT TOOL PROGRAM

The General Assembly added this line item to the FY 2014-15 Long Bill to provide ongoing support for the Early Literacy Assessment Tool (ELAT) Program originally created in H.B. 12-1345 (2012 School Finance Bill). The READ Act (H.B. 12-1238) requires public school teachers in kindergarten through third grade to administer an interim assessment to all students to determine whether children are on track to reach grade level reading proficiency. Students identified as significantly below grade level must take a diagnostic assessment to determine specific areas of need for reading improvement. Teachers then use the assessment data to develop a collaborative intervention plan (READ Plan) with the child's parents.

Associated with the early literacy assessment requirements in the READ Act, House Bill 12-1345 required the Department to issue a competitive request for proposals to procure an Early Literacy Assessment Tool (ELAT) for districts' use and appropriated \$3.0 million cash funds from the State Education Fund to procure the tool. For participating districts, the use of the ELAT defrays assessment costs that would otherwise be required by the READ Act; districts may choose between state-approved assessments for READ Act implementation (one of which is the ELAT) but must pay for tools other than the ELAT. The ELAT provision (Section 22-2-141, C.R.S.) requires the ELAT software to, at a minimum:

- Provide individualized assessments with immediate results.
- Store and analyze assessment results, recommend activities that are aligned with the assessment results, and assist in tracking student performance and identifying strategies to improve student performance.
- Provide student grouping recommendations based on the assessment scores and provide proposed lesson plans on a short-term cycle.
- Assist in generating and populating individualized plans to improve students' reading skills.

The Department began transitioning from the diagnostic assessment that the state provided in FY 2013-14 ("Burst") to Amplify's "DIBELS Deep" diagnostic assessment in FY 2014-15. The Department contracted with Amplify to supply the ELAT for FY 2015-16 through FY 2017-18. For

FY 2018-19 through FY 2022-23, the Department contracted with both Amplify and Istation to provide two options for participating districts. Beginning in FY 2023-24, it has selected Amplify DIBELS and Lectura to provide the assessments under ELAT.

STATUTORY AUTHORITY: Section 22-2-141, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$2,997,072 cash funds from the State Education Fund, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request for \$2,997,072 cash funds.

ADULT EDUCATION AND LITERACY GRANT PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the Adult Education and Literacy Grant Program created in H.B. 14-1085 (Adult Education and Literacy). The program provides funding to local education providers (including public and private schools, institutions of higher education, nonprofit community-based organizations, and other related agencies) that are members of workforce development partnerships that provide basic education to adults.

- The program received a substantial short-term increase through an FY 2021-22 appropriation of \$5.0 million in H.B. 21-1264 from the Workers, Employers, and Workforce Centers cash fund. This money originates as federal Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act (ARPA Funds). As of the end of FY 2021-22, only \$206,702 had been expended, but the program has authority to roll-forward unspent funds, which must be obligated by December 30, 2024 and expended by December 31, 2026.
- It received a further one-time appropriation of \$800,000 General Fund and 0.4 FTE for FY 2022-23 in S.B. 22-192 (Opportunities for Credential Attainment)

Staff notes that S.B. 23-007 (Adult Education), which is waiting to be heard in the Senate Appropriations Committee, would require an annual appropriation of \$2,000,000 per year for the program.

STATUTORY AUTHORITY: Section 22-10-104, C.R.S.

REQUEST: The Department requests \$979,429 total funds, including \$977,125 General Fund and \$2,304 federal funds, and 1.0 FTE, including:

- Annualization of a one-time \$800,000 General Fund and 0.4 FTE appropriation in S.B. 22-192 (Opportunities for Credential Attainment); and
- An increase of \$2,229 General Fund and \$2,304 federal funds to annualize prior year salary survey.

RECOMMENDATION: Staff recommends \$977,125 General Fund. As reflected in the table below, the only difference from the request is that staff has excluded the \$2,304 federal funds, as this amount is shown for informational purposes but no base federal funding is included in the line item.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, ADULT EDUCATION AND LITERACY GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$1,773,273	\$1,773,273	\$0	\$0	\$0	1.0
TOTAL	\$1,773,273	\$1,773,273	\$0	\$0	\$0	1.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$1,773,273	\$1,773,273	\$0	\$0	\$0	1.0
Annualize prior year budget actions	3,852	3,852	0	0	0	0.0
Annualize prior year legislation	(800,000)	(800,000)	0	0	0	(0.4)
TOTAL	\$977,125	\$977,125	\$0	\$0	\$0	0.6
INCREASE/(DECREASE)	(\$796,148)	(\$796,148)	\$0	\$0	\$0	(0.4)
Percentage Change	(44.9%)	(44.9%)	0.0%	0.0%	0.0%	(40.0%)
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$2,304	\$0	\$0	\$0	\$2,304	0.0

(IV) PROFESSIONAL DEVELOPMENT AND INSTRUCTIONAL SUPPORT

CONTENT SPECIALISTS

This line item provides funding to support five "content specialists" to provide leadership, guidance, and support for schools and school districts in specific content areas to positively impact student achievement: (1) mathematics; (2) science; (3) social studies (history, geography, civics, and economics); (4) arts (visual arts and music); and (5) achievement gaps.

During the 2019 Session, two bills added funding for this line item for FY 2019-20:

- H.B. 19-1192 (Inclusion of American Minorities in Teaching Civil Government) added an *ongoing* appropriation of \$37,495 cash funds from the State Education Fund.
- H.B. 19-1110 (Media Literacy) added a *one-time* appropriation of \$19,816 General Fund for FY 2019-20.

During the 2020 Session, H.B. 20-1032 (Timing K-12 Education Standards Review) adjusted the statutory timeline for the Department’s review of statewide academic content standards. Rather than reviewing all of the content standards at one time (previous statute would have required the next review by July 2024), the bill requires the Department to review one third of the standards by July 1, 2022, one third by July 1, 2024, and the final set by July 1, 2026. This modified the timing for additional appropriations required to support the content review.

STATUTORY AUTHORITY: Section 22-7-1005, C.R.S.

REQUEST: The Department requests an appropriation of \$647,355 total funds, including \$555,181 cash funds from the State Education Fund and \$92,174 General Fund, and 5.0 FTE for FY 2023-24. The request includes the following changes from the FY 2022-23 appropriation:

- An increase of \$91,515 General Fund for the out year impact of H.B. 20-1032 (Timing K-12 Education Standards Review).
- An increase of \$9,304 (including \$659 General Fund and \$8,645 cash funds from the State Education Fund) to annualize prior year salary survey.

RECOMMENDATION: Staff recommends the request for \$647,355 total funds, including \$555,181 cash funds from the State Education Fund and \$92,174 General Fund, and 5.0 FTE for FY 2023-24. The calculation as requested is consistent with Committee common policy. The fiscal note for H.B. 20-1032 reflected the adjustment requested for FY 2023-24. The fiscal note further indicated that funding for the program should be reduced in FY 2024-25 and then increased again in FY 2025-26 based on the timing of content standards reviews.

SCHOOL BULLYING PREVENTION AND EDUCATION CASH FUND

The General Assembly created this line item in the FY 2016-17 Long Bill to support the School Bullying Prevention and Education Grant Program originally created in H.B. 11-1254 (Bullying in Schools). House Bill 11-1254 authorized the receipt of gifts, grants, and donations to support the program but did not provide state funding, and the program did not receive any state funding prior to FY 2015-16.

House Bill 15-1367 (Retail Marijuana Taxes) included a contingent appropriation of \$2.0 million General Fund (from the Proposition AA Refund Account) into the School Bullying Prevention and Education Cash fund for FY 2015-16. The General Assembly continued to support the program in FY 2016-17 with an appropriation of \$900,000 cash funds from the Marijuana Tax Cash Fund into the School Bullying Prevention and Education Cash Fund; the appropriation included a one-time reduction (of \$1.1 million) from the \$2.0 million provided in FY 2015-16 to balance appropriations from the Marijuana Tax Cash Fund. Because the School Bullying Prevention and Education Cash Fund is continuously appropriated to the Department, a second appropriation out of the cash fund is not necessary.

Subject to available appropriation, statute requires the Department to provide grants to public schools and facility schools to support the implementation of evidence-based practices and policies to reduce the incidence of bullying. It also requires the Department to collaborate with the School Safety Resource Center, school districts, and others to research best practices and evidence-based practices to reduce bullying activity and to provide best practices and other resources on the Department's website.³⁶

After the passage of Proposition BB in 2015, which approved the distribution of funds to the Bullying Prevention and Education Grant Program, the State Board of Education approved rules for the administration of the program in May 2016 establishing criteria for the review of applications. The Department limited grants to no more than \$40,000 per school per year for the first cohort of recipients and \$25,000 per school per year for the second cohort.

³⁶ The Department's resources are available at: <http://www.cde.state.co.us/mtss/bullying/bestpractices>

The program, operating on a three-year grant cycle, made the first grants in FY 2016-17.

- In the first year (FY 2016-17), 23 entities submitted applications for bullying prevention grants. The Department approved 17 applications, representing 14 school districts (including the Charter School Institute and the South Central BOCES) and 71 separate schools.
- The Department saw increased interest for the second cohort (beginning in FY 2019-20), receiving 29 applications representing 154 schools, with requests totaling \$10.8 million over the three-year grant cycle (relative to \$5.7 million projected to be available). The Department approved 22 applications, representing 20 local education agencies (LEAs) and 109 schools for the second cohort.

Under the program rules, grant recipients must use the funds to support evidence-based programs to reduce bullying activity and must report to the Department each year regarding the practices implemented, the number and grade levels of students served, the fidelity of implementation, and the grantees progress in achieving the goals of the grant.

In response to the revenue challenges associated with the COVID-19 pandemic, the General Assembly reduced the appropriation to the School Bullying Prevention Cash Fund to \$1.0 million from the Marijuana Tax Cash Fund for FY 2020-21, a reduction of \$1.0 million below the FY 2019-20 appropriation. Based on a FY 2021-22 Long Bill floor amendment and action by the conference committee on the Long Bill, funding was restored to \$2.0 million in FY 2021-22, including \$1.0 million from the General Fund and \$1.0 million cash funds from the Marijuana Tax Cash Fund.

STATUTORY AUTHORITY: Sections 22-93-101 through 106, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$2,000,000, including \$1,000,000 cash funds from the Marijuana Tax Cash Fund and \$1,000,000 General Fund to the School Bullying Prevention and Education Cash Fund for FY 2023-24, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request for continuation funding of \$2,000,000, including \$1,000,000 cash funds from the Marijuana Tax Cash Fund and \$1,000,000 General Fund, consistent with Committee common policy.

OFFICE OF DROPOUT PREVENTION AND STUDENT REENGAGEMENT

House Bill 09-1243 [Section 22-14-101 et. seq., C.R.S.] created the Office of Dropout Prevention and Student Reengagement to collaborate with local education providers to reduce student dropout rates and to increase graduation rates. The Office's duties include:

- Analysis of student data related to dropout rates, completion rates, truancy, suspension and expulsion rates, safety and discipline incidents, and student growth.
- Coordination of departmental efforts and initiatives to address dropout prevention, student reengagement, and adult education.
- Identification of best practices and strategies to reduce dropout rates and increase student engagement and reengagement.
- Securing and managing resources to fund services and supports.

The Department received a five-year competitive grant award of \$14.1 million through the U.S. Department of Education’s High School Graduation Initiative Program to begin in FY 2010-11 (the Department spent the funds from FY 2010-11 through September 2016). The Department used these funds to partner with 54 high needs high schools to: develop sustainable, replicable models for dropout prevention and recovery; improve interim indicators; reduce the dropout rate; increase the student re-engagement rate; and increase the graduation rate for high school students.

Although the Office supports the administration and implementation of five separate programs,³⁷ the funding associated with four of those programs is reflected elsewhere in the budget. The funding reflected in this line item (\$3.0 million in FY 2021-22) supports two purposes:

- \$2.0 million cash funds from the Marijuana Tax Cash Fund and 1.2 FTE support the Student Re-engagement Grant Program created in H.B. 09-1243, which provides competitive multi-year (up to three-year) grants to school districts and charter schools to provide educational services and supports to students to maintain student engagement and support re-engagement.
- \$1.0 million General Fund and 1.0 FTE for the Educational Stability Grant Program established in H.B. 18-1306 (Improving Educational Stability for Foster Youth). Beginning in FY 2019-20, H.B. 18-1306 requires the Department to provide grants to local education providers to provide services to students in foster care and other highly mobile students. The bill requires the Department to hire a permanent foster care education coordinator as well as a partial position to administer the new grant program. The Legislative Council Staff Fiscal Note for H.B. 18-1306 anticipated \$1.0 million in annual expenditures for the Department starting in FY 2019-20.

STATUTORY AUTHORITY: Section 22-14-109, C.R.S.

REQUEST: The Department requests an appropriation of \$3,331,847 total funds, including \$1,321,548 General Fund and \$2,009,771 cash funds from the Marijuana Tax Cash Fund, and 5.0 FTE for FY 2023-24. The request includes an increase for prior year salary survey and includes a reduction of \$35,006 to annualize the impact of H.B. 22-1374 and a reduction of \$45,224 (Foster Care Success) and 0.2 FTE to annualize the impact of H.B. 22-1376 (Supportive Learning Environments)

RECOMMENDATION: Staff recommends approving the request. The calculation as requested is consistent with Committee common policy.

NINTH GRADE SUCCESS GRANT PROGRAM

This line item supports the Ninth Grade Success Grant Program. Senate Bill 19-246 (School Finance) created the Ninth Grade Success Program to provide grants to local education providers to establish ninth grade success programs. Under the bill, programs must include the following components:

³⁷ Programs include: 21st Century Community Learning Centers (a federal program), the Expelled and At Risk Student Services Grant Program (a categorical program discussed above), Foster Care Education (a collaborative effort with the Department of Human Services), the federal McKinney-Vento Homeless Education Program, and the Student Re-engagement Grant Program.

- Establishing a cross-disciplinary team of all ninth grade teachers and support staff, including at least one school mental health professional to identify strategies to improve outcomes for students at risk of dropping out.
- Ensuring that ninth grade classes are taught by a single group of teachers, if practicable.
- Implementing a data system that provides real-time access to student behavior, attendance, and grades, as well as the ability to compare data across student groups.
- Prioritizing services, and providing instructional support, for ninth graders at risk of academic failure.
- Ensuring that school personnel receive data on incoming ninth graders and that teachers receive professional development regarding the use of data to inform instruction.
- Providing summer orientation for incoming ninth graders and their families.
- Evaluation of the impact of interventions provided through the program.

Senate Bill 19-246 included an appropriation of \$800,000 General Fund and 0.6 FTE to support the program in FY 2019-20. However, the General Assembly eliminated the appropriation for the program for FY 2020-21 as a budget balancing measure in response to the revenue shortfalls associated with the COVID-19 pandemic. Funding of \$800,000 General Fund and 0.6 FTE was restored for FY 2021-22 through the S.B. 21-268 (Public School Finance).

The program repeals effective July 1, 2025.

STATUTORY AUTHORITY: Section 22-14-109.5, C.R.S.

REQUEST: The Department requests an appropriation at a continuation level of \$800,000 General Fund and 0.6 FTE for FY 2023-24.

RECOMMENDATION: Staff recommends the request for \$800,000 General Fund and 0.6 FTE for FY 2023-24.

QUALITY TEACHER RECRUITMENT PROGRAM

The General Assembly added this line item to the FY 2014-15 Long Bill to support appropriations for the Quality Teacher Recruitment Program created in S.B. 13-260 (School Finance). Section 22-94-102, C.R.S., directs the Department to contract with organizations working with school districts and boards of cooperative educational services (BOCES) to recruit, select, train, and retain highly qualified teachers in areas that have historically had difficulty attracting and retaining such teachers.

In December 2013, the Department selected the Public Education Business Coalition (PEBC) and Teach for America (TFA-Colorado) as grant recipients, with each program receiving half of the annual grant funds (\$1,470,000 per year). The programs divided the State geographically, with each program placing teachers in specific districts, with PEBC largely serving rural districts and TFA Colorado's efforts focused in Denver, Harrison, and Pueblo City.

The TFA-Colorado program places most teachers as the “teacher of record” in the first year of the program and requires a two-year commitment from recruits. In contrast, PEBC has placed the majority of recruits as “residents” in mentor teacher classrooms for the first year. The PEBC

participants become teachers of record in the second year and have made a three year commitment to the program (including the residency year). The PEBC also makes a five-year commitment to provide supports to program participants.

Beginning in the 4th grant period (FY 2018-19) Fort Lewis College became an additional grantee.

Section 22-94-103, C.R.S., requires the vendors conducting the program to submit annual reports to the Department and requires the Department to contract with a third party to conduct annual evaluations of the program. The Department has contracted with OMNI Research to evaluate the program, and OMNI. Program materials, including evaluations, are available on the Department's website: <https://www.cde.state.co.us/educatortalent/qtrp>.

The most recent evaluation report³⁸ posted (2020 to 2022 funding cycle) indicates that in school year 2021-22, the program served 502 teachers (incorporating five cohorts) and 34,000 students in 40 school districts and the CSI system. *Staff notes that at a cost of \$3.0 million per year, the cost to the State per teacher involved in the program is \$5,976 per year.* As reflected in the chart below, teacher retention in the school district where they were initially placed is 40 percent for the PEBC program and only 15 percent for the TFA program. However, the report also notes that many program participants remain in the teaching program even after departing the district where initially placed.

Table 1.2. Cohort 4 Teachers (Initially Placed in 2017-18) in Grant-partner Districts in 2021-22

	PTR	TFA CO
Initially placed in a grant-partner district in 2017-18	100	81
Completed 1 st in a grant-partner district (2017-18)	89 (89%)	74 (91%)
Completed 2 nd year in a grant-partner district (2018-19)	63 (63%)	62 (77%)
Completed 3 rd year in a grant-partner district (2019-20)	58 (58%)	41 (51%)
Completed 4 th year in a grant-partner district (2020-21)	47 (47%)	25 (31%)
Left profession/teaching position over the summer of 2021	0	-6
Transferred to a non-grant partner district	-2	-4
*Unknown status	-5	0
Completed 5 th year in a grant-partner district (2021-22)	40 (40%)	15 (19%)

Note: *We use a conservative approach to teacher retention. When teachers had an unknown status, we treated them as not retained in a grant-partner district.

The General Assembly appropriated \$3.0 million per to support the program from FY 2014-15 through FY 2018-19. The FY 2019-20 Long Bill also included \$3.0 million to support the program. However, facing the revenue shortfalls associated with the COVID-19 pandemic, the General Assembly eliminated the FY 2019-20 *state* funding for the program through mid-year adjustments during the 2020 Session (leaving \$40,000 to support the contract for the program evaluation). Instead, the Governor’s office used federal COVID-19 funds in lieu of the state support of the program. The General Assembly did not appropriate any funds for the program in FY 2020-21, but the Governor's Office directed GEER funds of \$3,211,800 to the previous grantees for FY 2020-21.

³⁸ <https://www.cde.state.co.us/cdedepcom/qualityteacherrecruitmentyear2report>

Beginning in FY 2021-22, funding for the program was restored in S.B. 21-185 (Supporting Educator Workforce in Colorado). This bill also modified the statute to specify that contractors must supply "licensed" teachers, rather than "highly qualified" teachers. Grantees for the two-year cycle that began in FY 2021-22 were the same as in recent years: PEBC, TFA-Colorado, and Fort Lewis College. The OMNI institute continues to be the evaluator for the 2021-22 through FY 2022-23 cycle.

STATUTORY AUTHORITY: Section 22-94-102, C.R.S.

REQUEST: The Department requested continuation funding of \$3,000,000 General Fund for the program.

RECOMMENDATION: Staff recommends approving the request for a continuation level of \$3,000,000 General Fund.

ENGLISH LANGUAGE LEARNERS TECHNICAL ASSISTANCE

The General Assembly added this line item to the FY 2014-15 Long Bill to support additional technical assistance staff related to English language learners (ELLs). The line item supports staff providing technical assistance to local education providers to improve services for ELL students statewide.

The Department has used these funds to provide a series of professional development opportunities each year from FY 2014-15 through FY 2017-18 and to provide one-on-one support to school districts as needed and requested. The Department has worked to target the professional development opportunities based on the needs of school and district personnel to both improve understanding of requirements related to EL services and deliver effective practices to support improved services. The Department (Office of Culturally and Linguistically Diverse Education or CLDE) offers a series of professional learning opportunities, including regional professional learning, webinars, regional director networking meetings, and targeted support. In addition, the Department hosts an annual CLDE Academy for district CLDE directors, coordinators, and teachers. Finally, the Department offers district-wide reviews and is in the process of developing school-level reviews of English language development programs.

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

REQUEST: The Department requests an appropriation of \$417,778 total funds (including \$358,659 General Fund and \$59,119 cash funds from the State Education Fund) and 5.0 FTE for FY 2023-24. The request includes an increase of \$4,580 to annualize prior year salary survey.

RECOMMENDATION: Staff recommends the request for \$417,775 total funds (including \$358,659 General Fund and \$59,119 cash funds from the State Education Fund) and 5.0 FTE. The calculation as requested is consistent with Committee common policy.

WORKING GROUP FOR IDENTIFICATION OF AND EDUCATIONAL SUPPORT FOR STUDENTS WITH DYSLEXIA

The General Assembly added this line item to the FY 2020-21 Long Bill to support the Working Group for Identification of and Educational Support for Students with Dyslexia created in H.B. 19-

1134 (Identification and Interventions for Students with Dyslexia). The bill requires the Department of Education to convene an eleven-member group to study the identification of and support for dyslexic students. The bill provided appropriations for the working group to meet ten times in FY 2019-20, and the fiscal note was based on four meetings in FY 2020-21. The bill included appropriations to support travel and expenses for both working group participants and Department staff, as well as contracted facilitation and resources to support substitute teachers to allow teacher members of the working group to meet during the school year.

The bill required the working group to submit a progress report to the Commissioner of Education by December 1, 2019, and a report of its recommendations no later than July 1, 2020 (and by each July 1 thereafter). The bill required the Commissioner to submit the group's report and any recommendations for legislation to the State Board of Education and the Education Committees of the General Assembly no later than February 1, 2021. The working group repeals September 1, 2029.

The group has submitted three reports thus far and continues to meet regularly.³⁹

STATUTORY AUTHORITY: Sections 22-20.5-103, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$40,616 General Fund to support the working group's activities in FY 2023-24, with no change from the FY 2021-22 appropriation.

RECOMMENDATION: Staff recommends approving the request for \$40,616 General Fund, which is consistent with the Committee's common policies and with the ongoing responsibilities of the group pursuant to statute.

DYSLEXIA MARKERS PILOT PROGRAM

The General Assembly added this line item to the FY 2020-21 Long Bill to support the Dyslexia Markers Pilot Program created in H.B. 19-1134 to identify markers of dyslexia and to enable effective interventions. The bill directs the Department to consult with the working group (discussed in the previous line item) in designing the pilot program and to select up to five local education providers that volunteer to participate. Following the 2021-22 school year, the bill requires the Department to evaluate the implementation of the pilot program and the effectiveness of the piloted strategies to identify and support dyslexic students. House Bill 22-1390 (School Finance) extended program deadlines by one year, so that the report on the program is now prepared at the end of the 2022-23 school year and a report due by December 31, 2023. The pilot program repeals July 1, 2024.

STATUTORY AUTHORITY: Sections 22-20.5-104, C.R.S.

REQUEST: The Department did not request funding for FY 2023-24, consistent with the fiscal note for H.B. 22-1390, which extended the program for one year through FY 2022-23 and reflected no funding for FY 2023-24.

³⁹

<https://www.cde.state.co.us/coloradoliteracy/codyslexiaworkgroup#:~:text=The%20working%20group%20is%20also, interventions%20for%20students%20with%20dyslexia.>

RECOMMENDATION: Staff recommends eliminating the appropriation, as requested.

SCHOOL LEADERSHIP PILOT PROGRAM

The General Assembly added this line item to the FY 2020-21 Long Bill to support the School Leadership Pilot Program created in H.B. 19-1002 (Leadership Professional Development for School Principals) to provide training for school principals. The bill requires the program to identify a cohort of high quality school principals and allow other school principals (statewide) to observe and interact with the high-performing cohort and to receive professional development in school leadership.

The bill required the Department of Education to design the program in FY 2019-20 and to implement the program no later than July 2020. The Department may contract with an external entity to assist with program design and implementation. The bill required the program design to include: (1) a method to identify and select high-quality principals to participate; (2) learning objectives and goals of the program; (3) methods to achieve those objectives and goals; and (4) a method to evaluate the program's success. For FY 2020-21 and FY 2021-22, the bill required the State Board of Education to award a grant to the local education provider that employs each school principal selected to participate, either as a member of the highly-qualified cohort or as a participant receiving professional development.

By January 15, 2022, the Department was required to report to the General Assembly, including detailing actual participation, an evaluation of the program's impact, and recommendations.

For FY 2019-20, the bill appropriated \$272,929 General Fund and 0.9 FTE to the Department of Education to support program design. The Final Legislative Council Staff Fiscal Note for the bill anticipated an appropriation of \$751,615 General Fund per year in FY 2020-21 and FY 2021-22. The General Assembly reduced the appropriation by \$375,807 General Fund (50.0 percent) for FY 2020-21 as a budget balancing measure. The FY 2021-22 Long Bill continued funding at this level, but the balance was fully restored for FY 2021-22 through S.B. 21-268 (Public School Finance).

House Bill 22-1248 (Extend School Leadership Pilot Program) struck the previous July 1, 2022 repeal date for the program and modified statute to specify that the General Assembly “shall annually appropriate up to two hundred fifty thousand dollars to the department for the implementation of [the program], including money to pay the costs of designing and implementing the program...”

STATUTORY AUTHORITY: Section 22-13-201 through 205, C.R.S.

REQUEST: The Department requested \$250,875 for FY 2023-24, including \$250,000 General Fund for the program and \$875 cash funds from the Marijuana Tax Cash Fund, and 1.2 FTE. The \$875 cash funds is to annualize the prior year's salary survey.

RECOMMENDATION: **Staff recommends \$250,000 General Fund** for the program and 1.2 FTE. Staff has not included the annualization of prior year salary survey given statutory language restricting the appropriation to \$250,000 (regardless of the source of funds).

LOCAL ACCOUNTABILITY SYSTEM GRANT PROGRAM

Senate Bill 19-204 created the Local Accountability System Grant Program to provide grants to local education providers who wish to create local accountability systems to supplement the state accountability system. The grants are to establish and implement local accountability systems, including identifying and developing appropriate measures, evaluating quality, analyzing data, and assisting with stakeholder communication. Grants must be \$25,000 to \$50,000 per year for single local education provider and must not exceed \$75,000 per year for a group of local providers. In the third year of the grant program, the Department is required to contract with an external evaluator to prepare a summary evaluation report of the implementation of the local accountability systems that receive grants. Funds must be distributed over three budget years. Unexpended amounts from each annual appropriation may be rolled forward for expenditure in the following fiscal year.

Senate Bill 19-204 included an appropriation of \$493,097 General Fund for FY 2019-20, but funding was eliminated for FY 2020-21 as a budget balancing measure. Senate Bill 21-168 (Public School Finance) restored funding of \$493,907 General Fund for the program for FY 2021-22.

Changes included in H.B. 22-1390 (School Finance) specified that as a result of the suspension of funding during FY 2020-21, this year would not be considered a grant program year for purposes of determining the third year of the program. This made FY 2022-23 the third year of the grant program, and H.B. 22-1390 thus added \$100,000 for the program evaluation that is require to occur on the third year of each grant cycle. The program and related reporting continues indefinitely.

Additional information about the program may be found on the Department’s website, including reports to the General Assembly about the program (second report submitted January 15, 2023). <https://www.cde.state.co.us/localaccountabilitysystemgrant>

STATUTORY AUTHORITY: Section 22-11-703, C.R.S.

REQUEST: The Department requests an appropriation of \$498,265 General Fund and 0.4 FTE, including an increase of \$4,358 General Fund to annualize prior year salary survey and a reduction of \$100,000 to eliminate the appropriation for the evaluation which occurs only every three years.

RECOMMENDATION: Staff recommends the request for an appropriation of \$498,265 General Fund and 0.4 FTE General Fund. The calculation is consistent with Committee common policy.

SCHOOL TRANSFORMATION GRANT PROGRAM

The General Assembly added the School Turnaround Leaders Development Program line item to the FY 2015-16 Long Bill to support the School Turnaround Leaders Development Program created in S.B. 14-124 (School Turnaround Leaders Development Program). The program, first funded with \$2.0 million cash funds from the State Education Fund in FY 2014-15, requires the Department to contract with providers of high-quality turnaround leadership development programs and award grants to school districts and charter schools throughout the State to develop school leaders with the skills and competencies required to turn around low-performing schools. Leaders of schools in Turnaround or Priority Improvement status under the statewide accountability system are eligible to participate.

The bill allowed the Department to award planning and program design grants to approved providers during the first three years of implementation; the State Board of Education approved six providers to support the program, five of which have served program participants.⁴⁰ Over the first three years of the program (FY 2014-15 through FY 2016-17), the State Board approved a total of \$449,537 in planning and design grants to providers. Grants to participants (school leaders) allow the grantees to participate in leadership training provided by one of the approved providers. For FY 2015-16 through FY 2017-18, the program served a total of 256 participants representing 21 school districts (including the State Charter School Institute).

House Bill 18-1355 (Public Education Accountability System) expanded the program to include additional supports and activities and renamed the program the School Transformation Grant Program. In addition to leadership development, the grant program can now support school wide improvement activities as well as planning and implementation for accountability pathways directed by the State Board of Education. Based on the changes in H.B. 18-1355, the General Assembly renamed the line item as the “School Transformation Grant Program” in the FY 2019-20 Long Bill. In addition, the General Assembly approved an increase of \$2,314,027 General Fund and 1.8 FTE for FY 2019-20 to expand services available under the program. The General Assembly initially added a further \$1,000,000 for FY 2020-21, but this was removed to help balance the budget in the wake of the COVID-19 pandemic. The JBC and General Assembly approved a request to increase funding by \$2,000,000 General Fund in FY 2022-23.

STATUTORY AUTHORITY: Section 22-13-103, C.R.S.

REQUEST: The Department requests \$7,571,562, including \$5,447,354 General Fund and \$2,124,208 cash funds from the State Education Fund, and 3.9 FTE for FY 2023-24. The request includes:

- An increase of \$1,000,000 General Fund for R7 Proactive Intervention in Turnaround Schools;
- An increase of \$115,960 General Fund and 0.9 FTE for R6 Personnel for School Support; and
- An increase of \$5,231 General Fund to annualize FY 2022-23 salary survey.

RECOMMENDATION: The staff recommendation is included in the table below. The recommendation incorporates the staff recommendation for Request R6 and Request R7. As discussed previously in this packet, staff does not recommend adding FTE for this program, as requested in R6, based on existing statutory restrictions. The salary survey component is consistent with Committee common policy.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, SCHOOL TRANSFORMATION GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$6,450,371	\$4,442,123	\$2,008,248	\$0	\$0	3.0

⁴⁰ Approved providers include: Catapult School Leadership, Generation Schools Network, Promethean/University of Florida, Relay Graduate School of Education, University of Denver, and University of Virginia. Although the State Board approved Promethean/University of Florida as a provider, no participants attended that program, and the provider has terminated involvement with the School Turnaround Leaders Development Program.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, SCHOOL TRANSFORMATION GRANT PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$6,450,371	\$4,442,123	\$2,008,248	\$0	\$0	3.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$6,450,371	\$4,442,123	\$2,008,248	\$0	\$0	3.0
R7 Proactive intervention turnaround schls	1,000,000	1,000,000	0	0	0	0.0
Annualize prior year budget actions	5,231	5,231	0	0	0	0.0
R6 Personnel for school support	0	0	0	0	0	0.0
TOTAL	\$7,455,602	\$5,447,354	\$2,008,248	\$0	\$0	3.0
INCREASE/(DECREASE)	\$1,005,231	\$1,005,231	\$0	\$0	\$0	0.0
Percentage Change	15.6%	22.6%	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$115,960	\$0	\$115,960	\$0	\$0	0.9

COMPUTER SCIENCE EDUCATION GRANTS

The General Assembly added the Computer Science Education Grants for Teachers line item to the FY 2018-19 Long Bill to support appropriations for a grant program created in S.B. 17-296 (School Finance). The program provides grants for eligible teachers who wish to pursue additional postsecondary education and training in order to then provide computer science education to K-12 students. Originally funded with \$500,000 cash funds from the State Education Fund and 0.4 FTE, the General Assembly added approximately \$500,000 in the Long Bill appropriation for FY 2019-20 (for a total appropriation of \$1,048,600 and 0.4 FTE in the FY 2019-20 Long Bill).

House Bill 19-1277 (Computer Science Grant Program) created a second grant program, the Computer Science Education Grant Program, to provide grants to public schools to increase the participation of traditionally underrepresented students in computer science education. The bill specifies the information that applicants must include in a grant application and requires the Department to prioritize applicants that demonstrate a low number of computer science educational activities, expose students to diverse professionals in the computer science industry, or demonstrate how the grant money will serve a high-poverty student population, a high percentage of minority or female students, or students in a rural area. Although H.B. 19-1277 did not include an appropriation for FY 2019-20, the bill required the General Assembly to appropriate \$250,000 per year to support grants for FY 2020-21 through FY 2022-23.

The General Assembly enacted two reductions to this line item for FY 2020-21:

- First, the Long Bill reduced the appropriation for the Computer Science Education Grants for Teachers Program by \$500,000 cash funds from the State Education Fund (a 47.7 percent reduction below the FY 2019-20 appropriation).

- Second, H.B. 20-1418 (School Finance) suspended the Computer Science Grant Program for FY 2020-21 and eliminated the appropriation of \$250,000 General Fund for that year. The bill did require the appropriation to return in FY 2021-22, however.

For FY 2021-22, the General Assembly restored funding to \$801,658 total funds (including \$250,000 General Fund and \$551,658 cash funds from the State Education Fund) and 0.4 FTE. This includes funding for the Computer Science Education Grants for Teachers portion of the program at \$551,658 cash funds and funding for the Computer Science Grant Program at \$250,000 General Fund.

The Computer Science Grant Program is scheduled to repeal July 1, 2024. The statutory provision requiring an appropriation of \$250,000 General Fund per year applied to two years, as statute was amended: FY 2021-22 and FY 2022-23. Thus, providing an appropriation for FY 2023-24 is discretionary, and the General Assembly's intent in this regard is not clear.

STATUTORY AUTHORITY: Section 22-97-101 through 103 and 22-97-201 through 205, C.R.S.

REQUEST: The Department requests an appropriation of \$809,403 total funds (including \$250,000 General Fund and \$559,403 cash funds from the State Education Fund) and 0.4 FTE. The request includes an increase of \$3,722 cash funds to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends \$559,403 cash funds from the State Education Fund and 0.4 FTE. As discussed previously in this packet, the General Assembly's intent with respect to appropriations for FY 2023-24 for the program created in H.B. 19-1277 is not clear.

ACCELERATED COLLEGE OPPORTUNITY EXAM FEE GRANT PROGRAM

The General Assembly added this line item to the FY 2019-20 Long Bill to support the Advanced Placement Exam Fee Grant Program created in H.B. 18-1396 (Advanced Placement Exam Fee Grant Program). The program subsidizes a portion of advanced placement (AP) exam fees on behalf of eligible low income students. Schools must use the entire amount awarded through a competitive grant process to pay AP exam fees. House Bill 18-1396 appropriated \$554,869 General Fund and 0.3 FTE to the Department for FY 2018-19. House Bill 19-1222 modified the program to include International Baccalaureate (IB) exam fees in addition to AP fees.

The line item was renamed as the Accelerated College Opportunity Exam Fee Program in the FY 2020-21 Long Bill to align with the changes in H.B. 19-1222.

The General Assembly reduced the program by \$280,730 (50.0 percent) as a budget balancing measure for FY 2020-21. The reduction was continued in the FY 2021-22 Long Bill, but FY 2021-22 funding was fully restored through S.B. 21-268 (Public School Finance).

STATUTORY AUTHORITY: Section 22-95.5-102, C.R.S.

