

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2015-16 STAFF FIGURE SETTING
DEPARTMENT OF EDUCATION**

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

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DEPARTMENT OF EDUCATION

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; and
- 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 responsibilities 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.

DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Executive Request

The Department's request reflects an increase of \$355.2 million total funds (6.8 percent) compared to the adjusted FY 2014-15 appropriation, including a \$188.4 million (5.6 percent) increase in General Fund appropriations. The request includes the following increases relative to the adjusted FY 2014-15 appropriation:

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- \$335.7 million total funds (including \$186.8 million General Fund) for the State Share of Districts’ Total Program Funding (request R1 and budget amendment BA5).
- \$7.8 million cash funds from the State Education Fund for the constitutionally required increase in spending on categorical programs (decision item R2).
- \$6.5 million cash funds from the State Education Fund for charter school capital construction (annualizing H.B. 14-1292 (Student Success Act)).
- \$3.5 million cash funds cash funds from the Public School Capital Construction Assistance Fund and 6.0 FTE to reconfigure the Building Excellent Schools Today priority assessment database and hire a staff to continuously update facility assessment data.
- \$1.6 million total funds for employee benefits and other centrally appropriated line items.
- \$1.3 million General Fund and 7.3 FTE to continue the Department’s support of field implementation of S.B. 10-191 (Educator Effectiveness) and the Colorado Academic Standards adopted pursuant to S.B. 08-212 (CAP4K).
- \$1.1 million General Fund and 11.5 FTE for the Colorado School for the Deaf and the Blind to enhance school services in accordance with the school’s strategic plan.

Staff Recommendation

The following table summarizes the staff recommendation for the Department’s FY 2015-16 budget. Each incremental change from the FY 2014-15 adjusted appropriation to the FY 2015-16 staff recommendation is discussed below the table.

Department of Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$4,983,060,379	\$3,355,683,787	\$960,419,839	\$30,693,725	\$636,263,028	574.8
HB 14-1292 (Student Success)	179,052,176	0	179,052,176	0	0	0.0
HB 14-1298 (School Finance)	72,000,495	0	44,500,495	27,500,000	0	1.2
Other Legislation	17,086,756	2,212,017	11,914,739	2,960,000	0	6.0
SB 15-145 (Supplemental)	59,758	77,683	(54,210)	(11,612)	47,897	0.0
SB 15-166 (Mid-year school finance)	<u>(2,897,428)</u>	<u>0</u>	<u>(2,897,428)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,248,362,136	\$3,357,973,487	\$1,192,935,611	\$61,142,113	\$636,310,925	582.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$5,248,362,136	\$3,357,973,487	\$1,192,935,611	\$61,142,113	\$636,310,925	582.0
R1/BA5 Increase total program	138,280,065	189,989,887	(51,709,822)	0	0	0.0
Annualize prior year legislation	23,217,785	(346,982)	8,493,314	0	15,071,453	0.0
R2 Categorical programs increase	7,792,139	0	7,792,139	0	0	0.0
BEST cash grant adjustment	5,000,000	0	5,000,000	0	0	0.0
R7 BEST statewide priority assessment	3,209,311	0	3,209,311	0	0	6.0
Centrally appropriated line items	1,919,047	571,484	225,786	244,156	877,621	0.0
R5 CSDB strategic plan implementation	930,677	845,031	0	85,646	0	11.5

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Department of Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Indirect cost assessment	204,145	0	12,026	0	192,119	0.0
BA2 Educator licensure legal services	115,908	0	115,908	0	0	0.0
R6 CSDB teacher salary adjustment	102,391	102,391	0	0	0	0.0
BA1 Security desk and measures	86,175	0	0	86,175	0	0.0
R4 State Review Panel online portal	77,375	77,375	0	0	0	0.0
Leased space consolidation	41,225	2,460	38,765	0	0	0.0
BA3 CSDB utilities	20,220	20,220	0	0	0	0.0
BA4 Server hosting for CSI	3,496	0	0	3,496	0	0.0
R3 Field implementation support	0	0	0	0	0	0.0
Educator effectiveness FTE reduction	0	0	0	0	0	(6.0)
Fund source adjustments	0	(19,593)	0	19,593	0	0.0
Eliminate dual appropriations (SB 15-108)	(32,460,000)	6,530	7,275	(32,473,805)	0	0.0
Informational funds adjustment	(2,282,422)	0	0	0	(2,282,422)	(1.4)
Annualize prior year budget actions	(1,076,095)	(1,334,855)	10,708	274,629	(26,577)	1.0
Standardized assessment cost adjustments	(566,502)	0	(757,900)	0	191,398	0.0
Reflect revenue estimates	(356,392)	0	(374,804)	18,412	0	0.0
Basic skills placement adjustment	(270,917)	0	(270,917)	0	0	0.0
Other changes	<u>(317,102)</u>	<u>(161,258)</u>	<u>(155,844)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,392,032,665	\$3,547,726,177	\$1,164,571,556	\$29,400,415	\$650,334,517	593.1
Increase/(Decrease)	\$143,670,529	\$189,752,690	(\$28,364,055)	(\$31,741,698)	\$14,023,592	11.1
Percentage Change	2.7%	5.7%	(2.4%)	(51.9%)	2.2%	1.9%
FY 2015-16 Executive Request	\$5,606,483,335	\$3,546,382,685	\$1,360,397,678	\$61,768,111	\$637,934,861	607.8
Request Above/(Below) Recommendation	\$214,450,670	(\$1,343,492)	\$195,826,122	\$32,367,696	(\$12,399,656)	14.7

Issue Descriptions

R1/BA5 Increase total program: The recommendation includes a net increase of \$138.3 million total funds (including an increase of \$190.0 million General Fund that is partially offset by decreases of \$43.2 million cash funds from the State Education Fund and \$8.8 million cash funds from the State Public School Fund) for school finance. The recommendation includes increases of \$138.0 million total funds for the State Share of Districts' Total Program line item and \$0.3 million cash funds from the State Education Fund for the Hold-harmless Full-day Kindergarten Funding line item. Pursuant to current law, the recommended increase is sufficient to maintain the negative factor as a constant dollar amount (\$880.2 million).

Annualize prior year legislation: The recommendation includes an increase of \$23.2 million total funds to reflect the FY 2015-16 impact of legislation passed in previous legislative sessions.

Major adjustments include: (1) an increase of \$15.1 million federal funds to annualize H.B. 13-1006 (Breakfast After the Bell); and (2) an increase of \$8.5 million cash funds (including \$6.5 million from the State Education Fund and \$2.0 million originally from marijuana excise tax revenues) for charter school capital construction to annualize H.B. 14-1292 (Student Success Act).

R2 Categorical programs increase: The recommendation includes an increase of \$7.8 million cash funds from the State Education Fund in order to increase total categorical spending from state funds by 2.8 percent, based on the rate of inflation from CY 2014. The General Assembly is constitutionally required to increase *total state funding* for all categorical programs (in aggregate) by at least the rate of inflation in FY 2015-16. The recommendation allocates the additional funds among the following five categorical programs: \$4.4 million for special education for children with disabilities; \$1.4 million for English Language proficiency programs; \$1.4 million for public school transportation; \$0.5 million for vocational education; and \$0.2 million for educational services for gifted and talented children.

BEST cash grant adjustment: The recommendation includes an increase of \$5.0 million cash funds from the Public School Capital Construction Assistance Fund to support cash grants to be awarded by the Building Excellent Schools Today (BEST) Program in FY 2014-15. The recommendation aligns with the funding recommended in the BEST Program’s 2015 legislative report.

R7 BEST statewide priority assessment: The recommendation includes an increase of \$3.2 million cash funds from the Public School Capital Construction Assistance Fund and 6.0 FTE to reconfigure the Building Excellent Schools Today (BEST) priority assessment database and provide additional assistance to schools and school districts applying for funding from the BEST program in response to a September 2013 performance audit of the BEST program. The recommendation includes the following increases: \$2.7 million in one-time funding (FY 2015-16 only) to support a contract to reconfigure the priority assessment database and train BEST program staff in facility assessment; and (2) \$509,311 and 6.0 FTE to allow the program to hire a team of assessors to continuously update the statewide assessment on an ongoing basis.

Centrally appropriated line items: The recommendation includes an increase of \$1.9 million total funds (\$0.6 million General Fund) related to employee benefits and other centrally appropriated items.

R5 CSDB strategic plan implementation: The recommendation includes an increase of 0.9 million (\$0.8 million General Fund) and 11.5 FTE for the Colorado School for the Deaf and the Blind (CSDB) to enhance school services in accordance with the school’s strategic plan. The recommendation includes three major components: (1) \$0.3 million and 5.9 FTE to extend the CSDB school year by 10 days (this component does not include new staff but reflects increased work time for the existing staff); (2) \$0.3 million and 5.6 FTE to allow the school to hire additional staff, primarily focused on outreach services provided to school districts; and (3) \$0.3 million for increased operating expenses.

Indirect cost assessment: The recommendation includes a net increase in the Department's indirect cost assessment.

BA2 Educator licensure legal services: The recommendation includes an increase of \$115,908 cash funds to allow the Educator Licensure Program to purchase an additional 1,171 hours of legal services from the Department of Law. The final dollar amount is pending a Committee common policy on the legal services rate for FY 2015-16.

R6 CSDB teacher salary adjustment: The recommendation includes an increase of \$102,391 General Fund for salary increases for teachers employed at the CSDB based on the Colorado Springs District 11 salary schedule, as required by statute (Section 22-80-106.5, C.R.S.).

BA1 Security desk and measures: The recommendation includes an increase of \$86,175 reappropriated funds to improve security at the Department's headquarters building at 201 East Colfax Ave.

R4 State Review Panel online portal: The request includes an increase of \$77,375 General Fund to enhance and maintain an online system to streamline the State Review Panel's reviews of schools and school districts with improvement plans.

Leased space consolidation: The recommendation includes a net increase of \$41,225 total funds (\$2,460 General Fund) associated with the consolidation of the Department's appropriations paying for private leased space into a single line item.

BA3 CSDB utilities: The recommendation includes an increase of \$20,220 General Fund to support increased utility costs at the Colorado School for the Deaf and the Blind.

BA4 Server hosting for CSI: The recommendation includes an increase of \$3,496 reappropriated funds to allow the Department to host additional software and data for the State Charter School Institute (CSI).

R3 Field implementation support: The request includes an increase of \$1.3 million General Fund and 7.3 FTE in FY 2015-16 (annualizing to \$1.8 million General Fund and 10.5 FTE in FY 2016-17) to continue the Department's support of field implementation of S.B. 10-191 (Educator Effectiveness) and the Colorado Academic Standards adopted pursuant to S.B. 08-212 (CAP4K). While staff acknowledges an ongoing need for the requested staff to implement the statewide reform efforts, the recommendation does not include funds for this request based on procedural concerns regarding the request to support staff and activities that are currently supported with one-time state, federal, or private funding.

Educator effectiveness FTE reduction: The recommendation reduces the FTE associated with educator effectiveness implementation by 6.0 FTE based on the depletion of one-time state and federal funding supporting the FTE.

Fund source adjustment: The recommendation includes a decrease in General Fund that is supported by an increase in reappropriated funds.

Eliminate dual appropriations (SB 15-108): The recommendation includes a reduction of \$32.5 million total funds to eliminate a dual appropriation structure for five programs in the Department’s budget pursuant to S.B. 15-108.

Informational funds adjustment: The recommendation includes a reduction of \$2.3 million federal funds shown in the Long Bill for informational purposes to reflect the reduction in federal grant funds available for the Office of Dropout Prevention and Student Reengagement as a result of the expiration of the program’s federal grant.

Annualize prior year budget actions: The recommendation includes a net reduction of \$1.1 million total funds (including a reduction of \$1.3 million General Fund) related to prior year budget actions, primarily driven by the elimination of one-time funding for information technology updates and purchases in FY 2014-15.

Standardized assessment cost adjustments: The recommendation includes a decrease of \$0.6 million total funds to reflect estimated contract costs for the administration of statewide standardized assessments in FY 2015-16.

Reflect revenue estimates: The recommendation includes a net reduction of \$0.4 million total funds to reflect updated revenue estimates for specific fund sources. The primary adjustment is a reduction of \$0.2 million cash funds for the School Health Professionals Grant Program based on recreational marijuana tax revenue estimates.

Basic skills placement adjustment: The recommendation includes a reduction of \$0.3 million cash funds from the State Education Fund based on actual utilization of the Basic Skills Placement or Assessment program.

Other changes: The recommendation includes several minor changes totaling a reduction of \$316,985 total funds.

INITIATIVES AFFECTING MULTIPLE LINE ITEMS AND DIVISIONS

The following two items affect line items in multiple divisions.

➔ R3 Field Implementation Support

- The Department requests an increase of \$1,266,535 General Fund and 7.3 FTE in FY 2015-16 to continue to provide field support for the implementation of recent educational reforms including educator effectiveness and the Colorado academic standards.

- While staff recognizes the need for the requested positions, staff recommends rejecting the request on procedural grounds.

Request: The Department requests an increase of \$1,266,535 General Fund and 7.3 FTE in FY 2015-16 (annualizing to \$1,795,532 million General Fund and 10.5 FTE in FY 2016-17) to continue the Department’s support of field implementation of S.B. 10-191 (Educator Effectiveness) and the Colorado Academic Standards adopted pursuant to S.B. 08-212 (CAP4K). The request would continue to support the following staff and activities that are currently supported with one-time state, federal, or private funding: (1) the majority of the staff supporting the implementation of educator effectiveness that were funded on a one-time basis for FY 2012-13 through FY 2014-15; (2) two content specialists that had been “on loan” from the Colorado Education Initiative (CEI) but are now (as of January 1, 2015) supported by a grant from the CEI to the Department to implement the statewide standards; (3) ongoing field training and technical assistance provided to local school districts for both initiatives; and (4) ongoing updates and maintenance of the educator evaluation systems, including two information technology systems created to support educator effectiveness implementation.

Recommendation: Staff recommends rejecting the request based largely on process and precedent concerns regarding each major component of the request. Staff recognizes the importance of the programs affected by the request and the likely need for continued state support to implement these reforms. However, staff remains concerned about the request for ongoing funding for educator effectiveness programs that were funded on a one-time basis for FY 2012-13 through FY 2014-15. With respect to the content specialist positions, staff acknowledges that the Department has eliminated the employee-on-loan relationship with the Colorado Education Initiative (CEI) in response to the Committee’s concerns discussed at the Department’s FY 2015-16 budget hearing. However, staff remains concerned about the history of the positions and the fact that the Department elected to support the positions for three years through the “employee-on-loan” framework without seeking authorization of the positions from the General Assembly and is now asking the Committee to fund those positions because the private funding is no longer available.

Staff notes that the Department requested the entire increase within the Educator Effectiveness Unit Administration line item within the Management and Administration Division. If the Committee elects to fund the requested content specialist positions (with or without the Educator Effectiveness positions), staff recommends including the associated funding and FTE within the Content Specialists line item within the Assistance to Public Schools Division.

Analysis:

Background – Educator Effectiveness

S.B. 10-191 – Educator Effectiveness

Senate Bill 10-191 changed educator evaluation in Colorado. The bill requires the State Board of Education to adopt guidelines for a system to evaluate the effectiveness of teachers, administrators, and other licensed personnel (adopted in November 2011) and requires all school districts and boards of cooperative services (BOCES) to adjust their local performance evaluation systems to meet or exceed the adopted guidelines. The bill requires at least 50.0 percent of educator evaluations to be based on student academic growth, with the remaining

percentage based on observations and other data. The General Assembly has delayed the requirement regarding the growth component; S.B. 14-165 gave districts flexibility to give growth less (or no) weight in FY 2014-15 evaluations. However, under current law, the 50.0 percent requirement for student growth will apply in FY 2015-16.

The legislation and the rules adopted by the State Board of Education require the Department to create and maintain:

- A State Model Evaluation System, including detailed rubrics, for all 11 categories of licensed personnel (the model includes evaluation systems for principals and assistant principals, teachers, and nine categories of specialized service professionals¹);
- Ongoing research and validation of the model system rubrics;
- A resource bank of assessment options for measuring student learning and growth;
- Guidance and user-guides on all parts of the system;
- Assistance in and creation of a data management, collection, and support system for all districts;
- An inter-rater agreement system aligned with the state model evaluation system to ensure consistency among evaluators;
- A process for approving educator evaluator trainers;
- A system to monitor district and BOCES implementation of the law; and
- Ongoing training and communication regarding the law and the state model system.

Progress Update

Using the one-time funding provided through the FY 2012-13 appropriation and federal Race to the Top Grant funds (see the funding history below), the Department has met the requirements of the legislation and the rules approved by the State Board of Education. The Department has:

- Developed the rules for administration of the system (approved by the State Board of Education in 2011);
- Developed the model evaluation system including creation of the rubrics, process guides, training materials, and support tools (2011);
- Pilot tested the model systems for principals (2011-12 school year) and principals and teachers (2012-13 school year) and used the results to refine the model systems;
- Conducted training both in person and on-line to ensure that districts understand the law and its requirements (2011 through 2013);
- Developed and maintained an on-line system (Elevate Colorado) to support and improve inter-rater agreement on the model rubric and evaluation process and provided training to improve inter-rater agreement (2012 and ongoing);
- Developed and maintained an online performance management system (RANDA) that districts can use to manage performance evaluations (2013 and ongoing);

¹ The specialized service professionals include the following school employees: audiologists, psychologists, nurses, physical therapists, occupational therapists, counselors, social workers, speech language pathologists, and orientation and mobility specialists.

- Approved educator evaluation trainers, including ensuring trainers for the model system are regularly updated on system updates, monitoring approved trainers, and annually reviewing and approving trainers (2013 and ongoing);
- Provided training to districts and new staff regarding the law (ongoing);
- Conducted continuous research to ensure ongoing validity and reliability of the system and to improve the system (ongoing);
- Provided communications assistance to local school districts and stakeholders to foster communications about the law (as well as statewide academic standards discussed below).

Funding History

The original legislation (S.B. 10-191) anticipated potential funding through a Race to the Top (RTTT) grant but provided \$250,000 in annual state funding for FY 2010-11 and FY 2011-12 if the state did not receive RTTT funds. The Department did not receive the initial RTTT funding and relied upon the state funding and one-time external grant funding to establish the Educator Effectiveness Unit in FY 2010-11 and FY 2011-12.

Beginning in FY 2012-13, the State has supported educator effectiveness through two separate line items, one intended to provide ongoing funding (Educator Effectiveness Unit Administration) and one intended to provide one-time funding available through FY 2014-15 to establish the systems required by the bill (Educator Effectiveness Implementation).

