

Joint Budget Committee



Supplemental Budget Requests FY 2024-25

Department of Education

(Sections Other than School Finance and Categorical Programs)

JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Prepared by:
Amanda Bickel, JBC Staff
January 16, 2025

Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor • Denver • Colorado • 80203
Telephone: (303) 866-2061 • TDD: (303) 866-3472
<https://leg.colorado.gov/agencies/joint-budget-committee>

Contents

Overview of Department	1
Summary of Staff Recommendations	1
FY 2024-25 Description of Incremental Changes.....	1
Prioritized Supplemental Requests.....	3
S3 Increased Spending Authority HSMA Program	3
S4 Increased Spending Authority for Appropriated Sponsored Programs.....	5
Statewide Common Policy Supplementals	5
Appendix - Numbers Pages	

Overview of Department

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; and
- issuing school performance reports for every public school 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 responsibilities related to public schools, the Department’s duties include promoting the improvement of library services statewide to ensure equal access to information, including providing library services to persons who are blind or physically disabled.

Summary of Staff Recommendations

Department of Education: Recommended Changes for FY 2024-25						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Long Bill	\$7,440,463,982	\$4,701,504,172	\$1,764,077,511	\$104,652,889	\$870,229,410	732.8
Other legislation	364,764,574	-174,126,551	588,111,821	-49,220,696	0	9.3
Current FY 2024-25 Appropriation	\$7,805,228,556	\$4,527,377,621	\$2,352,189,332	\$55,432,193	\$870,229,410	742.1
Recommended Changes						
Current FY 2024-25 Appropriation	\$7,805,228,556	4,527,377,621	\$2,352,189,332	\$55,432,193	\$870,229,410	742.1

Department of Education: Recommended Changes for FY 2024-25

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
S3 Increased spending authority Healthy School Meals for All*	0	0	0	0	0	0.0
S4 Increased spending authority Appropriated Sponsored Programs	0	0	0	0	0	0.0
Statewide common policy requests	-36,570	-5,332	-24,041	-7,197	0	0.0
Recommended FY 2024-25 Appropriation	\$7,805,191,986	\$4,527,372,289	\$2,352,165,291	\$55,424,996	\$870,229,410	742.1
Recommended Increase/-Decrease from 2024-25	-\$36,570	-\$5,332	-\$24,041	-\$7,197	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2024-25 Executive Request	\$7,817,507,828	\$4,527,372,289	\$2,364,481,133	\$55,424,996	\$870,229,410	743.6
Staff Rec. Above/-Below Request	-\$12,315,842	\$0	-\$12,315,842	\$0	\$0	-1.5

*The staff recommendation on this item is *pending* and is only shown as \$0 for purposes of a supplemental bill introduced prior to figure setting.

FY 2024-25 Description of Incremental Changes

S3 Increased spending authority HSMA program: The Department requests an additional \$8.3 million appropriation from the State Education Fund for FY 2024-25 for the Healthy School Meals for All (HSMA) program. The staff recommendation is pending additional data and will be provided during FY 2025-26 figure setting.

S4 Increased spending authority for Appropriated Sponsored Programs: The request includes adding \$4.0 million cash funds spending authority and 1.5 FTE in the Appropriated Sponsored Programs line item. The request is to enable the Department to spend funds received from the Department of Law related to administration of a program to discourage youth vaping. The staff recommendation does not include this change, as it is not needed. The Department indicates that the Office of the State Controller can provide the additional spending authority without an appropriation because the funding is custodial.

Statewide common policy supplemental requests: The request includes a decrease of \$36,570 total funds, including \$5,332 General Fund, for non-prioritized requests associated with statewide common policy requests. The decrease is associated with adjustments to the Department’s payments for vehicle leases, state property risk management, and to the Office of Information technology (OIT), which are determined through common policies. The prioritized versions of these requests will be presented during the supplemental presentations for the Department of Personnel (vehicle and state property) and Office of the Governor (OIT). The recommendation is pending Committee action on common policy supplementals.