REQUEST: The Department requests \$563,242 General Fund and 0.4 FTE for FY 2023-24. This includes an increase of \$1,004 General Fund to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends approving the request for \$563,242 General Fund and 0.4 FTE for FY 2023-24. The Department's calculation is consistent with Committee common policy.

EDUCATOR PERCEPTION

The General Assembly added this line item to the FY 2014-15 Long Bill to provide \$100,000 General Fund to support the administration of the biennial Teaching, Empowering, Leading, and Learning (TELL) Survey which surveys school-based educators statewide to assess teaching conditions.

House Bill 08-1384 (Retention of Qualified Educators) authorized the Department to conduct a biennial survey of teaching and learning conditions. The goal of the bill and program is to survey every school-based licensed educator regarding their perceptions of teaching and learning conditions to provide insights for policy decisions at the school, local district, and state levels. The Department has worked with a variety of partners to administer the survey. According to the tellcolorado.org website, the Department has partnered with the New Teacher Center, the Colorado Association of School Boards (CASB), the Colorado Association of School Executives (CASE), the Colorado League of Charter Schools, the American Federation of Teachers (Colorado), and the Colorado Education Association. The Department administered the survey for the fifth time in FY 2017-18, although previous administrations were largely supported by alternative fund sources.

Beginning with FY 2019-20, the Department transitioned to a new system to fund the survey. The FY 2019-20 appropriation included \$75,000 General Fund to support the administration of the survey in FY 2019-20, with the assumption that the “off-year” appropriation (FY 2020-21) would provide \$25,000 to support the vendor’s costs for analysis and maintenance. House Bill 21-1087 (Teaching and Learning Conditions Survey) provided funding for investments in FY 2021-22 to enhance online tools and thus reduce the costs of administering the survey on an ongoing basis.

STATUTORY AUTHORITY: Section 22-2-503, C.R.S.

REQUEST: The Department requests an appropriation of \$33,500 for FY 2023-24. This includes an increase of \$8,500 for the impact of H.B. 08-1384 (which put this line item on a two-year funding cycle) and H.B. 21-1087 (Teaching and Learning Conditions Survey) which reduced the “on-year” costs.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the General Assembly's decisions from prior years and the fiscal note for H.B. 21-1087, which appears to indicate that costs in FY 2023-24 and other “on-years” in the two year cycle should be \$8,500 more than the base appropriation.

LINE ITEMS INCLUDED IN THE NUMBERS PAGES BECAUSE OF PRIOR YEAR FUNDING

ENGLISH LANGUAGE LEARNERS PROFESSIONAL DEVELOPMENT AND STUDENT SUPPORT PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the English Language Learners Professional Development and Student Support Program created in H.B. 14-1298

(School Finance). House Bill 14-1298 repeals and reenacts the English Language Proficiency Act and creates the Professional Development and Student Support Program to allocate moneys to local education providers to offset costs incurred in complying with the English Language Proficiency Act. House Bill 14-1298 appropriated \$27.0 million to support the program in FY 2014-15, and the General Assembly has provided that amount in each subsequent year. The program is created outside of the English Language Proficiency Program categorical program and distributes funds on a per pupil basis (\$362.44 per pupil in FY 2019-20) based on the percentage of eligible students (those that are within the first five years of ELL services) that fall into the following categories:

- Students who do not comprehend or speak English or who comprehend and speak some English, but whose primary language is something other than English. With 66,032 students in this category in FY 2019-20, this group represented 88.6 percent of eligible students which equated to \$23.9 million in total funding and \$362.44 per pupil.
- Students who comprehend and speak English, but whose proficiency is below acceptable levels. With 8,464 students in this category in FY 2019-20, this group represented 11.4 percent of eligible students which equates \$3.1 million in total funding and to \$362.44 per pupil.

Prior to FY 2020-21, statute dedicated 75.0 percent of the program's funds to the first category and 25.0 percent to the second category. Senate Bill 19-246 (School Finance) adjusted the statute to align the distribution of funds with each group's share of the eligible population (and with the current distribution of categorical funding under the English Language Proficiency Act).

In the FY 2021-22 School Finance Act, S.B. 21-268, this funding was moved into the States' Share of Total Program Funding, when the General Assembly created a new factor in the school finance formula for English language learners. While the program still exists in statute, it is no longer funded as a discrete line item.

STATUTORY AUTHORITY: Section 22-24-108, C.R.S.

REQUEST/RECOMMENDATION: The Department did not request, and staff does not recommend, an appropriation for this line item.

COMPREHENSIVE QUALITY PHYSICAL EDUCATION PILOT PROGRAM

The Department requested this line item to support the Health and Wellness Through Comprehensive Quality Physical Education Instruction Pilot Program. Created in S.B. 19-246 (School Finance), the program provided three-year grants to eligible schools or school districts to implement a program of comprehensive physical education instruction. Grants under the pilot may cover FY 2020-21 through FY 2022-23. Grantees may use the funds to address resource needs creating barriers to implementing a comprehensive program. The bill requires grantees to ensure that supported physical education programs include specific components.

Senate Bill 19-246 included an appropriation of \$1,100,000 cash funds from the Marijuana Tax Cash Fund and 0.7 FTE to support the program. Section 22-99-105, C.R.S., makes those funds available to the Department through FY 2023-24. The program repeals July 1, 2024. For FY 2021-22, the Department proposed a statutory change to repeal the unused fund balance, but the General Assembly took no related action.

STATUTORY AUTHORITY: Section 22-99-101, C.R.S.

REQUEST/RECOMMENDATION: The Department did not request, and staff does not recommend, an appropriation for this line item. Staff presumes that funds previously appropriated will continue to be expended through FY 2023-24.

(V) FACILITY SCHOOLS

While most children in Colorado receive public education services through school districts or schools that are authorized by the State Charter School Institute, some children receive their education through schools operated by community-based facilities or state-operated programs.⁴¹ In 2008, the General Assembly modified the method of funding facility schools and certain state programs by:

- Removing pupils educated by facility schools from districts' pupil enrollment counts for purposes of funding.⁴²
- Requiring facility schools and state programs to report information directly to the Department's Facility Schools Unit concerning individual students, including the student's district of residence and the actual number of days of attendance each month.
- Allowing facility schools to bill the Department for statewide average per pupil revenues times 1.33, and allowing facility schools to bill for an additional one-third of per pupil revenue to support Summer school programs. In 2013, the General Assembly modified this provision to provide statewide base per pupil funding times 1.73 in an effort to increase funding for facility schools.

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

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

In response to sharp declines in enrollment in facility schools and many facility school closures, the Joint Budget Committee sponsored S.B. 21-274 (Sustainable Model to Serve Facility School Students). The bill incorporated a one-time supplemental payment of \$5,700,000 General Fund for facility

⁴¹ Pursuant to Section 22-54-129 (1) (f), C.R.S., "state programs" include the Colorado School for the Deaf and the Blind and the education programs operated by the Colorado Mental Health Institutes at Pueblo and Fort Logan. Because the State has closed the facility at Fort Logan, the School for the Deaf and the Blind and the Colorado Mental Health Institute at Pueblo are the only remaining state programs.

⁴² Districts continue to include students who reside in a facility or group home and attend a district school in their October count for purposes of funding. Further, students in "out-of-district" placements who attend public school are included in the pupil count of the district of attendance.

schools in FY 2021-22 and also provided \$500,000 General Fund for a Facility School Work Group to study and propose changes for a sustainable funding model. The Facility School Work Group was required to submit a written report to the Joint Budget Committee by November 1, 2022, with a new facility school funding model anticipated to be implemented July 1, 2023.

Senate Bill 21-274 did not address what would happen in FY 2022-23 before the new model was implemented. Therefore, during the 2022 legislative session, the General Assembly adopted additional supplemental budget provisions enabling Work Group funding to roll forward into FY 2022-23. The JBC also sponsored H.B. 22-1331 (Supplemental Funding for Facility Schools), which provided additional one-time supplemental payments totaling \$5,134,000 from the State Education Fund for distribution to facility schools in FY 2022-23.

The Joint Budget Committee has authorized JBC Staff to work on a bill draft to implement the November 1, 2022 Facility School Work Group report recommendations. Until a new funding model is adopted by the General Assembly, the Long Bill will reflect appropriations required under current law.

FACILITY SCHOOLS UNIT AND FACILITY SCHOOLS BOARD

This line item supports the Facility Schools Unit and Board. The Department is authorized to withhold up to 2.0 percent of the amount payable to each approved facility school to cover the costs of the unit and the Board, pursuant to Section 22-2-408 (2), C.R.S. The reappropriated funds supporting this line item are transferred from the Facility School Funding line item (discussed below).

STATUTORY AUTHORITY: Sections 22-2-401 through 22-2-408, C.R.S.

REQUEST: The Department requests an appropriation of \$346,918 reappropriated funds and 3.0 FTE for FY 2023-24. The request includes an increase of \$5,360 to annualize FY 2022-23 salary survey.

RECOMMENDATION: As previously discussed, **the staff recommendation is to appropriate \$264,225 reappropriated funds and 3.0 FTE in the Long Bill for this line item.** This represents 2.0 percent of the appropriation recommended for the Facility Schools Funding line item. Because the number of facility schools and enrollment has fallen sharply, the amount requested is significantly above 2.0 percent of the amount currently estimated to be payable to each approved facility school. Staff anticipates that the Facility School bill will include appropriations to restore funding for existing staff as well as fund additional staff that may be required by the legislation.

FACILITY SCHOOLS FUNDING

This line item provides funding for the Department to make payments to facility schools as required by Section 22-54-129, C.R.S. Prior to FY 2013-14, this provision authorized the payment of the state average per pupil revenue times 1.33. Senate Bill 13-260 changed the formula for facility school funding to provide the statewide *base* per pupil funding amount times 1.73; this amount is translated into a daily rate, and each facility school receives a daily rate for each child in attendance for up to 235 days each school year.

STATUTORY AUTHORITY: Section 22-54-129, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$12,231,075 cash funds from the State Education Fund for FY 2023-24, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: As discussed previously, staff recommends approving a Long Bill appropriation of \$13,211,265 cash funds from the State Education Fund for this line item for FY 2023-24. The recommendation includes an increase of \$980,190 based on the statutory increase in the base per pupil funding rate and thus the per-pupil rate for facility school students. For purposes of the Long Bill, the staff recommendation assumes flat enrollment.

There are currently 30 facility schools and two state programs that receive funding through this line item. These programs are allowed to receive reimbursement for each child in attendance for up to 235 days each year. Based on current law (as adjusted by S.B. 15-267), with statewide base per pupil funding at \$8,076.41 for FY 2023-24, these programs will receive \$13,972.19 per pupil per year (\$8,076.41*1.73) for FY 2023-24 or \$59.46 per student per school day. While the Mental Health Institutes and most facility schools provide year-round education programs, the Colorado School for the Deaf and the Blind and some facility schools do not provide year-round educational programs. The following table provides an estimate of the amount of funding required for this line item for FY 2023-24, and the portions that are estimated be transferred to other state agencies.

FACILITY SCHOOL FUNDING: FY 2023-24				
DESCRIPTION	FY 2022-23 APPROPRIATION	FY 2022-23 CURRENT PROJECTION	FY 2023-24 STAFF REC.	CHANGE FROM FY 2022-23 APPROP.
Projected Average Facility Schools FTE	927	760	927	0
Multiplied by: Statewide Base Per Pupil Funding X 1.73	\$12,937.22	\$12,937.22	\$13,972.19	\$1,034.97
Total Estimated Facility School payments	\$11,991,250	\$9,832,287	\$12,952,220	\$960,970
Plus: Additional Funding (approximately 2.0 percent) to account for placement and attendance fluctuations	\$239,825	\$196,646	\$259,044	\$19,219
Recommendation for Facility School Funding line item	\$12,231,075	\$10,028,933	\$13,211,265	\$980,190
Estimated portion of the above amount transferred to state agencies:				
<i>Department of Education:</i> Colorado School for the Deaf and the Blind	\$1,620,730	\$1,448,803	\$1,750,502	\$129,772
<i>Department of Human Services:</i> Mental Health Institutes (Pueblo only)	\$161,674	\$77,513	\$174,608	\$12,934

As in prior years, the staff recommendation leaves a cushion (representing 2.0 percent of funding) to cover potential increases in the number of students placed in facility schools and school attendance fluctuations. Please note that because the facility school funding formula in Section 22-54-129, C.R.S., uses statewide *base* per pupil funding as the basis of the formula, total funding for facility schools no longer changes based on adjustments to the school finance formula that do not affect base per pupil funding. Prior to FY 2013-14, if separate legislation changed statewide *average* per pupil funding, facility school funding changed as well. Those adjustments are no longer necessary.

Finally, staff recommends reflecting the following transfers of reappropriated funds to other state agencies that receive funding from this line item for educational programs:

- \$1,750,502 to the Colorado School for the Deaf and the Blind (CSDB), School Operations.
- \$174,608 to the Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, for the Mental Health Institute at Pueblo.

Actual distributions will depend upon enrollment.

ADDITIONAL FUNDING FOR FACILITY SCHOOLS

Senate Bill 21-274 (Sustainable Model for Facility School Funding), a JBC bill, included one-time funding of \$5,700,000 General fund for supplemental payments to facility schools in FY 2021-22 only. The bill required that the supplemental payments be in addition to the current daily per pupil rate and authorized the Department to determine the allocation method. Funds were distributed based on facility school pupil enrollment over the prior three years.

House Bill 22-1331 (Supplemental Funding for Facility Schools) provided additional one-time supplemental payments totaling \$5,134,000 from the State Education Fund for distribution to facility schools in FY 2022-23. Funds were also distributed based on facility school pupil enrollment over the prior three years.

STATUTORY AUTHORITY: Sections 22-2-408 (3) and (4), C.R.S.

REQUEST: These were one-time appropriations. The Department did not request additional funding for this line item for FY 2023-24.

RECOMMENDATION: Staff does not recommend a Long Bill appropriation for supplemental payments for FY 2023-24, as such payments cannot be made under current law. Staff anticipates that new legislation to implement the recommendations of the Facility School Work Group will increase payments to facility schools effective July 1, 2023, if approved by the General Assembly.

FACILITY SCHOOL WORK GROUP

Senate Bill 21-274 (Sustainable Model for Facility School Funding), a JBC bill, required the Department to convene a work group of stakeholders related to facility schools. The legislation required representation from various stakeholder groups and required the work group to define a target group of students, evaluate existing capacity to serve those students, and identify evidence based options for serving the students, including determining the capacity and funding required to adequately serve the target population of students. The work group was required to develop a model, no later than October 1, 2022, through which educational services would be made available to the target population, so that implementation could begin on or before July 1, 2023 and the model could be fully implemented by July 1, 2027.

The work group's duties included developing a report that identified recommendations, including proposed statutory changes, to be submitted the JBC. The original appropriation for the work group was for \$500,000 General Fund for FY 2021-22, and supplemental action allowed unexpended funds to be rolled into FY 2022-23.

STATUTORY AUTHORITY: Section 22-2-407.5, C.R.S.

REQUEST: This was a one-time appropriation. The Department did not request additional funding for this line item for FY 2023-24.

RECOMMENDATION: Staff does not recommend a Long Bill appropriation for the work group for FY 2023-24, but funding to support some ongoing Work Group activities may be included in legislation being drafted for the JBC.

(VI) OTHER ASSISTANCE

APPROPRIATED SPONSORED PROGRAMS

This line item reflects federal funding anticipated to be received by the Department. This section also provides cash funds spending authority for the Department to receive fees related to conferences, some grant funds, and transfers from other agencies. The vast majority of funds reflected in this section are distributed directly to local school districts, and the balance is utilized by the Department to fund state-wide efforts, to provide technical assistance to school districts, and to cover Department administrative costs. Matching requirements for the federal funds, where required, are generally met by using other Department funds, school district funds, and other “non-state” funds. Thus, no General Fund appropriation is included in this line item.

STATUTORY AUTHORITY: Sections 22-2-117 and 22-30.5-101, C.R.S. Various federal statutes.

REQUEST: The Department requests \$694,564,578, including \$2,501,087 cash funds and \$692,063,491 federal funds. This includes an increase of \$237,654 to annualize prior year salary survey.

RECOMMENDATION: Staff recommends \$694,328,011 including \$2,501,087 cash funds and \$691,826,924 federal funds. As discussed earlier in this packet, the revenue estimated to be expended in this line item in FY 2022-23 is far higher. The Department is projecting federal fund expenditures of \$828,754,644 in FY 2022-23—or about **\$130.0 million more in federal funds than the amount currently reflected in the Long Bill.**⁴³ The Department and staff believe that this higher level of expenditure will continue through FY 2023-24, since ESSER III funds must be obligated by September 30, 2024, but will then decline in FY 2024-25. *Given this projected fluctuation, staff is not recommending a further large adjustment to the informational funds in the Long Bill at this time.*

APPROPRIATED SPONSORED PROGRAMS - FEDERAL FUNDS		
	FY 2021-22 ACTUAL	FY 2022-23 ESTIMATE
Grants Not Related To COVID Relief		
Adult Education - WIA	7,845,916	7,500,000
After School Learning Centers	11,774,734	12,000,000
Charter School Grant	5,605,148	5,500,000
CO Troops to Teachers	14,232	15,000
Comprehensive State Literacy	608,674	5,000,000
Early Literacy	60,331	100,000
Educate Homeless Children	910,124	1,000,000
Growing Readers	268,166	280,000
Improving Student Health	288,715	560,000

⁴³ For purposes of this calculation, staff is excluding Coronavirus State Fiscal Recovery Funds appropriated by the General Assembly.

APPROPRIATED SPONSORED PROGRAMS - FEDERAL FUNDS		
	FY 2021-22 ACTUAL	FY 2022-23 ESTIMATE
Improving Student Health Supplemental	318,790	115,000
Migrant Education	6,647,284	6,700,000
Migrant Education Consortium	125,211	75,000
NAEP	133,318	150,000
Neglected Delinquent	466,250	400,000
Project AWARE	1,220,234	2,300,000
Project Rise SLDS	458,683	680,000
Rural and Low Income	580,119	580,000
School Climate Transformation	1,125,477	1,200,000
School Nurse Workforce Initiative	321,472	3,000,000
Sexual Avoidance	755,141	750,000
Student Support	9,766,933	10,500,000
Title I Programs	153,406,518	160,000,000
Title II Programs	23,459,033	24,000,000
Total	\$226,160,503	\$242,405,000
COVID Relief Funding		
CARES Act ESSER I	58,489,450	9,500,000
CARES Act ESSER II	289,042,429	200,000,000
CARES Act ESSER III	179,265,383	300,000,000
CARES Act Improving Student Health	23,720	13,500
CDPHE COVID 19 Testing	595,471	40,000
EANS (Non Public Schools)	9,782,893	10,000,000
EANS Non Public Payroll	124,085	1,500
GEER CSI Per Pupil	3,950	55
GEER Quality Teacher	1,924,464	60,000
GEER Schools of Choice	606,606	460,000
GEER Imagination Library	0	200,000
ARPA IDEA Part B	8,642,516	26,000,000
ARPA IDEA Preschool	604,752	2,000,000
ARPA Homeless	598,633	1,600,000
ARPA LSTA	1,062,131	2,200,000
Mental Health SLFRF Funds*	0	7,000,000
SLFRF Funds for Board Room Renovation*	0	1,774,654
SLFRF Concurrent Enrollment*	339,873	4,500,000
SLFRF Adult Education*	232,810	450,000
USDA Supply Chain Assistance	13,249,584	18,600,000
Pandemic EBT from USDA	134,657	400,000
SNAP State and Local Pandemic EBT	280,907	500,000
ARPA Farm to School Grants	0	1,049,935
Total	\$565,004,314	\$586,349,644
Total including COVID Relief Funding - Federal Funds	\$791,164,816	\$828,754,644

*SLFRF funds are appropriated by the General Assembly.

SCHOOL COUNSELOR CORPS GRANT PROGRAM

Established in 2008 [Section 22-91-101, *et seq.*, C.R.S.], this competitive grant program provides grants to school districts, boards of cooperative services, and charter schools to increase the availability of effective school-based counseling within middle and secondary schools. The stated goal of the program is to increase the state graduation rate and to increase the percentage of students who appropriately prepare for, apply to, and continue into postsecondary education. Subject to available

appropriations, the State Board awards three-year grants based on statutory criteria⁴⁴. The State Board is required to give priority to schools at which the dropout rate exceeds the statewide average and/or the percentage of students eligible for free and reduced lunch exceed the statewide average. The Department is authorized to expend up to 2.0 percent of moneys annually appropriated for the Program to offset the costs incurred in implementing the program. This program is subject to available appropriations.

The General Assembly appropriated \$5.0 million cash funds from the State Education Fund annually for the first four years of the program's operation (FY 2010-11 through FY 2013-14).

The Department made significant changes to the program for FY 2013-14, including: (1) providing limited funding for the first year of the grant to support planning; (2) requiring reporting at the end of the planning year and using that reporting to determine whether to continue funding; (3) eliminating repeat funding for individual schools; and (4) increasing annual reporting and accountability required of grant recipients. The General Assembly increased the appropriation by \$3.0 million (to a total of \$8.0 million) cash funds in FY 2014-15 and added \$2.0 million more (to a total of \$10.0 million) in FY 2015-16.

Beginning in FY 2019-20, H.B. 19-1187 appropriated \$250,000 General Fund to this line item to assist students and families with completing state and federal financial aid applications. The bill required the General Assembly to appropriate \$250,000 per year for FY 2019-20, FY 2020-21, and FY 2021-22 and required the State Board of Education to distribute the appropriated funds to local education providers that receive a school counselor corps grant. Recipients must use the additional funding to: (1) develop and distribute information regarding the process for and benefits of completing the Free Application for Federal Student Aid (FAFSA) and state financial aid applications; (2) train school counselors on best practices to support students and families in the completion of applications, with an emphasis on communities with historically low completion rates; and (3) organize opportunities for students and families to meet with stakeholders who assist with the completion of aid applications. House Bill 20-1418 suspended the requirement for a \$250,000 General Fund appropriation to support completion of financial aid applications for FY 2020-21 as a budget balancing measure. However, this funding was restored for FY 2021-22. The provisions added in H.B. 19-1187 repeal July 1, 2023.

In the FY 2021-22 School Finance Act (S.B. 21-268) the General Assembly removed the statutory cap of \$10.0 million on appropriations for the School Counselor Corps Grant program and increased the appropriation by \$2,000,000 from the State Education Fund for FY 2021-22.

STATUTORY AUTHORITY: Section 22-91-101, et seq., C.R.S.

REQUEST: The Department requests an appropriation of \$12,266,250 total funds (including \$250,000 General Fund and \$12,016,250 cash funds from the State Education Fund) and 2.0 FTE for FY 2023-

⁴⁴ These criteria include: the school's dropout rate, the percentage of students eligible for free or reduced price lunch, the percentage of students who graduate and enroll in postsecondary education within two years after graduating high school, whether the applicant has adopted or has committed to adopt national standards for school counselor responsibilities, and the likelihood that the recipient will continue to fund the increased level of school counseling services following the expiration of the grant.

24. The request includes an increase of \$5,280 from the State Education Fund to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends \$12,016,250 from the State Education Fund and 2.0 FTE for FY 2023-24. This does not include \$250,000 General Fund that was originally authorized in H.B. 19-1187 for the FAFSA completion program. For FY 2022-23, staff recommended, and the JBC approved, extending funding for the FAFSA completion assistance program created in H.B. 19-1187 through July 1, 2023, even though statute did not *require* this third year of funding. However, statute has not been changed in the interim, and the relevant statutory provisions repeal July 1, 2023. Therefore, related funding may not be included in the Long Bill for FY 2023-24. Other components of the request are consistent with Committee common policy.

BOCES FUNDING PER SECTION 22-5-122, C.R.S.

The General Assembly created this program with an initial appropriation of \$1.3 million cash funds from the State Education Fund in H.B. 12-1345 to assist BOCES in working with partner districts to implement and meet the state's educational priorities. With the enactment of H.B. 14-1298 (School Finance), the General Assembly increased the appropriation by \$2.0 million (to a total of \$3.3 million) in FY 2014-15 and has maintained that level in subsequent years. The Department reports using funds to support the implementation of: educator effectiveness; accountability and improvement planning; standards and assessments; and early literacy efforts under H.B. 12-1238.

STATUTORY AUTHORITY: Section 25-2-122, C.R.S.

REQUEST: The Department requests \$3,322,985 cash funds from the State Education Fund and 1.0 FTE for FY 2023-24. The request includes an increase of \$2,201 cash funds from the State Education Fund to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends the request for an appropriation of \$3,322,985 cash funds from the State Education Fund and 1.0 FTE for FY 2023-24. The calculation is consistent with Committee common policy.

CONTINGENCY RESERVE FUND

The Contingency Reserve Fund, created in Section 22-54-117 (1) (a), C.R.S., provides a fund source for the State Board of Education to assist school districts facing specific circumstances. Section 22-54-117 (1), C.R.S., authorizes the State Board to approve payments from the Contingency Reserve Fund to assist school districts under the following circumstances:

- (a)(I): financial emergencies caused by an act of God or arising from extraordinary problems in the collection of taxes;
- (a)(II): financial emergencies caused by nonpayment of property taxes pending the outcome of an administrative appeal or litigation or both challenging the inclusion of the value of certain property in a county's abstract of assessment, which resulted from a change in the applicable state law;
- (a)(III): revenues are insufficient to make abatements and refunds of property taxes;
- (a)(IV): unforeseen contingencies (e.g., reductions in valuation exceeding 20 percent);
- (a)(V): unusual financial burden caused by the instruction of court-ordered or agency-placed non-resident children;

- (a)(VI): unusual financial burden caused by the instruction of children who move into the district following the pupil count date (applies to small districts only);
- (a)(VII): unusual financial burden caused by a significant enrollment decline pursuant to a reorganization;
- (a)(VIII): beginning in FY 2016-17, unusual financial burden caused by a significant reduction in assessed value within a district whose state share of total program prior to the application of the negative factor was less than 0.5 percent of total program funding in the previous budget year and the reduction in assessed value is causing a negative factor reduction in the budget year; and
- (b): in cases of extreme emergency, other factors that affect the ability of the district to maintain its schools without additional financial assistance.

Section 22-54-117 (1)(a), C.R.S., indicates that, "In deciding the amount to be appropriated to the contingency reserve, the general assembly may take into consideration any recommendations made by the department of education, but nothing in this section shall be construed to obligate the general assembly to provide supplemental assistance to all districts determined to be in need or fully fund the total amount of such need."

Pursuant to Section 22-54-117 (1)(c), C.R.S., when a school district reimburses the State for supplemental assistance received from the Contingency Reserve, the reimbursement is credited to the Contingency Reserve Fund rather than the General Fund. Thus, these repayments may then be made available to meet other districts' needs.

STATUTORY AUTHORITY: Section 22-54-117, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1.0 million cash funds from the Contingency Reserve Fund, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request for \$1.0 million cash funds. Staff notes that no amounts have been expended from the Contingency Reserve in recent years. If the \$1.0 million currently in the fund is not used in FY 2022-23, it will be available for appropriation in FY 2023-24. The Department indicates that there has not been a draw so far in FY 2022-23. If there is, a General Fund appropriation into the fund may be required. Staff will bring recommended adjustments to the Committee if necessary.

SUPPLEMENTAL ON-LINE EDUCATION SERVICES

Pursuant to H.B. 06-1008 [Section 22-5-119, C.R.S.], this program provides funding to ensure that supplemental on-line courses are affordable for school districts, BOCES, and charter schools. This line item provides funding to the Colorado River BOCES (formerly part of the Mountain BOCES) to contract with a supplemental on-line course provider to offer on-line courses at a cost of no more than \$200 per student per semester course. This is subject to available appropriations. The source of funding is federal mineral lease revenues that are credited to the State Public School Fund.

For FY 2007-08 through FY 2015-16, the General Assembly annually appropriated \$480,000 cash funds for this purpose. The enactment of H.B. 16-1222 (Supplemental Online and Blended Learning Resources) increased the appropriation to \$960,000 in FY 2016-17. The General Assembly increased the appropriation to \$1,020,000 for FY 2017-18 and further increased the appropriation to \$1,220,000

in FY 2018-19. The Colorado River BOCES is contracting with two providers, Colorado Digital Learning Solutions (providing courses) and the iLearn Collaborative (providing blended learning professional development opportunities to districts and schools), to operate the program.

The Colorado River BOCES has reported significant increases in enrollment in this program since 2015, with course enrollments increasing from 432 in FY 2015-16 to 3,352 courses in FY 2019-20 to 11,943 course provided in FY 2021-22.

STATUTORY AUTHORITY: Section 22-5-119, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,220,000 cash funds from the State Public School Fund for FY 2023-24, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee’s common policies. Federal mineral lease revenues (which are deposited into the State Public School Fund) that are not appropriated for this purpose could instead be appropriated for the State Share of Districts’ Total Program Funding, thereby mitigating any reduction to school districts’ total program funding.

JBC staff has previously observed that this program model as a cost-effective way to ensure that schools – particularly rural school districts – are able to purchase on-line courses to supplement their course offerings and help students comply with higher education admission guidelines.

INTERSTATE COMPACT ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN

Through H.B. 08-1317 [see Sections 22-90-101 and 24-60-3401, C.R.S.], the General Assembly approved and ratified and authorized the Governor to enter into the Interstate Compact on Educational Opportunity for Military Children on behalf of the State. This compact was developed by the Council of State Governments. The Military Interstate Children’s Compact Commission (MIC3) is a separate, non-profit entity based in Lexington, Kentucky. All 50 states have now adopted the Compact. Member states agree, as part of the Compact, to pay an annual assessment to cover the cost of the operations and activities of the Commission.

The Compact is intended to remove barriers to educational success that children of military families experience due to either frequent moves and/or the deployment of their parents. The Compact provides for uniform treatment of military children transferring between school districts and states. Specifically, the Compact addresses the following issues facing children of active duty service members, of members who die on active duty, and of veterans:

- *Enrollment* - educational records, immunizations, and kindergarten and 1st grade entrance age
- *Placement and Attendance* - course and educational program placement, special education services, placement flexibility, and absence related to deployment activities
- *Eligibility* - eligibility for student enrollment and extracurricular activities
- *Graduation* - waiving course requirements if similar courseware has been completed; flexibility in accepting state exit and end-of-course exams, national achievement tests, or alternative testing in lieu of graduation testing requirements; and allowing a student to receive a diploma from a sending school district

STATUTORY AUTHORITY: Sections 22-90-101 and 24-60-3401, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$21,298 cash funds from the State Education Fund for FY 2023-24, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends the request for continuation funding, consistent with Committee common policy.

EDUCATOR RECRUITMENT AND RETENTION PROGRAM - FINANCIAL ASSISTANCE

Senate Bill 21-185 (Supporting Educator Workforce in Colorado) creates the Educator Recruitment and Retention Program. The program is designed to: support the transition of members of the armed forces into a second career to serve as educators; support nonmilitary-affiliated educator candidates preparing to serve as educators; match members of the armed forces and nonmilitary-affiliated educator candidates with high need schools, including in rural districts; and fill teaching positions in subject areas affected by the educator workforce.

The program provides:

- Educator recruitment support through one-on-one counseling, career and teacher job fairs, substitute teacher boot camps; job placement platforms for educators and local education providers; candidate coaching for job placement opportunities; professional development through the first three years of service as an educator; and retention counseling for local education providers.
- Financial assistance of up to \$10,000 for the tuition costs of an educator preparation program in which a qualified applicant is enrolled if the applicant agrees to teach for a period of three years in a rural or small rural district. Funding is subject to repayment if the applicant does not fulfill the service condition.

The program is open to:

- Members of the armed forces and those honorably discharged, with financial assistance available only for those who apply within three years after military retirement or separation;
- Individuals who have a baccalaureate or higher degree;
- Individuals employed as paraprofessionals and working toward a baccalaureate degree to pursue teacher licensure; and
- Individuals who meet state career and technical education requirements or have 18 semester hours of postsecondary enrollment and six years of military experience a career or technical field.

Senate Bill 21-185 included an appropriation of \$5,000,000 General Fund for the financial assistance portion of the program, and the fiscal note reflected this amount as ongoing.

The administrative costs related to this program, as well as \$575,000 General Fund for educator recruitment and support services, is included in the Educator Effectiveness Unit Administration line item.

STATUTORY AUTHORITY: Sections 22-60.3-201 through 205, C.R.S.

REQUEST: The Department requests \$5,000,000 General Fund for the Educator Recruitment and Retention Program – Financial Assistance line item.

RECOMMENDATION: Staff recommends the request for \$5,000,000 General Fund for the Educator Recruitment and Retention Program – Financial Assistance line item.

COLLEGE AND CAREER READINESS

The General Assembly added this line item to the FY 2014-15 Long Bill to provide additional technical assistance associated with college and career readiness reforms. Specifically, the Department requested the creation of the line item to increase assistance related to individual career and academic plans (ICAPs), new statewide graduation guidelines, concurrent enrollment programs, and the implementation of school and district innovation status.

Senate Bill 19-176 (Expanding Concurrent Enrollment Opportunities) modified concurrent enrollment programs and requirements and requires the Department to provide support to local education providers and to develop a website providing information on concurrent enrollment requirements. For FY 2019-20, the bill appropriated \$44,916 and 0.5 FTE to the College and Career Readiness line item to support those efforts, with the majority of that funding continuing in subsequent years. H.B. 22-1215 (Study of Extended High School Programs) added \$89,123 and 0.2 FTE for a facilitated work group to study extended high school programs in FY 2022-23 and FY 2023-24 only. H.B. 22-1390 (School Finance) added \$43,113 for a 0.5 FTE position related to statutory changes that uncap the ASCENT program.

STATUTORY AUTHORITY: Section 22-2-136, C.R.S.

REQUEST: The Department requests an appropriation of \$349,416 and 3.1 FTE, including \$348,460 from the General Fund and \$956 cash funds from the Marijuana Tax Cash Fund. The total includes a reduction of \$2,905 General Fund to annualize funding added in H.B. 22-1390 for a new position and a reduction of \$16,426 reflect reduced funding for the Work Group created in H.B. 22-1215, consistent with the fiscal note.

RECOMMENDATION: The staff recommendation is reflected in the table below. It includes the requested adjustments for prior year bills. The only difference from the request is that the annualization of prior year salary survey is funded entirely through the General Fund, since there is no Marijuana Tax Cash Fund included in the base funding in this line item.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, COLLEGE AND CAREER READINESS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$364,967	\$364,967	\$0	\$0	\$0	3.1
TOTAL	\$364,967	\$364,967	\$0	\$0	\$0	3.1
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$364,967	\$364,967	\$0	\$0	\$0	3.1

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, COLLEGE AND CAREER READINESS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions	3,780	3,780	0	0	0	0.0
Annualize prior year legislation	(19,331)	(19,331)	0	0	0	0.0
TOTAL	\$349,416	\$349,416	\$0	\$0	\$0	3.1
INCREASE/(DECREASE)	(\$15,551)	(\$15,551)	\$0	\$0	\$0	0.0
Percentage Change	(4.3%)	(4.3%)	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$349,416	\$348,460	\$956	\$0	\$0	3.1
Request Above/(Below) Recommendation	\$0	(\$956)	\$956	\$0	\$0	0.0

CONCURRENT ENROLLMENT EXPANSION AND INNOVATION GRANT PROGRAM

The Concurrent Enrollment Expansion and Innovation Grant Program was created in S.B. 19-176 (Expanding Concurrent Enrollment Opportunities). Senate Bill 19-176 requires each local education provider that enrolls students in grades 9-12 to provide concurrent enrollment opportunities (which may include coursework related to apprenticeship programs or internship programs) for qualified students beginning in the FY 2020-21 school year. The bill created the Concurrent Enrollment Expansion and Innovation Grant Program to support the creation and expansion of concurrent enrollment opportunities through partnerships between local education providers and institutions of higher education. Grants may be used to:

- Assist teachers with the cost of obtaining a graduate degree that allows the teacher to teach a postsecondary course.
- Cover the cost of books, supplies, fees, and transportation.
- Purchase technology to share data and streamline the enrollment process.
- Provide services, support, and coordination resources for local education providers and institutions of higher education.