- *Educator Effectiveness Unit Administration (ongoing)*: The General Assembly has supported the ongoing administration of the Educator Effectiveness Unit with roughly \$0.5 million (including a mix of General Fund and State Education Fund beginning in FY 2013-14) and 4.0 FTE.
- *Educator Effectiveness Implementation (one-time)*: In FY 2012-13, the General Assembly approved a one-time appropriation of \$6.4 million cash funds from the State Education Fund, to be available for three years (FY 2012-13 through FY 2014-15). In December 2011, the Department was also awarded a RTTT Round 3 grant of \$17.9 million to support the implementation of educator effectiveness and the new Colorado Academic Standards. The Department retained 50.0 percent (\$8.97 million) as the state share and distributed the remaining 50.0 percent directly to local education agencies. The RTTT funding is available for four years and expires in December 2015. Over the past two years, the Department has spent an average of \$3.5 million per year to support approximately 15.5 FTE (in addition to system development, field training, and other implementation costs) using this one-time funding.

The Department's request seeks ongoing funding for 8.5 of the educator effectiveness FTE that are currently supported with one-time funding.

Background – Colorado Academic Standards

The Colorado Academic Standards specify what the state expects students to know in each grade level. Congress first required states to develop and adopt statewide standards and aligned

assessments with the 1994 reauthorization of the Elementary and Secondary Education Act. Colorado adopted its first statewide academic standards (the Model Content Standards) in 1995.

As enacted in S.B. 08-212 (CAP4K), Section 22-7-1005 (1), C.R.S., required the State Board to adopt new statewide academic standards aligning preschool through postsecondary education by December 15, 2009. The statute requires new standards in at least the following areas: reading, writing, mathematics, science, history, geography, visual arts, performing arts, physical education, world languages, English language competency, economics, civics, and financial literacy. With a focus on creating "fewer, clearer, and higher" standards than had previously been in place, the State Board adopted the new standards as required in December 2009. The new standards detail expectations, by grade level, for what Colorado students should know, building toward a goal of "post-secondary and workforce readiness" upon graduation from high school.

The adopted standards include the national "Common Core" standards, an effort initiated and managed by the National Governor's Association and adopted by 43 states (and the District of Columbia) thus far. However, Colorado's standards also go beyond the Common Core by including additional content areas (the Common Core includes only English language arts and mathematics) as well as additional expectations in English language arts and mathematics.

Funding and Staffing History

The General Assembly approved 5.0 FTE content specialists to implement the standards in the FY 2008-09 Long Bill and has continued to support 5.0 FTE each year, including \$463,652 cash funds from the State Education Fund and 5.0 FTE in FY 2014-15. The content specialists provide leadership, guidance, and support for schools and school districts in specific content areas to improve student achievement: (1) mathematics; (2) science; (3) social studies (history, geography, civics, and economics); (4) arts (visual arts and music); and (5) achievement gaps.

FY 2015-16 Request

Because of the inherent connection between educator effectiveness and the Colorado Academic Standards, the Department submitted request R3 as a single decision item. However, staff sees the request as two distinct but related proposals: (1) continuing educator effectiveness implementation efforts, including retaining existing educator effectiveness FTE (currently supported with one-time State and federal funds) focused on field implementation of educator effectiveness; and (2) the conversion of 2.0 content specialist FTE focused on the implementation of the Colorado Academic Standards from "employees on loan" from CEI to permanent state FTE. Staff analyzes each component of the request separately below.

Educator Effectiveness

The request includes an increase of \$1,019,848 General Fund and 5.3 FTE in FY 2015-16 to provide ongoing support to the educator effectiveness implementation efforts currently supported with the one-time state and federal funds discussed above. Specifically, the request seeks ongoing General Fund support for: (1) personnel-related costs for 8.5 of the 15.5 FTE currently supported by one-time funds (the request only shows 5.3 FTE in FY 2015-16 because federal

RTTT funds will support some of the positions until December 2015);² and (2) continued non-personnel costs for systems licenses, training programs, and other costs.³ Each component is addressed separately below.

Personnel-related Costs

The request includes a total of \$581,348 General Fund and 5.3 FTE in FY 2015-16 (annualizing to \$921,193 General Fund and 8.5 FTE in FY 2016-17 and beyond) for costs directly associated with the requested educator effectiveness personnel (see table below).

Request R3 - Educator Effectiveness Personnel-Related Costs				
	FY 2015-16 Request		FY 2016-17 Impact	
	GF	FTE	GF	FTE
Educator Evaluation				
Salary	\$324,720	4.1	\$475,200	6.0
PERA	32,959		48,233	
Medicare	4,708		6,890	
AED	14,288		22,810	
SAED	13,801		22,572	
STD	714		1,045	
Health Life Dental	<u>39,636</u>		<u>47,563</u>	
Subtotal, Educator Evaluation	\$430,826	4.1	\$624,313	6.0
Communications/Outreach				
Salary/Personal Services	\$90,557	1.2	\$191,220	2.5
PERA	9,192		19,409	
Medicare	1,313		2,773	
AED	3,985		9,179	
SAED	3,849		9,083	
STD	199		421	
Health Life Dental	<u>15,854</u>		<u>23,782</u>	
Subtotal, Communications/Outreach	\$124,949	1.2	\$255,867	2.5
Subtotal, Personnel Costs	\$555,775	5.3	\$880,180	8.5
Operating Expenses for Personnel				
Supplies (\$500/FTE)	\$2,650		\$4,250	
Telephone (\$450/FTE)	2,385		3,825	
Mobile Device Expenses	3,313		5,313	

² Please note that the Department’s plans have changed since the request was submitted. The request assumes support for 0.4 FTE in FY 2015-16 that the Department now expects to eliminate at the end of FY 2014-15. Thus, the Department now plans to support 4.9 FTE with State funds in FY 2015-16 although that amount still annualizes to 8.5 FTE in FY 2016-17 and beyond.

³ The request also proposes to provide the ongoing funding through the existing Educator Effectiveness Unit Administration line item rather than the Educator Effectiveness Implementation line item currently supporting one-time costs.

Request R3 - Educator Effectiveness Personnel-Related Costs				
	FY 2015-16 Request		FY 2016-17 Impact	
	GF	FTE	GF	FTE
Leased Space	17,225		27,625	
Subtotal, Operating Expenses	\$25,573		\$41,013	
Total, Educator Effect. Personnel Costs	\$581,348	5.3	\$921,193	8.5

Based on the Department’s analysis of the necessary ongoing work to support educator effectiveness, the request would provide ongoing funding for 8.5 FTE that are currently supported with the one-time state and federal educator effectiveness funds, including 6.0 directly related to educator effectiveness implementation and 2.5 FTE that assist local school districts with communicating information to parents, community members, and school staff regarding educator effectiveness, the implementation of the Colorado Academic Standards, and new assessments. A brief description of each position is below.

6.0 Educator Effectiveness FTE

- *1.0 FTE Project Manager:* This position: coordinates the Department’s services for all districts statewide; serves as the first point of contact for educators contacting the Educator Effectiveness Unit; and schedules, organizes, and manages logistics for training and professional development programs.
- *1.0 FTE Growth Assessment Specialist:* This position assists school districts with the student growth portion of educator evaluations by: providing training and technical assistance with the development of evaluation systems; and creating model systems and tools for district use. According to the Department, this is currently the area of greatest need in the field.
- *1.0 FTE Evaluation Systems Support on Professional Practices:* This position supports the State Approved Evaluator Training Programs and application process and assists educators with the professional practices side of the evaluation system.
- *1.0 FTE Research/Validation/Data Analyst:* This position collects, creates, cleans, and analyzes statewide evaluation data on educator evaluation systems. The position also collects and analyzes research from pilot districts to improve the system and supports and conducts the analyses necessary to ensure ongoing validity of the 11 model rubrics.
- *1.0 FTE Evaluation Systems Support/Online Systems Support:* This position provides online technology systems maintenance and support for the Department’s two online systems (Elevate Colorado and RANDA). The position also supports the data collection and reporting process for educator effectiveness data and assists school districts with the growth portion of their systems through trainings, webinars, and technical assistance.
- *1.0 FTE Strategic Data Analyst:* This position supports the analysis of educator effectiveness data.

2.5 Communications and Outreach FTE

- *1.0 FTE Communications Director:* This position plays a lead role in supporting school district communications regarding the state model evaluation system and supports communications efforts regarding standards and assessments. The position also provides communications training and consultation for school district leaders and community groups.

- *1.0 FTE Communications and Social Media Manager:* This position assists the communications director, supports the editing and formatting of all resource guides and related support materials, and manages the Department’s social media.
- *0.5 FTE Graphic Designer:* This half-position provides graphic design support for educator effectiveness, standards implementation, and related work.

Non-Personnel Costs

The request also includes a total of \$438,500 General Fund in FY 2015-16 (annualizing to \$536,000 General Fund in FY 2016-17 and beyond) for costs that are not directly associated with the requested personnel. The majority of the requested funding (\$368,500 in FY 2015-16) would support ongoing license fees and maintenance of two information technology systems that the Department developed to support educator effectiveness efforts for school districts using the state model system: Elevate Colorado and the RANDA Performance Management System.

- *Elevate Colorado:* The Department developed this system to improve inter-rater agreement in districts using the state model system. The program allows evaluators and educators to view short videos of practicing teachers, rate the videos according to the State Model Evaluation System rubric, and then compare their scoring to ratings from “master scorers.”
- *RANDA Performance Management System:* This is an optional online tool to support school districts’ data collection and use of the State Model Evaluation System. The program provides electronic interfaces and data collection tools for the model rubrics, measures of student growth, effectiveness ratings, and evidence in support of evaluations. The Department reports that 90 school districts have opted to use the RANDA system..

The following table shows the requested ongoing costs not directly related to the requested personnel.

Request R3 - Educator Evaluation Non-Personnel Costs		
	FY 2015-16 Request GF	FY 2016-17 Impact GF
Educator Evaluation		
IT Systems - Licensing and Development		
Licensing Fees	\$338,500	\$323,500
Contracts for Coding	30,000	30,000
Video Development	<u>0</u>	<u>50,000</u>
Subtotal, Licensing and Development	\$368,500	\$403,500
Training and Technical Assistance		
Regional Trainings (4 per year)	\$40,000	\$80,000
Staff Travel for Trainings	<u>12,000</u>	<u>16,500</u>
Subtotal, Training and Tech. Assist.	\$52,000	\$96,500
Subtotal, Educator Evaluation	\$420,500	\$500,000
Communications/Outreach		
Training and Technical Assistance	\$1,500	\$3,000
Printing	6,000	12,000
Digital Communications	6,500	13,000

Request R3 - Educator Evaluation Non-Personnel Costs		
	FY 2015-16 Request GF	FY 2016-17 Impact GF
Video	4,000	8,000
Subtotal, Communications/Outreach	\$18,000	\$36,000
Total, Educator Effectiveness Non-Personnel Costs	\$438,500	\$536,000

Staff Analysis and Concerns – Educator Effectiveness

Staff is concerned that the Department is seeking ongoing funding for a program that was clearly funded on a one-time basis. In repeated discussions with staff and the Committee, the Department confirmed the one-time nature of the funding and the staff. In addition, the Department’s FY 2012-13 budget request for the one-time state funding for educator effectiveness implementation said:

“All FTE associated with this funding will be at-will employees, hired only for the duration of the funding period (maximum 3 years), subject to effective performance.”⁴

The Department argues that the landscape has changed since FY 2012-13 and that although the original funding was one-time in nature, ongoing support is necessary to maintain the overall system. Specifically, the Department points to the fact that 160 school districts are using part or all of the State Model Evaluation System, requiring intensive ongoing support from the Department; the Department did not anticipate that level of use of the State Model System. The Department has determined that maintaining a valid and reliable model system, in addition to providing technical assistance and monitoring school district implementation of educator evaluation systems requires ongoing funding. Finally, maintaining the information technology systems that the Department has created (and which many districts are using) requires ongoing funding. In general terms, the Department has stated that ensuring valid implementation in the field requires more state involvement than originally anticipated.

Staff does not dispute the need for ongoing support to maintain the system that the General Assembly and the Department have established. Based on the degree of use of the State Model System and the accompanying information technology systems, as well as the inherently complicated nature of the educator evaluation systems, staff agrees that ongoing support is particularly necessary for rural districts. Staff notes that the Colorado Association of School Boards (CASB) and other stakeholders support the Department’s request as necessary to sustain implementation of the current system. Without the state support, school districts would likely have to undertake all of that work themselves. Staff suspects that doing so would be extremely difficult, if not impossible, for many of the 160 school districts using the State Model Evaluation System.

However, as JBC Staff, staff is concerned about the request to convert funding that was clearly one-time in nature to ongoing support of the program. The Department committed to support the

⁴ Submitted as FY 2012-13 Budget Amendment #2.

work and staff on a one-time basis (for three years) but then constructed a system that appears to require ongoing support. Staff agrees that the Department has implemented the system as required by the legislation; however, the need for ongoing funding should have been foreseeable at the time of the original request for FY 2012-13. In recent years, the Department has submitted a series of decision items seeking increased or ongoing funding for legislation that was not expected (based on fiscal notes) to have significant cost, and staff is concerned about continuing that pattern.

FY 2015-16 Request – Colorado Academic Standards

The request includes an increase of \$246,686 General Fund and 2.0 FTE in FY 2015-16 (annualizing to \$338,339 General Fund and 2.0 FTE in subsequent years) to fund two content specialist positions supporting statewide implementation of the Colorado Academic Standards. Specifically, the request seeks state funding for the following positions:

- *1.0 FTE Director of Standards and Instructional Support:* This position oversees the Department’s content specialists and has focused the group’s work on providing direct support to districts implementing the Colorado Academic Standards and educator evaluation systems. This position created and manages the District Sample Curriculum Project, which, according to the Department, “has engaged 116 districts and thousands of teachers in creating teacher-developed, district sample curriculum that other districts can use.”
- *1.0 FTE Literacy Specialist:* This position serves as the State’s lead on the “reading, writing, and communicating” standards and assists the educator effectiveness team with literacy components of the teacher evaluation rubric. The position also works with school districts to develop sample curricula for literacy and serves as a point of connection between the reading, writing, and communicating standards and the staff implementing the READ Act (H.B. 12-1238).

In contrast to the requested educator effectiveness positions, the standards implementation positions are not currently supported with state or federal funds and prior to January 1, 2015, had not even been state employees. Instead, from FY 2012-13 through December 2014, these positions were filled with “employees on loan” from the CEI, formerly the Colorado Legacy Foundation. For that period, the employees remained employees of CEI while effectively functioning as state employees. Staff notes that in response to the Committee’s concerns (discussed at the Department’s FY 2015-16 budget hearing), the Department secured a grant from CEI and converted the staff to grant-funded state employees, effective January 1, 2015. Because CEI does not intend to fund the positions beyond FY 2014-15, the Department is requesting General Fund to support the positions on an ongoing basis.

The following tables on the following page show the personnel and non-personnel costs associated with the standards implementation portion of the request.

Request R3 - Standards Implementation Personnel Costs				
	FY 2015-16 Request		FY 2016-17 Impact	
	GF	FTE	GF	FTE
Standards Implementation Personnel				
Salary/Personal Services	\$183,600	2.0	\$183,600	2.0
PERA	18,635		18,635	
Medicare	2,662		2,662	
AED	8,078		8,813	
SAED	7,803		8,721	
STD	404		404	
Health Life Dental	<u>15,854</u>		<u>15,854</u>	
Subtotal, Standards Implementation	\$237,036	2.0	\$238,689	2.0
Operating Expenses for Personnel				
Supplies (\$500)	\$1,000		\$1,000	
Telephone (\$450/FTE)	900		900	
Mobile Device Expenses	1,250		1,250	
Leased Space	<u>6,500</u>		<u>6,500</u>	
Subtotal, Operating Expenses	\$9,650		\$9,650	
Total, Standards Implementation Personnel Costs	\$246,686	2.0	\$248,339	2.0

Request R3 – Standards Implementation Non-Personnel Costs			
	FY 2015-16 Request		FY 2016-17 Impact
	GF	GF	GF
Standards Implementation Non-Personnel Costs			
Training and Technical Assistance			
Regional Trainings (4 per year)		\$0	\$80,000
Staff Travel		<u>0</u>	<u>10,000</u>
Subtotal, Standards Implementation Non-Personnel		\$0	\$90,000

Staff Analysis and Concerns – Standards Implementation

The additional content specialists may be necessary, and stakeholder input to staff indicates that ongoing support for standards implementation at the current level is needed. Staff also does not dispute the connection to educator effectiveness, given that the educator evaluation system is designed to evaluate how well educators teach the standards. Finally, staff has been impressed with the sample curriculum project, in which the Department works with local school district educators (throughout the State) to facilitate the teachers’ development of sample curricula that are aligned to Colorado Academic Standards. Given the limited resources and lack of curricula in many school districts, the sample curriculum project appears to be an innovative and popular effort to assist school districts, schools, and educators. The Department reports that demand for additional sample curricula is outstripping the Department’s capacity to produce them even with the existing staff (including the positions in this request).

However, as discussed at the FY 2015-16 JBC Staff Budget Briefing, staff is not comfortable with this request. Staff raises four major points for the Committee’s consideration:

- First, staff is concerned about the previous use of “employees on loan” from CEI in these roles. The Department did not secure a grant to hire the employees until the Committee expressed concerns about the employee on loan arrangement; rather, CEI employees functioned as state employees. These positions did not appear anywhere in the Department’s appropriation, limiting the transparency of the program to the General Assembly and the public. If the Department and CEI wanted to support these positions, then staff believes that CEI should have given the Department a grant to hire state employees and the Department should have requested the authority to use the funds from the General Assembly. Staff is concerned that the Department created and staffed the positions for at least three years and is just now asking the General Assembly to approve the positions.
- Second, staff is particularly uncomfortable with the previous use of a non-employee as the Director of Standards and Instructional Support. This position leads the State’s implementation of the standards and supervises all of the content specialists, including conducting performance evaluations for the 5.0 FTE funded in the Long Bill (with State Education Fund moneys) as well as the 1.0 FTE Literacy Specialist included in this request. Staff is highly concerned about the previous use of a non-employee to supervise state employees and the use of an employee of an external entity to lead and oversee the standards implementation effort. The Office of Legislative Legal Services (OLLS) Staff is not aware of any legal authority that would allow for this arrangement.
- Third, when the Department requested the original appropriation for the 5.0 content specialist positions in FY 2008-09, the Department specifically indicated that a literacy specialist was not needed at that time because of the existing expertise within the Department. Staff does not dispute that circumstances have changed with the actual implementation of the standards and the State’s increasing focus on literacy (including the READ Act). That said, if circumstances required the addition of a literacy specialist, then staff believes that the Department should have submitted a request to the General Assembly.
- Fourth, staff notes that Section 24-75-1305, C.R.S., prohibits the Department from requesting, and the General Assembly from funding, “a program, service, study, or other function of state government that was previously funded through grant moneys and that has not received adequate grant moneys to support the program, service, study, or other function of state government for the applicable fiscal year.” Based on discussions with OLLS Staff, the Department’s request may conform with this statute because the State does support portions of the Content Specialist program with state moneys. Still converting these positions to state employees requires effectively backfilling the CEI’s “in-kind” grant to the Department.