Prioritized Supplemental Requests

S3 Increased Spending Authority HSMA Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$8,315,842	\$0	\$8,315,842	\$0	\$0	0.0
Recommendation	Pending					
Staff Recommendation Higher/-Lower than Request	Pending					

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**
 [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of information that was not available when the original appropriation was made.

Request

The Department requests an additional \$8.3 million appropriation from the State Education Fund for FY 2024-25 for the Healthy School Meals for All (HSMA) Program. This is due to the combined impact of three issues:

- (1) The General Assembly must reserve \$26.3 million of revenue received for the HSMA program that is deposited to the HSMA Cash Fund, pending a popular vote on whether the General Assembly may retain the difference between the 2022 blue book estimate of the first full year of revenue for the program (Prop FF; \$100.7 million) and the revenue reflected on the state’s books as accrued during FY 2023-24, the first full year the HSMA tax adjustment was in place (\$127.0 million).
- (2) The OSPB December 2024 revenue forecast projects that \$105.7 million will be generated by HSMA tax provisions in FY 2024-25, based on a forecast informed by new data on tax year 2023 tax receipts.¹ The Long Bill included an appropriation of \$116.2 million from this fund source, based on OSPB’s March 2024 revenue forecast.
- (3) The Department projects FY 2024-25 expenditures at \$124.8 million for the program, based on the work of the HSMA Technical Advisory Group this summer. The FY 2024-25 Long Bill included an appropriation of \$138.3 million, including \$22.1 million from the State Education Fund to cover amounts not available from the HSMA Cash Fund.

¹ \$109.2 million was received in TY 2023, which exceeds the original Prop FF Blue Book estimate of \$100.7 million but is still less than the \$127.0 million FY 2023-24 accrual that was based on earlier data. This new data drives a correction to the revenue recorded for FY 2024-25.

Recommendation

The Staff recommendation on this request is pending additional data on program expenditures. New mid-year expenditure data and revised FY 2024-25 expenditure estimates will not be available until the last day of January. In light of this, staff will present a supplemental recommendation for this program as part of FY 2025-26 figure setting.

Analysis

For background, the request includes the following calculations.

- A total of \$26.3 million must be held in reserve pending a popular vote. Of this amount \$14.9 million is available from the FY 2023-24 end of year balance in the HSMA cash fund and an additional \$11.4 million is needed.
- The calculations also reflect: (1) an annual HSMA expenditure estimate of \$124.8 million, which is a reduction of \$13.5 million from the estimate used for the FY 2024-25 Long Bill; and (2) an annual HSMA revenue estimate of \$105.7 million, based on the December 2024 OSPB revenue forecast, which is a reduction of \$10.5 million from the revenue estimate used for the FY 2024-25 Long Bill.

Adjustments	Amount
Required HSMA Cash Fund Balance	\$ 26,265,621
End of FY 2023-24 Cash Fund Balance	\$ 14,912,377
Balance needed from FY 2024-25 Revenue	\$ 11,353,244

Fiscal Year	Revenue (estimated)	SEF	Adjustments	Expenditures (estimated)	Excess or Shortfall
FY 2023-24	\$ 169,810,000	\$ -6,500,000	\$ -	\$ (154,897,623)	\$ 14,912,377
FY 2024-25	\$ 105,683,000	\$ 22,146,226	\$ (11,353,244)	\$ (124,791,824)	\$ (8,315,842)

S4 Increased Spending Authority for Appropriated Sponsored Programs

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$4,000,000	\$0	\$4,000,000	\$0	\$0	0.0
Recommendation	0	0	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	-\$4,000,000	\$0	-\$4,000,000	\$0	\$0	0.0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES
 [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made.

Request

The Department’s supplemental request includes adding \$4.0 million cash spending authority in the Appropriated Sponsored Programs line item to enable the Department to spend funds received from the Department of Law related to administration of a youth vaping program.

Recommendation

Staff does not recommend the request based on further communication with the Department. The Department indicates that the Controller’s Office can provide the spending authority needed, as the funds are from custodial money received from the Department of Law. As a supplemental appropriation is not required, JBC staff does not recommend a budget change.