For FY 2019-20, the bill appropriated \$1.5 million cash funds from the Marijuana Tax Cash Fund for the grant program. While the Committee had initially approved an increase of \$1.0 million General Fund for FY 2020-21 (based on a decision item), that increase was eliminated as a budget balancing measure for FY 2020-21 and the appropriation continued at \$1.5 million cash funds from Marijuana Tax Cash Fund. For FY 2021-22, the Long Bill included \$1.5 million cash funds from the Marijuana Tax Cash Fund and this was increased in S.B. 21-268 (Public School Finance) by \$1,750,000 cash fund from the Workers, Employers, and Workforce Centers Cash Fund from money originating as federal Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act (ARPA funds). Because the Department was unable to fully expend the FY 2021-22 increase during the fiscal year, the JBC added a footnote through the supplemental appropriation bill for the Department of Education that allows unexpended funds to roll forward for expenditure in FY 2022-23.

STATUTORY AUTHORITY: Section 22-35-114, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,476,896 cash funds from the Marijuana Tax Cash Fund for FY 2023-24.

RECOMMENDATION: Staff recommends approving the request for \$1,476,896 cash funds from the Marijuana Tax Cash Fund for FY 2023-24.

COLORADO HIGH IMPACT TUTORING PROGRAM

House Bill 21-1234 (Supplemental Education High-impact Tutoring Programs) created the Colorado High-impact Tutoring Program to provide grant funding to local education providers to create high-impact tutoring programs to address learning loss and unfinished learning related to the COVID-19 pandemic. The bill authorized local education providers to apply for grants and specified required components of applicants' program plans as well as criteria that the Department must use in awarding grants. In any year in which grants are provided, the bill requires participating local education providers to report certain information to the Department and requires the Department to report to the education committees of the General Assembly. For FY 2021-22, the bill appropriated \$4,981,720 General Fund and 1.1 FTE to the Department of Education. The program repeals July 1, 2026.

STATUTORY AUTHORITY: Sections 22-105-101 through 107, C.R.S.

REQUEST: The Department requests \$4,981,472 General Fund and 1.2 FTE. This includes an increase of \$1,374 to annualize prior year salary survey.

RECOMMENDATION: Staff recommends the request for \$4,981,472 General Fund and 1.2 FTE. The Department's calculation is consistent with Committee common policy.

JOHN W. BUCKNER AUTOMATIC ENROLLMENT IN ADVANCED COURSES GRANT PROGRAM

Senate Bill 19-059 (Automatic Enrollment in Advanced Courses Grant Program) created the John W. Buckner Automatic Enrollment in Advanced Courses Grant Program to provide assistance to local education providers that automatically enroll students in advanced courses (including Advanced Placement courses, International Baccalaureate courses, or any courses designated as honors, gifted, or accelerated). To be eligible, a local education provider must automatically enroll each qualified student (based on scores from the statewide assessments in the previous year or on another measure defined by the local education provider) entering ninth grade or higher in an advanced course. The local education provider must allow a parent to remove their student from the advanced course if requested.

Recipients may use the grants to:

- Expand the number of advanced courses available, including through the use of technology.
- Incentivize teachers to teach advanced courses (but not to hire new teachers).
- Develop advanced course curricula.
- Expand parent and student engagement related to advanced course availability and success.

Senate Bill 19-059 included an appropriation of \$250,000 General Fund and 0.3 FTE to support the program in FY 2019-20. During the 2021 Session, the General Assembly reduced that appropriation

to \$50,000 for FY 2019-20 and eliminated the appropriation for FY 2020-21 to delay implementation of the program as a budget balancing measure. The General Assembly restored funding to \$250,000 General Fund and 0.3 FTE for FY 2021-22 in S.B. 21-268 (Public School Finance).

STATUTORY AUTHORITY: Section 22-95.5-201 through 204, C.R.S.

REQUEST: The Department requests \$250,275 General Fund and 0.3 FTE for FY 2023-24. The amount includes \$275 General Fund to annualize prior year salary survey.

RECOMMENDATION: Staff recommends the request for \$250,275 General Fund and 0.3 FTE for FY 2023-24. The Department's request is consistent with Committee common policy.

EARLY CHILDHOOD PROGRAM TRANSITION

House Bill 21-1304 (Early Childhood System) creates the Department of Early Childhood, effective July 1, 2022. Among other provisions, the bill included an appropriation of \$96,867 General Fund to support 0.9 FTE in the Department of Education for FY 2021-22. The fiscal note for the bill indicated that 1.0 FTE was required for FY 2021-22 and FY 2022-23 to serve as a project manager for the transition process.

STATUTORY AUTHORITY: Section 26-6.2-301 et. seq., C.R.S.

REQUEST: The Department requests a continuation appropriation of \$98,787 General Fund and 1.0 FTE for FY 2023-24.

RECOMMENDATION: Staff recommends **no funding** for this line item. Transition funding was only authorized through FY 2022-23, and statutory provisions related to the transition process have been repealed.

HIGH SCHOOL INNOVATIVE LEARNING PILOT PROGRAM

The General Assembly created this program in S.B. 19-216 (High School Innovative Learning Pilot) to increase innovative learning opportunities for high school students. Statutory provisions define innovative learning opportunities as activities that usually occur outside of the classroom and may include work-based learning, such as apprenticeships, competency-based learning projects, capstone projects, and other learning experiences. Under the bill, local education providers may propose an innovative learning plan that permits high school students to participate in innovative learning opportunities prior to graduation. Providers that the Department selects to participate in the pilot program may count students participating in those opportunities as full-time students for school finance purposes, regardless of the actual amount of instructional time or contact hours for which the student is enrolled.

The bill required the State Board of Education to adopt rules for the program, including application requirements and timelines, and included criteria for the selection of pilot program participants. Local education providers could submit applications to the Department in FY 2019-20, with participation actually beginning in FY 2020-21. The bill included an appropriation of \$129,563 General Fund and 0.3 FTE for FY 2019-20, and funding at a similar level was continued in FY 2020-21.

For FY 2021-22, the Long Bill included \$127,095 and 0.3 FTE, but this amount was increased by \$220,115 and 0.3 FTE in S.B. 21-106 (Concerning Successful High School Transitions). This bill modified the program to allow a school of a school district or of a board of cooperative services to participate in the program independently. It also required the Department and the State Board of Education to consider whether the applying program would provide opportunities for apprenticeships, technical training through an industry provider, teacher training, concurrent enrollment, and certificates. The fiscal note for the bill indicated that the program as originally created supported a \$100,000 contract with a nonprofit and 0.2 FTE and was expected to have 17 participants in FY 2021-22. The additional funding in S.B. 21-106 was to support an additional 0.2 FTE and \$200,000 for technical assistance, which was expected to support 20 new participants and increase support for all participants. The program repeals July 1, 2025.

STATUTORY AUTHORITY: Section 22-35.6-101 through 107, C.R.S.

REQUEST: The Department requests \$349,407 General Fund and 0.6 FTE, including an increase of \$368 to annualize prior year salary survey.

RECOMMENDATION: Staff recommends the request for \$349,407 General Fund and 0.6 FTE for FY 2023-24. The Department's calculation is consistent with Committee common policy.

FOURTH-YEAR INNOVATION PILOT PROGRAM - DISTRIBUTIONS TO LEPS

The Fourth-year Innovation Pilot Program was created in S.B. 21-106 (Concerning Successful High School Transitions). Although the program was created in the Department of Higher Education, the Department of Education has related statutory responsibilities. The program provides state funding for low-income students who graduate early from high school to use for postsecondary education and also provides incentives to the local education providers (LEPs) that graduate these students early. It is limited to five local education providers or group of providers, with the first cohort of graduates graduating early during FY 2021-22 and the last graduating during FY 2025-26.

The bill specifies that beginning in FY 2022-23, eligible students who graduate prior to their fourth year of high school will receive the greater of 75.0 percent of the state share of FY 2021-22 average per pupil funding (as calculated in the 2021 legislative session) or \$3,500 toward college tuition and fees, and students who graduate prior to the second semester of their fourth year of high school will receive the greater of 45.0 percent of state share of FY 2021-22 average per pupil funding (as calculated in the 2021 legislative session) or \$2,000 toward college tuition and fees. A local education provider which graduates a students before their fourth year of high school receives 25 percent of the state share of FY 2021-22 average per pupil funding (as calculated in the 2021 legislative session). The bill sets eligibility criteria for participation in the new pilot program and creates reporting requirements.

STATUTORY AUTHORITY: Section 23-3.3-1301 et. seq., C.R.S.

REQUEST: The Department requested a continuation level of funding, based on the fiscal note, of \$68,208 for the third year of the program. The funding is for distributions to local education providers for the Fourth-year Innovation Pilot Program.

RECOMMENDATION: Staff recommends an appropriation of \$68,208 General Fund to support distributions to local education providers who graduate students early, based on the provisions of the bill and estimates in the fiscal note. As indicated in the fiscal note for the bill, the average state share per pupil included in S.B. 21-268 (Public School Finance) was \$5,457. Assuming that 100 students participate in the program, with half graduating prior to their four year and half graduating prior to the second semester of their fourth year, participating local education providers would receive \$68,208, based on \$1,365.16 (25% of the state share of average per pupil funding, as defined) x 50 students who graduate before their fourth year.

However, actual expenditures will be based on the number of early graduates who are reported by the participating LEPs to the Departments of Education and Higher Education on July 1, 2022 and each year thereafter. **The Department has not thus far submitted any data on the number of actual student participants, so staff is uncertain whether the existing funding amount should be adjusted. If the funding is too high, the balance will revert, but if a greater amount is required this will need to be identified for purposes of the appropriation.**

PARENTS ENCOURAGING PARENTS CONFERENCES

The General Assembly added this program through S.B. 19-215 (Parents Encouraging Parents Conference). The bill requires the Department of Education to provide up to four PEP conferences per year for parents and families of children with disabilities. The conferences bring together parents and families of children with disabilities and professionals in the field to offer education, support, and information, and to provide a forum for discussion.

The conferences have historically been funded entirely with federal funds provided through the federal Individuals with Disabilities Education Act (IDEA). However, beginning in FY 2018-19, the U.S. Department of Education does not allow the use of federal funds to provide food for the conference participants. Federal funding continues to cover facility, lodging, and conference costs. The state funding (\$68,000 General Fund appropriated in S.B. 19-215) is intended to cover food costs for the four conferences each year.

STATUTORY AUTHORITY: Section 22-20-120, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$68,000 General Fund for FY 2023-24, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request for continuation funding of \$68,000 General Fund for FY 2023-24, consistent with Committee common policy.

CAREER DEVELOPMENT SUCCESS PROGRAM

The General Assembly created the Career Development Success Pilot Program in H.B. 16-1289 (Incentives to Complete Career Development Courses). The bill established the program on a pilot basis, for FY 2017-18 and FY 2018-19, to provide financial incentives for participating school districts and charter schools to encourage high school students to enroll in and successfully complete qualified industry certificate programs, internship or pre-apprenticeship programs, and advanced placement courses in computer science. Beginning in FY 2017-18, the bill authorized participating districts and

charter schools to receive up to \$1,000 for each pupil who, in the preceding fiscal year, successfully completed a qualified program.

The bill required the General Assembly to appropriate \$1.0 million annually for incentive payments in FY 2017-18 and FY 2018-19. The General Assembly approved an increase of \$1.0 million General Fund (for a total of \$2.0 million) for FY 2018-19 and an additional increase of \$3.0 million (for a total of \$5.0 million) for FY 2019-20. For FY 2020-21, the General Assembly reduced the appropriation to \$4.5 million General Fund as a budget balancing measure (\$0.5 million below the FY 2019-20 appropriation and \$1.5 million below the amount initially approved by the Committee during figure setting for FY 2020-21).

For FY 2021-22, the Long Bill included \$4,520,000 General Fund. Senate Bill 21-268 (Public School Finance) added \$1,750,000 from the Workers, Employers, and Workforce Centers Cash Fund from money originating as federal Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act (ARPA funds), for a total of \$6,270,000. After it was determined that these additional funds could not be expended in a manner required by federal rules, the JBC included a provision in the supplemental bill for the Department of Education to change the source of the funds to General Fund deposited in the Workers, Employers, and Workforce Centers Cash Fund. The Department anticipated that, with this change, the funds could be expended in FY 2021-22 and would allow certificates and internship experiences to be fully funded (\$1,000 per industry certificate or qualifying internship/pre-apprenticeship program), and successful AP computer science test completions to be partially funded.

In FY 2021-22, 61 school districts and nine charter schools reported a total of 12,573 qualifying credentials. This represented an 87 percent increase over FY 2020-21. Credential funding was limited to 9,130 due to insufficient appropriations.

STATUTORY AUTHORITY: Section 22-54-138, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$4,520,000 General Fund for FY 2023-24.

RECOMMENDATION: Staff recommends approving the request for \$4,520,000 General Fund for FY 2023-24. **The program appears to be effective, but may be a victim of its own success, given the discrepancy between demand and funds now available. The General Assembly may wish to consider changes to the program to better manage the demand.**

FINANCIAL AID TRAINING STIPENDS AND RESOURCE BANK

H.B. 22-1366 (Improving Students' Postsecondary Options) provided one-time General Fund appropriations, to be spent through FY 2024-25, for financial aid teacher training stipends and a financial aid resource bank.

REQUEST: The Department requests a continuation appropriation of \$475,000 General Fund and 0.9 FTE for this line item.

RECOMMENDATION: Staff does **not** recommend ongoing funding for this line item. Consistent with the language in the bill and the fiscal note for H.B. 22-1366, the FY 2022-23 appropriation was intended to be one-time only.

POSTSECONDARY, WORKFORCE CAREER, AND EDUCATION GRANT AND READINESS PROGRAM

H.B. 22-1366 (Improving Students' Postsecondary Options) provided one-time General Fund appropriations, to be spent through FY 2024-25, for grants to local education providers to improve training, materials, and resources to improve completion of financial aid applications. The one-time appropriation includes money for CDE to administer the program.

REQUEST: The Department requests a continuation appropriation of \$1,150,000 General Fund and 0.9 FTE for this line item.

RECOMMENDATION: Staff does **not** recommend ongoing funding for this line item. Consistent with the language in the bill and the fiscal note for H.B. 22-1366, the FY 2022-23 appropriation was intended to be one-time only.

COLORADO CAREER ADVISOR TRAINING PROGRAM

Senate Bill 22-165 created the Colorado Career Advisor Training Program to provide training programs and courses to Colorado career advisors to help them guide individuals toward meaningful careers. The Department is required to administer the program in coordination with the Department of Higher Education, Department of Labor and Employment, Colorado Workforce Development Council, and the Colorado Community College System. The program is expected to require \$1,000,000 General Fund per year ongoing.

STATUTORY AUTHORITY: Section 22-10-108, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,000,000 General Fund for this line item.

RECOMMENDATION: Staff recommends the request for \$1,000,000 General Fund for FY 2023-24, consistent with the fiscal note for the bill.

LINE ITEMS INCLUDED IN NUMBERS PAGES BECAUSE OF PRIOR YEAR FUNDING

TEACHER RECRUITMENT EDUCATION AND PREPARATION PROGRAM (TREP)

Senate Bill 21-185 (Supporting Educator Workforce in Colorado) creates the Teacher Recruitment Education and Preparation (TREP) program to allow students to concurrently enroll in postsecondary courses for two years following the student's twelfth grade year and specifies requirements for designation as a TREP program participant (including that the student be in the teaching career pathway). Beginning with the 2022-23 school year, the bill requires the General Assembly to annually decide on the number of TREP program participants to fund in the Long Bill (to be funded at the same per pupil amount as Accelerating Students through Concurrent Enrollment (ASCENT) program participants). The bill specifies that for FY 2022-23, the General Assembly shall appropriate funding for no more than two hundred program participants.

Funding for TREP program participants is now included in the School Finance portion of the Long Bill. Funding for related administration (\$43,741 General Fund and 0.4 FTE) is included in the Educator Effectiveness Unit Administration line item

STATUTORY AUTHORITY: Section 22-35-108.5, C.R.S.

REQUEST/RECOMMENDATION: The Department did not request, and staff does not recommend, funding for this line item for FY 2023-24 as appropriations are included elsewhere in the Long Bill.

WORKFORCE DIPLOMA PILOT PROGRAM

The General Assembly created this program in H.B. 19-1236 (Workforce Diploma Pilot Program). As authorized in the bill, the program provides performance payments to qualified providers of dropout recovery services for eligible adult students (residents of Colorado that are at least 21 years old and do not have a high school diploma) who achieve specific education milestones. The bill required the Department to review provider qualifications, determine eligibility, and publish a list of providers that meet the necessary criteria.⁴⁵

Qualified providers were eligible for payments for educational outcomes by eligible students (e.g., \$250 for completion of each half-credit earned, between \$250 and \$750 for attainment of an industry-recognized employment skills certification (depending on the amount of training required), and \$1,000 for the completion of an accredited high school diploma). The bill limited payments to no more than \$7,000 per student (to one or more providers).

House Bill 19-1236 included an appropriation of \$1,012,201 General Fund and 0.2 FTE to support the program in FY 2019-20, but the General Assembly eliminated most of this funding as a budget balancing measure. The Department proposed that the General Assembly eliminate appropriations

⁴⁵ For FY 2019-20, the Department has identified six providers: Colorado Mountain College, GlobalEd Solutions, Graduation Alliance, McClain Community High School (Jefferson County Public Schools), Pikes Peak Library District Adult Education, and Pueblo City-County Library District. See: <http://www.cde.state.co.us/cdeadult/wdpp>

for the program for FY 2021-22 and make a statutory change to suspend the program for one year. While this did not occur, the program repealed July 1, 2022.

STATUTORY AUTHORITY: Section 22-10.3-101 through 105, C.R.S. [Repealed]

REQUEST/RECOMMENDATION: The Department did not request, and staff does not recommend, funding for this program, which is repealed.

CONNECTING COLORADO STUDENTS GRANT PROGRAM FUND

House Bill 20B-1001 (Grants to Improve Internet Access in P-12 Ed) made a one-time appropriation of \$20.0 million General Fund to the Connecting Colorado Students Grant Program Fund in FY 2020-21 to support grants to improve internet access for K-12 education.

STATUTORY AUTHORITY: Section 22-103-101 through 106, C.R.S. [Repealed]

REQUEST/RECOMMENDATION: The Department did not request, and staff does not recommend, funding for this program, which is repealed.

(D) INDIRECT COST ASSESSMENT

INDIRECT COST ASSESSMENT

This line item reflects indirect cost assessments for the various subdivisions and line items in the Assistance to Public Schools division. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management and Administration division for General Department and Program Administration and a variety of centrally appropriated line items.

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

REQUEST: The Department requests an appropriation of \$3,838,078 total funds, including an increase of \$1,018 reappropriated funds from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends the adjustments shown in the table below, based on updated information from the Department.

ASSISTANCE TO PUBLIC SCHOOLS, INDIRECT COST ASSESSMENT, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$3,837,060	\$0	\$25,000	\$55,571	\$3,756,489	0.0
TOTAL	\$3,837,060	\$0	\$25,000	\$55,571	\$3,756,489	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$3,837,060	\$0	\$25,000	\$55,571	\$3,756,489	0.0
SI Indirect cost adjustments	68,803	0	0	0	68,803	0.0

ASSISTANCE TO PUBLIC SCHOOLS, INDIRECT COST ASSESSMENT, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$3,905,863	\$0	\$25,000	\$55,571	\$3,825,292	0.0
INCREASE/(DECREASE)	\$68,803	\$0	\$0	\$0	\$68,803	0.0
Percentage Change	1.8%	0.0%	0.0%	0.0%	1.8%	0.0%
FY 2023-24 EXECUTIVE REQUEST	\$3,838,078	\$0	\$25,000	\$56,589	\$3,756,489	0.0
Request Above/(Below) Recommendation	(\$67,785)	\$0	\$0	\$1,018	(\$68,803)	0.0

(3) LIBRARY PROGRAMS

Background Information: Public libraries are managed and operated locally based on revenues raised from local sources.⁴⁶ The State provides no direct state funding to libraries other than those provided through the State Grants to Publicly-Supported Libraries program and has no authority over public library operations. However, the Commissioner of Education is designated as the ex officio State Librarian, and the State Library is a division within the Department of Education. The State Librarian has a number of statutory duties and responsibilities, including the following [see Section 24-90-105, C.R.S.]:

- to promote and coordinate the sharing of resources and cooperative relationships among all Colorado libraries to reduce costs at the local level;
- to ensure equal access to information for all Coloradans;
- to furnish library or information services to state officials, departments, institutional libraries, and persons who are blind and physically disabled;
- to further library development and to promulgate service standards for school, public, and institutional libraries; and
- to receive and administer federal funds for libraries.

The State Library provides technical support, professional development, and resource sharing opportunities for publicly-supported libraries throughout the state. The State Library cooperatively manages the Colorado Virtual Library, a statewide, Internet-based library network that provides several services to Colorado residents, including:

- a statewide interlibrary loan system;
- Colorado Online Libraries - a web hosting services that allows small libraries to have a web presence;
- Colorado Historic Newspaper Collection; and
- development of digital infrastructure for improved access to state and local digitized materials and other electronic resources.

The State Library also provides development services for public libraries, school libraries, and institutional libraries in adult and youth correctional facilities and state veterans hospitals. Services to

⁴⁶ Publicly supported libraries include public, school, and academic libraries. The Department indicates that Colorado has 113 public library jurisdictions with 263 public library buildings. The jurisdictions include one rural bookmobile service that is classified as a separate jurisdiction. Local libraries are funded through property, sales, and specific ownership tax revenues, as well as grants, donations, and fine revenues, though at least 30 libraries have enacted policies that eliminate fines on all or some materials. Most public library jurisdictions serve rural populations, with 83 percent (94 jurisdictions) serving populations under 50,000, and 40 percent (45 jurisdictions) serving fewer than 5,000 people. In addition to the typical items checked out, Colorado's libraries provide a variety of additional services, including: summer reading programs for children (94 percent); technology training (90 percent); free Wi-Fi access (96 percent); and an educational backpack for families with free state parks passes for checkout (100 percent participation), a joint program with Colorado Parks and Wildlife.

public and school libraries include support of early literacy activities and summer reading programs. The State Library also operates the State Publications Library (which provides free access to state government documents), the Colorado Talking Book Library (which provides free materials to individuals who are unable to read standard print material), and distributes funds to the Colorado Imagination Library Program (which gives free books to children from birth to five). Finally, the State Library provides research and statistical information to support policy-making, budgeting, planning, and evaluation activities for libraries and library agencies at the local, regional, state, and federal levels.

The following table summarizes the staff recommendation for the Library Programs division.

LIBRARY PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 Appropriation						
FY 2022-23 Appropriation	\$10,846,654	\$6,350,356	\$287,413	\$860,000	\$3,348,885	40.8
TOTAL	\$10,846,654	\$6,350,356	\$287,413	\$860,000	\$3,348,885	40.8
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$10,846,654	\$6,350,356	\$287,413	\$860,000	\$3,348,885	40.8
R11 Imagination Library growth	717,225	717,225	0	0	0	0.0
Annualize prior year budget actions	62,147	14,973	0	3,381	43,793	0.0
TOTAL	\$11,626,026	\$7,082,554	\$287,413	\$863,381	\$3,392,678	40.8
INCREASE/(DECREASE)	\$779,372	\$732,198	\$0	\$3,381	\$43,793	0.0
Percentage Change	7.2%	11.5%	0.0%	0.4%	1.3%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$147,670)	(\$147,670)	\$0	\$0	\$0	0.0

DECISION ITEMS - LIBRARY PROGRAMS

→ R11 IMAGINATION LIBRARY GROWTH

REQUEST:

The request includes an increase of \$569,555 for the Colorado Imagination Library, bringing total funding to \$1,476,695 for FY 2023-24 and ongoing. The increase will provide a state match for this evidence-based program to help bring one book per month to approximately 87,000 more children—birth through age 5—across the State and bring total coverage to 35 percent of the eligible population.

RECOMMENDATION: Staff recommends \$1,624,365 General Fund, an increase of \$717,225 over the current appropriation, which is based on the request plus a 10.0 percent buffer, since this program is effectively an entitlement. Section 24-90-120, C.R.S., added in the FY 2021-22 School Finance Act, states that “the General Assembly “shall increase the appropriation [for the Imagination Library] in subsequent fiscal years as necessary to meet the intention of the general assembly set forth in subsection (6)(a)...” The referenced subsection states that “It is the intent of the general assembly to provide full funding by 2026 for any eligible child who wants to participate in the program.” Given this statutory language, the staff recommendation is based on the estimated cost for the program, as

set forth in statute, for FY 2023-24 with a buffer in case it grows more quickly. *Staff is **also** anticipating that the program will revert approximately \$350,000 of its FY 2022-23 funds, including funds rolled-forward from FY 2021-22, based on the statutory structure and growth trajectory, as the program will not be paid for more books than it distributes.*

EVIDENCE LEVEL: The Department identifies the request as “Step 4: Attain Initial Evidence” on the evidence continuum, which staff understands to mean “Evidence Informed Program or Practice,” which is defined in Section 2-3-210 (2), C.R.S. as a “program or practice that reflects a moderate, supported, or promising level of confidence of effectiveness, ineffectiveness, or harmfulness as determined by an evaluation with a comparison group, multiple pre- and post-evaluations, or an equivalent measure”. The request cites research in other states indicating that the Imagination Library Program has led to a 90 percent increase in kindergarten readiness, significant improvements in third grade reading, increased family engagement, including reading at home, and increased engagement in public libraries. The request cites the National Commission on Reading, which has found that the single most significant factor influencing a child’s educational success is introduction to books and being able to read at home prior to beginning school. The Dolly Parton Imagination Library provides a research database with data on program evaluations. While Staff has not reviewed these studies in detail, staff concurs that the program is evidence informed.⁴⁷

ANALYSIS

Program Description: The Imagination Library Program provides books free of charge to children under the age of five. The Colorado program office is a nonprofit (Dolly Parton Imagination Library Colorado) which has two major roles: (1) it works with the national Imagination Library program to obtain the program books (which are identified by the national program); and (2) works with local affiliates in each county (e.g., nonprofits such as United Ways, public libraries, and other local entities) to raise matching funds and identify the children who receive books from the program. In locations where the program is operating, any family seeking books may apply, and their child will receive a book monthly until they turn 5. The overall program funding is a combination of state General Fund and locally-raised donations. The state funds 50.0 percent of the cost of the books (\$1.15 per child per month) and allows 20.0 percent of the State’s appropriation to be used for administrative costs, including central program operations and a statutorily-required evaluation of the program. Local affiliates are responsible for 50.0 percent of the costs of the books on an ongoing basis (\$1.15 match per child per month). The State began to fund the program in FY 2021-22. It hopes to reach 35.0 percent of eligible children by the end of FY 2023-24. Based on the experience of other states, the Imagination Library expects the program to stabilize at 65.0 percent of all eligible children.

History of Statutory Changes and Appropriations: Senate Bill 20-185 created the Colorado Imagination Library Program in Section 24-90-120, C.R.S., to provide books free of charge to children under the age of five years. The bill required the State Librarian to contract with a nonprofit organization to operate the program and would require the contractor to:

- Create and operate the program, including establishing county affiliate programs in all Colorado counties.
- Manage daily operations of the program.

⁴⁷<https://imaginationlibrary.com/news-resources/research/#:~:text=Improving%20Attitudes%20%26%20Skills&text=Some%20studies%20found%20Dolly%20Parton's,not%20participate%20in%20the%20program.>

- Develop, promote, and coordinate a public awareness campaign.
- Contract with a national nonprofit (such as the Dolly Parton Imagination Library) to provide high-quality, age-appropriate books to eligible children.

The bill made the requirements subject to available appropriations. However, it did not provide state funding for the program for FY 2020-21. Although the bill authorized the Department to accept gifts, grants, or donations for the program, it did not receive such external support in FY 2020-21 and therefore did not establish the program.

For FY 2021-22, S.B. 21-268 (Public School Finance) made statutory adjustments to the program. These included the following changes.

- The bill eliminated language that made contracting for the program "subject to available appropriation". Instead, the bill requires the General Assembly to annually appropriate General Fund for the state's share of the cost of providing books. It requires the General Assembly to appropriate \$907,140 General Fund for the program in FY 2022-23, and requires the General Assembly to increase the appropriation in subsequent years as necessary to meet the intention of providing full funding by 2026 for any child who wishes to participate.
- It requires that the State Librarian enter into a contract with a nonprofit organization to operate the program by December 31, 2021.
- It requires the contractor's public awareness campaign coordinate with the public awareness campaign for the READ Act.
- It requires the contractor provide for a high-quality independent evaluation of child and family outcomes from the program.
- It establishes a distressed affiliate fund using gifts, grants, and donations to assist programs that have difficulty meeting county-based funding requirements.
- It specifies that twenty percent of funds appropriated for FY 2021-22 and ten percent of money appropriated for FY 2022-23 and thereafter may be used for the contractor operating the program for specified administrative and other duties, including providing for the program evaluation.

Senate Bill 21-268 provided an appropriation of \$440,210 General Fund, and the fiscal note for the bill indicated that this amount would increase by \$496,919 General Fund to \$907,140 General Fund for FY 2022-23.

For FY 2022-23:

- The School Finance Act (H.B. 22-1390) modified statutory provisions so that the share of funding that may be used by the contractor for operating the program was increased to 20.0 percent on an ongoing basis.
- The Long Bill (H.B. 22-1329):
 - Included an appropriation of \$907,140 General Fund for the program, as required by S.B. 21-268.
 - Extended the appropriation provided in the FY 2021-22 School Finance Act (\$440,210 General Fund for FY 2021-22) so that unspent funds could be used in FY 2022-23.

Current Status of the Program and Projected Program Growth: The program's FY 2021-22 annual report, dated June 30, 2022, incorporates data on program growth through the end of FY 2021-22. This includes data between October 2021 and June 2022, during which period the program grew from

14,450 children served to 22,523 children served (55.9 percent growth overall or a rate of about 5.7 percent per month, compounded). During this period the program also grew from 20 county affiliates to 50 county affiliates, so the program was represented in the majority of the State’s 64 counties.

There are approximately 335,638 children under age 5 in the State based on the figures being used by the Imagination Library. As of the end of June 2022, with 22,523 children served, the program was serving about 6.5 percent of eligible children. It expects to reach over 96,000 children (over 28.0 percent of eligible children) by the end of FY 2023-24.

IMAGINATION LIBRARY ACTUAL DATA THROUGH MARCH 2023 AND GROWTH PROJECTION					
BOOKS MAILED IN MONTH	ENROLLMENT LEVEL	NUMBER OF CHILDREN ENROLLED	MONTHLY COST OF 50% OF MONTHLY BOOK BILL	PROGRAM FEE	OTHER PROGRAM COSTS
<u>FY 2023</u>					
July	6.7%	22,518	23,125	10,125	\$ 1,044
August	7.0%	23,533	26,811	10,125	
September	7.6%	25,394	26,899	10,125	\$26,763
October	9.0%	30,223	33,793	10,125	
November	9.8%	32,957	35,076	10,125	
December	10.4%	34,764	38,822	10,125	\$26,763
January	10.7%	35,881	38,025	10,125	
February	11.1%	37,259	41,150	10,125	
March	12.4%	41,672	58,875	10,125	\$26,763
April	13.5%	45,311	53,163	10,125	
May	14.8%	49,674	58,391	10,125	\$26,763
June	16.0%	53,702	62,925	10,125	\$1,714
Subtotals			497,055	121,500	\$109,811
Totals			Total Program Cost		\$ 728,366
<u>FY 2024</u>					
July	17.2%	57,730	67,557	14,500	
August	18.5%	62,093	89,414	14,500	
September	19.8%	66,456	95,697	14,500	
October	20.8%	69,813	100,530	14,500	\$14,439
November	21.7%	72,833	104,880	14,500	
December	22.6%	75,854	109,230	14,500	
January	24.3%	81,560	117,446	14,500	\$14,439
February	25.7%	86,259	107,471	14,500	
March	26.4%	88,608	109,589	14,500	
April	26.9%	90,287	110,740	14,500	\$14,439
May	27.6%	92,636	113,150	14,500	
June	28.6%	96,079	117,232	14,500	\$16,439
Subtotals			1,242,938	174,000	\$59,756
Totals			Total Program Cost		\$ 1,476,694

LINE ITEM DETAIL - LIBRARY PROGRAMS

ADMINISTRATION

This line item provides state funding and staff for the general administration of library programs and the provision of library services.

STATUTORY AUTHORITY: Section 24-90-105, C.R.S.

REQUEST: The Department requests an appropriation of \$1,217,716 total funds (including \$950,303 General Fund and \$267,413 cash funds from gifts, grants, and donations) and 14.3 FTE for FY 2023-24. The request includes an increase of \$14,548 to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends approving an appropriation of \$1,217,716 total funds (including \$950,303 General Fund and \$267,413 cash funds from gifts, grants, and donations) and 14.3 FTE for FY 2023-24. This amount matches the request and is consistent with Committee common policy.

FEDERAL LIBRARY FUNDING

This line item reflects federal funding that is anticipated to be available for library programs, and the Department staff who are supported by such funds. The federal funds supporting this line item are shown in the Long Bill for informational purposes only.

STATUTORY AUTHORITY: 22 U.S.C. 72

REQUEST: The Department requests an appropriation of \$3,337,351 federal funds and 23.8 FTE. The request includes an increase of \$43,793 to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends including an informational amount of \$3,337,351 federal funds and 23.8 FTE in this Long Bill line item for FY 2023-24. This matches the request and is consistent with common policy.

COLORADO LIBRARY CONSORTIUM

The Colorado Library Consortium is a statewide library cooperative that was formed as a successor to the seven regional library systems that existed prior to significant state funding reductions in 2003.⁴⁸ The Consortium supports publicly-funded libraries statewide by:

- Expediting the discovery, selection, and delivery of information and materials to library patrons (including courier services).

⁴⁸ The FY 2002-03 Long Bill included \$7.5 million General Fund support for library programs (other than state staff). The Governor vetoed appropriations totaling \$4.5 million, and these appropriations were further reduced in FY 2003-04 to \$359,796.

- Administering a cooperative purchasing program (negotiating significant discounts on books and other library materials).
- Providing and supporting learning opportunities for ongoing professional development to improve library services.
- Identifying and supporting initiatives to strengthen the Colorado library community.

The Consortium's projected \$2.9 million budget in FY 2020-21 consisted of state funding provided through this line item (\$1.0 million General Fund annually since FY 2006-07), courier income (\$925,000), administrative fees (\$180,300), AspenCat integrated library system fees (\$147,000), continuing education fees (\$12,000), book recycling (\$8,000), and other miscellaneous sources such as grants, cooperative projects, and reserve carryover (\$639,800). The statewide courier system transports 3 million items annually. The AspenCat integrated union-catalog serves 160 primarily small, rural public and school libraries across Colorado. On average, each AspenCat member library holds 15,000 items in its respective collection but its patrons have access to more than 1.7 million items in the shared collection. Consortium staff provide schools, public, and academic libraries statewide with consulting, training, and continuing education.

STATUTORY AUTHORITY: Section 24-90-105, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,000,000 General Fund, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request for \$1,000,000 General Fund. This appropriation ensures that the Consortium can offer public libraries a cooperative purchasing program and a statewide courier service at a reasonable cost, reducing public library expenses and facilitating resource sharing.

COLORADO VIRTUAL LIBRARY

Pursuant to Section 24-90-302 et seq., C.R.S., the State Librarian is responsible for providing electronic resources through libraries to all Colorado residents and to students and staff at higher education institutions and public schools. The Colorado Virtual Library is thus a statewide, Internet-based library network that provides free access to:

- On-line catalogs of the holdings of Colorado libraries.
- Locally produced databases.
- Digitized collections of Colorado resources.
- Indexes and full text database products.
- An interlibrary loan system facilitating resource sharing throughout Colorado.
- Other services associated with providing computer-based library resources.

The Colorado Virtual Library is managed cooperatively by the State's library community, including the Department of Education. This line item provides funding for ongoing operations, including contract technical staff for operations and programming, contract training and user support, annual hardware and software maintenance fees, leased space, database archiving services, backup tapes, and Internet connectivity.

STATUTORY AUTHORITY: Section 24-90-302, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$379,796 total funds (including \$359,796 General Fund) for FY 2023-24, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request for of \$379,796 total funds (including \$359,796 General Fund) for FY 2023-24, with no change from the FY 2022-23 appropriation.