As a final note, staff and the Department both agree that, if the General Assembly elects to fund the requested standards implementation positions, they should be funded within the Content Specialists line item rather than as part of the Educator Effectiveness Unit. In addition, all of the existing content specialists are supported with cash funds from the State Education Fund (SEF) rather than General Fund, and the Department would prefer to support the requested positions with SEF moneys as well.

Options for Committee Consideration

While staff recommends rejecting the request based largely on the procedural and precedential concerns outlined above, staff offers the following options for the Committee’s consideration.

- A. **Staff Recommendation** – Reject the request based on the concerns outlined above (staff anticipates that the Department would bring a “comeback” to the Committee).

- B. **Modified Department Request** – If the Committee elects to fund some or all of the Department’s request, then staff would recommend three modifications.
 - First, pursuant to the Committee’s common policy, staff recommends not providing funding for most of the centrally appropriated items in the first year for the requested FTE. While these positions are currently at the Department and supported with one-time state, federal, or private funding, staff recommends treating the conversion to permanent FTE consistently with “new” FTE. Please note that this option does include funding for leased space as part of the consolidation of leased space appropriations within the recommended Leased Space line item.
 - Second, if the Committee elects to fund the centrally appropriated items for the requested FTE, then staff recommends reflecting the associated funding in the respective centrally appropriated line items rather than in the Educator Effectiveness Administration as requested by the Department.
 - Third, as discussed above, if the Committee elects to fund the content specialist (standards implementation) positions, staff recommends reflecting the FTE and associated funding in the Content Specialists line item in the Long Bill rather than in the Educator Effectiveness Administration line item as requested by the Department.

The following tables compare the Department’s request to the modified proposal under “Option B” for each of the major components of the request.

Request R3 - Educator Effectiveness Personnel-Related Costs - Option B						
	FY 2015-16 Request		FY 2015-16 Option B		FY 2016-17 Impact	
	GF	FTE	GF	FTE	GF	FTE
Centrally Appropriated Line Items						
AED	\$18,273		\$0		\$31,989	
SAED	17,650		0		31,655	
STD	913		0		1,466	
Health Life Dental	55,490		0		71,345	
Leased Space	<u>17,225</u>		<u>22,445</u>		<u>22,445</u>	
Subtotal, Centrally Appropriated Line Items	\$109,551		\$22,445		\$158,900	
Educator Effectiveness Unit Administration						
Salary/Personal Services	\$415,277	5.3	\$383,597	4.9	\$666,420	8.5
PERA	42,151		38,936		67,642	
Medicare	6,021		5,562		9,663	
Supplies (\$500)	2,650		2,450		4,250	
Telephone (\$450/FTE)	2,385		2,205		3,825	
Mobile Device Expenses	<u>3,313</u>		<u>3,063</u>		<u>5,313</u>	

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

Request R3 - Educator Effectiveness Personnel-Related Costs - Option B						
	FY 2015-16 Request		FY 2015-16 Option B		FY 2016-17 Impact	
	GF	FTE	GF	FTE	GF	FTE
Subtotal, Educator Effectiveness Unit Administration	\$471,797		\$435,813		\$757,113	
Total, Educator Effectiveness Personnel Costs	\$581,348	5.3	\$458,258	4.9	\$916,013	8.5

Request R3 - Educator Evaluation Non-Personnel Costs			
	FY 2015-16 Request/ Option B		FY 2016-17 Impact
	GF	GF	GF
Educator Evaluation			
IT Systems - Licensing and Development			
Licensing Fees		\$338,500	\$323,500
Contracts for Coding		30,000	30,000
Video Development		<u>0</u>	<u>50,000</u>
Subtotal, Licensing and Development		\$368,500	\$403,500
Training and Technical Assistance			
Regional Trainings (4 per year)		\$40,000	\$80,000
Staff Travel for Trainings		<u>12,000</u>	<u>16,500</u>
Subtotal, Training and Tech. Assist.		\$52,000	\$96,500
Subtotal, Educator Evaluation		\$420,500	\$500,000
Communications/Outreach			
Training and Technical Assistance		\$1,500	\$3,000
Printing		6,000	12,000
Digital Communications		6,500	13,000
Video		<u>4,000</u>	<u>8,000</u>
Subtotal, Communications/Outreach		\$18,000	\$36,000
Total, Educator Effectiveness Non-Personnel Costs		\$438,500	\$536,000

Request R3 - Standards Implementation Personnel Costs – Option B						
	FY 2015-16 Request		FY 2015-16 Option B		FY 2016-17 Impact	
	GF	FTE	CF (SEF)	FTE	CF (SEF)	FTE
Centrally appropriated line items						
AED	8,078		0		8,813	
SAED	7,803		0		8,721	
STD	404		0		404	
Health Life Dental	15,854		0		15,854	
Leased Space	<u>6,500</u>		<u>10,685</u>		<u>10,685</u>	
Subtotal, Centrally Appropriated Items	\$38,639		\$10,685		\$44,477	
Content Specialists line item						
Salary/Personal Services	\$183,600	2.0	\$183,600	2.0	\$183,600	2.0
PERA	18,635		18,635		18,635	
Medicare	2,662		1,662		2,662	
Supplies (\$500)	\$1,000		\$1,000		\$1,000	

Request R3 - Standards Implementation Personnel Costs – Option B						
	FY 2015-16 Request		FY 2015-16 Option B		FY 2016-17 Impact	
	GF	FTE	CF (SEF)	FTE	CF (SEF)	FTE
Telephone (\$450/FTE)	900		900		900	
Mobile Device Expenses	<u>1,250</u>		<u>1,250</u>		<u>1,250</u>	
Subtotal, Content Specialists line item	\$208,047		\$207,047		\$208,047	
Total, Content Specialists Personnel Costs	\$246,686	2.0	\$217,732	2.0	\$252,524	2.0

Request R3 - Standards Implementation Non-Personnel Costs		
	FY 2015-16 (No Cost)	FY 2016-17 Impact
	CF (SEF)	CF (SEF)
Content Specialists line item		
Training and Technical Assistance		
Regional Trainings (4 per year)	\$0	\$80,000
Staff Travel	<u>0</u>	<u>10,000</u>
Subtotal, Standards Imp. Non-Personnel	\$0	\$90,000

➔ Staff Initiated – Leased Space Consolidation

- The Department did not request the consolidation of private leased space appropriations but supports the staff recommendation.
- Staff recommends consolidating all of the Department’s private leased space appropriations into a single “Leased Space” line item in the Management and Administration Division.

Request: The Department’s FY 2015-16 budget request includes a total of \$1,029,641 (including \$244,732 General Fund), distributed among 22 line items, for anticipated private leased space costs in FY 2015-16. The Department did not request the consolidation of these private leased space appropriations into a single line item. However, the Department does support the staff recommendation.

Recommendation: As discussed at the FY 2015-16 Joint Budget Committee Staff Budget Briefing for the Department of Education, staff recommends consolidating all of the Department’s private leased space appropriations into a single “Leased Space” line item in the Management and Administration Division. Staff recommends: (1) adding a “Leased Space” line item to the FY 2015-16 Long Bill; (2) appropriating a total of \$996,511 (including \$64,198 General Fund) to that line item to reflect anticipated leased space costs; and (3) reducing the line items currently supporting private leased space costs where possible to reflect the consolidation. In addition, staff requests permission to work with the Department to adjust the leased space consolidation amounts based on the Committee’s decisions and to correct potential technical errors.

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

Please note that three categorical program line items (Public School Transportation, Special Education Programs for Gifted and Talented Children, and Comprehensive Health Education) currently support private leased space costs with state funds, totaling \$38,653 cash funds from the State Education Fund in the FY 2015-16 request. Because Amendment 23 does not allow reductions in total state funding for the categorical programs, staff does not recommend reducing these two line items as part of the consolidation. Similarly, the Department had planned to support \$2,460 in leased space costs with General Fund from the State Match for School Lunch Program, which also cannot be reduced. Finally, the recommendation does not reduce the appropriation for the Child Nutrition School Lunch Protection Program to reflect the \$112 in anticipated lease costs. By consolidating the leased space appropriations without reducing these five line items, the staff recommendation requires a net increase of \$41,225 total funds (including \$2,460 General Fund and \$38,765 cash funds from the State Education Fund) but will increase distributions to school districts from the affected programs.

The following table shows anticipated leased space costs for FY 2015-16 and the impact of the staff recommendation for each relevant line item.

Department of Education Leased Space Funding in FY 2015-16					
Line item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
New Line Item Recommended					
Leased Space (New)	\$996,511	\$64,198	\$217,184	\$24,135	\$690,994
Private Leased Space Funding by Line Item - FY 2015-16 Department Request					
General Department & Program Administration	\$13,258	\$13,258	\$0	\$0	\$0
Office of Professional Services	79,312	0	79,312	0	0
Preschool to Postsecondary Education Alignment	9,352	0	9,352	0	0
Educator Effectiveness Unit Administration	35,660	30,329	5,331	0	0
Educator Effectiveness Implementation	20,640	0	0	0	20,640
Special Education Programs for Children with Disabilities	386,689	0	0	0	386,689
English Language Proficiency Program	18,882	0	0	0	18,882
Public School Transportation	11,222	0	11,222	0	0
Special Education Programs for Gifted and Talented Children	23,130	0	23,130	0	0
Comprehensive Health Education	4,301	0	4,301	0	0
Federal Nutrition Programs	70,749	1,342	0	0	69,407
State Match for School Lunch Program	2,460	2,460	0	0	0
Child Nutrition School Lunch Protection Program	112	0	112	0	0
Start Smart Nutrition Program	232	0	0	232	0
Breakfast After the Bell	604	604	0	0	0
S.B. 97-101 Public School Health Services	8,014	0	0	8,014	0
Division of Public School Capital Construction Assistance	33,667	0	33,667	0	0
Content Specialists	19,241	0	19,241	0	0
English Language Learners Technical Assistance	16,205	16,205	0	0	0

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

Department of Education Leased Space Funding in FY 2015-16					
Line item	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Facility Schools Unit & Facility Schools Board	15,889	0	0	15,889	0
Appropriated Sponsored Programs	<u>226,892</u>	<u>0</u>	<u>31,516</u>	<u>0</u>	<u>195,376</u>
Total Leased Space Funding in FY 2015-16 Request	\$996,511	\$64,198	\$217,184	\$24,135	\$690,994
Line Items Not Reduced in Staff Recommendation (Increase in Net Cost)					
Public School Transportation	\$11,222	\$0	\$11,222	\$0	\$0
Special Education Programs for Gifted and Talented Children	23,130	0	23,130	0	0
Comprehensive Health Education	4,301	0	4,301	0	0
State Match for School Lunch Program	2,460	2,460	0	0	0
Child Nutrition School Lunch Protection Program	<u>112</u>	<u>0</u>	<u>112</u>	<u>0</u>	<u>0</u>
Net Increase in Cost of Consolidation	\$41,225	\$2,460	\$38,765	\$0	\$0

Analysis: The Department’s primary building at 201 East Colfax is part of the Capitol Complex and funded through the Capitol Complex Leased Space line item. However, that space is not sufficient to support all of the Department’s staff, and the Department is increasingly using private leased space to support new programs and staff. In FY 2014-15, the Department is locating a variety of programs, including a total of approximately 140 employees (roughly 25 percent of the Department’s total FY 2014-15 FTE appropriation), in private leased space.

Unlike most other state departments, the Department’s Long Bill appropriation does not currently centralize private leased space costs in a single line item.⁵ Rather, the Department supports lease costs from each program’s line item appropriation. As a result, the Department’s private lease costs are not apparent in the Long Bill and not transparent to the General Assembly.

The Department’s total staffing and need for leased space have increased in recent years with the addition of new programs and staff. Based on the Department’s increasing use of private leased space and associated increasing costs, staff recommends that the Committee include a Leased Space line item in the FY 2015-16 Long Bill to centralize leased space funding in a single line item. The recommendation includes reductions to programmatic line items (\$955,398 total funds, including \$61,738 General Fund) and the movement of those funds to the newly created Leased Space line item.

As noted above, the recommendation does not reduce appropriations to five line items that would otherwise support private leased space costs in FY 2015-16 (Public School Transportation, Special Education Programs for Gifted and Talented Children, Comprehensive Health Education, State Match for School Lunch Program, and the Child Nutrition School Lunch Protection Program), resulting in a net increase in cost of \$41,225 total funds, including \$2,460 General

⁵ The Long Bill did include a leased space line item for the Department in FY 2009-10 and FY 2010-11 (appropriating \$11,500 reappropriated funds per year) specifically to support some school finance administration costs. However, the General Assembly has not included such a line item since FY 2010-11.

Fund. As also noted above, staff requests permission to work with the Department to adjust the leased space consolidation amounts as necessary based on the Committee’s decisions.

(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 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$83,942,262	\$13,782,375	\$35,851,329	\$16,999,026	\$17,309,532	164.2
HB 14-1298 (School Finance)	298,000	0	298,000	0	0	0.0
Other Legislation	334,625	334,625	0	0	0	0.2
SB 15-145 (Supplemental)	<u>32,208</u>	<u>50,133</u>	<u>(54,210)</u>	<u>(11,612)</u>	<u>47,897</u>	<u>0.0</u>
TOTAL	\$84,607,095	\$14,167,133	\$36,095,119	\$16,987,414	\$17,357,429	164.4
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$84,607,095	\$14,167,133	\$36,095,119	\$16,987,414	\$17,357,429	164.4
Centrally appropriated line item adjustments	1,919,472	571,909	225,786	244,156	877,621	0.0
Leased space consolidation	838,289	20,611	123,189	24,135	670,354	0.0
BA2 Educator licensure legal services	115,908	0	115,908	0	0	0.0
BA1 Security desk and measures	86,175	0	0	86,175	0	0.0
R4 State Review Panel online portal	77,375	77,375	0	0	0	0.0
R5 CSDB strategic plan implementation	22,787	22,787	0	0	0	0.0
Indirect cost assessment adjustments	17,177	0	12,026	0	5,151	0.0
BA4 Server hosting for CSI	3,496	0	0	3,496	0	0.0
R3 Field implementation support	0	0	0	0	0	0.0
Eliminate dual appropriations (SB 15-108)	0	6,530	7,275	(13,805)	0	0.0
Educator effectiveness FTE reduction	0	0	0	0	0	(6.0)
Annualize prior year budget actions	(2,531,624)	(1,698,387)	(96,472)	(95,237)	(641,528)	0.4
Assessment cost adjustments	(566,502)	0	(757,900)	0	191,398	0.0
Annualize prior year legislation	(316,769)	(316,769)	0	0	0	0.0
Basic skills placement adjustment	<u>(270,917)</u>	<u>0</u>	<u>(270,917)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$84,001,962	\$12,851,189	\$35,454,014	\$17,236,334	\$18,460,425	158.8

Management and Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$605,133)	(\$1,315,944)	(\$641,105)	\$248,920	\$1,102,996	(5.6)
Percentage Change	(0.7%)	(9.3%)	(1.8%)	1.5%	6.4%	(3.4%)
FY 2015-16 Executive Request:	\$86,289,588	\$14,125,155	\$36,560,373	\$17,237,646	\$18,366,414	172.1
Request Above/(Below) Recommendation	\$2,287,626	\$1,273,966	\$1,106,359	\$1,312	(\$94,011)	13.3

CHANGE ITEMS AFFECTING THE MANAGEMENT AND ADMINISTRATION DIVISION

➔ R4 State Review Panel Online Portal

- The Department requests an increase of \$77,375 General Fund in FY 2015-16 to enhance and maintain an online system to streamline the State Review Panel’s reviews of schools and school districts with improvement plans.
- Staff recommends approving the request.

Request: The Department requests an increase of \$77,375 General Fund (annualizing to \$35,200 in FY 2016-17 and beyond) to enhance and maintain an online system to streamline the State Review Panel’s reviews of schools and school districts with improvement plans. As an enhancement to the online Unified Improvement Plan (UIP) tool, the proposed system would allow members of the State Review Panel, established in S.B. 09-163 (Education Accountability Act), to securely share documents, track changes, and efficiently organize review materials.

Recommendation: Staff recommends approving the request.

Analysis: Established in S.B. 09-163 (Education Accountability), the State Review Panel (Panel) is a body of field experts who advise the Commissioner of Education and the State Board of Education on actions regarding schools and districts on the five-year accountability clock defined in S.B. 09-163. With the approval of a decision item in FY 2013-14 (R3), the General Assembly provided a significant increase in funding to support the operations of the Panel (\$193,000 General Fund in FY 2013-14, annualizing to \$549,400 in FY 2014-15).

As currently constituted, the Panel operates independently from the Department to avoid potential appearances of conflict of interest with Department staff. The Panel: (1) reviews districts’ and schools’ Turnaround and Priority Improvement Plans (the two lowest levels on the statewide accountability system); (2) reviews the feedback and technical assistance the Department provides to affected districts and schools; (3) evaluates the districts’ and schools’ responses to the Department’s feedback and assistance; (4) visits the affected districts and schools to assess their capacity to successfully improve according to the criteria in S.B. 09-163;

and (5) advises the State Board of Education regarding consequences for districts and schools approaching the end of the five-year clock.

TABLE 2: School Districts and Schools Facing the Five-year Clock as of July 2015	
Number of Districts in Each Year	Number of Schools in Each Year
1 districts will enter year 1	83 schools will enter year 1
0 districts will enter year 2	42 schools will enter year 2
0 districts will enter year 3	18 schools will enter year 3
1 districts will enter year 4	17 schools will enter year 4
8 districts will enter year 5	30 schools will enter year 5

According to the Department, panelists conduct document review and site visits to approximately 50 sites per year, requiring review and work on a large volume of documents (up to ten extensive documents per review/visit). The Panel does not currently have a secure online file sharing system to facilitate the document review and work; as a result, most document distribution occurs through e-mail.

The Department is requesting \$77,375 General Fund in FY 2015-16 to develop and enhance an online portal as an addition to an ongoing project to provide an online Unified Improvement Planning (UIP) tool for school and district improvement planning efforts. The Department is working with an external vendor, with improvements managed by the Statewide Internet Portal Authority, to develop the online UIP system. The request seeks additional funds to contract for the enhancement of the system to provide a password protected file sharing system to streamline the panel’s operations and increase document security. The Department anticipates a need for \$35,200 per year in FY 2016-17 and subsequent years to maintain and update the system. The following table shows the anticipated costs in FY 2015-16 and FY 2016-17.