Analysis

In response to staff questions, the Department provided the following links, explaining the source of the funds and the Department’s grant program.

- [Colorado to receive \\$31.7 million from nationwide settlement with e-cigarette manufacturer Juul - Colorado Attorney General | Colorado Attorney General](#)
- <https://www.cde.state.co.us/healthandwellness/vpeg>

Statewide Common Policy Supplementals

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items later when it makes decisions regarding common policies.

Statewide common policy requests

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	FTE
SNP Risk management	\$75,662	\$75,662	0	0	0.0
DPA Annual fleet supplemental	7,068	7,068	0	0	0.0
SNP OIT Real time billing	-119,300	-88,062	-24,041	-7,197	0.0
Total	-\$36,570	-\$5,332	-\$24,041	-\$7,197	0.0

The staff recommendation for these requests is pending Committee action on common policy supplementals. Staff asks permission to include the corresponding appropriations in the Department's supplemental bill when the Committee acts on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.

JBC Staff Supplemental Recommendations - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
--	----------------------	-----------------------------	--------------------------------	----------------------------	------------------------------------

Department of Education Susana Cordova, Commissioner

S3 Increased spending authority Healthy School Meals for All

(3) School District Operations

(D) Nutrition

(I) Healthy School Meals for All

School Meal Reimbursements	<u>162,062,095</u>	<u>137,483,812</u>	<u>8,315,842</u>	<u>0</u>	<u>137,483,812</u>
General Fund	0	0	0	0	0
General Fund Exempt	155,578,645	0	0	0	0
Cash Funds	6,483,450	137,483,812	8,315,842	0	137,483,812
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Total for S3 Increased spending authority Healthy School Meals for All	162,062,095	137,483,812	8,315,842	0	137,483,812
<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
General Fund Exempt	155,578,645	0	0	0	0
Cash Funds	6,483,450	137,483,812	8,315,842	0	137,483,812
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Supplemental Recommendations - FY 2024-25
Staff Working Document - Does Not Represent Committee Decision

	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
--	----------------------	-----------------------------	--------------------------------	----------------------------	------------------------------------

S4 Increase spending authority Appropriated Sponsored Programs

(3) School District Operations

(C) Federal and Other Direct Support

Appropriated Sponsored Programs	<u>770,548,842</u>	<u>503,659,517</u>	<u>4,000,000</u>	0	<u>503,659,517</u>
FTE	56.1	59.8	1.5	0.0	59.8
General Fund	0	571,416	0	0	571,416
Cash Funds	959,995	2,501,087	4,000,000	0	2,501,087
Reappropriated Funds	0	0	0	0	0
Federal Funds	769,588,847	500,587,014	0	0	500,587,014

Total for S4 Increase spending authority					
Appropriated Sponsored Programs	770,548,842	503,659,517	4,000,000	0	503,659,517
FTE	<u>56.1</u>	<u>59.8</u>	<u>1.5</u>	<u>0.0</u>	<u>59.8</u>
General Fund	0	571,416	0	0	571,416
Cash Funds	959,995	2,501,087	4,000,000	0	2,501,087
Reappropriated Funds	0	0	0	0	0
Federal Funds	769,588,847	500,587,014	0	0	500,587,014

Totals Excluding Pending Items					
EDUCATION					
TOTALS for ALL Departmental line items	7,659,883,045	7,805,228,556	12,315,842	0	7,805,228,556
FTE	<u>640.3</u>	<u>742.1</u>	<u>1.5</u>	<u>0.0</u>	<u>742.1</u>
General Fund	4,526,142,893	3,280,097,288	0	0	3,280,097,288
General Fund Exempt	155,845,958	1,247,280,333	0	0	1,247,280,333
Cash Funds	1,617,446,797	2,352,189,332	12,315,842	0	2,352,189,332
Reappropriated Funds	62,769,916	55,432,193	0	0	55,432,193
Federal Funds	1,297,677,481	870,229,410	0	0	870,229,410