COLORADO TALKING BOOK LIBRARY [PREVIOUSLY: COLORADO TALKING BOOK LIBRARY BUILDING MAINTENANCE, AND UTILITY EXPENSES]

The Colorado Talking Book Library is part of a national library program providing Braille, audio, and large-print books for individuals of all ages who are unable to read standard print material due to visual, physical, or learning disabilities. Colorado has, on average, 7,000 eligible patrons each year, representing every county in the State. The Colorado Talking Book Library is one of the original 19 libraries established pursuant to the federal Pratt Smoot Act in 1931. The library's recorded materials and playback machines are provided by the Library of Congress; this collection is enhanced by recordings of local materials narrated by volunteers and library staff. Since 1991, the library has been located at 180 Sheridan Boulevard in Denver. The building was purchased after the General Assembly appropriated \$750,000 from the Capital Construction Fund for FY 1989-90 (H.B. 90-1297). In FY 1997-98 the General Assembly appropriated \$238,607 from the Capital Construction Fund to replace the roof of the building.

House Bill 19-1332 (Telephone Users Disabilities Fund Talking Book Library, a Joint Budget Committee bill) authorized the use of the Colorado Telephone Users with Disabilities Fund (reflected as reappropriated funds from the Department of Regulatory Agencies) to support the Talking Book Library. For FY 2019-20, the bill included a one-time appropriation of \$250,000 from that fund source to support the library. For FY 2020-21, the Long Bill continued the appropriation from the Colorado Telephone Users with Disabilities Fund but reduced the amount to an appropriation of \$200,000. For FY 2021-22 this reappropriated funds spending authority was eliminated from the Long Bill. However, S.B. 21-115 (Annual Funding for Talking Book Library Services) made statutory changes to *require* the General Assembly to make annual appropriations from the Colorado Telephone Users With Disabilities Fund in the Department of Regulatory Agencies to support talking book library services. The bill included a \$250,000 cash funds appropriation in the Department of Regulatory Agencies and a \$250,000 reappropriated funds appropriation to the Department of Education for FY 2021-22 from funds transferred from the Department of Regulatory Agencies.

State funds currently support a portion of the program. The balance is supported through federal funds, The Friends of the Colorado Talking Book Library, and volunteers. In addition, the National Library for the Blind and Physically Handicapped (NLS), within the Library of Congress, provides playback equipment and some supplies, Braille and recorded books and magazines which are circulated to visually and reading impaired clients of the Colorado Talking Book Library. The existing inventory of materials and equipment provided by NLS is valued at over \$5.5 million. The Library also houses a large print collection valued at more than \$1.2 million. Finally, the U.S. Postal Service has a line item in the federal budget for the mail service of materials sent to and returned from Library patrons.

Amounts appropriated in this line item were previously limited to the library's maintenance and utility expenses, and staff support was included only in the Administration line item. However, with the ongoing support from the Colorado Telephone Users With Disabilities Fund authorized under S.B. 21-115, this line item now also supports Talking Book Library staff and operating expenses.

STATUTORY AUTHORITY: Section 24-90-105 (1)(e), C.R.S.

REQUEST: The Department requests \$349,527 total funds, including \$96,146 General Fund and \$253,381 reappropriated funds originating from the Colorado Telephone Users with Disabilities Fund, and 2.7 FTE for FY 2023-24. The request includes \$3,381 reappropriated funds to annualize prior year salary survey.

RECOMMENDATION: Staff recommends the request for \$349,527 total funds, including \$96,146 General Fund and \$253,381 reappropriated funds originating from the Colorado Telephone Users with Disabilities Fund, and 2.7 FTE for FY 2023-24. The calculation is consistent with common policy. *Staff requests permission to make related adjustments to the appropriation for the Colorado Telephone Users with Disabilities Fund in the Department of Regulatory Agencies.*

READING SERVICES FOR THE BLIND

This line item authorizes the Department of Education to spend money in the Reading Services for the Blind Cash Fund for the provision of reading services for the blind and also includes a General Fund appropriation. The Reading Services for the Blind Cash Fund is supported by money from the Colorado Telephone Users with Disabilities Fund that is initially appropriated in the Department of Regulatory Agencies. The money originates from a surcharges on telephone access lines.

The Department annually uses the funds to support two different external programs:

- The Department spends a portion of the funds to contract with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. The services provided by AINC are also made available through the internet, telephone, and podcasts. The General Assembly has increased funding for the AINC program several times in recent years, from \$200,000 in FY 2011-12 to \$350,000 in FY 2015-16 (and continued in FY 2016-17). An FY 2017-18 supplemental adjustment provided an additional \$290,000 for the AINC (including \$200,000 in one-time funding and \$90,000 as an ongoing increase), for an ongoing amount of \$440,000 in FY 2018-19 and subsequent years. The JBC initiated an increase of \$100,000 for this program FY 2022-23, bringing the total to \$540,000.
- The Department uses the remaining funds 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. The FY 2017-18 supplemental adjustment added \$60,000 in ongoing funding to the NFB programs (for a total appropriation of \$120,000 in FY 2017-18 and subsequent years).

STATUTORY AUTHORITY: Section 24-90-105.5, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$660,000 total funds (including \$50,000 General Fund and \$610,000 cash funds) for FY 2023-24, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request for continuation funding of \$660,000. The total recommendation includes \$540,000 for the AINC and \$120,000 for the NFB programs.

STATE GRANTS TO PUBLICLY-SUPPORTED LIBRARIES PROGRAM

Senate Bill 00-085 created the State Grants to Publicly-Supported Libraries Program to provide funds to enable public libraries, school libraries, and academic libraries to purchase educational resources that they would otherwise be unable to afford. The bill created the State Grants to Publicly-Supported Libraries Fund, which consists of any moneys appropriated by the General Assembly and any other moneys collected by the State Librarian for such purpose. Statute (Section 24-90-407 (2), C.R.S.) allows the Department to spend up to 2.5 percent of the appropriation to administer the program. Because of the structure in statute, the appropriation historically consisted of two line items: one to appropriate General Fund into the cash fund and one providing spending authority from the cash fund. The enactment of S.B. 15-108 (Direct Appropriations for CDE Programs) eliminated the dual appropriation structure for this program, allowing for a direct appropriation from the General Fund to support the program.

The program first operated for FY 2000-01 and FY 2001-02. The Governor vetoed the appropriations to the program for FY 2002-03, and the program remained unfunded from FY 2002-03 through FY 2012-13. The General Assembly reinstated the program for FY 2013-14 with an appropriation of \$2.0 million General Fund to the State Grants to Publicly-Supported Libraries Fund line item and \$2.0 million reappropriated funds for the State Grants to Publicly-Supported Libraries Program line item. In FY 2015-16, the General Assembly appropriated an additional \$500,000 General Fund, for a total appropriation of \$2.5 million. For FY 2019-20, the General Assembly added \$500,000 General Fund for a total appropriation of \$3.0 million.

Facing the budget crisis associated with the COVID-19 pandemic in FY 2020-21, the General Assembly reduced the appropriation by \$500,000 General Fund as a budget balancing measure. This \$500,000 was restored in the FY 2021-22 Long Bill.

The program awarded \$2,967,000 to 315 grantees statewide (representing 96.6 percent of 326 potential applicants) in FY 2021-22, with a base amount of \$4,500 per grantee. The Department has implemented a tiered structure, providing base amounts of \$4,500 for grantees serving populations of less than 1,000 individuals, \$5,000 for entities serving populations between 1,000 and 4,999, and \$5,500 for those serving 5,000 or more (with increases on a per capita basis for those serving populations of more than 10,000). The Department used the \$500,000 increase provided in FY 2019-20 to increase the base amount by \$1,000 for all population tiers. It eliminated that adjustment for FY 2020-21 based on the reduction in funding but restored it in FY 2021-22.

The Department reports that grantees are using the funds to: launch new e-book resources for parents and families, create new collections for toddler story time, buy online resources, and enhance collections related to early childhood development and other topics associated with early literacy and educational materials.

STATUTORY AUTHORITY: Sections 24-90-401 through 408, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$3,001,944 General Fund for FY 2023-24.

RECOMMENDATION: Staff recommends approving a continuation appropriation of \$3,001,944 General Fund for FY 2023-24.

COLORADO IMAGINATION LIBRARY PROGRAM

Senate Bill 20-185 created the Colorado Imagination Library Program to provide books free of charge to children under the age of five years. The bill required the State Librarian to contract with a nonprofit organization to operate the program and would require the contractor to:

- Create and operate the program, including establishing county affiliate programs in all Colorado counties.
- Manage daily operations of the program.
- Develop, promote, and coordinate a public awareness campaign.
- Contract with a national nonprofit (such as the Dolly Parton Imagination Library) to provide high-quality, age-appropriate books to eligible children.

The bill made the requirements subject to available appropriations. However, it did not provide state funding for the program for FY 2020-21. Although the bill authorized the Department to accept gifts, grants, or donations for the program, it did not receive such external support in FY 2020-21 and therefore did not establish the program.

For FY 2021-22, S.B. 21-268 (Public School Finance) made statutory adjustments to the program. These included the following changes.

- The bill eliminated language that made contracting for the program "subject to available appropriation". Instead, the bill requires the General Assembly to annually appropriate General Fund for the state's share of the cost of providing books. It required the General Assembly to appropriate \$907,140 General Fund for the program in FY 2022-23, and required the General Assembly to increase the appropriation in subsequent years as necessary to meet the intention of providing full funding by 2026 for any child who wishes to participate.
- It required that the State Librarian enter into a contract with a nonprofit organization to operate the program by December 31, 2021.
- It required the contractor's public awareness campaign coordinate with the public awareness campaign for the READ Act.
- It required the contractor provide for a high-quality independent evaluation of child and family outcomes from the program.

- It established a distressed affiliate fund using gifts, grants, and donations to assist programs that have difficulty meeting county-based funding requirements.
- It specified that twenty percent of funds appropriated for FY 2021-22 and ten percent of money appropriated for FY 2022-23 and thereafter may be used for the contractor operating the program for specified administrative and other duties, including providing for the program evaluation.

Senate Bill 21-268 provided an appropriation of \$440,210 General Fund, and the fiscal note for the bill indicated that this amount would increase by \$496,919 General Fund to \$907,140 General Fund for FY 2022-23. Statute was amended in H.B. 22-1390 to authorize 20 percent of funds to be used for administration on an ongoing basis. A roll-forward was authorized for the FY 2021-22 appropriation.

STATUTORY AUTHORITY: Sections 24-90-120, C.R.S.

REQUEST: The Department requests \$1,476,695 General Fund for FY 2023-24, including an increase of \$569,555 General Fund for request R11.

RECOMMENDATION: As previously discussed in this packet, Staff recommends an appropriation of \$1,624,365 General Fund, which includes an increase of \$717,225 General Fund for request R11. The staff recommendation adds a buffer of 10.0 percent to the projected growth for the program. Based on the way this program is created in statute, if the program grows quickly and the appropriation is insufficient, a supplemental appropriation is required. If it grows more slowly and all funds are not needed, the balance reverts to the General Fund.

INDIRECT COST ASSESSMENT

This line item reflects indirect cost assessments associated with Library Programs. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management and Administration division for General Department and Program Administration and a variety of centrally appropriated line items.

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

REQUEST: The Department requests a continuation appropriation of \$55,327 federal funds, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request for a continuation appropriation of \$55,327 federal funds.

(4) SCHOOL FOR THE DEAF AND THE BLIND

The Colorado School for the Deaf and the Blind (CSDB) is a state-funded school that was established for the purpose of providing comprehensive educational services for children under the age of twenty-two who are blind and/or deaf. Originally named the "Colorado Institute for the Education of Mutes", the School opened in a rented house in April 1874 with an appropriation from the Territorial Legislature. The student population rapidly outgrew the space available and in 1876 the School moved to its current campus, made possible with a donation of ten acres by the founder of the city of Colorado Springs. The CSDB received its initial accreditation from the Department of Education in 1961, and in 1977, the CSDB was transferred from the Department of Institutions to the Department of Education. As a "Type 1" agency within the Department of Education, the CSDB is overseen by a seven-member board appointed by the Governor and confirmed by the Senate.

The CSDB currently occupies 18 buildings on 37 acres. Colorado students from the ages of birth through twenty-one are eligible to receive services either at or through the CSDB. Students enrolled at CSDB must have a documented hearing and/or vision loss and meet the enrollment criteria established by the Board of Trustees. Students may also be enrolled on a diagnostic basis in order to make an accurate determination of the student's eligibility status. A staffing team, including a CSDB staff member, the student's parents, and a local school district representative, determines if the CSDB is the appropriate learning environment based on the educational needs of the student. If a student's parents or legal guardians reside within Colorado and outside the El Paso County area, the student is eligible to participate in the residential living program during the week. There is no tuition for room and board. Out-of-state students are considered on a space available basis and are required to pay tuition.

In addition, pursuant to Section 22-80-102 (2), C.R.S., the CSDB is to "be a resource to school districts, state institutions, and other approved education programs." In this capacity, the CSDB is to provide the following services:

- Assessment and identification of educational needs;
- Special curricula;
- Equipment and materials;
- Supplemental related services;
- Special short-term programs;
- Program planning and staff development;
- Programs for parents, families, and the public; and
- Research and development to promote improved educational programs and services.

Enrollment. As summarized in the table below, the CSDB had an on-campus enrollment of 162 students (ages 3 to 21) in the 2021-22 school year, reflecting a significant decrease from the 200 student enrolled in FY 2019-20 due to the COVID-19 pandemic. The on-campus enrollment included 99 deaf/hard of hearing students and 63 blind/low vision students. Of the 162 total students, an average of 42 resided at CSDB (returning home on weekends) and the remaining 110 students only attended classes during the day.

COLORADO SCHOOL FOR THE DEAF AND THE BLIND: FY 2021-22 ENROLLMENT		
DESCRIPTION	ON-CAMPUS STUDENTS	
	NUMBER	ANNUAL % CHANGE
Deaf/ Hearing Impaired	99	(1.0%)
Blind/ Visually Impaired	63	5.0%
Total Enrollment	162	1.3%
Number of Residential Students	46	(4.17%)
Number of FTE for Whom Funding is Received from Facility School Office	151.9	2.0%
Percent of FTE for Whom Per Pupil Operating Revenues are Transferred from Districts	93.8%	

In addition to the on-campus enrollment, the school provided in-home services to 628 children from birth to age 3 (and their families) through the early intervention (CO-Hears) program for children who are deaf and hard-of-hearing and 126 children from birth to age 8 through the Early Literacy Development Initiative (ELDI). The school also provided “outreach” services to 163 school-age students being served in local districts, supported in part by fees paid by the local school districts.

In response to staff questions, CSDB reports that its enrollment has been rebounding, albeit slowly. A total of 38 new students joined the school in FY 2022-23, including 11 in the preschool. This increase was offset by students who graduated or aged out at 21 (15), as well as 20 students who moved out of state or returned to their home district.

The following table summarizes the staff recommendation for the Colorado School for the Deaf and the Blind.

SCHOOL FOR THE DEAF AND THE BLIND					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
FY 2022-23 Appropriation					
FY 2022-23 Appropriation	\$18,039,831	\$13,347,209	\$1,070,000	\$3,622,622	177.2
TOTAL	\$18,039,831	\$13,347,209	\$1,070,000	\$3,622,622	177.2
FY 2023-24 RECOMMENDED APPROPRIATION					
FY 2022-23 Appropriation	\$18,039,831	\$13,347,209	\$1,070,000	\$3,622,622	177.2
R13 CSDB teacher salary increase	264,899	264,899	0	0	0.0
BA3 CSDB student transportation insurance	4,300	4,300	0	0	0.0
Centrally appropriated line items	(142,759)	(142,759)	0	0	0.0
SI Funding source adjustment	0	284	0	(284)	0.0
Annualize prior year budget actions	178,197	145,033	0	33,164	0.0
TOTAL	\$18,344,468	\$13,618,966	\$1,070,000	\$3,655,502	177.2
INCREASE/(DECREASE)	\$304,637	\$271,757	\$0	\$32,880	0.0
Percentage Change	1.7%	2.0%	0.0%	0.9%	0.0%
FY 2023-24 EXECUTIVE REQUEST					
Request Above/(Below) Recommendation	\$7,434	(\$284)	\$345	\$7,373	0.0

DECISION ITEMS - SCHOOL FOR THE DEAF AND THE BLIND

→ R13 CSDB TEACHER SALARY INCREASE

REQUEST: The Colorado School for the Deaf and Blind (CSDB) requests an increase of \$264,899 General Fund to provide staff step increases and other adjustments, consistent with the Colorado Springs District 11 pay scale. The District 11 Board of Education and the Colorado Springs Education Association agreed to the following for FY 2021-22: a 3.65 percent increase to the salary schedule, a one-step movement for staff who have not reached the maximum step increase (representing an approximately a 2.0 percent increase), and a 4.0 percent non-recurring compensation increase. The CSDB requests funding to match these adjustments.

COMPONENTS OF CSDB SALARY REQUEST		
(63.0 STAFF - SCHOOL YEAR POSITIONS)		
ITEM	AMOUNT	AVG/FTE
Funding for 3.65 percent base-building increase to salary schedule and step movement	\$199,165	\$3,161
4.0 percent non-recurring bonus	171,544	2,722
Total FY 2023-24	\$370,709	
Less annualize FY 2022-23 nonrecurring 3.0 percent bonus	(105,810)	
Total FY 2023-24	\$264,899	

RECOMMENDATION: Staff recommends the request for an increase of \$264,899 General Fund for CSDB staff salaries.

ANALYSIS:

Background: Section 22-80-106.5, C.R.S. (as amended by S.B. 14-168), requires the CSDB to compensate teachers “in accordance with the salary schedule adopted pursuant to section 22-63-401, as of January 1 of the preceding fiscal year by resolution of the board of education of the school district within the boundaries of which the main campus of the school is located and with the salary policies that the board of trustees adopts to implement the salary schedule.” Thus the CSDB salary schedule must align with the District 11 salary schedule in place in the prior fiscal year, but, as this provision was amended by S.B. 14-168 (Teacher Salaries at CO School for the Deaf and Blind), the compensation is also "subject to salary policies that the board of trustees adopts," which allows for some leeway in the compensation. The fiscal note for S.B. 14-168 acknowledged this by indicating that the bill would drive a potential increase in state expenditures. For FY 2022-23 the JBC approved additional funding of \$1,377 for existing teachers in these “hard to fill” positions, since this had been provided as an incentive increase for newer teacher for some time, reflecting use of this leeway. This flexibility has been used to increase and constrain teacher salaries in the past, including during the pandemic, when funding for increases was suspended for one year.

- These changes are calculated based on salaries for 63 teachers and staff, based on data provided by CSDB. The salaries for these teachers and administrators average \$68,073 and range from \$46,687 to \$98,968.
- The request is consistent with the District 11 salary schedule and therefore appears to staff to represent a common policy-type adjustment.

→ BA3 TRANSPORTATION INSURANCE

REQUEST: For FY 2022-23, the Committee approved a request from the Colorado School for the Deaf and the Blind (CSDB) for \$21,700 General Fund supplemental funding to cover the annual expense of an additional student transportation insurance policy. The request annualizes to \$26,000 (\$4,300 more) for FY 2023-24 and ongoing.

RECOMMENDATION: Staff recommends the additional increase of \$4,300, which is consistent with the Committee’s previous action.

ANALYSIS: The CSDB determined that it was not insured to carry students in state vehicles and was instructed by the Department of Personnel to obtain a supplemental insurance policy. The request and recommendation build the cost of the new policy into the CSDB base operating expenses line item.

→ CSDB FUND SOURCE ADJUSTMENT

RECOMMENDATION: The CSDB personal services line item has, in the past, included fund source adjustments based on the following calculation that determines the share of costs anticipated to come from facility school funding and nutrition programs. Staff’s recommendation includes:

- Assuming facility school funding for 160 days for FY 2023-24.
- Assuming Federal Nutrition Support will be \$35,000, similar to the pre-pandemic figure. CSDB received much greater support during the pandemic, but this reflects federal waivers which are no longer in effect.

Note that CSDB only receives the reappropriated funds support to the extent that this is earned.

PROJECTED FY 2023-24 FACILITY SCHOOLS FUNDING FOR CSDB	
Projected statewide base per pupil funding (based on current law)	\$8,076.41
Facility school funding for year-round educational programs (1.73 x base PPR)	\$13,972.19
Total days the increased rate applies	235
Daily rate (state average PPR increased by one-third/Total days)	\$59.46
Estimated student-days billed by CSDB (average daily attendance (160 projected) x 184 instructional days)	29,440
Projected Transfer to CSDB (Daily rate x Student-days)	\$1,750,502

CSDB PERSONAL SERVICES – FY 2023-24 FUNDING SPLITS	
Total Recommended Funding - pending anticipated one-time reduction	\$12,594,962
Less: Estimated Transfer from the Facility Schools Funding Line item	(1,750,502)
Less: Federal Nutritional Funds transferred from the Appropriated Sponsored Programs line item	<u>(35,000)</u>
General Fund portion of appropriation	\$10,809,450

LINE ITEM DETAIL - SCHOOL FOR THE DEAF AND THE BLIND

(A) SCHOOL OPERATIONS

PERSONAL SERVICES

This line item provides funding for most School employees and for certain professional and temporary services.

STATUTORY AUTHORITY: Section 22-80-101.5 et seq., C.R.S.

REQUEST: The Department requests an appropriation of \$12,594,952 total funds (including \$10,809,166 General Fund and \$1,785,786 reappropriated funds) and 153.1 FTE for FY 2023-24. The request includes the following changes.

- An increase of \$264,899 General Fund for R13 (CSDB Teacher Salary Increase).
- An increase of \$216,329 total funds, including \$186,273 General Fund, to annualize FY 2022-23 salary survey.

RECOMMENDATION: The staff recommendation is summarized in the table below. The recommendation includes the requested increases for R13, as discussed above, the annualization of prior year salary survey, and a small fund-split adjustment based on assumptions described above.

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$12,113,724	\$10,357,994	\$0	\$1,755,730	\$0	153.1
TOTAL	\$12,113,724	\$10,357,994	\$0	\$1,755,730	\$0	153.1
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$12,113,724	\$10,357,994	\$0	\$1,755,730	\$0	153.1
R13 CSDB teacher salary increase	264,899	264,899	0	0	0	0.0
Annualize prior year budget actions	216,329	186,273	0	30,056	0	0.0
SI Funding source adjustment	0	284	0	(284)	0	0.0
TOTAL	\$12,594,952	\$10,809,450	\$0	\$1,785,502	\$0	153.1
INCREASE/(DECREASE)	\$481,228	\$451,456	\$0	\$29,772	\$0	0.0
Percentage Change	4.0%	4.4%	0.0%	1.7%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
REQUEST	\$12,594,952	\$10,809,166	\$0	\$1,785,786	\$0	153.1
Request Above/(Below) Recommendation	\$0	(\$284)	\$0	\$284	\$0	0.0

EARLY INTERVENTION SERVICES

Since April 2001, the "Colorado Home Intervention Program" (called "CHIP") has been operating within the CSDB. This program was first started with federal grants in 1969, and it operated within the Colorado Department of Public Health and Environment from 1975 through March 2001. This home-based, family-centered early intervention program serves hearing impaired children (ages zero

to three), and their parents. The program involves collaboration between a Colorado Hearing Resource Coordinator (CO-HEAR) hired through CSDB and a parent facilitator who is hired by the local Community Centered Board (CCB) to work with the child to develop language skills; provide parents with information and counseling to identify strategies to use in communicating with their child; and assess the dynamics of the parent-child interaction and provide support to lessen the impact of the hearing loss.

The regional CO-HEARS, employed by CSDB, provide service coordination for families. The CO-HEARS collaborate, train, mentor, and support the local parent facilitators (employed by CCBs) in their respective regions. The CO-HEARS provide an initial contact with the family to describe the available early intervention services and support the parent facilitators through the early intervention process. Other CO-HEARS duties include both seeking resources to provide financial support to families for equipment such as hearing aids and collaborating with the local CCB's team of interventionists to provide specialized training regarding the impact of the child's hearing loss.

A separate complementary program involves specially trained fluent sign language instructors (language and literacy instructors), most of whom are deaf or hard of hearing themselves, visiting families weekly to provide support and instruction in techniques to build the child's literacy skills and teach the parents reading strategies. The Colorado Shared Reading Program (CSR) is designed for families who rely on American Sign Language; the second program (Integrated Reading Program) is designed for families who want to learn American Sign Language and literacy development strategies. In addition to CSR, the program involves group and community-based literacy events for families who have children who are deaf or hard of hearing.

STATUTORY AUTHORITY: Section 22-80-102 et seq., C.R.S.

REQUEST: The Department requests \$1,334,132 General Fund and 10.0 FTE for FY 2023-24. The request includes an increase of \$23,760 General Fund to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends approving an appropriation of \$1,334,132 General Fund and 10.0 FTE for FY 2023-24. The recommendation matches the request and is consistent with Committee common policy.

SHIFT DIFFERENTIAL

This line item is used to pay for the adjustment to compensate employees for work performed outside a Monday through Friday, 8:00 a.m. to 5:00 p.m. work schedule. Currently, the State pays percentage increases for shift differential (7.5 percent for second or "swing" shift and 10.0 percent for third or "graveyard" shift). The school previously used its shift differential to provide 24-hour staff coverage for residential students at the CSDB.

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

REQUEST: The Department's request eliminates the previous appropriation of \$141,569 General Fund for FY 2023-24.

RECOMMENDATION: Staff recommends \$0 for this line item. This is consistent with the common policy amounts adopted by the JBC.

OPERATING EXPENSES

This line item provides funding for supplies and materials, as well as for certain services that are not covered by other line items such as capital outlay⁴⁹, custodial services, equipment rental, storage, dues and subscriptions, and printing.

STATUTORY AUTHORITY: Section 22-80-101.5 et seq., C.R.S.

REQUEST: The Department requests an appropriation of \$694,291 General Fund for FY 2023-24. This figure annualizes a one-time FY 2022-23 appropriation for \$65,000 for request R9 (CSDB dishwashing machine) and adds \$26,000 for BA3 Student transportation insurance premium to the base funding in the line item prior to the supplemental adjustment.

RECOMMENDATION: The staff recommendation is reflected in the table below and aligns with the request. The request is consistent with common policy. The calculation below is built on the FY 2022-23 appropriation *after* incorporating supplemental adjustments.

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION						
FY 2022-23 Appropriation	\$754,991	\$754,991	\$0	\$0	\$0	0.0
TOTAL	\$754,991	\$754,991	\$0	\$0	\$0	0.0
FY 2023-24 RECOMMENDED APPROPRIATION						
FY 2022-23 Appropriation	\$754,991	\$754,991	\$0	\$0	\$0	0.0
BA3 CSDB student transportation insurance	4,300	4,300	0	0	0	0.0
Annualize prior year budget actions	(65,000)	(65,000)	0	0	0	0.0
TOTAL	\$694,291	\$694,291	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$60,700)	(\$60,700)	\$0	\$0	\$0	0.0
Percentage Change	(8.0%)	(8.0%)	0.0%	0.0%	0.0%	0.0%
FY 2023-24 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

VEHICLE LEASE PAYMENTS

This line item provides funding for annual payments to the Department of Personnel and Administration for the cost of administration, loan repayment, and lease-purchase payments for new

⁴⁹ Capital outlay includes replacement of equipment, furniture, and other items that cost less than \$50,000, as well as building repair and remodeling costing less than \$15,000.

and replacement motor vehicles [see Section 24-30-1117, C.R.S.]. The current appropriation covers costs associated with a total of 14 vehicles⁵⁰ that are all utilized at the CSDB.

STATUTORY AUTHORITY: Section 24-30-1104 (2), C.R.S.

REQUEST: The Department requests an appropriation of \$35,112 General Fund pursuant to OSPB’s common policies.

RECOMMENDATION: This figure is **pending** a Committee common policy decision.

UTILITIES

This line item provides funding for the CSDB's water and sewer, electricity, and natural gas expenses.

STATUTORY AUTHORITY: Section 22-80-101.5 et seq., C.R.S.

REQUEST: The Department's request includes \$745,981, which is a continuation amount from FY 2022-23.

RECOMMENDATION: Staff recommends the request for a continuation appropriation at this time. In response to staff questions, CSDB has indicated that it will be able to absorb any overage in its budget this year and that the overage may not be as great as reflected in the table below. Most projections are that natural gas prices will fall in FY 2023-24; however, given energy price fluctuations, this is uncertain. If needed, staff anticipates that CSDB will submit a request for a FY 2023-24 supplemental adjustment. The table below is based on CSDB’s estimate of FY 2022-23 expenditures as of January. CSDB’s costs are driven by Colorado Springs utilities pricing.

CSDB UTILITIES COSTS FY 2017-18 THROUGH FY 2022-23						
UTILITY TYPE	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 EST.
Natural Gas	\$103,962	\$123,005	\$85,856	\$120,377	\$188,061	\$217,110
Electric	210,951	203,268	186,232	184,524	218,148	236,218
Water	100,825	114,093	81,230	58,355	71,006	80,905
Energy Performance Contract	179,178	203,775	209,302	225,720	243,574	254,540
Total Expenditures	\$594,916	\$644,141	\$562,620	\$588,377	\$720,789	\$788,773
Annual Utilities Appropriation	\$602,580	\$602,580	\$627,580	\$687,122	\$735,826	\$745,981
Expenditures Above/(Below) Appropriation	(\$7,664)	\$41,561	(\$64,960)	(\$98,745)	(\$15,037)	\$42,792

ALLOCATION OF STATE AND FEDERAL CATEGORICAL PROGRAM FUNDING

The CSDB receives an allocation of state and federal moneys available for special education services for children with disabilities based on its December pupil count. In addition, the CSDB may receive allocations from other categorical programs (e.g., in recent years the CSDB has received allocations related to the English language proficiency program, special education for gifted and talented children,

⁵⁰ Currently, these vehicles include: six vans, four sedans, two buses, and two trucks.

and the Expelled and At-risk Student Services Grant Program). The CSDB receives transfers under this line item from the various line items in the Assistance to Public Schools, Categorical Programs section of the Long Bill.

STATUTORY AUTHORITY: Section 22-20-103 et seq., C.R.S. (Special Education for Children with Disabilities).

REQUEST: The Department requests a continuation appropriation of \$190,104 reappropriated funds spending authority and 0.4 FTE for FY 2023-24, which includes an increase of \$2,258 reappropriated funds to annualize prior year salary survey.

RECOMMENDATION: Staff recommends the request for \$190,104 reappropriated funds. The disbursements of categorical funding are based on the CSDB's annual student count and, as a result, fluctuate from year to year. The recommendation is intended to allow the CSDB to receive and spend all categorical funding for which it is eligible.

MEDICAID REIMBURSEMENTS FOR PUBLIC SCHOOL HEALTH SERVICES

Similar to school districts, the CSDB is authorized to enter into contracts and receive federal matching funds for moneys spent in providing student health services [i.e., preventive, diagnostic, therapeutic, rehabilitative, or palliative items or services that are furnished to students by a school district, a board of cooperative services, or a state educational institution pursuant to the S.B. 97-101 Public School Health Services program]. Section 25.5-5-318 (2) (b), C.R.S., states that "any moneys provided to a school district pursuant to a contract entered into under this section shall not supplant state or local moneys provided to school districts" for:

- (a) special education services for children with disabilities;
- (b) the Colorado preschool program; or
- (c) the School Finance Act.

Based on this provision, the CSDB has used the additional federal Medicaid moneys available to increase special education services to its students (e.g., providing an additional day of occupational or physical therapy, in accordance with a student's individual education program) and at times to purchase equipment approved through the Medicaid plan.

STATUTORY AUTHORITY: Section 22-80-102 (5), C.R.S.

REQUEST: The Department requests an appropriation of \$429,896 reappropriated funds spending authority and 1.5 FTE for FY 2023-24. The request includes an increase of \$850 reappropriated funds to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends approving the request for \$429, 896 reappropriated funds, which is consistent with the Committee's common policies. As in prior years, the recommendation intended to allow the CSDB to receive and spend all of the Medicaid funding for which it is eligible.

(B) SPECIAL PURPOSE

FEES AND CONFERENCES

This line item provides spending authority for the Department to spend fees charged and received for various conferences or meetings held at the CSDB. Pursuant to Section 22-80-102, C.R.S., the CSDB is charged with being "a resource to school districts, state institutions, and other approved education programs". Among other resource services, the CSDB is required to provide "programs for parents, families, and the public". This appropriation allows the CSDB to host conferences that benefit professionals working with students who are deaf/hard of hearing or blind/visually impaired, parents of those children, and the students themselves. These fees offset additional custodial, maintenance, and security costs incurred. The CSDB also collects other fees, including fees paid for counseling services provided to students who are deaf/hard of hearing or blind/visually impaired in schools throughout Colorado.

STATUTORY AUTHORITY: Section 22-80-102, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$120,000 cash funds for FY 2023-24, with no change from the FY 2022-23 appropriation.

RECOMMENDATION: Staff recommends approving the request. Staff recommends maintaining the appropriation at its current level despite the low levels of expenditures in recent years, as the recommendation is intended to allow the Department to receive and spend any fees earned.

OUTREACH SERVICES

The CSDB is statutorily charged with being a resource to school districts by providing several services, including: assessment and identification of students' educational needs; special curricula; equipment and materials; supplemental related services; special short-term programs; program planning and staff development; programs for parents, families and the public; and research and development to promote improved educational programs and services. The reappropriated funds portion of this appropriation represents federal funds transferred from school districts or the Department of Education for three purposes:

- The CSDB occasionally accepts students from Colorado school districts for extended diagnostic periods prior to the student meeting CSDB enrollment criteria. Typically, these students require a one-on-one aide who must be supplied by the home school district. Often, the districts themselves are unable to find qualified applicants willing to work for district-level salaries while living in the Colorado Springs area. To address this issue, this line item provides spending authority for the CSDB to hire these professionals using federal special education funds transferred from school districts.
- CSDB employees travel to districts to provide training for district staff and/or to provide direct support to students. Districts pay the CSDB for their staff time and travel expenses.
- The Department supplies funding (also originally from federal funding) to provide Braille and large print materials for blind/visually impaired students through the Colorado Instructional Materials Center.

In FY 2009-10, this line item was increased by \$755,836 cash funds and 2.6 FTE to provide outreach services to school districts and Boards of Cooperative Educational Services (BOCES). The outreach services include technology training, professional development training, clerical support to distribute materials, production and purchase of adaptive materials, and student support services such as communication assessments, counseling support, and short-term and summer enrichment courses. In FY 2015-16, the General Assembly added an additional 0.8 FTE associated with FY 2015-16 R5 (CSDB Strategic Plan Implementation). The source of the cash funds are from reimbursements that the CSDB collects from school districts and BOCES.

For FY 2020-21, the General Assembly reduced the appropriation to \$1,000,000 total funds (including \$750,000 cash funds and \$250,000 reappropriated funds) to better align appropriations with actual expenditures and reflect that the appropriation is an estimate of available revenues.

STATUTORY AUTHORITY: Section 22-80-102, C.R.S.

REQUEST: The Department requests an appropriation of \$1,002,038 total funds (including \$750,168 cash funds and \$251,870 reappropriated funds) and 6.2 FTE for FY 2023-24. The request includes an increase of \$2,038 total funds to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends approving a continuation appropriation of \$1,000,000 total funds (including \$750,000 cash funds and \$250,000 reappropriated funds) and 6.2 FTE, with no change from the FY 2022-23 appropriation. Given that actual revenues and expenditures for the program continue to remain below the appropriation (including a total of \$498,182 in FY 2021-22), staff believes that maintaining a flat \$1.0 million appropriation is sufficient. Given the estimated nature of the appropriation, staff recommends maintaining the current appropriation until it is likely that available revenues would exceed the appropriation.

TUITION FROM OUT-OF-STATE STUDENTS

The CSDB is statutorily authorized to admit students from other states "...upon payment to the superintendent of such a sum quarterly as the board of trustees determines, to be not less than the total cost per capita of the students for the year immediately preceding the year in which the application is made." [see Section 22-80-110, C.R.S.] The CSDB is not allowed to admit a student from another state, however, to the exclusion of any Colorado resident. Tuition payments are generally used for curriculum, technology, and dorm furniture.