Request R4 State Review Panel Online Portal Cost Components			
FY 2015-16 Activity	Estimated Hours	Hourly Rate	Estimated Cost
Project Planning and Requirements	80	\$175	\$14,000
System Development	210	175	36,750
Testing, Quality Assurance, Remediation	80	175	14,000
Training and Documentation	15	175	2,625
Licenses (40 licenses, \$250 each annually)	N/A	N/A	<u>10,000</u>
Total FY 2015-16 Cost			\$77,375
FY 2016-17 Activity	Estimated Hours	Hourly Rate	Estimated Cost
Basic Support (out-of-the-box functions)	35	\$95	\$3,325
Modifications Support (custom functions)	25	175	4,375
Future Enhancements and Process Improvements	100	175	17,500
Licenses (40 licenses, \$250 each annually)	N/A	N/A	<u>10,000</u>
Total FY 2016-17 Cost			\$35,200

Given the importance of the Panel’s reviews to the accountability process, the large volume of documents and data involved in reviews, and the sensitive nature of the documents pertaining to school and district status under the five-year clock, staff recommends approving the request to allow for the development of an online system for secure file sharing.

➔ BA1 Security Desk and Measures

- The Department requests an increase of \$86,175 reappropriated funds from indirect cost recoveries in FY 2015-16 to improve security at the Department’s 201 E. Colfax Avenue location.
- Staff recommends approving the request.

Request: The Department requests an increase of \$86,175 reappropriated funds from indirect cost recoveries in FY 2015-16 (annualizing to \$59,375 in FY 2016-17 and beyond) to improve security at the Department’s 201 E. Colfax Avenue location. The request includes: (1) \$59,375 in ongoing costs to contract for a security guard to staff a check-in desk in the building lobby; and (2) \$26,800 for one-time purchases of security equipment and signage.

Recommendation: Staff recommends approving the request. The request is based on input from a security review by the Colorado State Patrol and is similar to security measures in some of the other state buildings nearby. The Department’s location, which fronts Colfax, fosters foot traffic in and out of the building and the Department has experienced multiple incidents in recent months that appear to warrant the requested increase in security. The following table shows the components of the Department’s request and the staff recommendation.

BA1 - Security Desk and Measures			
	FY 2015-16 Request RF	FY 2015-16 Staff Rec. RF	FY 2016-17 Impact RF
Security contract (\$25/hr x 2,375 hrs)	\$59,375	\$59,375	\$59,375
10 wireless network cameras (\$1,000/camera)	10,000	10,000	0
Server and storage for video	8,000	8,000	0
2 monitors for video (\$400/monitor)	800	800	0
Push button locks for 10 bathrooms (\$400/lock)	4,000	4,000	0
Desk and security station in lobby	2,500	2,500	0
New signage	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Total, Request BA1	\$86,175	\$86,175	\$59,375

Analysis: The request responds to a series of recent incidents that have highlighted security concerns regarding the Department’s headquarters building (including thefts, vandalism that damaged information technology equipment, and potentially threatening interactions in the building). The Department is requesting funds to install a security desk in the lobby of the building, contract with a private security guard to staff the desk during operating hours to limit

access to the building to those with legitimate business in the building, and install/replace security cameras and related equipment to allow for the monitoring of the building.

The Department's request is based on input from the Colorado State Patrol as a result of a security review of the building and consultations with a variety of other state agencies nearby, including the Department of Personnel, the Department of Natural Resources, the Department of Human Services, and the Department of Revenue.

As shown in the table above, in addition to the security station and guard, the request includes funds to install a total of ten video cameras, two monitors for the security guard to monitor the cameras (which would also be connected to the State Patrol dispatch center), server storage for the videos, push button locks for bathrooms, and new signage. The Department currently has seven cameras in various locations around the building (which are connected to the State Patrol dispatch center) but reports that several of the cameras are not functional. Thus, the request seeks to replace those cameras and add three additional cameras based on the recommendations from the Colorado State Patrol.

Based on the location of the building and the security concerns highlighted by the Department, staff recommends approving the request.



BA2 Licensure Program Legal Services

• The Department requests an increase of \$115,908 cash funds from the Educator Licensure Cash Fund to purchase 1,171 additional hours of legal services from the Department of Law in FY 2015-16.

• Staff recommends approving the request for funding to support the purchase of 1,171 additional hours of legal services for the licensure program. The associated dollar amount is pending a Committee decision on the legal services rate for FY 2015-16. Please note that if S.B. 15-111 (Educator Licensure Cash Fund Continuous Appropriation) is enacted prior to passage of the Long Bill, the increase will be reflected in the Long Bill for informational purposes only.

Request: The Department is requesting an increase of \$115,908 cash funds from the Educator Licensure Cash Fund in FY 2015-16 to allow the Educator Licensure Program to purchase an additional 1,171 hours of legal services from the Department of Law. The request responds to the program's increasing use of legal services hours for investigations and hearings associated with educator licensure applications.

Recommendation: Staff recommends approving the requested increase of 1,171 hours of legal services for the Educator Licensure Program, to be supported with cash funds from the Educator Licensure Cash Fund. The necessary dollar amount is pending a Committee decision on the final legal services rate for FY 2015-16. Please note that S.B. 15-111, a JBC bill, would extend the continuous appropriation of the Educator Licensure Cash Fund through FY 2017-18. If that bill

is enacted prior to the introduction of the Long Bill, then the funding associated with this request will be reflected in the Long Bill for informational purposes only.

Analysis:

Background – Licensure Unit and Legal Services: The Licensure Unit (Office of Professional Services) within the Department is responsible for the reviewing applications for teacher licensure. As part of the application review, the Licensure Unit compares the application materials to results from fingerprint based background checks conducted by the Department of Public Safety. When the Licensure Unit determines, based on the background check or other sources of information, that an applicant has committed a crime but has not disclosed the crime (or in some cases all of the circumstances surrounding the crime) within the application, the application is referred to the Investigations Office (within the Licensure Unit) for further investigation. When the Investigations Office is unable to either clear an applicant or deny an application for licensure, the Department refers the case to the Department of Law for legal advice regarding the best course of action. Cases are then either settled or taken to trial.

As shown in the following table, the Licensure Unit’s use of legal services has increased in recent years, from 913 hours in FY 2011-12 to 2,235 hours in FY 2013-14 (and 2,091 hours through the first seven months of FY 2014-15).

Licensure Unit Use of Legal Services - FY 2011-12 through January 2015				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Actual	Actual	(through January 2015)
Attorney Hours	422	660	1,474	1,404
Paralegal Hours	<u>492</u>	<u>399</u>	<u>762</u>	<u>687</u>
Total Hours of Legal Services	913	1,060	2,235	2,091
Total Billing for Legal Services	\$63,767	\$78,606	\$193,871	\$198,403

The Department points to two major drivers of the increase hours: (1) an increasing number of cases being litigated; and (2) an increasing time per case in litigation.

- *Increased Number of Cases Referred for Litigation:* The Department has been referring an increasing number of cases to the Department of Law and seen increases in the number of such cases actually referred to litigation rather than settled. According to the Department, the increases are largely driven by an effort to eliminate a backlog of approximately 350 investigations awaiting final decisions. The following table summarizes case statistics for FY 2010-11 through FY 2013-14.

Licensure Unit Investigation Statistics - FY 2010-11 through FY 2013-14				
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total Cases Referred to Department of Law	37	89	117	80
Settlements Obtained	11	14	15	15
Matters Closed	41	30	62	55
Actions Referred to Litigation	18	36	36	27
Matters Carried Over into Following Year	17	9	56	59

- *Increasing Time per Case:* According to the Department, an even more important factor is an increase in the time required to litigate each case. The Department of Law reports that changes in the strategies employed by defense attorneys contesting license denials (e.g., increasing numbers of witnesses and motions) have increased the time required for hearings. While in prior years hearings would require one or two days, current hearings tend to last four days. According to the request, the time required to litigate most cases has increased substantially in the past six to eight months.

The Licensure Unit is clearly experiencing increasing need for legal services, at least in the near term as it works to clear the backlog of investigations. Based on the increases in required legal services, staff recommends approving an increase to support 1,171 additional hours of legal services in FY 2015-16.

Impact of Continuous Appropriation: The FY 2014-15 appropriation assumes that the Licensure Unit will require 1,918 hours of legal services in FY 2014-15. The Department expects to overspend that appropriation. However, because current law (Section 22-60.5-112, C.R.S.) continuously appropriates the Educator Licensure Cash Fund to the Department through FY 2014-15, the Department will be able to absorb the increased cost without a supplemental appropriation.

Similarly, S.B. 15-111, a JBC bill, would extend the continuous appropriation of the Educator Licensure Cash Fund through FY 2017-18 and would allow the Department to absorb fluctuations in the Licensure Unit's need for legal services. Regardless of whether that bill is enacted before the introduction of the Long Bill, staff recommends reflecting the increased number of hours in the Long Bill. However, if S.B. 15-111 is enacted prior to the introduction of the Long Bill, then the cash funds appropriation for legal services, including the recommended increase, will be shown in the Long Bill for informational purposes only.

BA4 CSI Server Hosting

- The Department requests an increase of \$3,496 reappropriated funds in FY 2015-16 and beyond for the Department to provide server hosting services to the State Charter School Institute.
- Staff recommends approving the request.

Request: The Department requests an increase of \$3,496 reappropriated funds in FY 2015-16 and beyond to allow the Department's information technology unit to provide server hosting services to the State Charter School Institute (CSI). The CSI is currently paying approximately \$40,000 per year in subscription costs to a private vendor to host software programs that CSI schools use to report and track student data. The request would provide the Department with spending authority to receive \$3,496 in payment from the CSI to provide the service, saving approximately \$36,500 per year which will be distributed to CSI schools.

Recommendation: Staff recommends approving the request. Over a period of five years, the proposal will save approximately \$149,000 in costs that would currently go to a private vendor. Under the request, SCSi schools will retain those savings.

Analysis: Current law (Section 22-30.5-513 (4) (a) (I), C.R.S.) authorizes the Department to withhold up to 1.0 percent of CSI funding as reimbursement for the “reasonable and necessary costs to the department to implement” the CSI statutes. The “Department Implementation of Section 22-30.5-501 et seq., C.R.S.” line item provides the Department’s spending authority for the funds withheld for the Department’s support of CSI. The request seeks an increase of \$3,496 reappropriated funds to allow the SCSi to pay the Department for server hosting services currently provided by a private vendor.

The SCSi is currently paying approximately \$40,000 per year to a private vendor to host a variety of programs that SCSi schools use to report and track student data (including attendance, enrollment, schedules, grades, and demographic information), school financial and payroll information, and a secure file transfer system used to transmit student data between the SCSi and SCSi schools.

Under the request, the SCSi would: (1) purchase server equipment, with a one-time cost of approximately \$33,500 in FY 2015-16 (using the SCSi’s continuously appropriated funds); and (2) pay the Department \$3,496 per year for software hosting services using the equipment purchased by SCSi. According to the Department, the SCSi anticipates a need to replace the server equipment every five years. In the future (e.g., in five years), the Department would likely build the server purchase into its information technology budget, using the SCSi administration funds.

As shown in the following table, in FY 2015-16 (including the \$33,500 in equipment purchases by CSI) the proposal would “save” approximately \$3,000 to be retained by CSI schools. However, for the next four years, the proposal would save approximately \$36,500 per year, for a total savings (retained by CSI schools) of roughly \$149,000 over a five-year period. Staff recommends approving the request.

BA4 - CSI Server Hosting Five-Year Cost Estimates						
	FY 2015- 16	FY 2016- 17	FY 2017- 18	FY 2018- 19	FY 2019- 20	Total 5- year Cost
Annual Cost with Private Vendor	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$200,000
Department Proposal (BA4)*	36,996	3,496	3,496	3,496	3,496	50,980
Amount Retained by CSI Schools	\$3,004	\$36,504	\$36,504	\$36,504	\$36,504	\$149,020

* FY 2015-16 costs include \$33,500 for equipment purchases by CSI that is not included in the request.

(A) ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS

State Board of Education

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

Request: The Department requests a continuation appropriation of \$307,789 General Fund and 2.0 FTE, calculated according to OSPB's common policies (annualizing FY 2014-15 salary survey and merit pay).

Recommendation: Staff recommends the request, which aligns with the Committee's common policies.

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. This line item supports both personal services and operating expenses. The source of cash funds for this line item is general education development (GED) program fees. Sources of reappropriated funds include indirect cost recoveries and transfers from various cash- and federally-funded line items in other sections of the budget.

Request: The Department requests an appropriation of \$4,231,938 total funds and 34.6 FTE, including the following changes from the FY 2014-15 appropriation:

- An increase of \$144,463 total funds to annualize FY 2014-15 salary survey and merit pay; and
- An increase of \$86,175 reappropriated funds (from indirect cost recoveries) associated with Budget Amendment 1 (Security Desk and Measures, discussed below).

Recommendation: Staff recommends approving an appropriation of \$4,218,680 total funds (including \$1,763,782 General Fund) and 34.6 FTE. The recommendation includes the requested increase of \$86,175 reappropriated funds to improve security at the Department's headquarters building (BA1, discussed above). The recommendation is \$13,258 General Fund below the request because staff recommends reflecting that amount in the Leased Space line item as part of the consolidation of leased space appropriations in FY 2015-16.

Staff also recommends continuing the increased appropriation from indirect cost recoveries first enacted in FY 2011-12, which will result in a commensurate reduction in the General Fund portion of the appropriation. 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.⁶ The following table details the components of the recommended change from the FY 2014-15 appropriation.

Management and Administration, Administration and Centrally-Appropriated Line Items, General Department and Program Administration					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	<u>\$4,001,300</u>	<u>\$1,715,093</u>	<u>\$171,853</u>	<u>\$2,114,354</u>	<u>34.6</u>
TOTAL	\$4,001,300	\$1,715,093	\$171,853	\$2,114,354	34.6
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$4,001,300	\$1,715,093	\$171,853	\$2,114,354	34.6
Annualize salary survey and merit pay	144,463	61,947	3,237	79,279	0.0
BA1 Security desk and measures	86,175	0	0	86,175	0.0
Leased space consolidation	<u>(13,258)</u>	<u>(13,258)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,218,680	\$1,763,782	\$175,090	\$2,279,808	34.6
Increase/(Decrease)	\$217,380	\$48,689	\$3,237	\$165,454	0.0
Percentage Change	5.4%	2.8%	1.9%	7.8%	0.0%
FY 2015-16 Executive Request:	\$4,231,938	\$1,777,040	\$175,090	\$2,279,808	34.6
Request Above/(Below)					
Recommendation	\$13,258	\$13,258	\$0	\$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., continuously appropriates funds in the Educator Licensure Cash Fund to the Department for a four year period (FY 2011-

⁶ These centrally appropriated line items include the following: Health, Life, and Dental; Short-term Disability; AED; SAED; Workers’ Compensation; Payment to Risk Management and Property Funds; and Capitol Complex Leased Space.

12 through FY 2014-15). Thus, under current law, the Educator Licensure Cash Fund will be subject to legislative appropriation in FY 2015-16. If enacted, S.B. 15-111 (a JBC bill) will extend the continuous appropriation for three additional years, through FY 2017-18.

Request: The Department requests a continuation appropriation of \$2,802,445 cash funds (from the Educator Licensure Cash Fund) and 25.0 FTE for FY 2015-16, annualizing the FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends approving an appropriation of \$2,723,133 cash funds and 25.0 FTE. The recommendation is \$79,312 below the request because staff recommends reflecting that amount in the Leased Space line item as part of the consolidation of leased space appropriations in FY 2015-16. The following table shows the recommended changes from the FY 2014-15 appropriation. Please note that if S.B. 15-111 is enacted prior to the introduction of the Long Bill then this appropriation will be shown in the Long Bill for informational purposes only.

Management and Administration, Administration and Centrally-Appropriated Line Items, Office of Professional Services				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$2,748,802</u>	<u>\$0</u>	<u>\$2,748,802</u>	<u>25.0</u>
TOTAL	\$2,748,802	\$0	\$2,748,802	25.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$2,748,802	\$0	\$2,748,802	25.0
Annualize salary survey and merit pay	53,643	0	53,643	0.0
Leased space consolidation	<u>(79,312)</u>	<u>0</u>	<u>(79,312)</u>	<u>0.0</u>
TOTAL	\$2,723,133	\$0	\$2,723,133	25.0
Increase/(Decrease)	(\$25,669)	\$0	(\$25,669)	0.0
Percentage Change	(0.9%)	0.0%	(0.9%)	0.0%
FY 2015-16 Executive Request:	\$2,802,445	\$0	\$2,802,445	25.0
Request Above/(Below)				
Recommendation	\$79,312	\$0	\$79,312	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, and it 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. The act 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.

Request: The Department requests a continuation appropriation of \$399,932 total funds (including \$47,659 General Fund and \$352,273 cash funds from the State Education Fund) and 3.3 FTE, calculated according to OSPB’s common policies (annualizing FY 2014-15 salary survey and merit pay).

Recommendation: Staff recommends approving an appropriation of \$352,273 cash funds from the State Education Fund. The recommendation eliminates the \$47,659 General Fund appropriated in H.B. 14-1382 (K-12 On-line Education) for FY 2014-15 because that was a one-time appropriation. The Department concurs with the recommended General Fund reduction. The following table details the components of the recommended change from the FY 2014-15 appropriation.

Management and Administration, Administration and Centrally-Appropriated Line Items, Division of On-line Learning				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$344,383	\$0	\$344,383	3.3
Other Legislation	<u>47,659</u>	<u>47,659</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$392,042	\$47,659	\$344,383	3.3
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$392,042	\$47,659	\$344,383	3.3
Annualize salary survey and merit pay	7,890	0	7,890	0.0
Annualize prior year legislation	<u>(47,659)</u>	<u>(47,659)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$352,273	\$0	\$352,273	3.3
Increase/(Decrease)	(\$39,769)	(\$47,659)	\$7,890	0.0
Percentage Change	(10.1%)	(100.0%)	2.3%	0.0%
FY 2015-16 Executive Request:	\$399,932	\$47,659	\$352,273	3.3
Request Above/(Below) Recommendation	\$47,659	\$47,659	\$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.

Request: The Department requests \$5,718,080 (including \$1,715,157 General Fund) for FY 2015-16, based on OSPB’s common policy for health, life and dental insurance.

Recommendation: Consistent with Committee policy, staff recommends approving an appropriation of \$4,740,929 total funds (including \$1,700,148 General Fund).

Short-term Disability

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

Request: The Department requests \$88,073 (including \$26,369 General Fund) for FY 2015-16, based on OSPB's common policy for short-term disability insurance.

Recommendation: Staff recommends approving an appropriation of \$88,638 total funds. The staff recommendation includes the following adjustments to the request:

- The recommendation adjusts the specific fund sources supporting the appropriation based on the enactment of S.B. 15-108 (Direct Appropriations for CDE Programs) to eliminate unnecessary fund sources.
- The recommendation includes an increase of \$565 General Fund associated with 10-day extension of the Colorado School of the Deaf and the Blind school year proposed in request R5 (CSDB Strategic Plan Implementation, discussed in the Colorado School for the Deaf and the Blind section of this document).

The following table details the components of the recommended change from the FY 2014-15 appropriation.

Management and Administration, Administration and Centrally-Appropriated Line Items, Short-term Disability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	<u>\$84,446</u>	<u>\$25,289</u>	<u>\$10,760</u>	<u>\$9,434</u>	<u>\$38,963</u>	<u>0.0</u>
TOTAL	\$84,446	\$25,289	\$10,760	\$9,434	\$38,963	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$84,446	\$25,289	\$10,760	\$9,434	\$38,963	0.0
Centrally appropriated line item adjustments	3,627	1,080	1,053	769	725	0.0
R5 CSDB strategic plan implementation	565	565	0	0	0	0.0
Eliminate dual appropriations (SB 15-108)	<u>0</u>	<u>123</u>	<u>136</u>	<u>(259)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$88,638	\$27,057	\$11,949	\$9,944	\$39,688	0.0
Increase/(Decrease)	\$4,192	\$1,768	\$1,189	\$510	\$725	0.0
Percentage Change	5.0%	7.0%	11.1%	5.4%	1.9%	0.0%
FY 2015-16 Executive Request:	\$88,073	\$26,369	\$11,813	\$10,203	\$39,688	0.0
Request Above/(Below) Recommendation	(\$565)	(\$688)	(\$136)	\$259	\$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).

Request: The Department requests \$1,886,396 (including \$567,889 General Fund) for FY 2015-16, based on OSPB's common policies.

Recommendation: Staff recommends approving and appropriation of \$1,897,700 total funds. The staff recommendation includes the following adjustments to the request:

- The recommendation adjusts the specific fund sources supporting the appropriation based on the enactment of S.B. 15-108 (Direct Appropriations for CDE Programs) to eliminate unnecessary fund sources.
- The recommendation includes an increase of \$11,304 General Fund associated with 10-day extension of the Colorado School of the Deaf and the Blind school year proposed in request R5 (CSDB Strategic Plan Implementation, discussed in the Colorado School for the Deaf and the Blind section of this document).

The following table details the components of the recommended change from the FY 2014-15 appropriation.

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 2014-15 Appropriation						
HB 14-1336 (Long Bill)	<u>\$1,732,464</u>	<u>\$521,864</u>	<u>\$220,397</u>	<u>\$193,166</u>	<u>\$797,037</u>	<u>0.0</u>
TOTAL	\$1,732,464	\$521,864	\$220,397	\$193,166	\$797,037	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$1,732,464	\$521,864	\$220,397	\$193,166	\$797,037	0.0
Centrally appropriated line item adjustments	153,932	46,025	32,073	24,926	50,908	0.0
R5 CSDB strategic plan implementation	11,304	11,304	0	0	0	0.0
Eliminate dual appropriations (SB 15-108)	<u>0</u>	<u>2,618</u>	<u>2,917</u>	<u>(5,535)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,897,700	\$581,811	\$255,387	\$212,557	\$847,945	0.0
Increase/(Decrease)	\$165,236	\$59,947	\$34,990	\$19,391	\$50,908	0.0
Percentage Change	9.5%	11.5%	15.9%	10.0%	6.4%	0.0%
FY 2015-16 Executive Request:	\$1,886,396	\$567,889	\$252,470	\$218,092	\$847,945	0.0
Request Above/(Below) Recommendation	(\$11,304)	(\$13,922)	(\$2,917)	\$5,535	\$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 to the Public Employees' Retirement Association (PERA).

Request: The Department requests \$1,822,085 (including \$548,529 General Fund) for FY 2015-16, based on OSPB's common policies.

Recommendation: Consistent with Committee policy, staff recommends approving and appropriation of \$1,833,003 total funds. The staff recommendation includes the following adjustments to the request:

- The recommendation adjusts the specific fund sources supporting the appropriation based on the enactment of S.B. 15-108 (Direct Appropriations for CDE Programs) to eliminate unnecessary fund sources.
- The recommendation includes an increase of \$10,918 General Fund associated with 10-day extension of the Colorado School of the Deaf and the Blind school year proposed in request R5 (CSDB Strategic Plan Implementation, discussed in the Colorado School for the Deaf and the Blind section of this document).

The following table details the components of the recommended change from the FY 2014-15 appropriation.

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 2014-15 Appropriation						
HB 14-1336 (Long Bill)	<u>\$1,624,185</u>	<u>\$489,247</u>	<u>\$206,622</u>	<u>\$181,094</u>	<u>\$747,222</u>	<u>0.0</u>
TOTAL	\$1,624,185	\$489,247	\$206,622	\$181,094	\$747,222	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$1,624,185	\$489,247	\$206,622	\$181,094	\$747,222	0.0
Centrally appropriated line item adjustments	197,900	59,282	37,240	29,563	71,815	0.0
R5 CSDB strategic plan implementation	10,918	10,918	0	0	0	0.0
Eliminate dual appropriations (SB 15-108)	<u>0</u>	<u>2,529</u>	<u>2,818</u>	<u>(5,347)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,833,003	\$561,976	\$246,680	\$205,310	\$819,037	0.0
Increase/(Decrease)	\$208,818	\$72,729	\$40,058	\$24,216	\$71,815	0.0
Percentage Change	12.9%	14.9%	19.4%	13.4%	9.6%	0.0%
FY 2015-16 Executive Request:	\$1,822,085	\$548,529	\$243,862	\$210,657	\$819,037	0.0
Request Above/(Below) Recommendation	(\$10,918)	(\$13,447)	(\$2,818)	\$5,347	\$0	0.0

Salary Survey

The Department uses this line item to pay for annual increases for salary survey and senior executive service positions.

Request: The Department requests \$468,386 (including \$140,238 General Fund) for FY 2015-16, based on OSPB's common policies.

Recommendation: Consistent with Committee policy, staff recommends approving the request for \$468,386 total funds (including \$140,890 General Fund). The recommendation adjusts the specific fund sources supporting the appropriation based on the enactment of S.B. 15-108 (Direct Appropriations for CDE Programs) to eliminate unnecessary fund sources.

Merit Pay

This line item funds pay increases relating to employee performance evaluations

Request: The Department requests \$428,311 (including \$129,223 General Fund) for FY 2015-16, based on OSPB's common policies.

Recommendation: Consistent with Committee policy, staff recommends approving the request for \$428,311 total funds. The recommendation adjusts the specific fund sources supporting the appropriation based on the enactment of S.B. 15-108 (Direct Appropriations for CDE Programs) to eliminate unnecessary fund sources.

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.

Request: The Department requests \$430,177 (including \$173,425 General Fund) for FY 2015-16, based on OSPB's common policies.

Recommendation: Pursuant to the Committee's common policies, staff recommends an appropriation of \$435,201 total funds (including \$166,333 General Fund).

Legal Services

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

Request: The Department requests \$446,292 (including \$253,385 General Fund) to purchase 6,071 hours of legal services in FY 2015-16. The request includes an increase of \$115,908 cash funds from the Educator Licensure Cash Fund to purchase an additional 1,171 hours of legal services for the Office of Professional Services in FY 2015-16 (BA2, discussed above).

Recommendation: Staff recommends approving funding sufficient to purchase 6,071 hours of legal services, as requested, including an increase to support 1,171 additional hours for the

Office of Professional Services (BA2, discussed above). The dollar amount of staff's recommendation is pending the determination of the hourly rate for legal services.

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.

Request: The Department requests \$178,438 for FY 2015-16. Consistent with appropriations from prior years, the request includes no General Fund.

Recommendation: Consistent with the Committee's common policies, staff recommends an appropriation of \$177,671 total funds (including \$147,004 cash funds and \$30,667 reappropriated funds).

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.

Request: The Department requests \$67,845 General Fund for FY 2015-16 based on OSPB's common policies.

Recommendation: Consistent with the Committee's common policies, staff recommends an appropriation of \$79,031 General Fund.

LEASED SPACE (New Line Item Recommended)

Staff recommends creating a new line item to support all of the Department's appropriations for the purchase of leased space outside of the Capitol Complex. The Department's current appropriation includes leased space funding in programmatic line items throughout the Department's budget, limiting the transparency of appropriations purchasing leased space.

Request: The Department did not request the creation of a Leased Space line item but does support staff's recommendation to create the line item for FY 2015-16.

Recommendation: As discussed above, staff recommends: (1) creating the proposed line item; (2) approving an appropriation of \$996,511 total funds (including \$64,198 General Fund) for FY 2015-16; and (3) reducing the appropriations to the majority of line items currently supporting leased space purchases and moving those appropriations to the proposed line item. Staff worked with the Department to develop the recommendation, and the Department concurs with the recommendation.

Capitol Complex Leased Space

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

Request: The Department requests \$818,280 (including \$180,785 General Fund) for FY 2015-16 based on OSPB's common policies.

Recommendation: Consistent with the Committee's common policies, staff recommends an appropriation of \$749,258 total funds (including \$165,536 General Fund).

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." All publishing costs are to be paid out of the State Public School Fund. 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.

Request: The Department requests a continuation appropriation of \$35,480 cash funds from the State Public School Fund for FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request.

(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 Department was required to prepare and distribute hard copies of each school's SAR, and to establish and maintain a web site that provides access to each school's SARs.

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

Request: The Department requests an appropriation of \$4,010,932 total funds (including \$3,384,893 General Fund) and 28.2 FTE for FY 2015-16. The request includes the following changes to annualize appropriations provided in FY 2014-15: (1) an increase of \$97,948 General Fund and 0.4 FTE associated with FY 2014-15 R3 (Core Network and IT Refresh); (2) an increase of \$79,811 total funds (including \$78,866 General Fund) for the FY 2014-15 salary survey and merit pay; and a decrease of \$126,360 General Fund to annualize H.B. 14-1376 (Student Opportunity Gaps).

Recommendation: Staff recommends approving the request, which is consistent with Committee policy. The following table shows the recommended changes from the FY 2014-15 appropriation.

Management and Administration, Information Technology, Information Technology Services				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$3,815,317	\$3,190,223	\$625,094	27.6
Other Legislation	<u>144,216</u>	<u>144,216</u>	<u>0</u>	<u>0.2</u>
TOTAL	\$3,959,533	\$3,334,439	\$625,094	27.8
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$3,959,533	\$3,334,439	\$625,094	27.8
Annualize prior year budget actions	177,759	176,814	945	0.4
Annualize prior year legislation	<u>(126,360)</u>	<u>(126,360)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,010,932	\$3,384,893	\$626,039	28.2
Increase/(Decrease)	\$51,399	\$50,454	\$945	0.4
Percentage Change	1.3%	1.5%	0.2%	1.4%
FY 2015-16 Executive Request:	\$4,010,932	\$3,384,893	\$626,039	28.2
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Purchase of Services from Computer Center

This item provides funding for the Department's share of statewide computer services provided by the Department of Personnel and Administration, Division of Information Technology. In FY 2014-15, this line item was consolidated into the Payments to OIT line item. As a result, the line item is no longer necessary.

Multiuse Network Payments

Prior to FY 2014-15, this line item paid the Department's share of costs for the statewide multi-use network. In FY 2014-15, this line item was consolidated into the Payments to OIT line item. As a result, the line item is no longer necessary.

CORE Operations (previously COFRS Modernization)

This line item funds a project to replace the statewide accounting system (COFRS) used by the State Controller to record all state revenues and expenditures.

Request: The Department requests an appropriation of \$207,706 total funds (including \$78,863 General Fund) for FY 2015-16, based on OSPB's common policies.

Recommendation: Staff recommends approving the request, as previously approved by the Committee when the common policy for CORE Operations was established.

Information Technology Security

This line item was added during the FY 2013-14 budget cycle for the Governor’s Office of Information Technology (OIT) to address the State’s most pressing cyber security needs. In FY 2014-15, this line item was consolidated into the Payments to OIT line item. As a result, the line item is no longer necessary.

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. Moneys are 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).

Request: The Department requests an appropriation of \$862,146 General Fund in FY 2015-16, including a reduction of \$1,422,034 General Fund to eliminate one-time funding provided for the purchase of equipment associated with FY 2014-15 R3 (Core Network and IT Refresh).

Recommendation: Staff recommends approving the request. The following table details the components of the staff recommendation.

Management and Administration, Information Technology, Information Technology Asset Maintenance			
	Total Funds	General Fund	FTE
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	<u>\$2,284,180</u>	<u>\$2,284,180</u>	<u>0.0</u>
TOTAL	\$2,284,180	\$2,284,180	0.0
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$2,284,180	\$2,284,180	0.0
Annualize prior year budget actions	<u>(1,422,034)</u>	<u>(1,422,034)</u>	<u>0.0</u>
TOTAL	\$862,146	\$862,146	0.0
Increase/(Decrease)	(\$1,422,034)	(\$1,422,034)	0.0
Percentage Change	(62.3%)	(62.3%)	0.0%
FY 2015-16 Executive Request:	\$862,146	\$862,146	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

Disaster Recovery

This line item provides funding for the equipment, disks, and tapes necessary to implement a disaster recovery plan. Funding is currently used for: equipment and supplies; offsite tape rotation; and server lease payments.

Request: The Department requests continuation funding (\$19,722 General Fund) for FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request.

Payments to OIT

This line item, created in FY 2014-15, supports various payments to the Governor’s Office of Information Technology (OIT) for services provided to the Department. The line item includes funds previously appropriated to a variety of line items associated with OIT.

Request: The Department requests an appropriation of \$593,493 General Fund based on OSPB’s common policies.

Recommendation: Staff’s recommendation for this line item is pending Committee policy for these services. Staff will ultimately reflect Committee policy in the appropriation for this line item.

(C) ASSESSMENTS AND DATA ANALYSES

Background Information: Pursuant to H.B. 93-1313 and subsequent legislation [Section 22-7-409, C.R.S.], 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, 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. In the current school year, the Department will administer all 24 assessments currently required by statute, as well as the ACT.

Please note that the federal *No Child Left Behind Act*, passed by Congress in December 2001, required Colorado to implement four new assessments: mathematics assessments for third and fourth grade students; a science assessment for third, fourth or fifth grade students (Colorado chose fifth grade); and a science assessment for tenth, eleventh, or twelfth grade students (Colorado chose tenth grade). 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 the following activities:

- 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; and
- 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 and adopted by 43 states (and the District of Columbia) thus far (an additional three states adopted and then withdrew from the standards). However, Colorado's standards also go beyond the Common Core by including: (1) additional content areas beyond English language arts and mathematics; and (2) additional expectations within each content area that is covered by the Common Core.

The adoption of new standards requires the development of new assessments to measure students' knowledge relative to the new standards. Section 22-7-1006 (1) (a), C.R.S., requires 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 is no longer administering 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 is moving forward with new set of assessments in FY 2013-14 and FY 2014-15. The Department has titled the new assessments the Colorado Measures of Academic Success (CMAS).

- Beginning in FY 2013-14, Colorado is administering new science and social studies assessments. The science assessment replaces the TCAP, and the new social studies assessment represents the State's first statewide standardized assessment in social studies. The General Assembly appropriated funding for the development of the assessments in FY 2012-13, and the Department administered the tests statewide for the first time in FY 2013-14.

- Beginning in FY 2014-15, Colorado is 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 appropriated \$2.0 million cash funds from the State Education Fund for FY 2013-14 to develop items specific to the Colorado standards to augment the PARCC assessments. The Department’s FY 2013-14 supplemental appropriation bill (H.B. 14-1234) allows the Department to spend those funds over two years (through FY 2014-15), and the Department intends to administer the items specific to Colorado with the consortium-based assessments in Spring 2015.

The following table shows the planned assessments for FY 2014-15 (and FY 2015-16) by grade level based on current law.

FY 2014-15 Statewide Assessment Schedule			
Grade	Colorado Measures of Academic Success*	Federal Requirements	Existing/Planned Assessments <u>Not</u> Required by Federal Law
3	English language arts math	reading/language arts math	
4	English language arts math social studies	reading/language arts math	social studies
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	reading/language arts math	social studies
8	English language arts math science	reading/language arts math	social studies
9	English language arts math		English language arts math
10	English language arts math	reading/language arts and math (each once in high school)	
11	English language arts math ACT		English language arts math ACT
12	science social studies	science (in grades 10, 11, or 12)	social studies

FY 2014-15 Statewide Assessment Schedule

Grade	Colorado Measures of Academic Success*	Federal Requirements	Existing/Planned Assessments <u>Not</u> Required by Federal Law
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*The Department also administers alternate assessments for children with disabilities who are unable to participate in the CMAS, even with accommodations. Alternate assessments are administered in the same grades and subjects as the CMAS. An alternate assessment is also administered to 11th grade students in reading, writing, math, and science. The Department utilizes federal special education funding (IDEA Part B) to pay for the development and administration of alternate assessments outside of social studies.

Colorado Student Assessment Program

This line item provides funding for the staff, operating expenses, and contract expenses associated with the standardized assessments, including the PARCC assessments in mathematics and English language arts (beginning in FY 2014-15), the state-specific science and social studies assessments, English proficiency assessments, Spanish language arts assessments, and the ACT.

Request: The Department’s FY 2015-16 request for this line item totals \$36,838,079 (including \$29,073,999 cash funds from the State Education Fund and \$7,764,080 federal funds) and 11.8 FTE. The request represents a continuation appropriation, annualizing the FY 2014-15 salary survey and merit pay. The Department is not requesting a change to the assessment system in FY 2015-16.

Recommendation: Based on updated information from the Department, staff recommends a total appropriation of \$36,271,577 and 11.8 FTE for this line item, including \$28,316,099 cash funds from the State Education Fund and \$7,955,478 federal funds. Staff’s recommendation for this line item is \$566,502 total funds below the Department’s total request because of the following changes based on information that was not available to the Department at the time of the November 1, 2015 request:

- An increase of \$194,761 federal funds to reflect additional CMAS math and English language arts assessments to be covered with federal funds.
- A decrease of \$803,733 total funds (including \$772,623 cash funds from the State Education Fund and \$31,110 federal funds) based on updated information regarding the costs of administering the Spanish Language Arts assessment.

The following table shows the recommended changes from the FY 2014-15 appropriation.