Historically, the CSDB has admitted students from Wyoming who cannot be appropriately served in their home school district. Wyoming does not have a state school to serve children who are deaf and/or blind. Prior to FY 2007-08, the CSDB required Wyoming to pay their students' tuition using federal funds (available under the federal *Individuals with Disabilities Education Act*), which were treated as cash funds but are not subject to the limitation on state fiscal year spending imposed by Section 20 of Article X of the State Constitution ("TABOR"). Beginning in FY 2007-08, the CSDB has been authorized to accept tuition payments from other states for up to four students using state, rather than federal funds. This authorization ensures that children from neighboring states can be served at the CSDB (given available space) if it is determined that it is the best setting for the child.

STATUTORY AUTHORITY: Section 22-80-110, C.R.S.

REQUEST: The Department requests an appropriation of \$200,177 cash funds spending authority for FY 2023-24, including an increase of \$177 to annualize FY 2022-23 salary survey.

RECOMMENDATION: Staff recommends a continuation appropriation of \$200,000. Actual revenue in FY 2021-22 was \$38,190, and CSDB does not expect to exceed the appropriation in FY 2022-23. The CSDB will only be able to spend funds actually received as tuition from out-of-state students.

GRANTS

This line item provides spending authority for the CSDB to receive various grants transferred from other line items within the Department. This spending authority excludes amounts related to categorical programs and Medicaid reimbursements for public school health services, as these amounts are appropriated through separate line items. For FY 2020-21, the General Assembly reduced the appropriation to \$1,000,000 reappropriated funds and 6.0 FTE (a reduction of \$206,079 and 3.0 below the FY 2019-20 appropriation) to better align appropriations with available revenues and to reflect the estimated nature of the appropriation.

STATUTORY AUTHORITY: Section 22-80-102, C.R.S.

REQUEST: The Department requests an appropriation of \$1,005,219 reappropriated funds and 6.0 FTE for FY 2023-24, including an increase of \$5,219 reappropriated funds to annualize prior year salary survey.

RECOMMENDATION: Staff recommends a continuing appropriation of \$1,000,000 reappropriated funds and 6.0 FTE. Expenditures (\$502,417 in FY 2021-22) remain well below the appropriation level, so staff does not believe any increase is required. However, staff is not reducing the appropriation, as the recommendation is intended to allow the Department to receive and spend any revenues received under the line item.

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

LONG BILL FOOTNOTES

Staff recommends **continuing the following footnotes or continuing as amended.**

- 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 ~~2024-25~~ 2025-26 fiscal year, whichever comes first.

COMMENT: This footnote has been included in the Long Bill for more than five years. This footnote makes funding appropriated to the Building Excellent Schools Today (BEST) 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, Reading and Literacy, Early Literacy Program Administration and Technical Support; Early Literacy Competitive Grant Program; Early Literacy Program Evidence Based Training Provided to Teachers; Early Literacy Program Per Pupil Intervention Program -- The Department is authorized to transfer up to \$1,500,000 cash funds from the Early Literacy Fund created in Section 22-7-1210 (1), C.R.S., among the line items designated with this footnote, except that the amount for Early Literacy Program Administration and Technical Support may be increased by no more than ten percent based on an assumption that the Department may require an additional 2.0 FTE

COMMENT: This footnote was new for FY 2022-23. It provides additional flexibility for the Department to move money from the Early Literacy Fund among several line items based on program needs. The Department has indicated that it expects to use this flexibility to increase early literacy grants. Staff recommends continuation.

- 11 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 \$200,000 of this appropriation be used for activities other than direct grants to school districts.

COMMENT: This footnote was first included in the FY 2019-20 Long Bill. The General Assembly added this footnote to authorize the 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.

In response to JBC staff questions, the Department confirmed that it is in compliance with this footnote and believes that the funding for TEACH represents a good use of funds. It

provided data on TEACH website visitors and coaching calls and reported that over 250 new teacher applicants who had used the website and resources offered by TEACH applied to educator preparation programs over the last year. Staff recommends continuation.

- 12 Department of Education, Library Programs, Reading Services for the Blind -- This appropriation is for the support of privately operated reading services for the blind, as authorized by section 24-90-105.5, C.R.S. It is the General Assembly's intent that \$540,000 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 in the Long Bill for at least five 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. The amount for the program has been increased in recent years. An FY 2017-18 supplemental adjustment provided an additional \$290,000 for the AINC (including \$200,000 in one-time funding and \$90,000 as an ongoing increase), for an ongoing amount of \$440,000 in FY 2018-19 and subsequent years. The JBC initiated an increase of \$100,000 for this program FY 2022-23, bringing the total to \$540,000.

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.

In response to JBC staff questions, the Department confirmed that it is in compliance with this footnote and believes that these expenditures represent a good use of funds.

REQUESTS FOR INFORMATION

Staff recommends **continuing the following request for information, as amended.**

- 1 Department of Education; and Colorado School for the Deaf and the Blind – The Department of Education and the Colorado School for the Deaf and the Blind are requested to provide to the Joint Budget Committee, by September 1, ~~2022~~ 2023, detailed information concerning each entity’s implementation of the recommendations of the independent review panel for the Colorado School for the Deaf and Blind. The requested information should include both detail on the progress made to date and each entity’s plans going forward.

COMMENT: The Department submitted its response on September 2, 2022. Staff recommends continuing to request annual reporting.

Staff recommends **discontinuing** the following request.

- 2 Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Capital Construction -- In light of the small amount of funding available in the context of statewide public school capital construction needs, the Department of Education and the Capital Construction Assistance Board are requested to provide analysis and proposals, by November 1, 2022, regarding how to ensure B.E.S.T. funding is used as efficiently and effectively as possible. This includes steps that could help reduce B.E.S.T. outlays per student served. The report is requested to discuss options for changes to guidelines, processes, procedures, and statutes and identify any of these options that the Department and Board recommend. Options may include but need not be limited to new incentives, such as additional points in scoring projects, to encourage school districts to collaborate in submitting capital construction project requests. Could incentives for collaboration or shared facilities support efficiencies of scale, including lower construction prices and lower costs per student served?

COMMENT: The department submitted a response, identifying possible program changes. These changes did not appear to require action by the General Assembly, and staff is uncertain of the Committee’s interest. In light of this, staff recommends discontinuing the request.

INDIRECT COST ASSESSMENTS

DESCRIPTION OF INDIRECT COST ASSESSMENT METHODOLOGY

The Department of Education annually calculates two separate indirect cost rates, one affecting federal funds and another for cash funds. The Department’s indirect cost methodology is based on three components: an “*Indirect Cost Pool*”, an “*Indirect Cost Base*”, and an “*Indirect Cost Rate*”. The following discussion reflects the calculations underlying the Department’s indirect cost process for FY 2023-24. The Department will be negotiating an indirect cost plan with the U.S. Department of Education late in the Spring of 2023 based on recently submitted data. As a result, the following information is the most current available that outlines the Department’s estimates of assessments in FY 2023-24.

The Department calculates and negotiates the federal indirect cost rate with the U.S. Department of Education (USDE). The Department had negotiated a three-year fixed federal indirect cost rate with USDE for FY 2015-16 through FY 2017-18. As a result of a change in the federal policy (and a reversion to previous practice), the Department is again negotiating an annual rate with the federal agency. The Department calculates the federal rate based on the most recent year of actual expenditures. For example, actual expenditures from FY 2021-22 are the basis of the FY 2023-24 requested federal indirect rate of 15.5 percent. The Department calculates the federal rate as the indirect cost pool divided by the indirect cost base (as illustrated in the tables below) but must negotiate the final rate with USDE.

The Department bases the cash fund indirect cost rate on the approved federal rate, with some modifications. For example, the USDE prohibits the inclusion of the Commissioner and her immediate staff in the indirect cost pool. For the cash fund rate, the Department adds the USDE exclusions back into the indirect cost pool to arrive at the cash fund indirect cost rate. The Department primarily applies the cash fund rate to the Educator Licensure Cash Fund but also applies the rate to private gifts, grants, and donations. Similar to the federal rate, the Department has set a fixed cash fund rate of 14.5 percent for cash fund indirect cost recoveries for FY 2022-23. The following data provided the basis for the calculations in the FY 2023-24 appropriation. As discussed above, the information for the FY 2023-24 calculations is based on a rate that is not yet approved, and thus the calculations are estimates.

INDIRECT COST POOL

The *Indirect Cost Pool* is comprised of expenses in the Management and Administration Division, including expenses associated with the following line items: General Department and Program Administration, Information Technology Services, Health, Life, and Dental, Short-term Disability, S.B. 04-257 Amortization Equalization Disbursement, S.B. 06-235 Supplemental Amortization Equalization Disbursement, and Payment to Risk Management and Property Funds. The Department categorizes the indirect cost pool differently, however, based on the costs actually included in the pool for calculation purposes. **Table 1** (on the following page) outlines which *costs* are included in the department’s Indirect Cost Pool.

TABLE 1: DEPARTMENT OF EDUCATION INDIRECT COST POOL	
DIVISION/COST DESCRIPTION	FY 2021-22 ACTUAL
Management and Administration	
Human Resources	410,316
Accounting/Purchasing/Budget	1,731,990
Department Overhead	2,963,169
Sick and Annual Leave Payouts	
	681,062
Information Management	
	2,746,085
Total Departmental Indirect Cost Pool	\$8,532,622
Other Costs	
Statewide Indirect Costs FY21-22	\$710,059
Depreciation	354,440
State Auditor	187,628
Adjustment (Added to Indirect Cost Base)	(66,262)
Total Other Costs	1,185,865
Total Indirect Cost Pool	\$9,718,487

INDIRECT COST BASE

The *Indirect Cost Base* is the denominator in the calculation of the federal indirect cost rate. The indirect cost base consists of Departmental salaries, fringe benefits, and operating expenses. The federal calculation excludes the items for which the USDE prohibits indirect cost collections and excludes departmental indirect costs. *Table 2* summarizes the department's indirect cost base using the FY 2021-22 actuals that provided the base for the current federal rate.

TABLE 2: DEPARTMENT OF EDUCATION INDIRECT COST BASE	
	FY 2021-22 ACTUAL
CDE salaries, fringe benefits, operating expenses	\$108,067,307
Less: Expenditures Excluded by USDE	(\$36,973,108)
Less: Departmental Indirect Costs	(\$8,532,622)
Add Adjustment Removed from Pool	\$66,262
Total Indirect Cost Base	\$62,627,839

INDIRECT COST RATE

The federal *indirect cost rate* is calculated by dividing the indirect cost pool by the indirect cost base. *Table 3* illustrates how the Department calculates the federal indirect cost rate. The Department is still negotiating a rate for FY 2023-24, so that rate has yet to be determined. The following table shows the calculated rate for FY 2023-24 (15.5 percent using this methodology) and the actual negotiated rate for FY 22-23 (14.5 percent).

FEDERAL RATE = INDIRECT COST POOL / DIRECT COST BASE	
DIVISION	FY 2021-22 ACTUAL
Indirect Cost Pool	\$9,718,487
Indirect Cost Base	\$62,627,839
Calculated Indirect Cost Base (proposed for FY 2023-24)	15.5%
Negotiated Federal Rate (Actual Rate for FY 2022-23)	14.5%

The Department applies the federal indirect cost rate to all federally funded expenditures for salaries, fringe benefits, operating expenses, and travel costs. The USDE prohibits charging indirect costs to federal funds supporting contracts in excess of \$25,000, grant distributions to school districts and other recipients, and capital expenditures in excess of \$5,000. In addition, some federal programs impose limits on total administrative costs, which includes indirect costs. For example, the Library Service and Technology Act (LSTA) limits total administration to 4 percent of the award, regardless of the negotiated indirect cost rate for other federal funds (20 U.S.C. 9132(a))

The Department also does not charge indirect costs to General Fund expenditures or some cash funded expenditures (most importantly those supported by the State Education Fund). Based on updated information provided by the Department, **Table 4** reflects the recommended indirect cost assessments for each of the Department's divisions for **FY 2023-24**.

DIVISION	TOTAL	CF	RF	FF
Management and Administration	826,788	451,269	0	375,519
Assistance to Public Schools	3,905,863	25,000	55,571	3,825,292
Library Programs	55,327	0	0	55,327
Total FY 2023-24 Recommendation	\$4,732,407	\$476,269	\$55,571	\$4,256,138
Management and Administration	\$744,679	\$375,814	\$0	\$368,865
Assistance to Public Schools	3,837,060	25,000	55,571	3,756,489
Library Programs	55,327	0	0	55,327
Total FY 2022-23 Appropriation	\$4,637,066	\$400,814	\$55,571	\$4,180,681
Increase (Decrease) FY2022-23 to FY2023-24	\$150,912	75,455	\$0	\$75,457

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
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DEPARTMENT OF EDUCATION Dr. Katy Anthes, Commissioner
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(1) MANAGEMENT AND ADMINISTRATION

ator Licensure Cash Fund. The major sources of reappropriated funds are indirect cost recoveries and transfers of funds from various cash- and federally-funded line items. Federal funds are from a variety of sources.

(A) Administration and Centrally-Appropriated Line Items

State Board of Education	<u>351,007</u>	<u>317,268</u>	<u>407,393</u>	<u>425,560</u>	<u>425,560</u>
FTE	2.0	2.0	2.5	2.5	2.5
General Fund	351,007	317,268	407,393	425,560	425,560
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 General Department and Program Administration	 <u>4,119,659</u>	 <u>4,594,350</u>	 <u>5,254,789</u>	 <u>6,325,829</u>	 <u>6,348,325</u> *
FTE	34.6	34.6	40.3	42.6	42.6
General Fund	1,546,458	1,540,667	1,947,036	2,765,337	2,915,254
Cash Funds	76,854	132,964	186,491	189,892	189,892
Reappropriated Funds	2,496,347	2,920,719	3,121,262	3,370,600	3,243,179
Federal Funds	0	0	0	0	0
 Office of Professional Services	 <u>2,481,426</u>	 <u>2,385,266</u>	 <u>3,288,396</u>	 <u>3,417,530</u>	 <u>3,417,530</u>
FTE	21.2	21.2	24.8	26.2	26.2
General Fund	0	1,117,747	689,737	770,901	770,901
Cash Funds	2,481,426	1,267,519	2,598,659	2,646,629	2,646,629
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Office of Online and Blended Learning and Innovation Schools	<u>273,483</u>	<u>312,040</u>	<u>388,608</u>	<u>526,161</u>	<u>522,271</u> *
FTE	3.3	3.3	3.3	4.7	4.7
General Fund	0	0	0	50,332	46,347
Cash Funds	273,483	312,040	388,608	475,829	475,924
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Schools of Choice	<u>255,750</u>	<u>296,450</u>	<u>10,668,326</u>	<u>10,671,909</u>	<u>10,671,909</u>
FTE	6.8	6.8	6.8	6.8	6.8
General Fund	255,750	296,450	341,826	345,409	345,409
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	10,326,500	10,326,500	10,326,500
Health, Life, and Dental	<u>2,538,115</u>	<u>3,490,807</u>	<u>7,007,103</u>	<u>8,935,713</u>	<u>8,879,482</u> *
General Fund	1,631,741	2,744,061	2,627,473	3,686,261	3,660,444
Cash Funds	548,549	323,422	952,717	1,379,775	1,359,475
Reappropriated Funds	357,825	423,324	776,887	958,298	948,184
Federal Funds	0	0	2,650,026	2,911,379	2,911,379
Short-term Disability	<u>38,084</u>	<u>22,173</u>	<u>74,610</u>	<u>83,602</u>	<u>82,906</u> *
General Fund	25,248	16,000	26,110	31,429	31,118
Cash Funds	7,767	2,389	9,254	12,811	12,546
Reappropriated Funds	5,069	3,784	8,702	9,465	9,345
Federal Funds	0	0	30,544	29,897	29,897

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
S.B. 04-257 Amortization Equalization Disbursement	<u>1,103,070</u>	<u>871,284</u>	<u>2,357,723</u>	<u>2,801,351</u>	<u>2,779,614</u> *
General Fund	742,094	652,444	829,320	1,055,622	1,045,917
Cash Funds	211,406	100,354	291,609	428,273	419,993
Reappropriated Funds	149,570	118,486	274,225	316,645	312,893
Federal Funds	0	0	962,569	1,000,811	1,000,811
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>1,103,070</u>	<u>901,284</u>	<u>2,357,723</u>	<u>2,801,351</u>	<u>2,779,614</u> *
General Fund	742,094	652,444	829,320	1,055,622	1,045,917
Cash Funds	211,406	100,354	291,609	428,273	419,993
Reappropriated Funds	149,570	148,486	274,225	316,645	312,893
Federal Funds	0	0	962,569	1,000,811	1,000,811
Salary Survey	<u>0</u>	<u>566,802</u>	<u>1,563,472</u>	<u>3,080,118</u>	<u>3,069,137</u>
General Fund	0	437,455	556,834	1,212,709	1,201,728
Cash Funds	0	51,791	215,041	452,059	452,059
Reappropriated Funds	0	77,556	156,919	338,105	338,105
Federal Funds	0	0	634,678	1,077,245	1,077,245
PERA Direct Distribution	<u>0</u>	<u>1,258,290</u>	<u>534,604</u>	<u>192,768</u>	<u>192,768</u>
General Fund	0	693,304	0	142,198	142,198
Cash Funds	0	195,597	148,880	28,980	28,980
Reappropriated Funds	0	369,389	385,724	21,590	21,590
Federal Funds	0	0	0	0	0
Temporary Employees Related to Authorized Leave	<u>0</u>	<u>0</u>	<u>29,961</u>	<u>29,961</u>	<u>29,961</u>
General Fund	0	0	29,961	29,961	29,961

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Workers' Compensation	<u>208,993</u>	<u>82,589</u>	<u>235,883</u>	<u>226,383</u>	<u>226,383</u>
General Fund	146,154	74,846	113,333	108,769	108,769
Cash Funds	42,266	0	30,782	29,542	29,542
Reappropriated Funds	20,573	7,743	7,971	7,650	7,650
Federal Funds	0	0	83,797	80,422	80,422
Title IX Regulation Study	<u>0</u>	<u>0</u>	<u>57,850</u>	<u>0</u>	<u>0</u>
General Fund	0	0	57,850	0	0
Legal Services	<u>1,175,178</u>	<u>1,193,264</u>	<u>1,054,271</u>	<u>1,419,731</u>	<u>1,419,731</u> *
General Fund	679,305	696,266	623,071	810,878	825,664
General Fund Exempt	0	0	0	14,786	0
Cash Funds	465,720	466,777	404,980	557,944	557,944
Reappropriated Funds	30,153	30,221	26,220	36,123	36,123
Federal Funds	0	0	0	0	0
Administrative Law Judge Services	<u>141,413</u>	<u>146,388</u>	<u>140,578</u>	<u>206,454</u>	<u>206,454</u>
General Fund	0	0	0	0	0
Cash Funds	117,005	121,121	140,578	206,454	206,454
Reappropriated Funds	24,408	25,267	0	0	0
Federal Funds	0	0	0	0	0
Payment to Risk Management and Property Funds	<u>416,600</u>	<u>730,631</u>	<u>996,352</u>	<u>772,152</u>	<u>772,152</u>
General Fund	416,600	730,631	996,352	772,152	772,152
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Leased Space	<u>276,823</u>	<u>54,947</u>	<u>1,270,993</u>	<u>1,270,993</u>	<u>1,270,993</u>
General Fund	87,218	17,866	90,758	90,758	90,758
Cash Funds	188,478	19,299	297,775	297,775	297,775
Reappropriated Funds	1,127	17,782	23,406	23,406	23,406
Federal Funds	0	0	859,054	859,054	859,054
Capitol Complex Leased Space	<u>363,513</u>	<u>174,702</u>	<u>880,504</u>	<u>1,254,178</u>	<u>1,254,178</u> *
General Fund	224,148	87,348	349,780	386,498	386,498
Cash Funds	66,703	19,623	105,483	240,218	240,218
Reappropriated Funds	72,662	67,731	85,629	123,527	123,527
Federal Funds	0	0	339,612	503,935	503,935
Reprinting and Distributing Laws Concerning Education	<u>25,000</u>	<u>27,849</u>	<u>35,480</u>	<u>35,480</u>	<u>35,480</u>
General Fund	0	0	0	0	0
Cash Funds	25,000	27,849	35,480	35,480	35,480
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Statewide training	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,067</u>	<u>11,067</u> *
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	11,067	11,067
Federal Funds	0	0	0	0	0

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
SUBTOTAL - (A) Administration and Centrally-Appropriated Line Items	14,871,184	17,426,384	38,604,619	44,488,291	44,395,515
<i>FTE</i>	<u>67.9</u>	<u>67.9</u>	<u>77.7</u>	<u>82.8</u>	<u>82.8</u>
General Fund	6,847,817	10,074,797	10,516,154	13,740,396	13,844,595
General Fund Exempt	0	0	0	14,786	0
Cash Funds	4,716,063	3,141,099	6,097,946	7,409,934	7,372,904
Reappropriated Funds	3,307,304	4,210,488	5,141,170	5,533,121	5,387,962
Federal Funds	0	0	16,849,349	17,790,054	17,790,054

(B) Information Technology

Information Technology Services	<u>3,498,118</u>	<u>4,561,455</u>	<u>5,664,534</u>	<u>5,523,388</u>	<u>5,751,263</u> *
FTE	30.9	30.9	35.4	35.9	35.9
General Fund	3,389,610	4,461,031	5,130,505	4,987,664	4,965,539
Cash Funds	0	0	0	0	250,000
Reappropriated Funds	108,508	100,424	534,029	535,724	535,724
Federal Funds	0	0	0	0	0
Payments to OIT	<u>1,228,473</u>	<u>964,619</u>	<u>602,255</u>	<u>1,225,431</u>	<u>1,225,431</u> *
General Fund	528,980	566,379	340,477	692,782	692,782
Cash Funds	182,920	150,733	119,710	243,578	243,578
Reappropriated Funds	516,573	247,507	142,068	289,071	289,071
Federal Funds	0	0	0	0	0
IT Accessibility	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,929,144</u>	<u>2,929,144</u> *
FTE	0.0	0.0	0.0	1.8	1.8
General Fund	0	0	0	1,655,845	2,346,830
Cash Funds	0	0	0	582,314	582,314
Reappropriated Funds	0	0	0	690,985	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
CORE Operations	<u>327,125</u>	<u>240,722</u>	<u>245,466</u>	<u>233,627</u>	<u>233,627</u> *
General Fund	126,702	120,350	122,722	116,804	116,804
Cash Funds	126,731	93,258	95,096	89,431	89,431
Reappropriated Funds	73,692	27,114	27,648	27,392	27,392
Federal Funds	0	0	0	0	0
Information Technology Asset Maintenance	<u>959,568</u>	<u>950,967</u>	<u>969,147</u>	<u>969,147</u>	<u>969,147</u>
General Fund	959,568	950,967	969,147	969,147	969,147
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Disaster Recovery	<u>0</u>	<u>18,925</u>	<u>19,722</u>	<u>19,722</u>	<u>19,722</u>
General Fund	0	18,925	19,722	19,722	19,722
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Information Technology	6,013,284	6,736,688	7,501,124	10,900,459	11,128,334
<i>FTE</i>	<u>30.9</u>	<u>30.9</u>	<u>35.4</u>	<u>37.7</u>	<u>37.7</u>
General Fund	5,004,860	6,117,652	6,582,573	8,441,964	9,110,824
Cash Funds	309,651	243,991	214,806	915,323	1,165,323
Reappropriated Funds	698,773	375,045	703,745	1,543,172	852,187
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
(C) Assessments and Data Analyses					
Statewide Assessment Program	<u>25,058,349</u>	<u>27,618,948</u>	<u>31,950,569</u>	<u>32,004,049</u>	<u>33,291,308</u>
FTE	16.5	16.5	16.5	16.5	16.5
General Fund	0	0	0	0	0
Cash Funds	21,773,372	22,063,041	24,672,725	24,679,577	26,000,279
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,284,977	5,555,907	7,277,844	7,324,472	7,291,029
Longitudinal Analyses of Student Assessment Results	<u>700,430</u>	<u>660,607</u>	<u>1,240,220</u>	<u>938,109</u>	<u>640,109</u>
FTE	4.1	4.1	5.9	5.6	5.6
General Fund	461,857	450,591	942,220	640,109	640,109
Cash Funds	238,573	210,016	298,000	298,000	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Basic Skills Placement or Assessment Tests	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	50,000	50,000	50,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Preschool to Postsecondary Education Alignment	<u>650,174</u>	<u>632,533</u>	<u>678,764</u>	<u>700,238</u>	<u>700,238</u>
FTE	4.0	4.0	4.0	4.0	4.0
General Fund	15,708	17,431	37,309	37,584	37,584
Cash Funds	634,466	615,102	641,455	662,654	662,654
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Educator Effectiveness Unit Administration	<u>1,731,690</u>	<u>2,693,294</u>	<u>3,636,413</u>	<u>3,459,032</u>	<u>3,459,032</u>
FTE	16.6	16.6	18.2	18.2	18.2
General Fund	1,623,380	2,568,363	3,507,016	3,325,145	3,325,145
Cash Funds	108,310	124,931	129,397	133,887	133,887
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Accountability and Improvement Planning	<u>966,026</u>	<u>1,101,922</u>	<u>1,801,768</u>	<u>1,985,082</u>	<u>2,041,784</u> *
FTE	12.4	11.4	11.4	11.4	11.9
General Fund	966,026	1,101,922	1,251,436	1,434,750	1,491,452
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	550,332	550,332	550,332
SUBTOTAL - (C) Assessments and Data					
Analyses	29,106,669	32,707,304	39,357,734	39,136,510	40,182,471
FTE	<u>53.6</u>	<u>52.6</u>	<u>56.0</u>	<u>55.7</u>	<u>56.2</u>
General Fund	3,066,971	4,138,307	5,737,981	5,437,588	5,494,290
Cash Funds	22,754,721	23,013,090	25,791,577	25,824,118	26,846,820
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,284,977	5,555,907	7,828,176	7,874,804	7,841,361

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
(D) State Charter School Institute					
State Charter School Institute Administration, Oversight, and Management	4,894,121	5,287,870	5,000,000	5,000,000	5,000,000
FTE	11.7	11.7	11.7	11.7	11.7
General Fund	0	0	0	0	0
Cash Funds	1,394,121	1,787,870	0	0	0
Reappropriated Funds	3,500,000	3,500,000	5,000,000	5,000,000	5,000,000
Institute Charter School Assistance Fund	<u>1,822,873</u>	<u>1,726,924</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>
General Fund	0	0	0	0	0
Cash Funds	1,822,873	1,726,924	1,800,000	1,800,000	1,800,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Other Transfers to Institute Charter Schools	<u>19,212,835</u>	<u>29,451,982</u>	<u>21,500,000</u>	<u>21,500,000</u>	<u>21,500,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	10,212,835	20,451,982	0	0	0
Reappropriated Funds	9,000,000	9,000,000	21,500,000	21,500,000	21,500,000
Federal Funds	0	0	0	0	0
Transfer of Federal Moneys to Institute Charter Schools	<u>17,606,831</u>	<u>27,174,290</u>	<u>17,400,000</u>	<u>17,400,000</u>	<u>17,400,000</u>
FTE	4.5	4.5	4.5	4.5	4.5
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	17,400,000	17,400,000	17,400,000
Federal Funds	17,606,831	27,174,290	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Department Implementation of Section 22-30.5-501 et seq., C.R.S.	<u>185,587</u>	<u>184,486</u>	<u>242,508</u>	<u>243,362</u>	<u>243,362</u>
FTE	1.6	1.6	1.6	1.6	1.6
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	185,587	184,486	242,508	243,362	243,362
Federal Funds	0	0	0	0	0
Distribution to Institute Charter Schools pursuant to Section 22-30.5-513 (11), C.R.S.	<u>0</u>	<u>0</u>	<u>375,000</u>	<u>375,000</u>	<u>0</u>
General Fund	0	0	375,000	375,000	0
CSI Mill Levy Equalization	<u>11,200,000</u>	<u>18,000,000</u>	<u>34,209,923</u>	<u>52,209,923</u>	<u>34,364,000</u> *
General Fund	5,600,000	9,000,000	17,000,000	26,000,000	17,000,000
Cash Funds	0	0	209,923	209,923	364,000
Reappropriated Funds	5,600,000	9,000,000	17,000,000	26,000,000	17,000,000
Federal Funds	0	0	0	0	0
SUBTOTAL - (D) State Charter School Institute	54,922,247	81,825,552	80,527,431	98,528,285	80,307,362
FTE	<u>17.8</u>	<u>17.8</u>	<u>17.8</u>	<u>17.8</u>	<u>17.8</u>
General Fund	5,600,000	9,000,000	17,375,000	26,375,000	17,000,000
Cash Funds	13,429,829	23,966,776	2,009,923	2,009,923	2,164,000
Reappropriated Funds	18,285,587	21,684,486	61,142,508	70,143,362	61,143,362
Federal Funds	17,606,831	27,174,290	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
(E) Indirect Cost Assessment					
Indirect Cost Assessment	<u>0</u>	<u>0</u>	744,679	735,324	826,788
Cash Funds	0	0	375,814	385,792	451,269
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	368,865	349,532	375,519
SUBTOTAL - (E) Indirect Cost Assessment	0	0	744,679	735,324	826,788
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	0	0	375,814	385,792	451,269
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	368,865	349,532	375,519
TOTAL - (1) Management and Administration	104,913,384	138,695,928	166,735,587	193,788,869	176,840,470
<i>FTE</i>	<u>170.2</u>	<u>169.2</u>	<u>186.9</u>	<u>194.0</u>	<u>194.5</u>
General Fund	20,519,648	29,330,756	40,211,708	53,994,948	45,449,709
General Fund Exempt	0	0	0	14,786	0
Cash Funds	41,210,264	50,364,956	34,490,066	36,545,090	38,000,316
Reappropriated Funds	22,291,664	26,270,019	66,987,423	77,219,655	67,383,511
Federal Funds	20,891,808	32,730,197	25,046,390	26,014,390	26,006,934

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
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(2) ASSISTANCE TO PUBLIC SCHOOLS

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

(A) Public School Finance

Administration	<u>1,865,358</u>	<u>1,867,742</u>	<u>2,009,299</u>	<u>1,741,993</u>	<u>1,739,953</u> *
FTE	17.4	17.4	18.0	14.3	14.3
General Fund	0	1,775,457	1,918,959	1,643,801	1,641,761
Cash Funds	79,384	92,285	90,340	98,192	98,192
Reappropriated Funds	1,785,974	0	0	0	0
Financial Transparency System Maintenance	<u>412,000 1.0</u>	<u>76,208 1.0</u>	<u>88,120 1.0</u>	<u>89,172 1.0</u>	<u>89,172 1.0</u>
Cash Funds	412,000	76,208	88,120	89,172	89,172
State Share of Districts' Total Program Funding	<u>4,224,698,017</u>	<u>4,708,971,499</u>	<u>4,990,054,616</u>	<u>4,953,077,434</u>	<u>4,831,538,341</u> *
General Fund	2,729,106,666	2,994,934,217	3,149,739,322	3,150,475,017	3,149,739,322
General Fund Exempt	1,023,829,253	1,045,914,612	1,088,947,539	1,088,947,539	1,088,947,539
Cash Funds	471,762,098	668,122,670	751,367,755	713,654,878	592,851,480
School Finance Audit Payments	<u>2,195,726</u>	<u>517,486</u>	<u>1,500,000</u>	<u>3,000,000</u>	<u>3,000,000</u> *
Cash Funds	2,195,726	517,486	1,500,000	3,000,000	3,000,000
At-risk Per Pupil Additional Funding	<u>4,999,999</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Cash Funds	4,999,999	5,000,000	5,000,000	5,000,000	5,000,000
At-risk Supplemental Aid	<u>4,453,645</u>	<u>4,686,853</u>	<u>4,844,358</u>	<u>4,844,358</u>	<u>4,844,358</u>
Cash Funds	4,453,645	4,686,853	4,844,358	4,844,358	4,844,358

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
District Per Pupil Reimbursements for Juveniles Held in Jail	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Cash Funds	0	0	10,000	10,000	10,000
Additional Funding for Rural Districts and Institute					
Charter Schools	<u>24,979,636</u>	<u>29,999,974</u>	<u>35,000,000</u>	<u>35,000,000</u>	<u>0</u>
Cash Funds	24,979,636	29,999,974	35,000,000	35,000,000	0
Mill Levy Override Matching Pursuant to Sec. 22-54-107.9, C.R.S.	<u>0</u>	<u>0</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>0</u>
Cash Funds	0	0	10,000,000	10,000,000	0
Additional At-risk Funding for FY 2021-22 (Sec. 22-54-144, C.R.S.)	<u>0</u>	<u>91,433,760</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	91,433,760	0	0	0
Additional Funding Pursuant to Sec. 22-54-143 (3)(a), C.R.S.	<u>14,710,777</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	14,710,777	0	0	0	0
Additional Funding Pursuant to Sec. 22-54-143 (3)(b), C.R.S.	<u>4,578,464</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	4,578,464	0	0	0	0
Additional Funding Pursuant to Section 22-54-143 (6), C.R.S.	<u>569,849</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	569,849	0	0	0	0

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
SUBTOTAL - (A) Public School Finance	4,283,463,471	4,842,553,522	5,048,506,393	5,012,762,957	4,846,221,824
<i>FTE</i>	18.4	18.4	19.0	15.3	15.3
General Fund	2,748,965,756	2,996,709,674	3,151,658,281	3,152,118,818	3,151,381,083
General Fund Exempt	1,023,829,253	1,045,914,612	1,088,947,539	1,088,947,539	1,088,947,539
Cash Funds	508,882,488	799,929,236	807,900,573	771,696,600	605,893,202
Reappropriated Funds	1,785,974	0	0	0	0

(B) Categorical Programs

(I) District Programs Required by Statute

Special Education - Children with Disabilities	<u>379,353,728</u>	<u>406,515,126</u>	<u>456,916,223</u>	<u>486,163,714</u>	<u>457,168,562</u> *
<i>FTE</i>	63.0	63.0	63.0	63.0	63.0
General Fund	93,572,347	93,572,347	93,572,347	93,572,347	93,572,347
Cash Funds	112,650,811	126,582,286	206,582,286	235,577,438	206,582,286
Reappropriated Funds	0	0	191,090	191,090	191,090
Federal Funds	173,130,570	186,360,493	156,570,500	156,822,839	156,822,839
English Language Proficiency Program	<u>33,922,573</u>	<u>35,421,328</u>	<u>36,532,149</u>	<u>39,700,163</u>	<u>36,541,145</u> *
<i>FTE</i>	4.6	4.6	4.6	4.6	4.6
General Fund	3,101,598	3,101,598	3,101,598	3,101,598	3,101,598
Cash Funds	21,003,951	22,156,115	22,156,144	25,315,162	22,156,144
Federal Funds	9,817,024	10,163,615	11,274,407	11,283,403	11,283,403

SUBTOTAL - (I) District Programs Required by Statute	413,276,301	441,936,454	493,448,372	525,863,877	493,709,707
<i>FTE</i>	67.6	67.6	67.6	67.6	67.6
General Fund	96,673,945	96,673,945	96,673,945	96,673,945	96,673,945
Cash Funds	133,654,762	148,738,401	228,738,430	260,892,600	228,738,430
Reappropriated Funds	0	0	191,090	191,090	191,090
Federal Funds	182,947,594	196,524,108	167,844,907	168,106,242	168,106,242

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
(II) Other Categorical Programs					
Public School Transportation	<u>64,437,123</u>	<u>63,659,603</u>	<u>63,266,327</u>	<u>66,198,019</u>	<u>63,260,127</u> *
FTE	2.0	2.0	2.0	2.0	2.0
General Fund	36,922,227	36,922,227	36,922,227	36,922,227	36,922,227
Cash Funds	27,514,896	26,737,376	26,299,735	29,237,627	26,299,735
Reappropriated Funds	0	0	44,365	38,165	38,165
Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education					
	<u>27,778,242</u>	<u>28,244,361</u>	<u>28,244,361</u>	<u>29,432,629</u>	<u>28,244,361</u> *
General Fund	17,792,850	17,792,850	17,792,850	17,792,850	17,792,850
Cash Funds	9,985,392	10,451,511	10,451,511	11,639,779	10,451,511
Special Education Programs for Gifted and Talented Children					
	<u>12,579,102</u>	<u>12,906,870</u>	<u>12,994,942</u>	<u>13,575,969</u>	<u>12,994,942</u> *
FTE	2.0	1.5	1.5	1.5	1.5
General Fund	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Cash Funds	7,079,102	7,406,870	7,494,942	8,075,969	7,494,942
Expelled and At-risk Student Services Grant Program					
	<u>9,432,827</u>	<u>9,491,869</u>	<u>9,493,560</u>	<u>9,499,542</u>	<u>9,493,560</u>
FTE	1.0	1.0	1.0	1.0	1.0
General Fund	5,774,762	5,788,800	5,788,807	5,788,807	5,788,807
Cash Funds	3,658,065	3,703,069	3,704,753	3,710,735	3,704,753
Small Attendance Center Aid					
	<u>1,314,250</u>	<u>1,314,250</u>	<u>1,314,250</u>	<u>1,317,707</u>	<u>1,314,250</u> *
General Fund	787,645	787,645	787,645	787,645	787,645
Cash Funds	526,605	526,605	526,605	530,062	526,605

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Comprehensive Health Education	<u>1,110,209</u>	<u>986,599</u>	<u>1,131,396</u>	<u>1,134,284</u>	<u>1,131,396</u> *
FTE	1.0	1.0	1.0	1.0	1.0
General Fund	300,000	300,000	300,000	300,000	300,000
Cash Funds	810,209	686,599	831,396	834,284	831,396
SUBTOTAL - (II) Other Categorical Programs	116,651,753	116,603,552	116,444,836	121,158,150	116,438,636
FTE	<u>6.0</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>
General Fund	67,077,484	67,091,522	67,091,529	67,091,529	67,091,529
Cash Funds	49,574,269	49,512,030	49,308,942	54,028,456	49,308,942
Reappropriated Funds	0	0	44,365	38,165	38,165
SUBTOTAL - (B) Categorical Programs	529,928,054	558,540,006	609,893,208	647,022,027	610,148,343
FTE	<u>73.6</u>	<u>73.1</u>	<u>73.1</u>	<u>73.1</u>	<u>73.1</u>
General Fund	163,751,429	163,765,467	163,765,474	163,765,474	163,765,474
Cash Funds	183,229,031	198,250,431	278,047,372	314,921,056	278,047,372
Reappropriated Funds	0	0	235,455	229,255	229,255
Federal Funds	182,947,594	196,524,108	167,844,907	168,106,242	168,106,242

(C) Grant Programs, Distributions, and Other Assistance

(I) Health and Nutrition

Federal Nutrition Programs	<u>267,566,737</u>	<u>397,739,786</u>	<u>156,854,420</u>	<u>156,771,616</u>	<u>156,771,616</u>
FTE	9.0	9.0	9.4	9.0	9.0
General Fund	64,492	99,169	228,144	101,289	101,289
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	267,502,245	397,640,617	156,626,276	156,670,327	156,670,327

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
State Match for School Lunch Program	<u>2,472,644 0.0</u>	<u>2,472,644</u>	<u>2,472,644 0.0</u>	<u>2,472,644 0.0</u>	<u>2,472,644 0.0</u>
General Fund	0	0	0	0	0
Cash Funds	2,472,644	2,472,644	2,472,644	2,472,644	2,472,644
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Child Nutrition School Lunch Protection Program	<u>22,527 0.0</u>	<u>627</u>	<u>2,578,105</u>	<u>2,578,105</u>	<u>2,578,105</u>
General Fund	8,575	627	1,727,374	1,727,374	1,727,374
Cash Funds	13,952	0	850,731	850,731	850,731
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Start Smart Nutrition Program Fund	<u>900,000 0.0</u>	<u>0</u>	<u>0</u>	<u>900,000</u>	<u>900,000</u>
General Fund	900,000	0	0	900,000	900,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Start Smart Nutrition Program	<u>4,855</u>	<u>361</u>	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,150,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	361	1,150,000	1,150,000	1,150,000
Reappropriated Funds	4,855	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Local School Food Purchasing Programs	<u>0</u>	<u>584,778</u>	<u>675,255</u>	<u>675,729</u>	<u>675,729</u>
FTE	0.0	0.4	0.4	0.4	0.4
General Fund	0	584,778	675,255	675,729	675,729
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Healthy Meals for All Public School Students	<u>0</u>	<u>0</u>	<u>178,568</u>	<u>115,268,088</u>	<u>0</u> *
FTE	0.0	0.0	1.1	3.2	0.0
General Fund	0	0	178,568	0	0
General Fund Exempt	0	0	0	115,268,088	0
S.B. 97-101 Public School Health Services	<u>120,651</u>	<u>182,668</u>	<u>182,686</u>	<u>184,958</u>	<u>184,958</u>
FTE	1.4	1.4	1.4	1.4	1.4
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	120,651	182,668	182,686	184,958	184,958
Federal Funds	0	0	0	0	0
Behavioral Health Care Professional Matching Grant Program	<u>11,948,026</u>	<u>14,878,927</u>	<u>21,959,590</u>	<u>21,968,106</u>	<u>14,968,106</u>
FTE	5.0	5.0	5.4	5.4	5.0
General Fund	0	0	0	0	0
Cash Funds	11,948,026	14,878,927	21,959,590	21,968,106	14,968,106
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Mental Health Education Resource Bank and Technical Assistance	<u>46,291</u>	<u>31,013</u>	<u>46,709</u>	<u>47,221</u>	<u>47,221</u>
FTE	0.6	0.6	0.6	0.6	0.6
General Fund	46,291	31,013	46,709	47,221	47,221
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
K-5 Social and Emotional Health Pilot Program	<u>0</u>	<u>2,441,681</u>	<u>2,500,000</u>	<u>2,502,225</u>	<u>2,502,225</u>
FTE	0.0	0.0	1.0	1.0	1.0
General Fund	0	0	0	0	0
Cash Funds	0	2,441,681	2,500,000	2,502,225	2,502,225
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Menstrual Hygiene Product Accessibility Grant Program	<u>0</u>	<u>97,500</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	97,500	100,000	100,000	100,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Breakfast After the Bell	<u>7,007</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	7,007	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
SUBTOTAL - (I) Health and Nutrition	283,088,738	418,429,985	188,697,977	304,618,692	182,350,604
<i>FTE</i>	<u>16.0</u>	<u>16.4</u>	<u>19.3</u>	<u>21.0</u>	<u>17.4</u>
General Fund	1,026,365	813,087	2,956,050	3,551,613	3,551,613
General Fund Exempt	0	0	0	115,268,088	0
Cash Funds	14,434,622	19,793,613	28,932,965	28,943,706	21,943,706
Reappropriated Funds	125,506	182,668	182,686	184,958	184,958
Federal Funds	267,502,245	397,640,617	156,626,276	156,670,327	156,670,327

(II) Capital Construction

Division of Public School Capital Construction

Assistance	<u>1,271,992</u>	<u>1,355,875</u>	<u>1,595,001</u>	<u>1,646,679</u>	<u>1,646,679</u>
<i>FTE</i>	15.0	15.0	16.0	16.0	16.0
General Fund	0	0	0	0	0
Cash Funds	1,271,992	1,355,875	1,595,001	1,646,679	1,646,679
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Public School Capital Construction Assistance Board

- Lease Payments	<u>85,681,220</u>	<u>97,642,462</u>	<u>125,000,000</u>	<u>125,000,000</u>	<u>125,000,000</u>
General Fund	0	0	0	0	0
Cash Funds	85,681,220	97,642,462	125,000,000	125,000,000	125,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Public School Capital Construction Assistance Board					
- Cash Grants	<u>95,725,932</u>	<u>85,758,504</u>	<u>110,000,000</u>	<u>110,000,000</u>	<u>123,000,000</u>
General Fund	0	0	0	0	0
Cash Funds	95,725,932	85,758,504	110,000,000	110,000,000	123,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Financial Assistance Priority Assessment	<u>130,800</u>	<u>129,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
General Fund	0	0	0	0	0
Cash Funds	130,800	129,000	150,000	150,000	150,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
State Aid for Charter School Facilities	<u>31,820,759</u>	<u>31,044,189</u>	<u>41,918,403</u>	<u>41,918,403</u>	<u>34,712,416</u>
General Fund	0	0	0	0	0
Cash Funds	31,820,759	31,044,189	41,918,403	41,918,403	34,712,416
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (II) Capital Construction	214,630,703	215,930,030	278,663,404	278,715,082	284,509,095
<i>FTE</i>	<u>15.0</u>	<u>15.0</u>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>
General Fund	0	0	0	0	0
Cash Funds	214,630,703	215,930,030	278,663,404	278,715,082	284,509,095
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
(III) Reading and Literacy					
Early Literacy Program Administration and Technical Support	<u>1,303,390</u>	<u>986,503</u>	<u>2,015,834</u>	<u>1,862,420</u>	<u>1,862,420</u>
FTE	8.8	8.8	9.6	9.3	9.3
General Fund	0	0	0	0	0
Cash Funds	1,303,390	986,503	2,015,834	1,862,420	1,862,420
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Competitive Grant Program	<u>6,351,797</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	6,351,797	7,500,000	7,500,000	7,500,000	7,500,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Program Evidence Based Training Provided to Teachers	<u>611,091</u>	<u>1,020,261</u>	<u>2,702,557</u>	<u>2,707,865</u>	<u>2,707,865</u>
FTE	0.0	3.5	3.5	3.5	3.5
General Fund	0	0	0	0	0
Cash Funds	611,091	1,020,261	2,702,557	2,707,865	2,707,865
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Program External Evaluation	<u>749,916</u> 0.0	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
General Fund	0	0	0	0	0
Cash Funds	749,916	750,000	750,000	750,000	750,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Early Literacy Program Public Information					
Campaign	<u>472,490</u>	<u>489,897</u>	<u>501,607</u>	<u>502,261</u>	<u>502,261</u>
FTE	0.5	0.5	0.5	0.5	0.5
General Fund	0	0	0	0	0
Cash Funds	472,490	489,897	501,607	502,261	502,261
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Program Per Pupil Intervention					
Funding	<u>26,236,554</u>	<u>26,261,551</u>	<u>26,261,551</u>	<u>26,261,551</u>	<u>26,261,551</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	26,236,554	26,261,551	26,261,551	26,261,551	26,261,551
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Assessment Tool Program	<u>2,216,170</u>	<u>2,660,776</u>	<u>2,997,072</u>	<u>2,997,072</u>	<u>2,997,072</u>
General Fund	0	0	0	0	0
Cash Funds	2,216,170	2,660,776	2,997,072	2,997,072	2,997,072
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Adult Education and Literacy Grant Program	<u>889,892</u>	<u>1,177,055</u>	<u>1,773,273</u>	<u>979,429</u>	<u>977,125</u>
FTE	1.0	1.0	1.0	0.6	0.6
General Fund	889,892	970,353	1,773,273	977,125	977,125
Cash Funds	0	206,702	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	2,304	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
SUBTOTAL - (III) Reading and Literacy	38,831,300	40,846,043	44,501,894	43,560,598	43,558,294
<i>FTE</i>	<u>10.3</u>	<u>13.8</u>	<u>14.6</u>	<u>13.9</u>	<u>13.9</u>
General Fund	889,892	970,353	1,773,273	977,125	977,125
Cash Funds	37,941,408	39,875,690	42,728,621	42,581,169	42,581,169
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	2,304	0

(IV) Professional Development and Instructional Support

Content Specialists	<u>503,225</u>	<u>617,698</u>	<u>546,536</u>	<u>647,355</u>	<u>647,355</u>
<i>FTE</i>	5.1	5.1	5.0	5.0	5.0
General Fund	0	91,610	0	92,174	92,174
Cash Funds	503,225	526,088	546,536	555,181	555,181
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 School Bullying Prevention and Education Cash Fund	 <u>1,000,000</u>	 <u>2,000,000</u>	 <u>2,000,000</u>	 <u>2,000,000</u>	 <u>2,000,000</u>
General Fund	0	1,000,000	1,000,000	1,000,000	1,000,000
Cash Funds	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Office of Dropout Prevention and Student Reengagement	<u>2,988,928</u>	<u>2,943,884</u>	<u>3,407,937</u>	<u>3,331,847</u>	<u>3,331,847</u>
FTE	2.8	2.2	5.2	5.0	5.0
General Fund	985,862	938,375	1,398,166	1,321,548	1,321,548
Cash Funds	2,003,066	2,005,509	2,009,771	2,010,299	2,010,299
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Ninth Grade Success Grant Program	<u>0</u>	<u>699,788</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
FTE	0.0	0.6	0.6	0.6	0.6
General Fund	0	699,788	800,000	800,000	800,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Quality Teacher Recruitment Program	<u>0</u>	<u>2,913,217</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
General Fund	0	2,913,217	3,000,000	3,000,000	3,000,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
English Language Learners Technical Assistance	<u>401,932</u>	<u>379,667</u>	<u>413,198</u>	<u>417,778</u>	<u>417,778</u>
FTE	5.0	5.0	5.0	5.0	5.0
General Fund	346,248	328,942	354,598	358,659	358,659
Cash Funds	55,684	50,725	58,600	59,119	59,119
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Working Group for Identification of and Educational Support for Students with Dyslexia					
General Fund	<u>26,700</u>	<u>35,276</u>	<u>40,616</u>	<u>40,616</u>	<u>40,616</u>
Cash Funds	26,700	35,276	40,616	40,616	40,616
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Dyslexia Markers Pilot Program					
General Fund	<u>97,438</u>	<u>126,574</u>	<u>127,973</u>	<u>0</u>	<u>0</u>
Cash Funds	97,438	126,574	127,973	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
School Leadership Pilot Program					
FTE	<u>179,446</u>	<u>283,112</u>	<u>250,000</u>	<u>250,875</u>	<u>250,000</u>
General Fund	1.0	1.0	1.2	1.2	1.2
Cash Funds	179,446	283,112	250,000	250,000	250,000
Reappropriated Funds	0	0	0	875	0
Federal Funds	0	0	0	0	0
Local Accountability System Grant Program					
FTE	<u>1,615</u>	<u>486,170</u>	<u>593,907</u>	<u>498,265</u>	<u>498,265</u>
General Fund	0.4	0.4	0.4	0.4	0.4
Cash Funds	1,615	486,170	593,907	498,265	498,265
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
School Transformation Grant Program	<u>4,229,392</u>	<u>4,396,749</u>	<u>6,450,371</u>	<u>7,571,562</u>	<u>7,455,602</u> *
FTE	3.0	3.0	3.0	3.9	3.0
General Fund	2,225,091	2,392,640	4,442,123	5,447,354	5,447,354
Cash Funds	2,004,301	2,004,109	2,008,248	2,124,208	2,008,248
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Computer Science Education Grants	<u>449,376</u>	<u>610,922</u>	<u>805,681</u>	<u>809,403</u>	<u>559,403</u>
FTE	0.4	0.4	0.4	0.4	0.4
General Fund	0	99,344	250,000	250,000	0
Cash Funds	449,376	511,578	555,681	559,403	559,403
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Accelerated College Opportunity Exam Fee Grant Program	<u>280,341</u>	<u>510,140</u>	<u>562,238</u>	<u>563,242</u>	<u>563,242</u>
FTE	0.4	0.4	0.4	0.4	0.4
General Fund	280,341	510,140	562,238	563,242	563,242
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Educator Perception	<u>19,200</u>	<u>111,897</u>	<u>25,000</u>	<u>33,500</u>	<u>33,500</u>
General Fund	19,200	111,897	25,000	33,500	33,500
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
English Language Learners Professional Development and Student Support Program	<u>27,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	27,000,000	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Comprehensive Quality Physical Education Instruction Pilot Program	<u>315,841</u>	<u>327,536</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	315,841	327,536	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (IV) Professional Development and Instructional Support	37,493,434	16,442,630	19,023,457	19,964,443	19,597,608
FTE	<u>18.1</u>	<u>18.1</u>	<u>21.2</u>	<u>21.9</u>	<u>21.0</u>
General Fund	4,161,941	10,017,085	12,844,621	13,655,358	13,405,358
Cash Funds	33,331,493	6,425,545	6,178,836	6,309,085	6,192,250
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
(V) Facility Schools					
Facility Schools Unit and Facility Schools Board	<u>309,480</u>	<u>322,083</u>	<u>341,558</u>	<u>346,918</u>	<u>264,225</u>
FTE	3.0	3.0	3.0	3.0	3.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	309,480	322,083	341,558	346,918	264,225
Federal Funds	0	0	0	0	0
 Facility School Funding	 <u>10,449,317</u>	 <u>9,958,483</u>	 <u>12,231,075</u>	 <u>12,231,075</u>	 <u>13,211,265</u>
General Fund	0	0	0	0	0
Cash Funds	10,449,317	9,958,483	12,231,075	12,231,075	13,211,265
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Additional Funding for Facility Schools	 <u>0</u>	 <u>5,749,599</u>	 <u>5,134,000</u>	 <u>0</u>	 <u>0</u>
General Fund	0	5,749,599	0	0	0
Cash Funds	0	0	5,134,000	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Facility School Work Group	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
SUBTOTAL - (V) Facility Schools	10,758,797	16,030,165	17,706,633	12,577,993	13,475,490
<i>FTE</i>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
General Fund	0	5,749,599	0	0	0
Cash Funds	10,449,317	9,958,483	17,365,075	12,231,075	13,211,265
Reappropriated Funds	309,480	322,083	341,558	346,918	264,225
Federal Funds	0	0	0	0	0
(VI) Other Assistance					
Appropriated Sponsored Programs	<u>333,687,054</u>	<u>775,826,034</u>	<u>694,326,924</u>	<u>694,564,578</u>	<u>694,328,011</u>
<i>FTE</i>	62.1	62.1	56.1	56.1	56.1
Cash Funds	2,226,457	1,460,627	2,500,000	2,501,087	2,501,087
Reappropriated Funds	0	6,888,983	0	0	0
Federal Funds	331,460,597	767,476,424	691,826,924	692,063,491	691,826,924
School Counselor Corps Grant Program	<u>9,999,848</u>	<u>10,238,922</u>	<u>12,260,970</u>	<u>12,266,250</u>	<u>12,016,250</u>
<i>FTE</i>	2.0	2.0	2.0	2.0	2.0
General Fund	0	155,342	250,000	250,000	0
Cash Funds	9,999,848	10,083,580	12,010,970	12,016,250	12,016,250
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
BOCES Funding per Section 22-5-122, C.R.S.	<u>3,258,753</u>	<u>3,238,426</u>	<u>3,320,784</u>	<u>3,322,985</u>	<u>3,322,985</u>
<i>FTE</i>	1.0	1.0	1.0	1.0	1.0
General Fund	0	0	0	0	0
Cash Funds	3,258,753	3,238,426	3,320,784	3,322,985	3,322,985
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Contingency Reserve Fund	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	1,000,000	1,000,000	1,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Supplemental On-line Education Services	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>
General Fund	0	0	0	0	0
Cash Funds	1,220,000	1,220,000	1,220,000	1,220,000	1,220,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Interstate Compact on Educational Opportunity for					
Military Children	<u>21,308</u>	<u>21,198</u>	<u>21,298</u>	<u>21,298</u>	<u>21,298</u>
General Fund	0	0	0	0	0
Cash Funds	21,308	21,198	21,298	21,298	21,298
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Educator Recruitment and Retention Program -					
Financial Assistance	<u>0</u>	<u>362,047</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
General Fund	0	362,047	5,000,000	5,000,000	5,000,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
College and Career Readiness	<u>226,504</u>	<u>225,888</u>	<u>364,967</u>	<u>349,416</u>	<u>349,416</u>
FTE	1.9	1.9	3.1	3.1	3.1
General Fund	226,504	225,888	364,967	348,460	349,416
Cash Funds	0	0	0	956	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Concurrent Enrollment Expansion and Innovation					
Grant Program	<u>1,411,710</u>	<u>1,572,690</u>	<u>1,476,896</u>	<u>1,476,896</u>	<u>1,476,896</u>
FTE	0.5	0.5	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	1,411,710	1,572,690	1,476,896	1,476,896	1,476,896
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado High-impact Tutoring Program	<u>0</u>	<u>4,943,720</u>	<u>4,980,098</u>	<u>4,981,472</u>	<u>4,981,472</u>
FTE	0.0	1.1	1.2	1.2	1.2
General Fund	0	4,943,720	4,980,098	4,981,472	4,981,472
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
John W. Buckner Automatic Enrollment in Advanced					
Courses Grant Program	<u>0</u>	<u>182,449</u>	<u>250,000</u>	<u>250,275</u>	<u>250,275</u>
FTE	0.0	0.3	0.3	0.3	0.3
General Fund	0	182,449	250,000	250,275	250,275
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Early Childhood Program Transition	0	96,867	98,787	98,787	0
FTE	0.0	0.9	1.0	1.0	0.0
General Fund	0	96,867	98,787	98,787	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
High School Innovative Learning Pilot Program	115,632	218,620	349,039	349,407	349,407
FTE	0.6	0.6	0.6	0.6	0.6
General Fund	115,632	218,620	349,039	349,407	349,407
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Fourth-year Innovation Pilot Program - Distributions to LEPs	0	0	68,208	68,208	68,208
General Fund	0	0	68,208	68,208	68,208
Parents Encouraging Parents Conferences	0	0	68,000	68,000	68,000
General Fund	0	0	68,000	68,000	68,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Career Development Success Program	4,500,000	6,255,646	4,520,000	4,520,000	4,520,000
General Fund	4,500,000	4,505,647	4,520,000	4,520,000	4,520,000
Cash Funds	0	1,749,999	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Financial Aid Training Stipends and Resource Bank	<u>0</u>	<u>0</u>	<u>475,000</u>	<u>475,000</u>	<u>0</u>
FTE	0.0	0.0	1.0	1.0	0.0
General Fund	0	0	475,000	475,000	0
Postsecondary, Workforce Career, and Education					
Grant and Readiness Program	<u>0</u>	<u>0</u>	<u>1,150,000</u>	<u>1,150,000</u>	<u>0</u>
FTE	0.0	0.0	0.9	0.9	0.0
General Fund	0	0	1,150,000	1,150,000	0
Colorado Career Advisor Training Program	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
General Fund	0	0	1,000,000	1,000,000	1,000,000
Teacher Recruitment Education and Preparation					
Program	<u>0</u>	<u>43,741</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	43,741	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Workforce Diploma Pilot Program	<u>208,585</u>	<u>202,665</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.2	0.2	0.0	0.0	0.0
General Fund	208,585	202,665	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Connecting Colorado Students Grant Program Fund	<u>20,000,000</u> 0.3	0	0	0	0
General Fund	20,000,000	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (VI) Other Assistance	374,649,394	804,648,913	731,950,971	732,182,572	729,972,218
<i>FTE</i>	<u>68.6</u>	<u>70.6</u>	<u>67.2</u>	<u>67.2</u>	<u>64.3</u>
General Fund	25,050,721	10,936,986	18,574,099	18,559,609	16,586,778
Cash Funds	18,138,076	19,346,520	21,549,948	21,559,472	21,558,516
Reappropriated Funds	0	6,888,983	0	0	0
Federal Funds	331,460,597	767,476,424	691,826,924	692,063,491	691,826,924
SUBTOTAL - (C) Grant Programs, Distributions, and Other Assistance	959,452,366	1,512,327,766	1,280,544,336	1,391,619,380	1,273,463,309
<i>FTE</i>	<u>131.0</u>	<u>136.9</u>	<u>141.3</u>	<u>143.0</u>	<u>135.6</u>
General Fund	31,128,919	28,487,110	36,148,043	36,743,705	34,520,874
General Fund Exempt	0	0	0	115,268,088	0
Cash Funds	328,925,619	311,329,881	395,418,849	390,339,589	389,996,001
Reappropriated Funds	434,986	7,393,734	524,244	531,876	449,183
Federal Funds	598,962,842	1,165,117,041	848,453,200	848,736,122	848,497,251
(D) Indirect Cost Assessment					
Indirect Cost Assessment	0	0	<u>3,837,060</u>	<u>3,838,078</u>	<u>3,905,863</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	25,000	25,000	25,000
Reappropriated Funds	0	0	55,571	56,589	55,571
Federal Funds	0	0	3,756,489	3,756,489	3,825,292

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
SUBTOTAL - (D) Indirect Cost Assessment	0	0	3,837,060	3,838,078	3,905,863
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	25,000	25,000	25,000
Reappropriated Funds	0	0	55,571	56,589	55,571
Federal Funds	0	0	3,756,489	3,756,489	3,825,292
TOTAL - (2) Assistance to Public Schools	5,772,843,891	6,913,421,294	6,942,780,997	7,055,242,442	6,733,739,339
<i>FTE</i>	<u>223.0</u>	<u>228.4</u>	<u>233.4</u>	<u>231.4</u>	<u>224.0</u>
General Fund	2,943,846,104	3,188,962,251	3,351,571,798	3,352,627,997	3,349,667,431
General Fund Exempt	1,023,829,253	1,045,914,612	1,088,947,539	1,204,215,627	1,088,947,539
Cash Funds	1,021,037,138	1,309,509,548	1,481,391,794	1,476,982,245	1,273,961,575
Reappropriated Funds	2,220,960	7,393,734	815,270	817,720	734,009
Federal Funds	781,910,436	1,361,641,149	1,020,054,596	1,020,598,853	1,020,428,785

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
(3) LIBRARY PROGRAMS					
ated reading services for the blind and are reflected as reappropriated funds.					
Administration	<u>990,378</u>	<u>981,948</u>	<u>1,203,168</u>	<u>1,217,716</u>	<u>1,217,716</u>
FTE	14.3	14.3	14.3	14.3	14.3
General Fund	885,342	912,521	935,755	950,303	950,303
Cash Funds	105,036	69,427	267,413	267,413	267,413
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Federal Library Funding	<u>3,203,798</u>	<u>3,759,168</u>	<u>3,293,558</u>	<u>3,337,351</u>	<u>3,337,351</u>
FTE	23.8	23.8	23.8	23.8	23.8
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	3,203,798	3,759,168	3,293,558	3,337,351	3,337,351
Colorado Library Consortium	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
General Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado Virtual Library	<u>359,371</u>	<u>359,796</u>	<u>379,796</u>	<u>379,796</u>	<u>379,796</u>
General Fund	359,371	359,796	359,796	359,796	359,796
Cash Funds	0	0	20,000	20,000	20,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Colorado Talking Book Library	<u>288,917</u>	<u>283,766</u>	<u>346,146 2.7</u>	<u>349,527 2.7</u>	<u>349,527 2.7</u>
General Fund	90,660	85,043	96,146	96,146	96,146
Cash Funds	0	0	0	0	0
Reappropriated Funds	198,257	198,723	250,000	253,381	253,381
Federal Funds	0	0	0	0	0
Reading Services for the Blind	<u>560,000</u>	<u>560,000</u>	<u>660,000</u>	<u>660,000</u>	<u>660,000</u>
General Fund	50,000	50,000	50,000	50,000	50,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	510,000	510,000	610,000	610,000	610,000
Federal Funds	0	0	0	0	0
State Grants to Publicly-Supported Libraries Program	<u>0</u>	<u>2,975,496</u>	<u>3,001,519</u>	<u>3,001,944</u>	<u>3,001,944</u>
General Fund	0	2,975,496	3,001,519	3,001,944	3,001,944
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado Imagination Library Program	<u>0</u>	<u>235,283</u>	<u>907,140</u>	<u>1,476,695</u>	<u>1,624,365 *</u>
General Fund	0	235,283	907,140	1,476,695	1,624,365
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>55,327</u>	<u>55,327</u>	<u>55,327</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	55,327	55,327	55,327

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
TOTAL - (3) Library Programs	6,402,464	10,155,457	10,846,654	11,478,356	11,626,026
<i>FTE</i>	<u>38.1</u>	<u>38.1</u>	<u>40.8</u>	<u>40.8</u>	<u>40.8</u>
General Fund	2,385,373	5,618,139	6,350,356	6,934,884	7,082,554
Cash Funds	105,036	69,427	287,413	287,413	287,413
Reappropriated Funds	708,257	708,723	860,000	863,381	863,381
Federal Funds	3,203,798	3,759,168	3,348,885	3,392,678	3,392,678

JBC Staff Figure Setting - FY 2023-24
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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
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(4) SCHOOL FOR THE DEAF AND THE BLIND

School Funding section above), as well as federal funds transferred from local school districts. Cash funds consist of fees paid by individuals for workshops and conferences and housing reimbursements.

(A) School Operations

Personal Services	<u>11,224,253</u>	<u>11,304,017</u>	<u>12,113,724</u>	<u>12,594,952</u>	<u>12,594,952</u> *
FTE	153.1	153.1	153.1	153.1	153.1
General Fund	9,802,338	9,848,996	10,357,994	10,809,166	10,809,450
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,421,915	1,455,021	1,755,730	1,785,786	1,785,502
Federal Funds	0	0	0	0	0
 Early Intervention Services	 <u>1,262,555</u>	 <u>1,071,233</u>	 <u>1,310,372</u>	 <u>1,334,132</u>	 <u>1,334,132</u>
FTE	10.0	10.0	10.0	10.0	10.0
General Fund	1,262,555	1,071,233	1,310,372	1,334,132	1,334,132
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Shift Differential	 <u>55,489</u>	 <u>86,754</u>	 <u>141,569</u>	 <u>0</u>	 <u>0</u>
General Fund	55,489	86,754	141,569	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Operating Expenses	<u>633,586</u>	<u>668,291</u>	<u>754,991</u>	<u>694,291</u>	<u>694,291</u> *
General Fund	633,586	668,291	754,991	694,291	694,291
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Vehicle Lease Payments	<u>29,508</u>	<u>32,237</u>	<u>36,302</u>	<u>35,112</u>	<u>35,112</u>
General Fund	29,508	32,237	36,302	35,112	35,112
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Utilities	<u>588,976</u>	<u>720,789</u>	<u>745,981</u>	<u>745,981</u>	<u>745,981</u>
General Fund	588,976	720,789	745,981	745,981	745,981
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Allocation of State and Federal Categorical Program Funding	<u>246,088</u>	<u>165,813</u>	<u>187,846</u>	<u>190,104</u>	<u>190,104</u>
FTE	0.4	0.4	0.4	0.4	0.4
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	246,088	165,813	187,846	190,104	190,104
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Medicaid Reimbursements for Public School Health					
Services	<u>152,203</u>	<u>181,359</u>	<u>429,046</u>	<u>429,896</u>	<u>429,896</u>
FTE	1.5	1.5	1.5	1.5	1.5
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	152,203	181,359	429,046	429,896	429,896
Federal Funds	0	0	0	0	0
SUBTOTAL - (A) School Operations	14,192,658	14,230,493	15,719,831	16,024,468	16,024,468
FTE	<u>165.0</u>	<u>165.0</u>	<u>165.0</u>	<u>165.0</u>	<u>165.0</u>
General Fund	12,372,452	12,428,300	13,347,209	13,618,682	13,618,966
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,820,206	1,802,193	2,372,622	2,405,786	2,405,502
Federal Funds	0	0	0	0	0
(B) Special Purpose					
Fees and Conferences	<u>41,384</u>	<u>87,711</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Cash Funds	41,384	87,711	120,000	120,000	120,000
Outreach Services	<u>469,949</u>	<u>498,182</u>	<u>1,000,000</u>	<u>1,002,038</u>	<u>1,000,000</u>
FTE	6.2	6.2	6.2	6.2	6.2
Cash Funds	353,572	408,991	750,000	750,168	750,000
Reappropriated Funds	116,377	89,191	250,000	251,870	250,000
Tuition from Out-of-state Students	<u>57,639</u>	<u>38,190</u>	<u>200,000</u>	<u>200,177</u>	<u>200,000</u>
Cash Funds	57,639	38,190	200,000	200,177	200,000

JBC Staff Figure Setting - FY 2023-24
Staff Working Document - Does Not Represent Committee Decision

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	FY 2023-24 Recommendation
Grants	<u>532,204</u>	<u>502,417</u>	<u>1,000,000</u>	<u>1,005,219</u>	<u>1,000,000</u>
FTE	6.0	0.0	6.0	6.0	6.0
Reappropriated Funds	0	0	1,000,000	1,005,219	1,000,000
Federal Funds	532,204	502,417	0	0	0
SUBTOTAL - (B) Special Purpose	1,101,176	1,126,500	2,320,000	2,327,434	2,320,000
FTE	<u>12.2</u>	<u>6.2</u>	<u>12.2</u>	<u>12.2</u>	<u>12.2</u>
Cash Funds	452,595	534,892	1,070,000	1,070,345	1,070,000
Reappropriated Funds	116,377	89,191	1,250,000	1,257,089	1,250,000
Federal Funds	532,204	502,417	0	0	0
TOTAL - (4) School for the Deaf and the Blind	15,293,834	15,356,993	18,039,831	18,351,902	18,344,468
FTE	<u>177.2</u>	<u>171.2</u>	<u>177.2</u>	<u>177.2</u>	<u>177.2</u>
General Fund	12,372,452	12,428,300	13,347,209	13,618,682	13,618,966
Cash Funds	452,595	534,892	1,070,000	1,070,345	1,070,000
Reappropriated Funds	1,936,583	1,891,384	3,622,622	3,662,875	3,655,502
Federal Funds	532,204	502,417	0	0	0
TOTAL - Department of Education	5,899,453,573	7,077,629,672	7,138,403,069	7,278,861,569	6,940,550,303
FTE	<u>608.5</u>	<u>606.9</u>	<u>638.3</u>	<u>643.4</u>	<u>636.5</u>
General Fund	2,979,123,577	3,236,339,446	3,411,481,071	3,427,176,511	3,415,818,660
General Fund Exempt	1,023,829,253	1,045,914,612	1,088,947,539	1,204,230,413	1,088,947,539
Cash Funds	1,062,805,033	1,360,478,823	1,517,239,273	1,514,885,093	1,313,319,304
Reappropriated Funds	27,157,464	36,263,860	72,285,315	82,563,631	72,636,403
Federal Funds	806,538,246	1,398,632,931	1,048,449,871	1,050,005,921	1,049,828,397

First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

DRAFT
2/21/23

DRAFT

LLS NO. 23-0418.01 Alana Rosen x2606

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: Supports To Students & Facility Schools

A BILL FOR AN ACT

101 **CONCERNING SERVICES TO SUPPORT STUDENTS ELIGIBLE TO ENROLL**
102 **IN FACILITY SCHOOLS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. Current law allows approved facility schools (approved schools) to include day treatment centers, residential child care facilities, facilities licensed by the department of human services, or hospitals licensed by the department of public health and environment. The bill creates the specialized day school as a type of approved school. The facility schools board (board) shall promulgate

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

rules for a facility to become authorized to operate as a specialized day school.

Current law requires the board to adopt accountability measures. The bill requires the board to adopt accountability and accreditation measures for approved schools. Beginning December 1, 2026, the state board of education shall begin accrediting approved schools based on recommendations of the board. The bill requires the board to create an accreditation outcome report for each approved school. The office of facility schools (office) must publish the reports annually.

The bill requires the department of education, department of human services, the department of health care policy and financing, and the department of public health and environment to collaborate and create an interagency resource guide to provide assistance to facilities that are pursuing licensing to operate as an approved school. The bill requires the state agencies to identify and recommend legislation and changes to each department's respective rules and administrative processes to facilitate licensing and approval processes for facilities seeking to operate as approved schools.

The bill creates the shared operational services grant program (grant program) to award grants to eligible applicants to contract for 2 years with an organization that coordinates shared operational services. An approved school in conjunction with one or more schools may apply to the grant program for a grant to procure shared operational services that support schools, such as food services, janitorial services, shared office spaces, billing, technical assistance on medicaid services, technology, security, transportation, or purchasing. An organization that provides or coordinates services for approved schools or an agency that oversees approved schools may also apply to the grant program.

The bill creates the technical assistance center (center) in the office to provide technical assistance support to school districts and related administrative units, with a priority to serve rural and remote school districts and related administrative units. Beginning in the 2023-24 budget year, the center is required to assess the needs of school districts and related administrative units. Beginning in the 2024-25 budget year, the center shall provide technical assistance support to school districts and related administrative units and prioritize service to rural and remote school districts.