Management and Administration, Assessments and Data Analyses, Colorado Student Assessment Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$36,771,010	\$0	\$29,058,189	\$0	\$7,712,821	11.8
TOTAL	\$36,771,010	\$0	\$29,058,189	\$0	\$7,712,821	11.8

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

Management and Administration, Assessments and Data Analyses, Colorado Student Assessment Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$36,771,010	\$0	\$29,058,189	\$0	\$7,712,821	11.8
Annualize prior year budget actions	67,069	0	15,810	0	51,259	0.0
Assessment cost adjustments	<u>(566,502)</u>	<u>0</u>	<u>(757,900)</u>	<u>0</u>	<u>191,398</u>	<u>0.0</u>
TOTAL	\$36,271,577	\$0	\$28,316,099	\$0	\$7,955,478	11.8
Increase/(Decrease)	(\$499,433)	\$0	(\$742,090)	\$0	\$242,657	0.0
Percentage Change	(1.4%)	0.0%	(2.6%)	0.0%	3.1%	0.0%
FY 2015-16 Executive Request:	\$36,838,079	\$0	\$29,073,999	\$0	\$7,764,080	11.8
Request Above/(Below) Recommendation	\$566,502	\$0	\$757,900	\$0	(\$191,398)	0.0

Below is detailed discussion of the recommended total appropriation for this line item.

Overview of Line Item Recommendation

The following table provides an overview of the existing FY 2014-15 appropriation and staff's recommendation for FY 2015-16. The sections following the table provide additional detail for each component shown in the overview.

Summary of FY 2015-16 Request for CSAP Line Item			
Description	FY 2014-15 Appropriation	FY 2015-16 Request	Annual Change
<u>I. CMAS:</u> Contract for developing, scoring, and reporting CMAS (not including alternate assessments) - math and English.	<u>\$19,012,088</u>	<u>\$19,206,849</u>	<u>\$194,761</u>
Cash Funds - State Education Fund	16,854,070	16,854,070	0
Federal Funds	2,158,018	2,352,779	194,761
<u>II. Alternate Math and English Assessments:</u> Contract for developing, scoring, and reporting Alternate CMAS in FY 2014-15.	<u>\$1,033,000</u>	<u>\$1,033,000</u>	<u>\$0</u>
Federal Funds	1,033,000	1,033,000	0
<u>III. Science and Social Studies:</u> Contract for developing, scoring, and reporting science and social studies assessments	<u>\$6,087,908</u>	<u>\$6,087,908</u>	<u>\$0</u>
Cash Funds - State Education Fund	5,208,292	5,208,292	0
Federal Funds	879,616	879,616	0
<u>IV. Alternate Science and Social Studies:</u> Contract to develop, score, and report Alternate assessments for science and social studies.	<u>\$1,792,372</u>	<u>\$1,792,372</u>	<u>\$0</u>
Cash Funds - State Education Fund	983,600	983,600	0
Federal Funds	808,772	808,772	0
<u>V. English Language Proficiency:</u> Contract for developing, scoring, and reporting the Colorado English Language Assessment (ACCESS)	<u>\$2,949,175</u>	<u>\$2,991,645</u>	<u>\$42,470</u>
Cash Funds - State Education Fund	1,022,357	1,037,080	14,723

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

Summary of FY 2015-16 Request for CSAP Line Item			
Description	FY 2014-15 Appropriation	FY 2015-16 Request	Annual Change
Federal Funds	1,926,818	1,954,565	27,747
VI. ACT: ACT test for 11th grade students - Cash Funds (State Education Fund)	\$2,146,000	\$2,146,000	0
VII. Spanish Language Arts:	<u>\$2,333,890</u>	<u>\$1,530,157</u>	<u>(\$803,733)</u>
Cash Funds - State Education Fund	2,302,780	1,530,157	(772,623)
Federal Funds	31,110	0	(31,110)
VIII. Administration: Staff and operating expenses	\$1,416,577	\$1,483,646	\$67,069
FTE	<u>11.8</u>	<u>11.8</u>	<u>0</u>
Cash Funds - State Education Fund	541,090	556,900	15,810
Federal Funds	875,487	926,746	51,259
Total	\$36,771,010	\$36,271,577	(\$499,433)
FTE	<u>11.8</u>	<u>11.8</u>	<u>0.0</u>
Cash Funds - State Education Fund	29,058,189	28,316,099	(742,090)
Federal Funds	7,712,821	7,955,478	242,657

I. English Language Arts and Mathematics – Contract for development, scoring, and reporting related to the CMAS in mathematics and English language arts in FY 2014-15 and FY 2015-16

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 2015-16 reflect the Department’s estimates of costs for the CMAS (based on information from PARCC). The following table details the basis for the FY 2015-16 recommendation.

Math and English Language Arts Test Administration Costs					
Grade	Bimodal N Count		Paper N Count High School Mathematics	CBT N Count High School ELA	TOTAL COST
	Bimodal N Count Grade Level ELA/Math \$32.97/test	Grade Level ELA/ High School Math \$33.94/test			
3	63,830				\$2,104,475
4	63,346				2,088,518
5	63,620				2,097,551
6	62,483				2,060,065
7	59,170	3,114			2,056,524
8	52,100	9,194			2,029,781
9			62,772	62,772	2,186,976
10			60,456	60,456	2,106,287
11			20,404	54,512	1,286,277
12					
Total Test Cost	364,549	12,308	143,632	177,740	\$18,016,455

Math and English Language Arts Test Administration Costs					
	Bimodal N Count	Bimodal N Count Grade Level	Paper N Count High School	CBT N Count High School	
Grade	Level ELA/Math \$32.97/test	ELA/ High School Math \$33.94/test	Mathematics \$17.97/test	ELA \$16.87/test	TOTAL COST
Additional Costs Associated with Mathematics and English Language Arts					
			Regional Trainings		\$81,200
			Project management		\$554,597
			Electronic School/District Reports		\$554,597
			GRAND TOTAL		\$19,206,849

Note: In FY 2015-16 all mathematics assessments may be administered on paper (district discretion) while English language arts tests will generally be administered on electronic devices, except for third grade assessments which may be paper based.

Recommendation I. English Language Arts and Mathematics: As detailed in the above table, staff recommends providing \$19,206,849 total funds to cover the costs of mathematics and English language arts administration in FY 2015-16, including \$16,854,070 cash funds from the State Education Fund and \$2,352,779 federal funds. Section 22-7-409 (3), C.R.S., states that, “for the fiscal year 1998-99 and for fiscal years thereafter, the general assembly shall appropriate moneys in the annual general appropriation act to the department to fund the Colorado student assessment program.” However, consistent with the General Assembly’s appropriations since FY 2002-03, staff recommends including a portion of the federal funding made available through the *No Child Left Behind Act* in this line item, with the balance of the appropriation coming from state 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 significant cognitive disabilities

This component supports a contract with Pearson for the administration of alternate English language arts and math assessments.

Summary of Costs for Alternate English Language Arts and Math			
Description	FY 2014-15 Appropriation	FY 2015-16 Estimate	Annual Change
Totals Alternate Assessments	\$1,033,000	\$1,033,000	\$0
Federal Funds (Assessment & IDEA B)	1,033,000	1,033,000	0

Recommendation II. Alternate English Language Arts and Math: As shown in the table above, staff recommends appropriating a total of \$1,033,000 federal funds in FY 2015-16 for the development and administration of alternate English language arts and mathematics assessments for students with significant cognitive disabilities. The recommendation is unchanged from the FY 2014-15 appropriation.

III. Science and Social Studies – Contract with Pearson for New Science and Social Studies Assessments

This component supports a contract with Pearson for the ongoing development and administration of the new Colorado-specific science and social studies assessments.

Summary of Costs Associated with Pearson Contract for Science and Social Studies			
Description	FY 2014-15 Appropriation	FY 2015-16 Estimate	Annual Change
Content Development	\$1,101,440	\$1,101,440	\$0
Ancillary Development	122,382	122,382	0
Program Management	723,220	723,220	0
Information Technology	48,959	48,959	0
Psychometrics	222,997	222,997	0
Quality Assurance	143,369	143,369	0
Test Delivery System	512,389	512,389	0
Product_Mg._Dist	270,666	270,666	0
Receiving/Scanning/Editing	56,240	56,240	0
Reporting	517,230	517,230	0
Scoring	2,065,405	2,065,405	0
Travel and Meetings	<u>303,611</u>	<u>303,611</u>	<u>0</u>
Total Cost	\$6,087,908	\$6,087,908	\$0
Cash funds - State Education Fund	5,208,292	5,208,292	0
Federal Funds (Assessment & IDEA B)	879,616	879,616	0

Recommendation III. Science and Social Studies: As detailed in the table above, staff recommends appropriating a total of \$6,087,908 for the ongoing development and administration of science and social studies assessments in FY 2015-16, including \$5,208,292 cash funds from the State Education Fund and \$879,616 federal funds. The recommendation is unchanged from the FY 2014-15 appropriation.

IV. Alternate Science and Social Studies – Contract with Pearson to develop, score, and report alternate science and social studies assessments for students with significant cognitive disabilities

This component supports a contract with Pearson for alternate science and social studies assessments for students with significant cognitive disabilities.

Summary of Costs Associated with Pearson Contract for Alternate Science and Social Studies			
Description	FY 2014-15 Appropriation	FY 2015-16 Estimate	Annual Change
Content Development	\$74,515	\$74,515	\$0
Ancillary Development	4,756	4,756	0

Summary of Costs Associated with Pearson Contract for Alternate Science and Social Studies			
Description	FY 2014-15 Appropriation	FY 2015-16 Estimate	Annual Change
Program Management	390,305	390,305	0
Information Technology	273,830	273,830	0
Psychometrics	127,937	127,937	0
Quality Assurance	73,077	73,077	0
Test Delivery System	232,859	232,859	0
Product_Mg._Dist	109,995	109,995	0
Receiving/Scanning/Editing	2,136	2,136	0
Reporting	236,513	236,513	0
Scoring	0	0	0
Travel and Meetings	<u>266,449</u>	<u>266,449</u>	<u>0</u>
Totals Alternate Assessments	\$1,792,372	\$1,792,372	0
Cash funds - State Education Fund	983,600	983,600	0
Federal Funds (Assessment & IDEA B)	808,772	808,772	0

Recommendation IV. Alternate Science and Social Studies: As detailed in the table above, staff recommends appropriating a total of \$1,792,372 for the development and administration of alternate science and social studies assessments for students with significant cognitive disabilities in FY 2015-16, including \$983,600 cash funds from the State Education Fund and \$802,772 federal funds, with no change from the FY 2014-15 appropriation.

V. English Language Proficiency (ACCESS)

The above contracts with CTB - McGraw Hill and Pearson do not include funding for the Colorado English Language Assessment (ACCESS). The federal *No Child Left Behind Act* requires Colorado to administer a single, statewide assessment to determine the English language proficiency level of English language learners. The State is required to administer 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 assessment 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 language proficiency" (NEP), or "limited English language 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 existing FY 2014-15 appropriation and staff's recommendation for FY 2015-16. Please note that the Department changed vendors for this assessment in FY 2013-14 and now contracts with the University of Wisconsin.

Summary of English Language Proficiency Costs Associated with ACCESS Contract			
(Contract with University of Wisconsin)			
Description	FY 2014-15 Appropriation	FY 2015-16 Estimate	Annual Change
<i>Estimated # of students per contract - general</i>	17,967	12,860	(5,107)
<i>Estimated # of students per contract - alternate</i>	0	1,140	1,140
Development	\$0	\$0	\$0
Printing/Distribution/Collection	1,395,360	1,415,455	20,095
Scoring	0	0	0
Ongoing Development	0	0	0
Data Analysis	0	0	0
Reporting	0	0	0
Administration (Perf. Dev. & Research)	<u>1,553,815</u>	<u>1,576,190</u>	<u>22,375</u>
Totals	\$2,949,175	\$2,991,645	\$42,470
Cash funds - State Education Fund	1,022,357	1,037,080	14,723
Federal Funds	1,926,818	1,954,565	27,747
<i>Cost per Student - general</i>	<i>\$25.00</i>	<i>\$25.75</i>	<i>\$0.75</i>
<i>Cost per Student - alternate</i>		<i>\$75.00</i>	<i>\$75.00</i>

Recommendation V. English Language Proficiency (ACCESS): As detailed in the table above, staff recommends appropriating \$2,991,645 total funds (including \$1,037,080 cash funds from the State Education Fund and \$1,954,565 federal funds) to support English language proficiency assessments in FY 2015-16.

VI. ACT - Funding for Administration of Spring 2016 ACT Test

Section 22-7-409 (1.5), C.R.S., requires all eleventh grade students in public schools to take a "standardized, curriculum-based, achievement, college entrance examination selected by the department, administered throughout the United States, and relied upon by institutions of higher education that, at a minimum, tests in the areas of reading, writing, mathematics, and science...". This same provision requires the Department to "pay all costs associated with administering the curriculum-based, achievement college entrance exam." The Department entered into a contract with ACT, Inc., following the passage of S.B. 00-186. This initial contract covered the statewide ACT tests to be administered from the Spring of 2001 through 2005. Since 2005 the Department has negotiated a contract with ACT annually.

The following table details the basis for the existing FY 2014-15 appropriation and staff's recommendation for FY 2015-16.

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

Summary of Costs Associated with ACT Contract			
Description	FY 2014-15 Approp.	FY 2015-16 Estimate	Annual Change
<i>Estimated # of students taking ACT on statewide test date</i>	<i>62,000</i>	<i>60,000</i>	<i>(2,000)</i>
Price per student (same as national rate)	<u>\$33.00</u>	<u>\$34.00</u>	<u>\$1.00</u>
Subtotal: Statewide test date	2,046,000	2,040,000	(6,000)
<i>Estimated # of students receiving voucher to take ACT on alternate test date (e.g., athletes, online students)</i>	<i>2,000</i>	<i>2,000</i>	<i>0</i>
Price per student for voucher	<u>\$35.00</u>	<u>\$37.00</u>	<u>\$2.00</u>
Subtotal: Alternate test date	70,000	74,000	4,000
Subtotal: Student testing service costs	2,116,000	2,114,000	(2,000)
Test administration training workshops and registration tracking	4,000	4,000	0
College Readiness Standards reports (@ \$80/request)	0	0	<u>\$0.00</u>
Data sent on CDs to schools (\$ 125/CD)	<u>26,000</u>	<u>28,000</u>	2,000
Subtotal: Other costs	\$30,000	\$32,000	\$2,000
Total - Cash Funds - State Education Fund	\$2,146,000	\$2,146,000	\$0

Recommendation VI. ACT: As detailed in the table above, staff recommends appropriating \$2,146,000 cash funds from the State Education Fund for the ACT contract for FY 2015-16, with no change from the FY 2015-16 appropriation.

VII. Spanish Language Arts – Support for administration of a new Spanish language arts assessment aligned with the current statewide standards

This component is supporting the development and administration of Spanish literacy assessments in FY 2014-15. Section 22-7-409 (3.5), C.R.S., requires the Department to administer Spanish literacy assessments to eligible third and fourth grade students.⁷ For eligible students, the Spanish reading and writing assessments substitute for the TCAP/CMAS English language arts assessments. Prior to FY 2014-15, this component was included in the annual contract with CTB McGraw-Hill and not broken out separately by the Department or the vendor. The General Assembly appropriated \$1.5 million cash funds for the development of a new assessment in FY 2013-14. The Department did not contract for development in FY 2013-14, and the supplemental appropriation bill (H.B. 14-1234) eliminated the appropriation for development. The FY 2014-15 appropriation includes a total of \$2.3 million to support an additional year of administration of the existing assessment *and* the development of a new

⁷ 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 2012-13, 1,287 students took these assessments, including 1,179 in grade 3 and 108 in grade 4.

assessment aligned with the current academic standards. The FY 2015-16 appropriation will only include the administration of the new assessment.

Summary of Spanish Language Arts (reading and writing)		
	FY 2014-15 Appropriation	FY 2015-16 Estimate
Development and field testing of new assessment	\$1,507,844	\$0
Administration of existing assessment	<u>826,046</u>	<u>1,530,157</u>
Total for all Assessments	\$2,333,890	\$1,530,157
Cash funds - State Education Fund	2,302,780	1,530,157
Federal Funds (Assessment & IDEA B)	31,110	0

Recommendation VII. Spanish Language Arts: As detailed in the table above, staff recommends appropriating \$1,530,157 total funds cash funds from the State Education Fund for Spanish language arts assessments in FY 2015-16.

VIII. Administration – Support for state staff that administer exams

The following table displays the personal services and operating expenses components of the Department’s administration of the statewide assessment program, including the FY 2014-15 appropriation and staff’s FY 2015-16 recommendation.

Summary of Costs Administration Portion of CSAP Line Item			
Description	FY 2014-15 Approp.	FY 2015-16 Estimate	Annual Change
Subtotal Personal Services	\$1,328,429	\$1,395,498	\$67,069
FTE	<u>11.8</u>	<u>11.8</u>	<u>0.0</u>
Cash funds - State Education Fund	499,010	514,820	15,810
Federal Funds	829,419	880,678	51,259
Subtotal: Operating Expenses	<u>\$88,148</u>	<u>\$88,148</u>	<u>\$0</u>
Cash funds - State Education Fund	42,080	42,080	0
Federal Funds	46,068	46,068	0
Total Administration Costs	\$1,416,577	\$1,483,646	\$67,069
FTE	<u>11.8</u>	<u>11.8</u>	<u>0.0</u>
Cash funds - State Education Fund	541,090	556,900	15,810
Federal Funds	875,487	926,746	51,259

Recommendation VIII. Administration: As detailed in the above table, staff recommends appropriating \$1,483,646 total funds and 11.8 FTE for expenditures related to staff who administer the assessment program in FY 2015-16. The fund sources in staff’s recommendation are based on information provided by the Department.

Federal Grant for State Assessments and Related Activities

Beginning with the FY 2002-03 Long Bill, the General Assembly has reflected federal funds anticipated to be available to Colorado annually pursuant to the federal *No Child Left Behind Act*. This funding has been provided to states to cover the costs of developing additional statewide assessments and standards as required by the federal legislation. If a state had already developed the required assessments and standards, it may use the federal funds for other activities related to ensuring that schools and local educational agencies are held accountable for results (e.g., developing challenging state academic content and student academic achievement standards and aligned assessments in academic subjects for which standards and assessments are not required by the federal legislation, ensuring the continued validity and reliability of state assessments, refining state assessments to ensure their continued alignment with the state's academic content standards and to improve the alignment of curricula and instructional materials).

Request: The Department requests continuation funding of \$2,247,224 federal funds and 5.7 FTE for FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request.

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 3.0 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 reports that it 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) appropriates \$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.

Request: The Department a continuation appropriation of \$601,465 total funds (including \$303,465 General Fund and \$298,000 cash funds from the State Education Fund) according to OSPB's common policies, annualizing FY 2014-15 salary survey and merit pay as well as FY 2014-15 request R4 (State Assessments).

Recommendation: Staff recommends approving the request.