The bill creates additional responsibilities for the facility school work group (work group). The work group shall monitor the implementation of changes to the facility school system and educational services for students with exceptionally severe or specialized needs. The bill expands work group participation to include parents, guardians, and legal custodians of students with exceptionally severe or specialized needs and therapeutic facilities for students with exceptionally severe or specialized needs that are not approved schools.

The bill requires the office to contract with a qualified third-party evaluator (evaluator) to evaluate and report whether the work group recommendations resulted in more effective services and better access to those services for students with exceptionally severe and specialized needs.

The bill requires the department of health care policy and financing to recommend a plan to ensure approved schools may use medicaid reimbursement funding for therapeutic services to the maximum extent feasible.

The bill creates a new baseline funding model for approved schools. The bill requires reporting on the new baseline funding model for approved schools.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 22-2-401, **add** (4) as
3 follows:

4 **22-2-401. Legislative declaration.** (4) (a) THE GENERAL
5 ASSEMBLY FURTHER FINDS THAT THE NUMBER OF APPROVED FACILITY
6 SCHOOLS AND PLACEMENTS OF STUDENTS IN FACILITY SCHOOLS IN
7 COLORADO HAS SUBSTANTIALLY DECLINED DUE IN PART TO COUNTY
8 DEPARTMENTS OF HUMAN OR SOCIAL SERVICES AND OTHER STATE AND
9 LOCAL AGENCIES REDUCING THE USE OF CONGREGATE CARE PLACEMENTS.
10 HOWEVER, A SMALL PERCENTAGE OF STUDENTS WITH EXCEPTIONALLY
11 SEVERE OR SPECIALIZED NEEDS, WHO MAY HAVE BEEN SERVED IN
12 APPROVED FACILITY SCHOOLS IN THE PAST, STILL REQUIRE SPECIALIZED
13 SERVICES BEYOND THE LEVEL AVAILABLE FROM THEIR SCHOOL DISTRICT
14 OF RESIDENCE.

15 (b) THEREFORE, THE GENERAL ASSEMBLY FURTHER FINDS THAT IT
16 IS IN THE BEST INTERESTS OF STUDENTS WITH EXCEPTIONALLY SEVERE OR
17 SPECIALIZED NEEDS TO STABILIZE AND ENHANCE THE NUMBER OF
18 APPROVED FACILITY SCHOOL PLACEMENTS AND TO IMPROVE STUDENT
19 SERVICES BY:

1 (I) PROVIDING ADEQUATE AND PREDICTABLE FUNDING FOR
2 APPROVED FACILITY SCHOOLS;

3 (II) ESTABLISHING AN INTERAGENCY RESOURCE GUIDE FOR
4 FACILITIES SEEKING LICENSURE TO OPERATE AS APPROVED FACILITY
5 SCHOOLS;

6 (III) REQUIRING STATE AGENCIES TO ESTABLISH CONSISTENT
7 ADMINISTRATIVE PRACTICES TO LICENSE, APPROVE, AND FUND APPROVED
8 FACILITY SCHOOLS THAT MAY RESULT FROM THE DEVELOPMENT OF THE
9 INTERAGENCY RESOURCE GUIDE DESCRIBED IN SUBSECTION (4)(b)(II) OF
10 THIS SECTION;

11 (IV) ALLOWING STATE AGENCIES TO RECOMMEND CHANGES TO
12 LAW, RULE, POLICY, AND PRACTICE BASED ON THE ESTABLISHMENT OF
13 CONSISTENT ADMINISTRATIVE PRACTICES DESCRIBED IN SUBSECTION
14 (4)(a)(III) OF THIS SECTION;

15 (V) REQUIRING THE DEPARTMENT OF HEALTH CARE POLICY AND
16 FINANCING, IN CONSULTATION WITH THE WORK GROUP, TO RECOMMEND A
17 PLAN TO IMPLEMENT POLICY CHANGES TO ENSURE APPROVED FACILITY
18 SCHOOLS MAY REQUEST MEDICAID REIMBURSEMENT FUNDING FOR
19 THERAPEUTIC SERVICES TO THE MAXIMUM EXTENT POSSIBLE TO REDUCE
20 RELIANCE ON SCHOOL DISTRICT REVENUE FOR THERAPEUTIC SERVICES;

21 (VI) AUTHORIZING THE FACILITY SCHOOLS BOARD TO AUTHORIZE
22 A FACILITY TO OPERATE AS A SPECIALIZED DAY SCHOOL;

23 (VII) AUTHORIZING THE FACILITY SCHOOLS BOARD TO ADOPT
24 ACCREDITATION MEASURES FOR APPROVED FACILITY SCHOOLS; AND

25 (VIII) EXPANDING TECHNICAL ASSISTANCE FOR SCHOOL DISTRICTS
26 AND ADMINISTRATIVE UNITS, WITH A PRIORITY TO SERVE RURAL SCHOOL
27 DISTRICTS, REMOTE SCHOOL DISTRICTS, OR SCHOOL DISTRICTS THAT FACE

1 SIGNIFICANT OBSTACLES PROVIDING INTENSIVE SUPPORTS TO SERVE
2 STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS.

3 **SECTION 2.** In Colorado Revised Statutes, 22-2-402, **amend** (3);
4 **repeal** (8); and **add** (3.9), (4.5), (5.5), and (7.5) as follows:

5 **22-2-402. Definitions.** As used in this part 4, unless the context
6 otherwise requires:

7 (3) "Facility" means a day treatment center, residential child care
8 facility or other facility licensed by the department of human services
9 pursuant to section 26-6-905, ~~or~~ a hospital licensed by the department of
10 public health and environment pursuant to section 25-1.5-103, ~~OR~~ A
11 SPECIALIZED DAY SCHOOL.

12 (3.9) "OFFICE" MEANS THE OFFICE OF FACILITY SCHOOLS CREATED
13 WITHIN THE DEPARTMENT PURSUANT TO SECTION 22-2-403.

14 (4.5) "PUBLIC ENTITY" MEANS A PUBLIC ENTITY RESPONSIBLE FOR
15 REFERRING STUDENTS TO OUT-OF-HOME, DAY TREATMENT, RESIDENTIAL
16 TREATMENT, HOSPITAL, AND SPECIALIZED DAY SCHOOL PLACEMENTS WITH
17 PROVIDERS.

18 (5.5) "SPECIALIZED DAY SCHOOL" MEANS A SCHOOL THAT SERVES
19 STUDENTS WHO ARE REFERRED BY A PUBLIC ENTITY AND PUBLICLY PLACED
20 IN A SPECIALIZED DAY SCHOOL BY A HOSPITAL, HEALTH-CARE PROVIDER,
21 BEHAVIORAL HEALTH PROVIDER, CASE MANAGEMENT SERVICE, COURT,
22 DIVISION OF YOUTH SERVICES, SCHOOL DISTRICT, COUNTY DEPARTMENT
23 OF HUMAN OR SOCIAL SERVICES, OR OTHER STATE AGENCY BECAUSE THE
24 STUDENTS' BEHAVIORAL AND EDUCATIONAL NEEDS ARE BEYOND THE
25 CAPACITY OF THE STUDENTS' CURRENT EDUCATIONAL PLACEMENT DUE TO
26 THE SEVERITY OF THE STUDENTS' NEEDS OR THE REQUIREMENT FOR
27 HIGHLY SPECIALIZED PROGRAMMING.

1 (7.5) "STUDENT WITH EXCEPTIONALLY SEVERE OR SPECIALIZED
2 NEEDS" MEANS A STUDENT WITH EXCEPTIONALLY SEVERE NEEDS, HIGHLY
3 SPECIALIZED NEEDS, OR OTHER NEEDS THAT A SCHOOL DISTRICT IS UNABLE
4 TO SERVE EFFECTIVELY WITHIN THE SCHOOL DISTRICT'S REGULAR OR
5 SPECIALIZED EDUCATIONAL SERVICES.

6 (8) ~~"Unit" means the facility schools unit created within the~~
7 ~~department pursuant to section 22-2-403.~~

8 **SECTION 3.** In Colorado Revised Statutes, **amend** 22-2-403 as
9 follows:

10 **22-2-403. Office of facility schools - created.** (1) There is
11 ~~hereby~~ created within the department the OFFICE OF facility schools. ~~unit.~~
12 The head of the ~~unit shall be~~ OFFICE IS the director of facility schools and
13 ~~shall be~~ IS appointed by the commissioner of education in accordance
14 with section 13 of article XII of the state constitution.

15 (2) The OFFICE OF facility schools ~~unit~~ and the office of the
16 director of facility schools exercise their powers and perform their duties
17 and functions under the department, the commissioner of education, and
18 the state board of education. The OFFICE OF facility schools ~~unit~~ and the
19 office of the director of facility schools are **type 2** entities, as defined in
20 section 24-1-105.

21 **SECTION 4.** In Colorado Revised Statutes, 22-2-404, **amend** (1)
22 as follows:

23 **22-2-404. Facility schools board - created - membership.**

24 (1) There is created the facility schools board to adopt curriculum
25 standards and set graduation requirements for facility schools and to
26 collaborate with and advise the ~~unit~~ OFFICE. The facility schools board
27 consists of seven members appointed by the state board as ~~provided~~ SET

1 FORTH in this section. The state board shall appoint the initial members
2 of the facility schools board on or before November 1, 2008. The facility
3 schools board is a **type 1** entity, as defined in section 24-1-105, and
4 exercises its powers and performs its duties and functions under the
5 department of education.

6 **SECTION 5.** In Colorado Revised Statutes, 22-2-405, **amend** (1)
7 introductory portion, (1)(a), and (2) introductory portion; and **add** (3), (4),
8 and (5) as follows:

9 **22-2-405. Facility schools office - duties.** (1) In addition to any
10 other duties that may be required by law, the ~~unit~~ OFFICE shall:

11 (a) Develop and maintain, as ~~provided~~ DESCRIBED in section
12 22-2-407, the list of approved facility schools AND THE LIST OF APPROVED
13 FACILITY SCHOOLS THAT RECEIVE ACCREDITATION;

14 (2) In complying with the duties specified in ~~paragraph (d) of~~
15 ~~subsection (1)~~ SUBSECTION (1)(d) of this section, the ~~unit~~ OFFICE shall:

16 (3) THE OFFICE SHALL CREATE, MAINTAIN, AND ANNUALLY
17 PUBLISH:

18 (a) THE ACCREDITATION OUTCOME REPORTS THAT THE OFFICE
19 DEVELOPS FOR EACH APPROVED FACILITY SCHOOL PURSUANT TO SECTION
20 22-2-406 (4)(c) ON THE OFFICE'S PUBLIC WEBSITE; AND

21 (b) A LIST OF INDEPENDENT NATIONAL ACCREDITATION
22 ORGANIZATIONS THAT ARE APPROVED BY THE FACILITY SCHOOLS BOARD
23 PURSUANT TO 22-2-406 (4)(c).

24 (4) (a) THE OFFICE SHALL CONTRACT WITH A QUALIFIED
25 THIRD-PARTY EVALUATOR TO EVALUATE AND REPORT WHETHER THE
26 WORK GROUP RECOMMENDATIONS MADE PURSUANT TO SECTION
27 22-2-407.5 RESULTED IN MORE EFFECTIVE SERVICES AND BETTER ACCESS

1 TO THOSE SERVICES FOR STUDENTS WITH EXCEPTIONALLY SEVERE AND
2 SPECIALIZED NEEDS. THE OFFICE SHALL CONSULT WITH THE WORK GROUP
3 AND QUALIFIED THIRD-PARTY EVALUATOR TO EVALUATE AND REPORT THE
4 FOLLOWING:

5 (I) WHETHER THE NUMBER OF APPROVED FACILITY SCHOOL
6 PLACEMENTS FOR STUDENTS WITH EXCEPTIONALLY SEVERE OR
7 SPECIALIZED NEEDS HAS STABILIZED OR INCREASED;

8 (II) WHETHER RELIANCE ON HOMEBOUND AND OUT-OF-STATE
9 PLACEMENTS HAS DECREASED;

10 (III) WHETHER ADMINISTRATIVE UNITS THAT ARE UNABLE TO
11 ACCESS APPROVED FACILITY SCHOOL PLACEMENTS DUE TO GEOGRAPHIC
12 OR OTHER CONSTRAINTS RECEIVE SUFFICIENT SUPPORT FROM THE
13 TECHNICAL ASSISTANCE CENTER CREATED IN SECTION 22-2-412 TO
14 PROVIDE EFFECTIVE SERVICES TO STUDENTS WITH EXCEPTIONALLY SEVERE
15 OR SPECIALIZED NEEDS;

16 (IV) WHETHER PARENTS, GUARDIANS, ADVOCATES, COUNTY
17 DEPARTMENTS OF HUMAN OR SOCIAL SERVICES, AND OTHER INTERESTED
18 PARTIES ASSESS THAT THE WORK GROUP'S IMPLEMENTATION PLAN
19 DESCRIBED IN SECTION 22-2-407.5 (4) HAS HAD A POSITIVE IMPACT ON
20 SERVICES FOR STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED
21 NEEDS; AND

22 (V) ANY OTHER MEASURE OF SUCCESS THE OFFICE, WORK GROUP,
23 AND THIRD-PARTY EVALUATOR DETERMINE NECESSARY.

24 (b) ON OR BEFORE SEPTEMBER 1, 2025, THE QUALIFIED
25 THIRD-PARTY EVALUATOR SHALL SUBMIT A REPORT TO THE WORK GROUP
26 AND THE OFFICE SUMMARIZING THE MEASURES AND RECOMMENDATIONS
27 DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION. THE REPORT MUST BE

1 INCLUDED IN THE OCTOBER 1, 2025, REPORT REQUIRED PURSUANT TO
2 SECTION 22-2-407.5 (4)(e).

3 (5) (a) THE OFFICE SHALL ASSEMBLE STAKEHOLDERS, INCLUDING
4 MEMBERS OF THE WORK GROUP, TO ANALYZE AND RECOMMEND CHANGES
5 TO THE METHODS USED FOR CALCULATING TUITION COSTS FOR APPROVED
6 FACILITY SCHOOLS PURSUANT TO SECTION 22-20-109 (2).

7 (b) AS PART OF THE OCTOBER 1, 2023, REPORT REQUIRED
8 PURSUANT TO SECTION 22-2-107.5 (4)(e), THE OFFICE SHALL SUMMARIZE
9 THE STAKEHOLDER RECOMMENDATIONS DESCRIBED IN SUBSECTION (5)(a)
10 OF THIS SECTION, INCLUDING WHETHER STATUTORY OR RULE UPDATES ARE
11 REQUIRED TO IMPLEMENT THE RECOMMENDATIONS.

12 (c) ON OR BEFORE JULY 1, 2024, THE STATE BOARD SHALL
13 CONSIDER THE PROPOSED CHANGES AND PROMULGATE RULES
14 IMPLEMENTING THE NEW METHODS USED FOR CALCULATING TUITION
15 COSTS.

16 (d) AS PART OF THE OCTOBER 1, 2024, REPORT REQUIRED
17 PURSUANT TO SECTION 22-2-407.5 (4)(e), THE OFFICE SHALL INCLUDE AN
18 UPDATE DESCRIBING THE TUITION CHANGES ADOPTED AS OF JULY 1, 2024.

19 **SECTION 6.** In Colorado Revised Statutes, 22-2-406, **amend** (1),
20 (2)(h), (2)(i), and (3); and **add** (2)(j), (4), and (5) as follows:

21 **22-2-406. Facility schools board duties - curriculum -**
22 **graduation standards - report - rules.** (1) In addition to any other
23 duties provided by law, the facility schools board shall:

24 (a) Adopt curriculum to be provided by approved facility schools.
25 At a minimum, the facility schools board shall align the curriculum for
26 the core subjects of reading, writing, mathematics, science, history, and
27 geography with the state content standards adopted pursuant to section

1 22-7-1005 and the state assessments OR ALTERNATE ASSESSMENTS
2 administered as ~~provided~~ DESCRIBED in section 22-7-1006.3 (3). The
3 curriculum must include a range of course work from which an approved
4 facility school may select courses that meet the needs of the students who
5 are placed at the facility, INCLUDING A VARIETY OF INSTRUCTIONAL
6 METHODS AND STRATEGIES TO MEET STUDENT NEEDS.

7 (b) Adopt accountability AND ACCREDITATION measures, including
8 academic performance measures, to be applied to approved facility
9 schools and the students receiving educational services through the
10 approved facility schools; ~~and~~

11 (c) Award a high school diploma to a student who, while receiving
12 services through an approved facility school, meets the graduation
13 requirements the facility schools board shall establish pursuant to
14 subsection (3) of this section and who applies for the award of a high
15 school diploma from the facility schools board; AND

16 (d) DEVELOP PROCEDURES TO AUTHORIZE FACILITIES TO OPERATE
17 AS SPECIALIZED DAY SCHOOLS.

18 (2) The facility schools board may make recommendations to the
19 state board and to the department of human services regarding any of the
20 following issues:

21 (h) The oversight and monitoring of approved facility schools; ~~and~~

22 (i) Any other issues that are determined by the facility schools
23 board to be within its purview and that are intended to improve
24 educational outcomes for students receiving educational services from
25 approved facility schools or to promote the efficient delivery of
26 educational services to students who are placed in facilities; AND

27 (j) THE CREATION OF AN INTERAGENCY RESOURCE GUIDE TO ASSIST

1 FACILITIES IN BECOMING LICENSED AS APPROVED FACILITY SCHOOLS,
2 WHICH MUST BE ADOPTED BY THE DEPARTMENT, THE DEPARTMENT OF
3 HUMAN SERVICES, THE DEPARTMENT OF HEALTH CARE POLICY AND
4 FINANCING, AND THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
5 AS SET FORTH IN SECTION 22-2-410.

6 (3) The facility schools board shall promulgate rules in
7 accordance with the "State Administrative Procedure Act", article 4 of
8 title 24, ~~C.R.S.~~, to establish procedures by which a student who
9 participates in an approved facility school may apply to receive a high
10 school diploma awarded by the facility schools board. The facility schools
11 board shall also, by rule, establish the graduation requirements that a
12 student receiving educational services through an approved facility school
13 shall meet to be awarded the facility school's high school diploma. In
14 adopting the graduation requirements, the facility schools board shall take
15 into consideration the recommendations of the ~~unit~~ OFFICE and shall
16 ensure that the graduation requirements follow the guidelines for high
17 school graduation requirements specified by the state board pursuant to
18 section 22-2-106 (1)(a.5).

19 (4) (a) (I) IN COMPLYING WITH THE DUTIES SPECIFIED IN
20 SUBSECTION (1)(b) OF THIS SECTION, ON OR BEFORE DECEMBER 1, 2026,
21 THE FACILITY SCHOOLS BOARD SHALL REVIEW THE IMPLEMENTATION OF
22 ACCOUNTABILITY MEASURES BY AN APPROVED FACILITY SCHOOL THAT
23 HAS BEEN APPROVED FOR AT LEAST ONE YEAR AND RECOMMEND TO THE
24 STATE BOARD WHETHER TO ACCREDIT THE APPROVED FACILITY SCHOOL.
25 THE STATE BOARD MAY GRANT ACCREDITATION TO THE APPROVED
26 FACILITY SCHOOL BASED ON THE FACILITY SCHOOLS BOARD
27 RECOMMENDATION.

1 (II) IF A FACILITY SCHOOL HAS BEEN AN APPROVED FACILITY
2 SCHOOL PURSUANT TO SECTION 22-2-407 (2)(b) FOR LESS THAN ONE YEAR
3 AS OF DECEMBER 1, 2026, THE APPROVED FACILITY SCHOOL SHALL
4 IMPLEMENT ACCREDITATION MEASURES WITHIN ONE YEAR OF APPROVAL
5 BEFORE A REVIEW BY THE FACILITY SCHOOLS BOARD PURSUANT TO
6 SUBSECTION (4)(a)(I) OF THIS SECTION.

7 (III) IF A FACILITY SCHOOL BECOMES AN APPROVED FACILITY
8 SCHOOL PURSUANT TO SECTION 22-2-407 (2)(b) AFTER DECEMBER 1, 2026,
9 THE APPROVED FACILITY SCHOOL HAS ONE YEAR TO IMPLEMENT THE
10 ACCOUNTABILITY MEASURES BEFORE A REVIEW BY THE FACILITY SCHOOLS
11 BOARD AND ACCREDITATION APPROVAL BY THE STATE BOARD PURSUANT
12 TO SUBSECTION (4)(a)(I) OF THIS SECTION.

13 (IV) (A) THE STATE BOARD AND THE FACILITY SCHOOLS BOARD
14 SHALL APPROVE A LIST OF RECOGNIZED INDEPENDENT NATIONAL
15 ACCREDITATION ORGANIZATIONS THAT ACCREDIT APPROVED FACILITY
16 SCHOOLS.

17 (B) IF A RECOGNIZED INDEPENDENT NATIONAL ACCREDITATION
18 ORGANIZATION ACCREDITS AN APPROVED FACILITY SCHOOL, THE FACILITY
19 SCHOOLS BOARD MAY CONSIDER THE RECOGNIZED INDEPENDENT
20 NATIONAL ACCREDITATION AS PART OF THE FACILITY SCHOOLS BOARD'S
21 ACCREDITATION REVIEW OF THE APPROVED FACILITY SCHOOL PURSUANT
22 TO THIS SUBSECTION (4)(a)(I).

23 (C) THE OFFICE SHALL POST THE LIST OF RECOGNIZED
24 INDEPENDENT NATIONAL ACCREDITATION ORGANIZATIONS TO THE
25 OFFICE'S WEBSITE PURSUANT TO SECTION 22-2-405 (3).

26 (b) (I) NOTWITHSTANDING SUBSECTION (4)(b)(II) OF THIS SECTION,
27 ON OR AFTER DECEMBER 1, 2026, A SCHOOL DISTRICT OR AN

1 ADMINISTRATIVE UNIT SHALL ONLY PLACE A STUDENT IN AN APPROVED
2 FACILITY SCHOOL THAT RECEIVES ACCREDITATION FROM THE STATE
3 BOARD OR AN INDEPENDENT NATIONAL ACCREDITATION ORGANIZATION,
4 UNLESS THE SCHOOL DISTRICT OR ADMINISTRATIVE UNIT DETERMINES
5 THAT THERE IS NOT AN ACCREDITED FACILITY AVAILABLE AND THE
6 SELECTED PLACEMENT IS IN THE BEST INTERESTS OF THE STUDENT.

7 (II) IF A STUDENT IS A STUDENT IN AN OUT-OF-HOME PLACEMENT,
8 AS DEFINED IN SECTION 22-32-138, AND THE CHANGE OF EDUCATIONAL
9 PLACEMENT IS A RESULT OF PLACEMENT IN OUT-OF-HOME CARE, THE
10 PROCEDURES SET FORTH IN SECTION 22-32-138 MUST BE FOLLOWED.

11 (c) (I) ON OR AFTER OCTOBER 1, 2026, AND EACH OCTOBER 1
12 THEREAFTER, THE FACILITY SCHOOLS BOARD SHALL CREATE AN
13 ACCREDITATION OUTCOME REPORT FOR EACH APPROVED FACILITY SCHOOL
14 AS PART OF THE PROCESS TO DETERMINE WHETHER AN APPROVED FACILITY
15 SCHOOL REMAINS ACCREDITED. THE ACCREDITATION OUTCOME REPORT
16 MUST INCLUDE INFORMATION ON STUDENT OUTCOMES, POSTSECONDARY
17 AND WORKFORCE READINESS, AND STUDENT ENGAGEMENT.

18 (II) ON OR AFTER DECEMBER 1, 2026, AND EACH DECEMBER 1
19 THEREAFTER, THE FACILITY SCHOOLS BOARD SHALL SUBMIT THE
20 ACCREDITATION OUTCOME REPORTS AND ACCREDITATION
21 RECOMMENDATIONS TO THE STATE BOARD.

22 (III) THE STATE BOARD MAY APPROVE ACCREDITATION, DENY
23 ACCREDITATION, OR GRANT CONDITIONAL ACCREDITATION. IF
24 ACCREDITATION IS CONDITIONAL OR DENIED BY THE STATE BOARD, AN
25 APPROVED FACILITY SCHOOL MAY RESPOND TO THE OFFICE WITHIN SIXTY
26 DAYS AFTER RECEIVING THE REPORT. THE FACILITY SCHOOLS BOARD AND
27 STATE BOARD MAY RECONSIDER AN APPROVED FACILITY SCHOOL'S

1 ACCREDITATION STATUS BASED ON THE ACCREDITATION OUTCOME REPORT
2 AND ANY OTHER DATA SUBMITTED BY AN APPROVED FACILITY SCHOOL OR
3 THE OFFICE.

4 (IV) THE OFFICE SHALL ANNUALLY UPDATE ON THE OFFICE'S
5 WEBSITE THE ACCREDITATION OUTCOME REPORTS FOR EACH APPROVED
6 FACILITY SCHOOL PURSUANT TO SECTION 22-2-405 (3).

7 (5) (a) IN DEVELOPING PROCEDURES AS SET FORTH IN SUBSECTION
8 (1)(d) OF THIS SECTION, THE FACILITY SCHOOLS BOARD SHALL
9 PROMULGATE RULES FOR THE CREATION AND MAINTENANCE OF A LIST OF
10 SCHOOLS THAT ARE AUTHORIZED TO OPERATE AS SPECIALIZED DAY
11 SCHOOLS AND ARE APPROVED AS FACILITY SCHOOLS TO RECEIVE
12 REIMBURSEMENT FOR PROVIDING EDUCATIONAL SERVICES TO STUDENTS
13 PLACED IN THE SPECIALIZED DAY SCHOOL. THE FACILITY SCHOOLS BOARD
14 SHALL PROMULGATE RULES SPECIFYING THE FOLLOWING PROCEDURES:

15 (I) HOW TO AUTHORIZE A FACILITY TO OPERATE, BECOME
16 ACCREDITED, AND BE MAINTAINED AS A SPECIALIZED DAY SCHOOL;

17 (II) HOW TO SECURE HEALTH AND SAFETY INSPECTIONS OF A
18 SPECIALIZED DAY SCHOOL;

19 (III) HOW TO SECURE ZONING APPROVAL IN CITIES AND COUNTIES
20 FOR A SPECIALIZED DAY SCHOOL;

21 (IV) HOW TO PROCURE EMPLOYEE BACKGROUND CHECKS; AND

22 (V) HOW TO TRACK AND REPORT INCIDENTS AT SPECIALIZED DAY
23 SCHOOLS.

24 (b) THE FACILITY SCHOOLS BOARD MAY ENTER INTO INTERAGENCY
25 AGREEMENTS WITH THE DEPARTMENT OF HUMAN SERVICES, DEPARTMENT
26 OF PUBLIC HEALTH AND ENVIRONMENT, AND OTHER STATE AND LOCAL
27 GOVERNMENT AGENCIES TO IMPLEMENT THIS SUBSECTION (5).

1 (c) IF A FACILITY MEETS THE CRITERIA TO BECOME AUTHORIZED TO
2 OPERATE, BECOME ACCREDITED, AND BE MAINTAINED AS A SPECIALIZED
3 DAY SCHOOL PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION, THE
4 OFFICE SHALL AUTHORIZE THE FACILITY TO OPERATE AS A SPECIALIZED
5 DAY SCHOOL. THE OFFICE SHALL PERIODICALLY, AS PROVIDED BY RULE OF
6 THE FACILITY SCHOOLS BOARD, REVIEW EACH SPECIALIZED DAY SCHOOL
7 TO DETERMINE WHETHER THE SPECIALIZED DAY SCHOOL IS IN COMPLIANCE
8 WITH THE REQUIREMENTS SET FORTH IN SUBSECTION (5)(a) OF THIS
9 SECTION. THE FACILITY SCHOOLS BOARD SHALL PROMULGATE RULES
10 SPECIFYING THE PROCEDURAL REQUIREMENTS ASSOCIATED WITH THE
11 RENEWAL OF SPECIALIZED DAY SCHOOLS.

12 **SECTION 7.** In Colorado Revised Statutes, 22-2-407, **amend**
13 (2)(a)(I), (2)(b), (3)(c), and (4); and **add** (3)(b.5) as follows:

14 **22-2-407. List of approved facility schools - application -**
15 **criteria - rules.** (2) (a) The facility schools board by rule shall specify:

16 (I) The procedures by which a facility school may apply to the ~~unit~~
17 OFFICE for placement on the list of approved facility schools;

18 (b) The ~~unit~~ OFFICE shall review the applications received
19 pursuant to ~~paragraph (a) of this subsection (2)~~ SUBSECTION (2)(a) OF THIS
20 SECTION and shall place on the list of approved facility schools those
21 applicants that meet the criteria specified by rule of the facility schools
22 board. The ~~unit~~ OFFICE shall notify each applicant regarding placement on
23 the list of approved facility schools. If the ~~unit~~ OFFICE denies an applicant
24 placement on the list, the ~~unit~~ OFFICE shall explain the basis for the denial.
25 An applicant that is denied may reapply for placement on the list
26 following correction of the cause for denial.

27 (3) An approved facility school shall comply with the following

1 requirements in order to remain on the list of approved facility schools:

2 (b.5) DEMONSTRATE COMPLIANCE WITH THE ACCOUNTABILITY
3 AND ACCREDITATION MEASURES WITHIN THE TIME FRAMES ADOPTED BY
4 THE FACILITY SCHOOLS BOARD PURSUANT TO SECTION 22-2-406 (4);

5 (c) Comply with the reporting and records tracking requirements
6 specified by the ~~unit~~ OFFICE pursuant to section 22-2-405 (1)(d) and (2);
7 and

8 (4) The ~~unit~~ OFFICE shall periodically, as provided by rule of the
9 facility schools board, review each approved facility school to determine
10 whether the approved facility school is in compliance with the
11 requirements specified in subsection (3) of this section. If the ~~unit~~ OFFICE
12 determines that an approved facility school is out of compliance, the ~~unit~~
13 OFFICE shall give the approved facility school notice of the lack of
14 compliance. If the approved facility school does not come into
15 compliance within thirty days after receiving the notice, the ~~unit~~ OFFICE
16 shall remove the facility school from the list of approved facility schools.
17 A facility school that is removed from the list of approved facility schools
18 may reapply for placement on the list as provided in subsection (2) of this
19 section.

20 **SECTION 8.** In Colorado Revised Statutes, 22-2-407.5, **amend**
21 (1)(b) introductory portion, (1)(b)(VII), and (4)(e); and **add** (1)(b)(IX),
22 (1)(b)(X), and (5) as follows:

23 **22-2-407.5. Facility schools - sustainable model of education**
24 **for facility students - work group - created - membership - duties -**
25 **reporting requirements - funding.** (1) (b) The work group shall obtain
26 input from parents and students who reflect the diversity of the state with
27 regard to race, ethnicity, immigration status, income, and disability. The

1 work group must include THE FOLLOWING representatives: ~~from the~~
2 ~~following entities:~~

3 (VII) The department of human services, including the division
4 of youth services; ~~and~~

5 (IX) PARENTS, GUARDIANS, AND LEGAL CUSTODIANS OF STUDENTS
6 WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS; AND

7 (X) THERAPEUTIC FACILITIES FOR STUDENTS WITH EXCEPTIONALLY
8 SEVERE OR SPECIALIZED NEEDS THAT ARE NOT APPROVED FACILITY
9 SCHOOLS.

10 (4) (e) (I) On or before October 1, 2023, and on or before each
11 October 1 during the implementation phase of the model, the department
12 shall submit a written report concerning the progress of the model's
13 implementation, including but not limited to, the status of each
14 deliverable identified in the implementation plan, any modifications to the
15 implementation plan, and any statutory changes and funding necessary in
16 the upcoming fiscal year in order to successfully implement each phase
17 of the model. THE DEPARTMENT SHALL DRAFT THE REPORT WITH ONGOING
18 INPUT FROM THE WORK GROUP. THE DEPARTMENT SHALL SUBMIT THE
19 REPORTS TO THE EDUCATION COMMITTEES OF THE HOUSE OF
20 REPRESENTATIVES AND THE SENATE, OR THEIR SUCCESSOR COMMITTEES,
21 THE JOINT BUDGET COMMITTEE, AND THE STATE BOARD. THE OFFICE
22 SHALL POST THE REPORTS ON THE OFFICE'S WEBSITE.

23 (II) AS PART OF THE OCTOBER 1, 2023, REPORT REQUIRED
24 PURSUANT TO SUBSECTION (4)(e)(I) OF THIS SECTION, THE OFFICE SHALL
25 INCLUDE RECOMMENDATIONS TO CHANGE THE METHOD USED FOR
26 CALCULATING TUITION COSTS FOR APPROVED FACILITY SCHOOLS AS
27 DESCRIBED IN SECTION 22-2-405 (5) OF THIS SECTION AND IDENTIFY NEXT

1 STEPS. THE DEPARTMENT SHALL STATE WHETHER STATUTORY OR RULE
2 UPDATES ARE REQUIRED TO IMPLEMENT CHANGES TO THE METHODS FOR
3 CALCULATING TUITION COSTS.

4 (III) AS PART OF THE OCTOBER 1, 2024, REPORT REQUIRED
5 PURSUANT TO SUBSECTION (4)(e)(I) OF THIS SECTION, THE DEPARTMENT
6 SHALL INCLUDE AN UPDATE DESCRIBING THE TUITION CHANGES DESCRIBED
7 IN SUBSECTION (4)(e)(II) OF THIS SECTION THAT ARE ADOPTED AS OF JULY
8 1, 2024, PURSUANT TO SECTION 22-2-405 (5).

9 (IV) AS PART OF THE OCTOBER 1, 2025, REPORT REQUIRED
10 PURSUANT TO SUBSECTION (4)(e)(I) OF THIS SECTION, THE DEPARTMENT
11 SHALL INCLUDE THE REPORT SUMMARIZING THE EVALUATION MEASURES
12 AND RECOMMENDATIONS DESCRIBED IN SECTION 22-2-405 (4).

13 (V) AS PART OF THE OCTOBER 1, 2025, AND OCTOBER 1, 2026,
14 REPORTS REQUIRED PURSUANT TO (4)(e)(I) OF THIS SECTION, THE
15 DEPARTMENT SHALL INCLUDE THE REPORT SUMMARIZING INFORMATION
16 SUBMITTED TO THE DEPARTMENT, AS DESCRIBED IN SECTION 22-2-411 (7),
17 BY ELIGIBLE APPLICANTS WHO RECEIVED GRANT MONEY FROM THE
18 SHARED OPERATIONAL SERVICES GRANT PROGRAM CREATED IN SECTION
19 22-2-411 (2).

20 (5) THE WORK GROUP SHALL CONSULT WITH THE DEPARTMENT OF
21 HEALTH CARE POLICY AND FINANCING PURSUANT TO SECTION 25.5-1-104
22 (6) TO IDENTIFY POLICY CHANGES TO ENSURE APPROVED FACILITY
23 SCHOOLS MAY USE MEDICAID FUNDING FOR THERAPEUTIC SERVICES.

24 <{**Drafter will include a repeal of section 22-2-408 (2) in the next draft.**
25 **Subsection (2) currently authorizes the department of education to**
26 **withhold two percent of the amount payable to each approved facility**
27 **school for administrative costs. Drafter will also include language**

1 concerning an appropriation to the department of education for the
2 reasonable administrative costs of the office and the facility schools
3 board.}>

4 SECTION 9. In Colorado Revised Statutes, add 22-2-410,
5 22-2-411, and 22-2-412 as follows:

6 22-2-410. Administration - licensing - reports. (1) ON OR
7 BEFORE NOVEMBER 1, 2023, THE DEPARTMENT, IN COLLABORATION WITH
8 THE DEPARTMENT OF HUMAN SERVICES, DEPARTMENT OF HEALTH CARE
9 POLICY AND FINANCING, AND DEPARTMENT OF PUBLIC HEALTH AND
10 ENVIRONMENT, SHALL DEVELOP AN INTERAGENCY RESOURCE GUIDE TO
11 ASSIST FACILITIES TO BECOME LICENSED AND FUNDED AS AN APPROVED
12 FACILITY SCHOOL AND THAT MUST BE ADOPTED ACROSS DEPARTMENTS TO
13 SUPPORT EFFICIENT LICENSURE AND APPROVAL FOR THE FOLLOWING TYPES
14 OF FACILITIES:

15 (a) A HOSPITAL LICENSED BY THE DEPARTMENT OF PUBLIC HEALTH
16 AND ENVIRONMENT PURSUANT TO SECTION 25-1.5-103;

17 (b) A RESIDENTIAL CHILD CARE FACILITY, DAY TREATMENT
18 PROGRAM, OR OTHER FACILITY LICENSED BY THE DEPARTMENT OF HUMAN
19 SERVICES PURSUANT TO SECTION 26-6-905; AND

20 (c) A SPECIALIZED DAY SCHOOL APPROVED BY THE OFFICE
21 PURSUANT TO SECTION 22-2-406 (5).