Basic Skills Placement or Assessment

With the enactment of H.B. 12-1345, the General Assembly established a program to reimburse school districts for costs incurred in administering basic skills placement or assessment tests. The bill authorized school districts to administer the tests as frequently as desired during high school but specifies that the state will only reimburse school districts for one administration per student. The bill provided \$1.0 million cash funds from the State Education Fund in FY 2012-13

for such reimbursements. The General Assembly created this line item in the FY 2013-14 Long Bill to continue to provide funding for the program.

Request: The Department requests \$320,917 cash funds from the State Education Fund for FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving an appropriation of \$50,000 cash funds from the State Education Fund for FY 2015-16, a reduction of \$270,917 from the FY 2014-15 appropriation, to better align with actual use of the appropriation. The Department spent \$35,943 in FY 2012-13 and \$17,461 in FY 2013-14, and the Department agrees that \$50,000 will be sufficient funding for FY 2015-16. The following table shows the recommended change from the FY 2014-15 appropriation.

Management and Administration, Assessments and Data Analyses, Basic Skills Placement or Assessment Tests				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$320,917	\$0	\$320,917	0.0
TOTAL	\$320,917	\$0	\$320,917	0.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$320,917	\$0	\$320,917	0.0
Basic skills placement adjustment	(270,917)	0	(270,917)	0.0
TOTAL	\$50,000	\$0	\$50,000	0.0
Increase/(Decrease)	(\$270,917)	\$0	(\$270,917)	0.0
Percentage Change	(84.4%)	0.0%	(84.4%)	0.0%
FY 2015-16 Executive Request:	\$320,917	\$0	\$320,917	0.0
Request Above/(Below)				
Recommendation	\$270,917	\$0	\$270,917	0.0

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 implementing this bill.

Request: The Department requests a continuation appropriation of \$595,861 cash funds from the State Education Fund and 3.5 FTE for FY 2015-16 pursuant to OSPB's common policies (annualizing FY 2014-15 salary survey and merit pay and eliminating one-time funding provided in H.B. 14-1202 (Local Accountability)).

Recommendation: Staff recommends approving an appropriation of \$586,509 cash funds from the State Education Fund for FY 2015-16. The recommendation is \$9,352 below the request because staff recommends reflecting that amount in the “Leased Space” line item based on the program’s anticipated private leased space costs in FY 2015-16. The following table shows the components of the request and staff recommendation.

Management and Administration, Assessments and Data Analyses, Preschool to Postsecondary Education Alignment				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$579,323	\$0	\$579,323	3.5
Other Legislation	<u>122,750</u>	<u>122,750</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$702,073	\$122,750	\$579,323	3.5
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$702,073	\$122,750	\$579,323	3.5
Annualize salary survey and merit pay	16,538	0	16,538	0.0
Annualize prior year legislation	(122,750)	(122,750)	0	0.0
Leased space consolidation	<u>(9,352)</u>	<u>0</u>	<u>(9,352)</u>	<u>0.0</u>
TOTAL	\$586,509	\$0	\$586,509	3.5
Increase/(Decrease)	(\$115,564)	(\$122,750)	\$7,186	0.0
Percentage Change	(16.5%)	(100.0%)	1.2%	0.0%
FY 2015-16 Executive Request:	\$595,861	\$0	\$595,861	3.5
Request Above/(Below)				
Recommendation	\$9,352	\$0	\$9,352	0.0

Educator Effectiveness Unit Administration

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

Request: The Department requests an appropriation of \$1,851,010 total funds (including \$1,719,717 General Fund and \$131,293 cash funds from the State Education Fund) and 11.3 FTE. The request includes the following changes from the FY 2014-15 appropriation:

- An increase of \$1,266,535 General Fund associated with request R3 (Field Implementation Support, discussed above); and
- An increase of \$36,367 total funds to annualize FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends approving an appropriation of \$548,815 total funds (including \$422,853 General Fund and \$125,962 cash funds from the State Education Fund).

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

The recommendation is \$1,302,195 below the request because: (1) staff recommends rejecting request R3 (Field Implementation Support) on the procedural grounds discussed above; and (2) the recommendation reduces this line item by \$35,660 total funds and reflects that amount in the recommended “Leased Space” line item based on the program’s anticipated private leased space costs. The following table shows the components of the request and staff recommendation.

Management and Administration, Assessments and Data Analyses, Educator Effectiveness Unit Administration				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$548,108	\$432,718	\$115,390	4.0
TOTAL	\$548,108	\$432,718	\$115,390	4.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$548,108	\$432,718	\$115,390	4.0
Annualize salary survey and merit pay	36,367	20,464	15,903	0.0
R3 Field implementation support	0	0	0	0.0
Leased space consolidation	(35,660)	(30,329)	(5,331)	0.0
TOTAL	\$548,815	\$422,853	\$125,962	4.0
Increase/(Decrease)	\$707	(\$9,865)	\$10,572	0.0
Percentage Change	0.1%	(2.3%)	9.2%	0.0%
FY 2015-16 Executive Request:	\$1,851,010	\$1,719,717	\$131,293	11.3
Request Above/(Below)				
Recommendation	\$1,302,195	\$1,296,864	\$5,331	7.3

Educator Effectiveness Implementation

The General Assembly created this line item in FY 2012-13 to support one-time costs associated with the implementation of S.B. 10-191 (Principal and Teacher Effectiveness). The FY 2012-13 appropriation provided a total of \$8,258,981, including \$6,426,830 cash funds from the State Education Fund (from one-time tax amnesty funds deposited pursuant to S.B. 11-184) and \$1,832,151 federal funds received through a federal Race to the Top grant in FY 2011-12. The General Assembly made the FY 2012-13 cash funds appropriation available for three years (through FY 2014-15) to allow the Department flexibility in the use of funds. The one-time state funding expires at the end of FY 2014-15 and the federal Race to the Top funding expires in December 2015.

Request: The Department requests a continuation appropriation of \$2,112,336 federal funds and 14.5 FTE in FY 2015-16 (annualizing FY 2014-15 salary survey and merit pay).

Recommendation: Staff recommends approving an appropriation of \$2,112,336 federal funds and 8.5 FTE. The recommendation reduces the FTE based on the depletion of one-time funding

available to support the program and the Department’s estimates of FTE usage in FY 2015-16 using the remaining federal funding.

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 “five-year clock” created by S.B. 09-163.

Request: The Department requests an appropriation of \$1,768,313 total funds (including \$1,217,981 General Fund and \$550,332 federal funds) and 11.4 FTE. The request includes the following changes from the FY 2014-15 appropriation: (1) an increase of \$77,375 General Fund associated with request R4 (State Review Panel Online Portal, discussed above); and an increase of \$12,574 General Fund to annualize FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends approving the request, including the increase associated with request R4 (State Review Panel Online Portal, discussed above). The following table shows the recommended changes from the FY 2014-15 appropriation.

Management and Administration, Assessments and Data Analyses, Accountability and Improvement Planning				
	Total Funds	General Fund	Federal Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$1,678,364</u>	<u>\$1,128,032</u>	<u>\$550,332</u>	<u>11.4</u>
TOTAL	\$1,678,364	\$1,128,032	\$550,332	11.4
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$1,678,364	\$1,128,032	\$550,332	11.4
R4 State Review Panel online portal	77,375	77,375	0	0.0
Annualize salary survey and merit pay	<u>12,574</u>	<u>12,574</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,768,313	\$1,217,981	\$550,332	11.4
Increase/(Decrease)	\$89,949	\$89,949	\$0	0.0
Percentage Change	5.4%	8.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$1,768,313	\$1,217,981	\$550,332	11.4
Request Above/(Below)				
Recommendation	\$0	\$0	\$0	0.0

(D) STATE CHARTER SCHOOL INSTITUTE

Background Information. This subsection includes funding for the State Charter School Institute (SCSI), which is as an independent agency in the Department of Education. The SCSI 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. The SCSI is governed by a nine-member board, whose statutory mission is 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". The board is authorized to hire staff or contract employees. Any SCSI 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, the Department is directed 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 5.0 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 SCSI'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 SCSI 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 four line items in the FY 2013-14 Long Bill, three are now continuously appropriated and would be shown in the FY 2015-16 Long Bill for informational purposes only. Under current law, the Institute Charter School Assistance Fund is the only line item still subject to annual appropriation (with the exception of the Department Implementation of Section 22-30.5-501 et seq., C.R.S., line item which supports departmental operations rather than Institute operations).

There are currently 30 Institute charter schools⁸, including 13,464.5 funded pupils. The Charter School Institute expects the number of schools to remain steady at 30 in FY 2015-16, with an

⁸ Institute charter schools in FY 2014-15 include: *Adams - Adams 12*: Academy of Charter Schools, New America School – Thornton, Pinnacle Charter School; *Adams - Brighton*: High Point Academy; *Adams - Commerce City*: Community Leadership Academy; *Adams - Westminster*: Early College of Arvada and Ricardo Flores Magnon Academy; *Aurora*: New America School – Lowry and Montessori del Mundo; *Douglas County*: Colorado Early Colleges – Douglas; *Eagle*: Stone Creek Elementary; *El Paso - Calhan*: Frontier Charter Academy; *El Paso - Colorado Springs*: Pikes Peak Prep, Thomas Maclaren Charter School, Colorado Springs Charter Academy, Colorado Springs Early Colleges, Global Village Colorado Springs, James Irwin Colorado Springs, and Mountain

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

estimated pupil count of 14,156 (an increase of 691.5 (5.1 percent)). The following table provides a recent funding history for the Institute, including the number of Institute schools and funded pupils for each year.

State Charter School Institute: Funding				
Description	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Estimate	FY 2015-16 Estim./ Request
<i>Total Transfer from State Share line item a/</i>				
Number of Institute Charter Schools	23	26	30	30
Funded Pupil Count	11,288.5	10,025.8	13,464.5	14,068.0
Average Per Pupil Funding	\$6,278.83	\$6,468.58	\$6,906.86	\$7,176.00
Total Transfer from State Share line item	\$69,905,787	\$64,833,761	\$92,694,374	\$100,119,596
SCSI Administration, Oversight, and Management b/				
Reappropriated Funds	\$1,752,933	\$1,945,013	\$2,780,713	\$3,003,588
FTE	11.1	10.7	13.13	13.13
Other Transfers to Institute Charter Schools - RF b/	\$3,000,786	\$3,632,867	\$6,698,334	\$7,234,201
Transfer of Federal Moneys to Institute Charter Schools b/				
Reappropriated Funds	\$5,597,366	\$8,001,838	\$6,913,878	\$7,466,988
FTE	3.0	7.1	6.4	6.4

Sources:

a/ Pupil count and State Share information from the Department's Charter School Institute payment worksheets for FY 2012-13 through FY 2014-15. FY 2015-16 is based on the estimated increase in average per pupil funding, based on current law requiring a flat negative factor in FY 2015-16, over current FY 2014-15 average per pupil spending.

b/ For FY 2012-13 and FY 2013-14, reflects actual data reported in the Department's FY 2015-16 budget request; for FY 2014-15, reflects appropriation; and for FY 2015-16, reflects the Department's November 1, 2014 budget request.

State Charter School Institute Administration, Oversight, and Management

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

Request: The Department requests a continuation appropriation of \$2,831,760 reappropriated funds and 11.7 FTE, with no change from the FY 2014-15 appropriation, to be reflected in the Long Bill for informational purposes only. The request reflects the SCSi's anticipated expenditures under the continuous appropriation provided by S.B. 12-121.

Recommendation: Staff recommends approval of the request to reflect the Institute's anticipated expenditures for informational purposes.

Song Community School; *Commerce City*: Community Leadership Academy; *Garfield - Roaring Fork*: Ross Montessori and Two Rivers Community School; *La Plata - Durango*: Animas Charter School and Mountain Middle School; *Larimer - Poudre*: T.R. Paul Academy of Arts & Knowledge, Calvert Online, Colorado Early Colleges – Fort Collins, Global Village Academy – Fort Collins, and Provost Online; *Mesa - Mesa Valley*: Caprock Academy; and *Pueblo - Pueblo*: Youth & Family Academy.

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 (BEST) 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.

Under current law, this is Institute’s only line item that remains subject to annual appropriation.

Request: The Department requests a continuation appropriation of \$460,000 cash funds, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request.

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. In prior years, the line item was subject to annual appropriation but the funds are now continuously appropriated to the SCSi pursuant to S.B. 12-121.

Request: The Department requests a continuation appropriation of \$3,622,979 reappropriated funds, with no change from the FY 2014-15 appropriation, to reflect anticipated expenditures under the continuous appropriation.

Recommendation: Staff recommends approval of the request and reflection of the requested amount in the Long Bill for informational purposes.

Transfer of Federal Moneys 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 reappropriated as these moneys 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.

Request: The Department requests a continuation appropriation of \$6,330,000 reappropriated funds and 4.5 FTE, with no change from the FY 2014-15 appropriation, to be reflected in the Long Bill for informational purposes only. The request reflects the Department’s estimate of expenditures in FY 2015-16 under the Institute’s continuous appropriation.

Recommendation: Staff recommends approving the request.

Department Implementation of Section 22-30.5-501 et seq., C.R.S.

This line item authorizes the Department to spend a portion of SCS 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 SCS 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.].

Request: The Department requests an appropriation of \$224,791 reappropriated funds and 1.6 FTE for FY 2015-16. The request includes the following changes from the FY 2014-15 appropriation: (1) an increase of \$6,513 to annualize FY 2014-15 salary survey and merit pay; and (2) an increase of \$3,496 associated with BA4 (Server Hosting for CSI, discussed above). The following table details the Department's anticipated expenditures under this line item.

FY 2015-16 Request: Implementation of Section 22-30.5-501 et seq., C.R.S.		
Department Expenditure/Description	Amount	FTE
School Finance Unit Technical Assistance and Support	\$21,642	0.2
Budget Unit Technical Assistance and Support	56,741	0.5
Innovation and Choice Unit Technical Assistance and Support	41,909	0.3
Information Technology Unit Assistance/ Help Desk	40,757	0.5
Information Technology Cost Allocation	<u>63,742</u>	<u>0.0</u>
FY 2014-15 Request	\$224,791	1.5

Recommendation: Staff recommends approving the request, including the increase of \$3,496 associated with BA4 (Server Hosting for CSI, discussed above). The following table shows the components of the staff recommendation.

Management and Administration, State Charter School Institute, Department Implementation of Section 22-30.5-501 et seq., C.R.S.				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$214,782</u>	<u>\$0</u>	<u>\$214,782</u>	<u>1.6</u>
TOTAL	\$214,782	\$0	\$214,782	1.6
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$214,782	\$0	\$214,782	1.6
Annualize salary survey and merit pay	6,513	0	6,513	0.0
BA4 Server hosting for CSI	<u>3,496</u>	<u>0</u>	<u>3,496</u>	<u>0.0</u>
TOTAL	\$224,791	\$0	\$224,791	1.6
Increase/(Decrease)	\$10,009	\$0	\$10,009	0.0

Management and Administration, State Charter School Institute, Department Implementation of Section 22-30.5-501 et seq., C.R.S.				
	Total Funds	General Fund	Reappropriated Funds	FTE
Percentage Change	4.7%	0.0%	4.7%	0.0%
FY 2015-16 Executive Request:	\$224,791	\$0	\$224,791	1.6
Request Above/(Below) Recommendation	\$0	\$0	\$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 of 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 General Department and Program Administration and a variety of centrally appropriated line items.

Request: The Department is requests a continuation appropriation of \$528,192 total funds (including \$301,950 cash funds and \$226,242 federal funds), with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends appropriating \$545,369 total funds (including \$313,976 cash funds and \$231,393 federal funds) based on updated information provided by the Department.

(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 in FY 2015-16.

Assistance to Public Schools						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$4,874,441,289	\$3,327,526,399	\$923,222,296	\$7,787,467	\$615,905,127	204.9
HB 14-1292 (Student Success)	179,052,176	0	179,052,176	0	0	0.0
HB 14-1298 (School Finance)	71,702,495	0	44,202,495	27,500,000	0	1.2
Other Legislation	16,752,131	1,877,392	11,914,739	2,960,000	0	5.8
SB 15-145 (Supplemental)	0	0	0	0	0	0.0
SB 15-166 (Mid-year school finance)	<u>(2,897,428)</u>	<u>0</u>	<u>(2,897,428)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,139,050,663	\$3,329,403,791	\$1,155,494,278	\$38,247,467	\$615,905,127	211.9
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$5,139,050,663	\$3,329,403,791	\$1,155,494,278	\$38,247,467	\$615,905,127	211.9
R1/BA5 Increase total program	138,280,065	189,989,887	(51,709,822)	0	0	0.0
Annualize prior year legislation	23,534,554	(30,213)	8,493,314	0	15,071,453	0.0
R2 Categorical programs increase	7,792,139	0	7,792,139	0	0	0.0
BEST cash grant adjustment	5,000,000	0	5,000,000	0	0	0.0
R7 BEST statewide priority assessment	3,209,311	0	3,209,311	0	0	6.0
Annualize prior year budget actions	1,233,230	204,231	105,603	368,730	554,666	0.6
Indirect cost assessment adjustments	186,968	0	0	0	186,968	0.0
Eliminate dual appropriations (SB 15-108)	(30,460,000)	0	0	(30,460,000)	0	0.0
Informational funds adjustment	(2,282,422)	0	0	0	(2,282,422)	(1.4)
Leased space consolidation	(797,064)	(18,151)	(84,424)	(24,135)	(670,354)	0.0
Reflect revenue estimates	(356,392)	0	(374,804)	18,412	0	0.0
Other	<u>(317,102)</u>	<u>(161,258)</u>	<u>(155,844)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,284,073,950	\$3,519,388,287	\$1,127,769,751	\$8,150,474	\$628,765,438	217.1
Increase/(Decrease)	\$145,023,287	\$189,984,496	(\$27,724,527)	(\$30,096,993)	\$12,860,311	5.2
Percentage Change	2.8%	5.7%	(2.4%)	(78.7%)	2.1%	2.5%
FY 2015-16 Executive Request:	\$5,494,071,476	\$3,516,505,972	\$1,322,489,514	\$38,616,197	\$616,459,793	218.5
Request Above/(Below)						
Recommendation	\$209,997,526	(\$2,882,315)	\$194,719,763	\$30,465,723	(\$12,305,645)	1.4



Staff-Initiated Bill Recommendation – Child Nutrition School Lunch Protection

- The Department’s request for the Child Nutrition School Lunch Protection Program includes \$1,661,258 total funds (including \$811,258 General Fund and \$850,000 cash funds from the State Education Fund) for FY 2015-16. Because of an apparent technical issue in a bill from the 2014 Session (H.B. 14-1156), that amount violates a statutory cap on appropriations of \$1.5 million per year for the program.
- Staff recommends sponsoring legislation (either as a separate bill or as part of the School Finance Bill) to correct the technical issue in the bill by either: (1) increasing the cap to allow for appropriations to fully fund the program; or (2) eliminating the statutory cap.