22 (2) ON OR BEFORE NOVEMBER 1, 2023, THE DEPARTMENT SHALL
23 SUBMIT A REPORT TO THE EDUCATION COMMITTEES OF THE HOUSE OF
24 REPRESENTATIVES AND THE SENATE, OR THEIR SUCCESSOR COMMITTEES,
25 AND THE JOINT BUDGET COMMITTEE, SUMMARIZING THE FOLLOWING:

26 (a) A PLAN FOR THE IMPLEMENTATION OF THE INTERAGENCY
27 RESOURCE GUIDE DESCRIBED IN SUBSECTION (1) OF THIS SECTION; AND

1 (b) ANY RECOMMENDED CHANGES TO STATUTES, RULES, OR
2 ADMINISTRATIVE PROCEDURES AS DETERMINED BY EACH DEPARTMENT
3 PARTICIPATING IN THE DEVELOPMENT OF THE INTERAGENCY RESOURCE
4 GUIDE PURSUANT TO SUBSECTION (1) OF THIS SECTION TO IMPROVE
5 ADMINISTRATIVE EFFICIENCY AND ELIMINATE DUPLICATION OR OTHER
6 UNNECESSARY ADMINISTRATIVE OBSTACLES TO THE LICENSING,
7 APPROVAL, AND FUNDING OF APPROVED FACILITY SCHOOLS.

8 (3) ON OR BEFORE OCTOBER 1, 2024, THE DEPARTMENT SHALL
9 SUBMIT A REPORT SUMMARIZING THE IMPLEMENTATION OF THE
10 INTERAGENCY RESOURCE GUIDE DESCRIBED IN SUBSECTION (1) OF THIS
11 SECTION TO THE EDUCATION COMMITTEES OF THE HOUSE OF
12 REPRESENTATIVES AND THE SENATE, OR THEIR SUCCESSOR COMMITTEES,
13 AND THE JOINT BUDGET COMMITTEE. THE REPORT MAY BE SUBMITTED AS
14 PART OF THE REPORT REQUIRED PURSUANT TO SECTION 22-2-407.5 (4)(e).

15 (4) THE OFFICE SHALL PROMINENTLY POST THE INTERAGENCY
16 RESOURCE GUIDE DESCRIBED IN SUBSECTION (1) OF THIS SECTION ON THE
17 OFFICE'S WEBSITE.

18 **22-2-411. Shared operational services grant program -**
19 **creation - report - rules - definitions - repeal.** (1) AS USED IN THIS
20 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

21 (a) "AGENCY" MEANS AN INDEPENDENT AGENCY THAT OVERSEES
22 APPROVED FACILITY SCHOOLS.

23 (b) "ELIGIBLE APPLICANT" MEANS AN APPROVED FACILITY SCHOOL
24 THAT APPLIES TO THE GRANT PROGRAM ON BEHALF OF ITSELF AND ONE OR
25 MORE OTHER APPROVED FACILITY SCHOOLS, AN ORGANIZATION, OR AN
26 AGENCY.

27 (c) "GRANT PROGRAM" MEANS THE SHARED OPERATIONAL

1 SERVICES GRANT PROGRAM CREATED IN SUBSECTION (2) OF THIS SECTION.

2 (d) "ORGANIZATION" MEANS A PUBLIC OR PRIVATE ORGANIZATION
3 THAT PROVIDES OR COORDINATES OPERATIONAL SERVICES FOR GRANTEEES.

4 (e) "SHARED OPERATIONAL SERVICES" MEANS SERVICES THAT
5 SUPPORT APPROVED FACILITY SCHOOLS, INCLUDING BUT NOT LIMITED TO
6 FOOD SERVICES, JANITORIAL SERVICES, SHARED OFFICE SPACE, BILLING,
7 TECHNICAL ASSISTANCE ON MEDICAID SERVICES, TECHNOLOGY, SECURITY,
8 TRANSPORTATION, OR PURCHASING. SHARED OPERATIONAL SERVICES MAY
9 INCLUDE PURCHASING AND SHARING ITEMS SUCH AS OFFICE SUPPLIES AND
10 TECHNOLOGY.

11 (2) (a) (I) THERE IS CREATED IN THE DEPARTMENT THE SHARED
12 OPERATIONAL SERVICES GRANT PROGRAM TO AWARD AN ELIGIBLE
13 APPLICANT GRANT MONEY FOR THE SPAN OF TWO BUDGET YEARS TO
14 CONTRACT WITH AN ORGANIZATION THAT PROVIDES OR COORDINATES
15 SHARED OPERATIONAL SERVICES FOR GRANTEEES.

16 (II) IN THE FIRST YEAR OF THE GRANT PROGRAM, AN ELIGIBLE
17 APPLICANT WHO IS AWARDED A GRANT SHALL DETERMINE THE SHARED
18 OPERATIONAL SERVICES NEEDED BY APPROVED FACILITY SCHOOLS AND
19 CONTRACT WITH AN ORGANIZATION TO PROVIDE OR COORDINATE
20 SERVICES. IN THE SECOND YEAR OF THE GRANT PROGRAM, THE GRANTEE
21 SHALL WORK WITH THE ORGANIZATION TO PROVIDE THE SHARED
22 OPERATIONAL SERVICES FOR THE APPROVED FACILITY SCHOOLS.

23 (b) THE DEPARTMENT SHALL IMPLEMENT A TIMELINE FOR THE
24 GRANT PROGRAM, WHICH MUST INCLUDE THE FOLLOWING:

25 (I) THE DATE THE DEPARTMENT ANNOUNCES THE GRANT PROGRAM
26 AND BEGINS ACCEPTING APPLICATIONS FROM ELIGIBLE APPLICANTS;

27 (II) THE DATE THE ELIGIBLE APPLICANTS MUST SUBMIT

1 APPLICATIONS BY; AND

2 (III) THE DATE THE DEPARTMENT BEGINS DISTRIBUTING GRANT
3 MONEY TO THE ELIGIBLE APPLICANTS THAT ARE AWARDED A GRANT.

4 (c) AN ELIGIBLE APPLICANT THAT CHOOSES TO APPLY FOR A GRANT
5 MUST SUBMIT AN APPLICATION TO THE DEPARTMENT. THE APPLICATION
6 MUST INCLUDE, AT A MINIMUM, THE FOLLOWING INFORMATION:

7 (I) THE TYPES OF SHARED OPERATIONAL SERVICES NEEDED BY
8 APPROVED FACILITY SCHOOLS;

9 (II) THE NAME OF THE ORGANIZATION THE ELIGIBLE APPLICANT
10 PLANS ON CONTRACTING WITH FOR SHARED OPERATIONAL SERVICES;

11 (III) PROJECTED BUDGET AND COST SAVINGS BY IMPLEMENTING
12 SHARED OPERATIONAL SERVICES BETWEEN APPROVED FACILITY SCHOOLS;

13 AND

14 (IV) THE SUSTAINABILITY OF THE SHARED OPERATIONAL SERVICES
15 AFTER THE GRANT PROGRAM CONCLUDES.

16 (3) THE DEPARTMENT SHALL REVIEW THE APPLICATIONS
17 SUBMITTED PURSUANT TO SUBSECTION (2)(c) OF THIS SECTION AND MAKE
18 RECOMMENDATIONS TO THE FACILITY SCHOOLS BOARD. THE STATE BOARD
19 SHALL TAKE INTO CONSIDERATION THE RECOMMENDATIONS OF THE
20 DEPARTMENT IN SELECTING ELIGIBLE APPLICANTS THAT RECEIVE GRANTS
21 AND DETERMINING THE AMOUNT OF EACH GRANT.

22 (4) IN SELECTING GRANTEEES, THE STATE BOARD SHALL GIVE
23 PRIORITY TO ELIGIBLE APPLICANTS WHO:

24 (a) CREATE A DETAILED PLAN TO MEET THE VARIOUS NEEDS OF
25 APPROVED FACILITY SCHOOLS THAT REQUIRE SHARED OPERATIONAL
26 SERVICES; AND

27 (b) ANTICIPATE THE SUSTAINABILITY OF SHARED OPERATIONAL

1 SERVICES AFTER THE GRANT PROGRAM CONCLUDES BASED ON THE
2 INFORMATION SUBMITTED PURSUANT TO SUBSECTION (2)(c)(IV) OF THIS
3 SECTION.

4 (5) THE FACILITY SCHOOLS BOARD MAY PROMULGATE RULES AS
5 NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION.

6 (6) TO ENSURE ACCOUNTABILITY, THE DEPARTMENT SHALL
7 CONDUCT AN AUDIT OF AN ELIGIBLE APPLICANT WHO RECEIVES GRANT
8 MONEY.

9 (7) (a) ON OR BEFORE SEPTEMBER 1, 2024, EACH ELIGIBLE
10 APPLICANT THAT IS AWARDED GRANT MONEY SHALL SUBMIT AN INTERIM
11 REPORT TO THE DEPARTMENT. ON OR BEFORE SEPTEMBER 1, 2025, EACH
12 ELIGIBLE APPLICANT THAT IS AWARDED GRANT MONEY SHALL SUBMIT A
13 FINAL REPORT TO THE DEPARTMENT. THE INTERIM AND FINAL REPORTS
14 MUST INCLUDE THE FOLLOWING INFORMATION:

15 (I) THE TYPES OF SHARED OPERATIONAL SERVICES THAT WERE
16 PROVIDED OR COORDINATED BY THE ORGANIZATION;

17 (II) A PERFORMANCE REVIEW OF THE ORGANIZATION THAT
18 PROVIDED OR COORDINATED SHARED OPERATIONAL SERVICES BETWEEN
19 APPROVED FACILITY SCHOOLS;

20 (III) AN ANALYSIS OF COST SAVINGS BASED ON THE
21 IMPLEMENTATION OF THE SHARED OPERATIONAL SERVICES; AND

22 (IV) THE PROJECTED SUSTAINABILITY OF THE SHARED
23 OPERATIONAL SERVICES AFTER THE GRANT PROGRAM CONCLUDES.

24 (b) AS PART OF THE OCTOBER 1, 2024 AND OCTOBER 1, 2025
25 REPORTS REQUIRED PURSUANT TO SECTION 22-2-407.5 (4)(e), THE
26 DEPARTMENT SHALL SUBMIT INFORMATION THAT, AT A MINIMUM,
27 SUMMARIZES THE INFORMATION RECEIVED BY THE DEPARTMENT

1 PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION.

2 (8) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2026.

3 **22-2-412. Technical assistance center - creation - definitions.**

4 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
5 REQUIRES:

6 (a) "ADMINISTRATIVE UNIT" HAS THE SAME MEANING AS SET
7 FORTH IN SECTION 22-20-103.

8 (b) "BOARD OF COOPERATIVE SERVICES" OR "BOCES" MEANS A
9 BOARD OF COOPERATIVE SERVICES CREATED PURSUANT TO ARTICLE 5 OF
10 THIS TITLE 22 THAT OPERATES ONE OR MORE PUBLIC SCHOOLS.

11 (c) "CENTER" MEANS THE TECHNICAL ASSISTANCE CENTER
12 CREATED IN SUBSECTION (2) OF THIS SECTION.

13 (d) "REMOTE SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT IN
14 COLORADO, IRRESPECTIVE OF PUPIL ENROLLMENT, THAT IS MORE THAN
15 FIFTY MILES FROM THE NEAREST LARGE, URBANIZED AREA.

16 (e) "RURAL SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT IN
17 COLORADO THAT THE DEPARTMENT DETERMINES IS RURAL, BASED ON THE
18 GEOGRAPHIC SIZE OF THE SCHOOL DISTRICT, THE DISTANCE OF THE SCHOOL
19 DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA, AND A TOTAL
20 ENROLLMENT OF SIX THOUSAND FIVE HUNDRED OR FEWER STUDENTS.

21 (2) (a) THERE IS CREATED IN THE OFFICE THE TECHNICAL
22 ASSISTANCE CENTER TO PROVIDE TECHNICAL ASSISTANCE TO SCHOOL
23 DISTRICTS AND RELATED ADMINISTRATIVE UNITS SERVING STUDENTS WITH
24 EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS WHO NEED TO BE SERVED
25 BY AN APPROVED FACILITY SCHOOL BUT ARE UNABLE TO ACCESS AN
26 APPROVED FACILITY SCHOOL DUE TO LACK OF PROXIMITY TO AN APPROVED
27 FACILITY SCHOOL OR OTHER FACTORS. THE CENTER SHALL PRIORITIZE

1 TECHNICAL ASSISTANCE TO RURAL SCHOOL DISTRICTS, REMOTE SCHOOL
2 DISTRICTS, AND OTHER SCHOOL DISTRICTS AND RELATED ADMINISTRATIVE
3 UNITS THAT FACE SIGNIFICANT OBSTACLES TO PROVIDING SUPPORTS TO
4 SERVE STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS.

5 (b) TECHNICAL ASSISTANCE MAY INCLUDE:

6 (I) TRAINING;

7 (II) PROFESSIONAL DEVELOPMENT;

8 (III) COACHING;

9 (IV) SUPPORTS FOR RESOURCE SHARING AND COLLABORATION
10 BETWEEN ADMINISTRATIVE UNITS, APPROVED FACILITY SCHOOLS, SCHOOL
11 DISTRICTS, OR BOCES; AND

12 (V) DIRECT SUPPORTS TO ADMINISTRATIVE UNITS TO ENSURE THE
13 ADMINISTRATIVE UNIT PROVIDES A FREE AND APPROPRIATE PUBLIC
14 EDUCATION FOR STUDENTS WITH EXCEPTIONALLY SEVERE OR SPECIALIZED
15 NEEDS.

16 (3) (a) BEGINNING IN THE 2023-24 BUDGET YEAR, THE CENTER
17 SHALL ASSESS THE NEEDS OF SCHOOL DISTRICTS, PRIORITIZING RURAL
18 SCHOOL DISTRICTS, REMOTE SCHOOL DISTRICTS, AND OTHER SCHOOL
19 DISTRICTS AND RELATED ADMINISTRATIVE UNITS THAT FACE SIGNIFICANT
20 OBSTACLES TO PROVIDING SUPPORTS TO SERVE STUDENTS WITH
21 EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS.

22 (b) BEGINNING IN THE 2024-25 BUDGET YEAR, THE CENTER SHALL
23 PROVIDE TECHNICAL ASSISTANCE TO SCHOOL DISTRICTS, PRIORITIZING
24 RURAL SCHOOL DISTRICTS, REMOTE SCHOOL DISTRICTS, AND OTHER
25 SCHOOL DISTRICTS AND RELATED ADMINISTRATIVE UNITS THAT FACE
26 SIGNIFICANT OBSTACLES TO PROVIDING SUPPORTS TO SERVE STUDENTS
27 WITH EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS.

1 (4) THE QUALIFIED THIRD-PARTY EVALUATOR DESCRIBED IN
2 SECTION 22-2-405 (4) SHALL STUDY THE EFFECTIVENESS OF THE CENTER,
3 WHICH MUST INCLUDE FEEDBACK FROM SCHOOL DISTRICTS AND
4 ADMINISTRATIVE UNITS THAT USE THE SERVICES OF THE CENTER.

5 (5) SUBJECT TO AVAILABLE APPROPRIATIONS, THE CENTER MAY
6 EXTEND SUPPORT SERVICES TO SCHOOL DISTRICTS AND RELATED
7 ADMINISTRATIVE UNITS TO IMPROVE SERVICES FOR STUDENTS WITH
8 EXCEPTIONALLY SEVERE OR SPECIALIZED NEEDS, INCLUDING THROUGH
9 GRANT PROGRAMS AND DIRECT AND CONTRACTED SERVICES.

10 **SECTION 10.** In Colorado Revised Statutes, 22-54-129, **amend**
11 (2)(c)(II), (3), and (4); and **add** (1)(b.5), (2)(c)(III), and (2.5) as follows:

12 **22-54-129. Facility school funding - definitions - legislative**
13 **declaration.** (1) As used in this section, unless the context otherwise
14 requires:

15 (b.5) "BASELINE FUNDING" MEANS A FUNDING AMOUNT BASED ON
16 STUDENT ENROLLMENT PROJECTIONS THAT IS INTENDED TO PROVIDE
17 SUFFICIENT FUNDING FOR MINIMUM EDUCATION PROGRAM SERVICES FOR
18 AN APPROVED FACILITY SCHOOL.

19 (2) (c) (II) For the 2013-14 budget year and each budget year
20 thereafter, each ~~approved facility school~~ and state program that meets the
21 requirements of this section must receive education program funding,
22 which must be distributed pursuant to subsection (4) of this section. The
23 amount of funding available for all ~~approved facility schools~~ and state
24 programs in a budget year is an amount equal to the pupil enrollment of
25 each ~~approved facility school~~ and state program for the applicable budget
26 year multiplied by an amount equal to one and seventy-three hundredths
27 of the statewide base per pupil funding for the applicable budget year.

1 (III) FOR THE 2013-14 BUDGET YEAR THROUGH THE 2022-23
2 BUDGET YEAR, EACH APPROVED FACILITY SCHOOL THAT COMPLIES WITH
3 THE REQUIREMENTS OF THIS SECTION MUST RECEIVE EDUCATION PROGRAM
4 FUNDING, WHICH MUST BE DISTRIBUTED PURSUANT TO SUBSECTION (4) OF
5 THIS SECTION. THE AMOUNT OF FUNDING AVAILABLE FOR ALL APPROVED
6 FACILITY SCHOOLS IN A BUDGET YEAR IS AN AMOUNT EQUAL TO THE PUPIL
7 ENROLLMENT OF EACH APPROVED FACILITY SCHOOL FOR THE APPLICABLE
8 BUDGET YEAR MULTIPLIED BY AN AMOUNT EQUAL TO ONE AND
9 SEVENTY-THREE HUNDREDTHS OF THE STATEWIDE BASE PER PUPIL
10 FUNDING FOR THE APPLICABLE BUDGET YEAR.

11 (2.5) (a) (I) FOR THE 2023-24 BUDGET YEAR AND EACH BUDGET
12 YEAR THEREAFTER, EACH APPROVED FACILITY SCHOOL THAT MEETS THE
13 REQUIREMENTS OF THIS SECTION MUST RECEIVE EDUCATION PROGRAM
14 FUNDING, WHICH MUST BE DISTRIBUTED PURSUANT TO THIS SUBSECTION
15 (2.5). THE AMOUNT OF STATE FUNDING AVAILABLE FOR ALL APPROVED
16 FACILITY SCHOOLS IN A BUDGET YEAR IS AN AMOUNT EQUAL TO THE SUM
17 OF THE BASELINE FUNDING OF EACH APPROVED FACILITY SCHOOL FOR THE
18 APPLICABLE BUDGET YEAR, BASED ON STUDENT ENROLLMENT
19 PROJECTIONS FOR EACH APPROVED FACILITY SCHOOL AND PER PUPIL
20 FUNDING FOR EACH APPROVED FACILITY SCHOOL, IF APPLICABLE, OFFSET
21 BY OTHER REVENUE SOURCES DESCRIBED IN SUBSECTION (2.5)(a)(III) OF
22 THIS SECTION.

23 (II) THE BASELINE FUNDING AMOUNT MUST BE CALCULATED BY
24 USING STUDENT ENROLLMENT PROJECTIONS. THE BASELINE FUNDING
25 AMOUNT MAY INCLUDE FUNDING FOR SPECIAL EDUCATION DIRECTORS,
26 LICENSED TEACHERS, RELEVANT THERAPEUTIC STAFF, CLASSROOM
27 TEACHING AIDES, SCHOOL ADMINISTRATION, NONPERSONNEL COSTS, AND

1 ANY OTHER ELEMENTS REQUIRED TO PROVIDE MINIMUM EDUCATION
2 PROGRAM SERVICES FOR AN APPROVED FACILITY SCHOOL.

3 (III) THE BASELINE FUNDING AMOUNT PAID BY THE STATE MUST BE
4 OFFSET BY A PORTION OF THE TUITION RECEIVED FOR SPECIAL EDUCATION
5 SERVICES FROM SCHOOL DISTRICTS PURSUANT TO SECTION 22-20-109 AND
6 BY A PORTION OF HOSPITAL REVENUE FROM OTHER SOURCES FOR
7 HOSPITAL-BASED APPROVED FACILITY SCHOOLS.

8 (b) THE OFFICE OF FACILITY SCHOOLS MAY SUSPEND, REDUCE, OR
9 RECOUP MONTHLY PAYMENTS FROM AN APPROVED FACILITY SCHOOL IF
10 THE OFFICE OF FACILITY SCHOOLS DETERMINES THAT AN APPROVED
11 FACILITY SCHOOL DOES NOT PROVIDE SERVICES FOR WHICH THE APPROVED
12 FACILITY SCHOOL IS FUNDED OR SERVES SIGNIFICANTLY FEWER STUDENTS
13 THAN WERE ANTICIPATED WHEN THE APPROVED FACILITY SCHOOL'S
14 BASELINE FUNDING WAS APPROVED.

15 (c) BASELINE FUNDING MUST BE ADJUSTED BASED ON THRESHOLDS
16 FOR STUDENT ENROLLMENT COUNT, BUT AN APPROVED FACILITY SCHOOL
17 SHALL RECEIVE FUNDING FOR NO FEWER THAN EIGHT STUDENTS. BASELINE
18 FUNDING MUST BE ADJUSTED EACH YEAR FOR INFLATIONARY IMPACTS ON
19 EACH COST ELEMENT INCLUDED IN THE CALCULATION. STUDENT
20 ENROLLMENT THRESHOLDS PROVIDE FOR FUNDING ADJUSTMENTS FOR:

21 (I) UP TO EIGHT STUDENTS;

22 (II) NINE TO SIXTEEN STUDENTS; AND

23 (III) SEVENTEEN OR MORE STUDENTS.

24 (d) (I) STUDENT ENROLLMENT PROJECTIONS MUST BE BASED ON
25 ACTUAL STUDENT ENROLLMENT COUNTS FROM PRIOR YEARS, CAPACITY
26 ADJUSTMENTS, OR ANY OTHER FACTORS RELEVANT TO PROJECTING THE
27 AVERAGE STUDENT ENROLLMENT FOR EACH APPROVED FACILITY SCHOOL

1 IN A BUDGET YEAR.

2 (II) INITIAL FUNDING LEVELS AND MONTHLY PAYMENTS TO
3 APPROVED FACILITY SCHOOLS MUST BE BASED ON ACTUAL STUDENT
4 ENROLLMENT COUNTS FROM PRIOR YEARS, WHICH MAY BE ADJUSTED BY
5 THE OFFICE OF FACILITY SCHOOLS TO ADDRESS KNOWN CHANGES IN THE
6 CAPACITY OF AN APPROVED FACILITY SCHOOL. IF THE STUDENT
7 ENROLLMENT COUNT FOR AN APPROVED FACILITY SCHOOL IS
8 SIGNIFICANTLY DIFFERENT THAN THE PROJECTED STUDENT ENROLLMENT
9 COUNT, THE AMOUNT OF FUNDING MUST BE ADJUSTED TO ACCOUNT FOR
10 THE CHANGE.

11 (III) THE DEPARTMENT MAY REQUEST ADDITIONAL FUNDS FOR THE
12 CURRENT BUDGET YEAR OR THE NEXT BUDGET YEAR AS PART OF ITS
13 MID-YEAR BUDGET SUBMISSION IF REQUIRED BASED ON EXPENDITURE
14 PROJECTIONS DUE TO CUMULATIVE STUDENT ENROLLMENT DATA THROUGH
15 NOVEMBER OF A GIVEN BUDGET YEAR.

16 (e) SUBJECT TO AVAILABLE APPROPRIATIONS, FUNDING FOR EACH
17 APPROVED FACILITY SCHOOL MAY BE PRORATED PROPORTIONATELY BASED
18 ON STUDENT ENROLLMENT.

19 (3) To receive education program funding pursuant to this section,
20 an approved facility school, THROUGH THE 2022-23 BUDGET YEAR, or a
21 state program shall submit its pupil enrollment for the applicable budget
22 year to the department on or before November 10, 2008, and on or before
23 October 5 of each budget year thereafter.

24 (4) (a) In addition to the requirements of subsection (3) of this
25 section, on or before the fifteenth day of each month, an approved facility
26 school or a state program shall report to the department, in a manner to be
27 determined by the department, the actual number of students who

1 received educational services at the approved facility school or through
2 the state program during the prior calendar month and the corresponding
3 number of full-time equivalent students to which the approved facility
4 school or state program provided such services. The department may
5 accept amended monthly reports from an approved facility school or a
6 state program prior to making the distribution of funding for the
7 applicable month pursuant to ~~paragraph (b) of this subsection (4)~~
8 SUBSECTION (4)(b) OF THIS SECTION. BEGINNING IN THE 2023-24 BUDGET
9 YEAR, FUNDING FOR AN APPROVED FACILITY SCHOOL MUST BE
10 DISTRIBUTED PURSUANT TO SUBSECTION (2.5) OF THIS SECTION.

11 (b) (I) On or before the fifteenth day of the month following the
12 month in which ~~an approved facility school or~~ a state program reported
13 the number of students to which it provided educational services and the
14 number of full-time equivalent students to which the ~~approved facility~~
15 ~~school or~~ state program provided services pursuant to ~~paragraph (a) of~~
16 ~~this subsection (4)~~ SUBSECTION (4)(a) OF THIS SECTION, the department
17 shall pay the ~~approved facility school or~~ state program a proportional
18 amount of the total amount of education program funding as determined
19 pursuant to subsection (2) of this section, based on the ~~approved facility~~
20 ~~school's or~~ state program's reported number of full-time equivalent
21 students.

22 (II) FOR THE 2013-14 BUDGET YEAR THROUGH THE 2022-23
23 BUDGET YEAR ONLY, ON OR BEFORE THE FIFTEENTH DAY OF THE MONTH
24 FOLLOWING THE MONTH IN WHICH AN APPROVED FACILITY SCHOOL
25 REPORTED THE NUMBER OF STUDENTS TO WHOM IT PROVIDED
26 EDUCATIONAL SERVICES AND THE NUMBER OF FULL-TIME EQUIVALENT
27 STUDENTS TO WHOM THE APPROVED FACILITY SCHOOL PROVIDED SERVICES

1 PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION, THE DEPARTMENT
2 SHALL PAY THE APPROVED FACILITY SCHOOL A PROPORTIONAL AMOUNT OF
3 THE TOTAL AMOUNT OF EDUCATION PROGRAM FUNDING AS DETERMINED
4 PURSUANT TO SUBSECTION (2) OF THIS SECTION BASED ON THE APPROVED
5 FACILITY SCHOOL'S REPORTED NUMBER OF FULL-TIME EQUIVALENT
6 STUDENTS.

7 (III) BEGINNING IN THE 2023-24 BUDGET YEAR, THE DEPARTMENT
8 SHALL PAY AN APPROVED FACILITY SCHOOL MONTHLY AS SET FORTH IN
9 SUBSECTION (2.5) OF THIS SECTION.

10 (c) The department may prorate the payments made pursuant to
11 ~~paragraph (b) of this subsection (4)~~ SUBSECTIONS (4)(b)(I) AND (4)(b)(II)
12 OF THIS SECTION, if the department determines that such action is
13 necessary to accommodate a projected shortfall in education program
14 funding as calculated pursuant to subsection (2) of this section.

15 **SECTION 11.** In Colorado Revised Statutes, 25-1.5-103, **add** (6)
16 as follows:

17 **25-1.5-103. Health facilities - powers and duties of department**
18 **reports - rules - limitations on rules - definitions - repeal.** (6) (a) THE
19 DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF
20 EDUCATION, THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING,
21 AND THE DEPARTMENT OF HUMAN SERVICES TO DEVELOP AN
22 INTERAGENCY RESOURCE GUIDE PURSUANT TO SECTION 22-2-410 TO
23 ASSIST FACILITIES TO BECOME LICENSED AS APPROVED FACILITY SCHOOLS
24 AND TO RECOMMEND CHANGES RELATED TO THE INTERAGENCY RESOURCE
25 GUIDE TO THE DEPARTMENT'S STATUTE, RULE, OR ADMINISTRATIVE
26 PROCEDURES.

27 (b) THE DEPARTMENT SHALL PROMINENTLY POST THE

1 INTERAGENCY RESOURCE GUIDE CREATED PURSUANT TO SUBSECTION
2 (6)(a) OF THIS SECTION ON THE DEPARTMENT'S WEBSITE.

3 **SECTION 12.** In Colorado Revised Statutes, 25.5-1-104, **add** (6)
4 as follows:

5 **25.5-1-104. Department of health care policy and financing**
6 **created - executive director - powers, duties, and functions - report.**

7 (6) (a) (I) THE STATE DEPARTMENT SHALL COLLABORATE WITH THE
8 DEPARTMENT OF EDUCATION, THE DEPARTMENT OF PUBLIC HEALTH AND
9 ENVIRONMENT, AND THE DEPARTMENT OF HUMAN SERVICES TO DEVELOP
10 AN INTERAGENCY RESOURCE GUIDE PURSUANT TO SECTION 22-2-410 TO
11 ASSIST FACILITIES TO BECOME LICENSED AS APPROVED FACILITY SCHOOLS
12 AND TO RECOMMEND CHANGES RELATED TO THE INTERAGENCY RESOURCE
13 GUIDE TO THE STATE DEPARTMENT'S STATUTE, RULE, OR ADMINISTRATIVE
14 PROCEDURES.

15 (II) THE STATE DEPARTMENT SHALL PROMINENTLY POST THE
16 INTERAGENCY RESOURCE GUIDE CREATED PURSUANT TO SUBSECTION
17 (6)(a)(I) OF THIS SECTION ON THE DEPARTMENT'S WEBSITE.

18 (b) ON OR BEFORE NOVEMBER 1, 2023, THE STATE DEPARTMENT,
19 AFTER CONSULTING WITH THE FACILITY SCHOOL WORK GROUP CREATED IN
20 SECTION 22-2-407.5, SHALL RECOMMEND A PLAN TO IMPLEMENT POLICY
21 CHANGES TO ENSURE APPROVED FACILITY SCHOOLS MAY REQUEST
22 MEDICAID REIMBURSEMENT FUNDING FOR THERAPEUTIC SERVICES TO THE
23 MAXIMUM EXTENT POSSIBLE TO REDUCE RELIANCE ON SCHOOL DISTRICT
24 REVENUES FOR TUITION PAYMENTS REQUIRED PURSUANT TO SECTION
25 22-20-109. THE PLAN MUST INCLUDE BEST PRACTICES FROM OTHER
26 STATES, RECOMMENDATIONS ON REQUIRED FEDERAL OR STATE AUTHORITY
27 CHANGES, COST ESTIMATES, AND COST-SAVING POTENTIALS.

1 **SECTION 13.** In Colorado Revised Statutes, 26-6-905, **add** (12)
2 as follows:

3 **26-6-905. Licenses - out-of-state notices and consent -**
4 **demonstration pilot program - report - rules - definition.** (12)(a) THE
5 STATE DEPARTMENT SHALL COLLABORATE WITH THE DEPARTMENT OF
6 EDUCATION, THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT,
7 AND THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING TO
8 DEVELOP AN INTERAGENCY RESOURCE GUIDE PURSUANT TO SECTION
9 22-2-410 TO ASSIST FACILITIES TO BECOME LICENSED AS APPROVED
10 FACILITY SCHOOLS AND TO RECOMMEND CHANGES RELATED TO THE
11 INTERAGENCY RESOURCE GUIDE TO THE STATE DEPARTMENT'S STATUTE,
12 RULE, OR ADMINISTRATIVE PROCEDURES.

13 (b) THE STATE DEPARTMENT SHALL PROMINENTLY POST THE
14 INTERAGENCY RESOURCE GUIDE CREATED PURSUANT TO SUBSECTION
15 (12)(a) OF THIS SECTION ON THE DEPARTMENT'S WEBSITE.

16 **SECTION 14.** In Colorado Revised Statutes, 22-2-103, **amend**
17 (1)(g) as follows:

18 **22-2-103. Department of education.** (1) The department of
19 education shall include the following:

20 (g) The OFFICE OF facility schools ~~unit~~ created in section
21 22-2-403;

22 **SECTION 15.** In Colorado Revised Statutes, 22-2-107, **amend**
23 (1)(q) as follows:

24 **22-2-107. State board - power.** (1) The state board has the
25 power:

26 (q) To promulgate rules and regulations to define the types and
27 amounts of costs in excess of applicable revenues that a school district of

1 residence of a child with a disability shall pay as tuition to educate that
2 child elsewhere within Colorado at a facility, as defined by the
3 department in its regulations, approved by the OFFICE OF facility schools
4 ~~unit~~ in the department pursuant to section 22-2-407, or at an
5 administrative unit as defined in section 22-20-103 (1) other than the
6 administrative unit of residence; however, a school district may pay a
7 higher amount, as provided in section 22-20-109 (1);

8 **SECTION 16.** In Colorado Revised Statutes, 22-20-109, **amend**
9 (2)(b) as follows:

10 **22-20-109. Tuition - rules.** (2) (b) The state board shall
11 promulgate rules to define the contract approval process and the method
12 for determining the tuition rate that a school district of residence of a
13 child with a disability shall pay as tuition to educate that child at an
14 approved facility school. The rules for determining a tuition rate must
15 include, but need not be limited to, the limitations on the number of staff
16 members per number of students, the number of school days, all special
17 education expenditures as defined in section 22-20-103 (22.7) and
18 specified by the child's IEP, other education costs, and applicable
19 revenues associated with the approved facility school's educational
20 program. The rules may not require that, in calculating the amount of the
21 tuition charge for educating a child with a disability in an approved
22 facility school, the costs incurred by the approved facility school in
23 providing the special education program be reduced by the amount of
24 revenues, if any, received by the approved facility school as donations or
25 special education grants. The school district of residence is responsible
26 for paying as tuition any excess costs above the amount the department
27 pays to provide these services pursuant to ~~section 22-54-129 (2)~~ SECTION

1 22-54-129.

2 **SECTION 17.** In Colorado Revised Statutes, 24-1-115, **amend**
3 (12) as follows:

4 **24-1-115. Department of education - creation.** (12) The
5 department of education includes the OFFICE OF facility schools ~~unit~~ and
6 the office of the director of the OFFICE OF facility schools ~~unit~~ established
7 in section 22-2-403. The OFFICE OF facility schools ~~unit~~ and the office of
8 the director of the facility schools unit are **type 2** entities, as defined in
9 section 24-1-105, and exercise their powers and perform their duties and
10 functions under the department, the commissioner of education, and the
11 state board of education.

12 **SECTION 18. Safety clause.** The general assembly hereby finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, or safety.

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Amanda Bickel, JBC Staff (303-866-4960)
DATE February 23, 2023
SUBJECT Unique Student Identifiers for Children Receiving Subsidized Early Childhood Services

HB. 14-1298 (School Finance) appropriated \$298,000 cash funds from the State Education Fund to the Department of Education to support the creation and assignment of unique student identifiers for children receiving state- or federally- subsidized early childhood education services.

The related statutory provision (Section 22-2-134, C.R.S.) was repealed in HB 22-1295 (Department of Early Childhood), so the staff recommendation removes this funding from the K-12 budget.

Staff has now determined that a close version of the authorizing statutory provision was moved to the new Department of Early Childhood. In light of this, staff recommends that the same amount of funding be added to the Early Learning Access and Quality Division in the Department of Early Childhood. Because the appropriation will not be in the Department of Education (and thus should not include an appropriation from the State Education Fund), the funding should be \$298,000 General Fund.