Request: As a result of H.B. 14-1156 (Eligibility Age School Lunch Protection Program), the Department’s request for the Child Nutrition School Lunch Protection Program includes 1,661,258 total funds (including \$811,258 General Fund and \$850,000 cash funds from the State Education Fund) for FY 2015-16. However, statute caps appropriations for the program at \$1.5 million per year. Because H.B. 14-1156, as amended and enacted, did not adjust the statutory cap on appropriations to reflect the statutory expansion of the program, that amount violates a statutory cap on appropriations of \$1.5 million per year for the program.

Recommendation: For the Child Nutrition School Lunch Protection Program line item, staff recommends a total appropriation of \$1,500,000, including \$650,000 General Fund and \$850,000 cash funds from the State Education Fund. Staff also recommends that the Committee approve a Long Bill “add-on” to adjust the FY 2014-15 appropriation (as adjusted by H.B. 14-1156) to align with the statutory cap.

To address the technical issue in the statute, staff recommends sponsoring legislation (either as a separate bill or as part of the School Finance Bill) to either: (1) increase the cap to allow for appropriations to fund the program; or (2) eliminate the statutory cap on appropriations for the program.

Analysis: 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 kindergarten through fifth grade⁹ who is eligible for a reduced price meal. Statute requires that "the General Assembly shall annually appropriate by separate line item in the annual general appropriation bill an amount of not less than \$850,000 and not more than \$1.5 million to the Department to allow school districts to provide lunches at no charge for children in kindergarten through fifth grade participating in the school lunch program who would otherwise be required to pay a reduced price for lunch."

⁹ Prior to FY 2014-15, statute limited the program to kindergarten through second grade. However, H.B. 14-1156 (Eligibility Age School Lunch Protection Program) expanded the program to include kindergarten through fifth grade in FY 2014-15 and subsequent years.

Prior to FY 2014-15, the program applied to kindergarten through second grade. H.B. 14-1156 expanded the program to kindergarten through fifth grade beginning in FY 2014-15. However, in a technical error, the bill does not adjust the statutory cap on appropriations. As a result, the FY 2014-15 appropriation (\$1,641,471 total funds) and the Department's FY 2015-16 request (\$1,661,258 total funds) both exceed the statutory limit on appropriations.

While staff recommends a Long Bill appropriation of \$1.5 million and a Long Bill "add-on" to reduce the FY 2014-15 appropriation to align with the cap (both of which are discussed with the relevant line item below), staff also recommends sponsoring legislation to either increase the cap to reflect the program's expansion or eliminate the cap on appropriations. Staff notes that the current statute does not indicate how the Department should prioritize reimbursements if the appropriation is not sufficient to support necessary program expenditures. If the Committee and the General Assembly do not wish to modify the cap on expenditures to reflect the program's expansion, then legislation to clarify how the Department should prioritize such expenditures may be beneficial.

➔ R7 BEST Priority Assessment

- The Department requests an increase of \$3,472,914 cash funds from the Public School Capital Construction Assistance Fund and 6.0 FTE in FY 2015-16 to reconfigure the Building Excellent Schools Today priority assessment database and to support an in-house assessment team to continuously update and maintain the data in the statewide database. The request annualizes to \$648,206 cash funds and 6.0 FTE in FY 2016-17 and subsequent years.

- Staff recommends approving an increase of \$3,209,311 cash funds from the Public School Capital Construction Assistance Fund and 6.0 FTE for FY 2015-16, with the increase split between the Division of Public School Capital Construction Assistance line item (\$509,311 and 6.0 FTE) and the Financial Assistance Priority Assessment line item (\$2,700,000 in one-time funding).

Request: In response to a 2013 performance audit by the State Auditor's Office, the Department requests an increase of \$3,472,914 cash funds from the Public School Capital Construction Assistance Fund and 6.0 FTE in FY 2015-16 to: (1) reconfigure the Building Excellent Schools Today (BEST) statewide priority assessment database to better assess facility needs and facilitate the prioritization of projects; and (2) add an in-house assessment team to continuously update and maintain the data in the statewide database. The request includes \$2.8 million in one-time funding to reconfigure the database and contract for training for the proposed assessment team; as a result, the request annualizes to \$648,206 cash funds and 6.0 FTE in FY 2016-17 and subsequent years.

Recommendation: Staff recommends approving an increase of \$3,209,311 cash funds from the Public School Capital Construction Assistance Fund and 6.0 FTE for FY 2015-16, with the increase split between two line items: (1) \$509,311 cash funds and 6.0 FTE for the Division of Public School Capital Assistance line item (annualizing to an estimated \$589,808 and 6.0 FTE in

FY 2016-17, including centrally appropriated amounts) to support the proposed staff; and (2) \$2,700,000 in *one-time* funding for the Financial Assistance Priority Assessment line item to support contract costs to reconfigure the statewide priority assessment database and train the proposed facility assessment staff. The following table compares the components of the request and staff recommendation by component and by line item.

Request R7- BEST Priority Assessment						
	FY 2015-16 Request		FY 2015-16 Staff Rec.		FY 2016-17 Impact	
	CF	FTE	CF	FTE	CF	FTE
Division of Public School Capital Construction Assistance line item						
Costs Associated with New Staff*	\$672,914	6.0	\$509,311	6.0	\$589,808	6.0
Database Reconfiguration (one-time)	2,700,000		0		0	
Training for New Staff (one-time)	<u>100,000</u>		<u>0</u>		<u>0</u>	
Line Item Total	\$3,472,914	6.0	\$509,311	6.0	\$589,808	6.0
Financial Assistance Priority Assessment line item						
Database reconfiguration/Training	\$0		\$2,700,000		\$0	
Total, Request R7	\$3,472,914	6.0	\$3,209,311	6.0	\$589,808	6.0

*Annualization in FY 2016-17 includes estimates of centrally appropriated amounts that will be addressed through common policy in FY 2016-17 and will not be included in this line item.

Analysis:

Background – 2013 Performance Audit

The Department’s request responds to a September 2013 performance audit of the Public School Capital Construction Assistance Program conducted by the State Auditor’s Office. Specifically, the request responds to the following concerns and recommendation identified in the audit:

- Although the State invested more than \$12 million in the original priority assessment (required by the BEST legislation), the assessment did not provide a prioritized list of projects and did not clearly identify health and safety projects.
- The program had not ensured that the assessment was maintained and current.
- The audit also recommends proactively targeting outreach and technical assistance to specific districts with high priority projects (and limited financial capacity) that *have not applied for assistance*. In response to concerns about high needs districts not applying for the program, BEST staff have historically responded that they select from districts that actually apply. The audit recommends shifting the program’s procedures to specifically work with districts that have the highest need. The program staff have noted that doing so requires updated information regarding facility status.

To address these concerns, the audit recommended: (a) determining whether the priority assessment can be adjusted to prioritize projects and add health and safety data; (b) working with school districts to update the priority assessment; and (c) targeting outreach to school districts with critical needs that have not applied for funding.

FY 2015-16 Request

In response to the audit recommendations, the Department’s request includes the following increases for FY 2015-16: (1) \$2.8 million in one-time funding to reconfigure the priority assessment database and to train the proposed in-house assessment team; and (2) \$672,914 and 6.0 FTE to hire an in-house assessment team to maintain and update the database on an ongoing basis. Each component is addressed separately below.

One-time funding: The request includes an increase of \$2.8 million in one-time funding, including: (1) \$2.7 million to support a contract to reconfigure and consolidate the data in the priority assessment database to allow for the prioritization of projects and the inclusion of health and safety information; and (2) \$100,000 to contract for training for the requested in-house assessment team (discussed below).

Staff recommends appropriating a total of \$2,700,000 million to cover both the reconfiguration of the database and training for the new staff. Staff recommends appropriating the one-time funding to the Financial Assistance Priority Assessment line item rather than the Division of Public School Capital Construction Assistance line item (as requested by the Department). The State spent more than \$12 million on the original priority assessment, including the development of the database, but the audit identified significant weaknesses in the database, including the inability to prioritize projects. Staff recommends providing the funding to reconfigure the database in alignment with the audit recommendations. Based on updated information, the Department has indicated that \$2.7 million should be sufficient to support both the reconfiguration and the training for new staff. That amount represents the Department’s best estimate of the contract costs to reconfigure the database and provide the training.

Ongoing Funding for New Staff: The request includes an increase of \$672,914 and 6.0 FTE (annualizing to \$648,206 and 6.0 FTE in subsequent years) to allow the program to hire an in-house assessment team to continuously maintain and update the data in the priority assessment database to allow for the prioritization of projects based on updated data and for outreach to targeted schools and school districts. At a cost of more than \$12 million, the original priority assessment took place in FY 2009-10 and was published in March 2010. As discussed in the audit, the program has not updated the assessment, and the data have become outdated.

The Department proposes to maintain and update the database for approximately 3,500 tier 1 facilities (defined in the original priority assessment as a “building or portion of a building generally used for teaching-learning purposes”) on a continuous basis. Based on estimated times per facility assessment, the Department estimates that the proposed 6.0 FTE would completely update the tier 1 facility assessment every 2.5 years. By comparison, the original assessment cost \$12 million in FY 2009-10 (roughly 18 times the requested annual cost of the new staff) and the Department believes that repeating the assessment with a private vendor would cost at least that much *each time the assessment was conducted*.

Staff agrees that hiring a team to continuously update the assessment is a more cost effective approach than periodically updating the assessment through a private vendor. Staff recommends approving an increase of \$509,311 cash funds and 6.0 FTE for the

Division of Public School Capital Construction Assistance line item in FY 2015-16 (annualizing to \$589,808 and 6.0 FTE in subsequent years, including estimated increases to centrally appropriated line items). The recommendation includes the following changes from the request:

- A reduction of \$109,906 based on the Committee’s common policy not to fund centrally appropriated items (including AED, SAED, Short-term Disability, Health, Life, and Dental, and Leased space) in the first year for new FTE.
- A reduction of \$53,697 based on the Committee’s common policy to fund new FTE at the range minimum for requested positions. The Department has requested the positions as non-classified “Senior Consultants” and has requested the positions at mid-range salaries (\$65,000 per year). The staff recommendation provides the range minimum salaries for “Senior Consultants” (\$56,981 per year). Staff notes that the Department has not updated the non-classified salary schedule since FY 2011-12, and the Department argues that mid-range salaries may be necessary to recruit experienced staff. However, consistent with the Committee’s common policy, staff recommends providing the range minimum for each position.

The following table compares the request and recommendation for costs associated with the new staff.

Request R7- BEST Priority Assessment						
	FY 2015-16 Request		FY 2015-16 Staff Rec.		FY 2016-17 Impact	
	CF	FTE	CF	FTE	CF	FTE
Personal Services Costs						
Salary/Personal Services	\$390,000	6.0	\$341,885	6.0	\$341,885	6.0
PERA (10.15%)	39,585		34,701		34,701	
Medicare (1.45%)	5,655		4,957		4,957	
AED (4.4%)*	17,160		0		16,410	
SAED (4.25%)*	16,575		0		16,240	
STD (0.022%)*	858		0		752	
Estimated HLD*	<u>47,563</u>		<u>0</u>		<u>47,563</u>	
Subtotal, Personal Services	\$517,396	6.0	\$381,543	6.0	\$462,508	6.0
Operating Expenses						
Supplies (\$500)	\$3,000		\$3,000		\$3,000	
Computer (\$900)	5,400		900		0	
Office Suite Software (\$330)	1,980		330		0	
Office Equipment (\$8,767)	20,838		20,838		0	
Telephone (\$450/FTE)	2,700		2,700		2,700	
Rent (Leased Space - \$3,600/FTE)*	21,600		0		21,600	
Travel	<u>100,000</u>		<u>100,000</u>		<u>100,000</u>	

Request R7- BEST Priority Assessment						
	FY 2015-16 Request		FY 2015-16 Staff Rec.		FY 2016-17 Impact	
	CF	FTE	CF	FTE	CF	FTE
Subtotal, Operating Expenses	\$155,518		\$127,768		\$127,300	
Total, Request R7	\$672,914	6.0	\$509,311	6.0	\$589,808	6.0

* JBC common policy does not fund these items in the first year. Appropriations in subsequent years would be built into centrally appropriated line items rather than the Division of Public School Capital Construction Assistance line item.

Staff notes that the Committee has expressed some concern about spending additional funds to update the priority assessment when the BEST program has reached the statutory cap on Certificate of Participation (COP) payments. However, with significant funding still available for the program’s cash grants (\$45.0 million appropriated in FY 2014-15, \$50.0 million recommended in FY 2015-16, and similar amount in subsequent years), staff recommends providing the resources necessary to maintain the database as a useful tool to identify needs and prioritize funding.

(A) PUBLIC SCHOOL FINANCE

This subsection provides the State share of funding required pursuant to the statutory school finance formula, as well as funding for other related distributions. This subsection also provides funding for staff that are responsible for administering the formula and conducting related school district audits. Finally, this subsection provides funding for staff who administer the Colorado Preschool Program and full-day kindergarten programs.

Administration

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

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

As authorized by S.B. 09-215, this line item is supported by "off-the-top" funding from the State Share of Districts’ Total Program Funding line item. This funding mechanism was reinstated in 2009 to reduce General Fund expenditures and maintain critical Department functions. The Long Bill shows the majority of the line item’s funding as reappropriated funds from the State

Share of Districts' Total Program Funding line item, with some cash funds from the State Education Fund.

Request: The Department requests a continuation appropriation of \$1,668,768 (including \$1,587,008 reappropriated funds and \$81,760 cash funds from the State Education Fund) and 17.9 FTE according to OSPB's common policies (annualizing FY 2014-15 salary survey and merit pay and annualizing H.B. 14-1298 (School Finance)).

Recommendation: Staff recommends approving the request.

State Share of Districts' Total Program Funding

General Note - JBC Decisions Related to This Line Item. While the next several pages of this document pertain to a single line item, staff offers three decisions (and associated recommendations) that the Committee should consider prior to finalizing the FY 2015-16 budget.

1. What total amount of state funds should the General Assembly appropriate in the FY 2015-16 Long Bill for the State Share of Districts' Total Program Funding based on current law requiring funding sufficient to (at a minimum) maintain the negative factor as a constant dollar amount from FY 2014-15 to FY 2015-16?
2. How should the General Assembly balance the use of General Fund and the State Education Fund for school finance appropriations in FY 2015-16?
3. Should the General Assembly target sustainable appropriations and sustainable growth or maximize appropriations in the short term at the risk of not being able to sustain the growth and requiring future reductions?

Finally, staff has included options for the Committee to consider regarding one decision:

4. What "placeholder" amount, if any, should the Committee include in its FY 2015-16 budget package to reflect changes to be accomplished through the annual school finance bill?

Background Information - Statutory School Finance Formula. The General Assembly has established a statutory public school finance formula under which all public school districts operate. The school finance formula takes into consideration the individual characteristics of each school district in order to equalize funding among districts and to provide thorough and uniform educational opportunities throughout the state. The school finance formula allocates state and local funds to school districts by calculating a specific per pupil level of funding for each school district, as well as a specific state and local share of funding for each district.

The formula provides the same base amount of funding per pupil for every district (referred to as statewide base per pupil funding). Section 17 of Article IX of the State Constitution requires the General Assembly to provide annual inflationary increases in base per pupil funding. For FY 2015-16, base per pupil funding will need to increase from \$6,121.00 to \$6,292.39 (2.8 percent), based on the actual change in the Denver-Boulder consumer price index (CPI) in CY 2014.

The formula then increases this statewide base per pupil funding for each district based on factors that affect districts' costs of providing educational services. Thus, per pupil funding allocations vary for each district. These factors currently add funding for: (a) districts with a higher cost of living; (b) the presence of students who may be at risk of failing or dropping out of school (determined based on the number and concentration of students eligible for free lunch under the federal school lunch program, and English language learners); and (c) districts with a lower enrollment to recognize the economies of scale experienced by larger school districts. In addition, the school finance formula establishes a minimum (floor) level of per pupil funding, regardless of the impact of the cost of living, at-risk, and size factors described above.

The School Finance Act also provides a flat rate of funding per pupil (estimated at \$6,640¹⁰ for FY 2015-16 based on current law) for two types of students:

- Students receiving full-time on-line instruction through a multi-district program; and
- Students in their fifth year of high school who are participating in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program.

Finally, the formula includes a "negative" factor designed to reduce districts' total program funding to a specified amount. For FY 2015-16, based on current law prohibiting growth in the negative factor as a dollar amount from FY 2014-15 to FY 2015-16, this factor is estimated to be 12.4 percent, requiring a statewide reduction of \$880.2 million. Thus, the Department will calculate total program funding for each district based on the formula described above, and will then reduce each district's total program funding by 12.4 percent¹¹. Because statewide base per pupil funding cannot decrease, the negative factor effectively reduces the funding attributed to the other formula factors.

Each individual district's per pupil funding is multiplied by its funded pupil count to determine its "total program" funding. Once the total program funding amount is determined for each district, the state and local share of such funding is calculated for each district. Local property and specific ownership taxes provide the first source of revenue for each district's total program funding, and the remainder is covered by state funds. Property taxes are based on each district's tax rate (the mill levy) and the portion of property value that is taxable (the assessment rate). Specific ownership taxes are paid when a registering motor vehicle. For FY 2015-16, Legislative Council Staff's December 2014 Revenue Forecast projects that local property taxes and specific ownership taxes will increase by \$143.4 million (7.2 percent) above FY 2014-15 levels.

Description. The State Share of Districts' Total Program Funding line item provides for the State's share of funding under the statutory school finance formula; the appropriation does not reflect the local share of funding.

¹⁰ This amount is after the application of the negative factor.

¹¹ Please note that for some districts, this reduction exceeds the state share of total program funding. In this case, the reduction in total program funding is limited to the state share of funding.

➔ R1/BA5 – Increase Total Program

Request. As modified by budget amendment BA5, the Department's request for school finance for FY 2015-16 would increase the state share of districts' total program funding by \$335.7 million total funds above the FY 2014-15 appropriation (as adjusted by S.B. 15-166). The request is based on the Office of State Planning and Budgeting's December 2014 forecast of the inflation rate for CY 2014 (a projection of 2.8 percent which aligns with the actual rate) and incorporates the most recent projections of: the funded pupil count, the at-risk pupil count, and available local revenues. As adjusted by BA5, the request would:

- Increase *total program* funding by a total of \$479.1 million above the FY 2014-15 level as adjusted by S.B. 15-166 (including increases of \$335.7 million in the state share and \$143.4 million in the local share of funding).
- Increase the General Fund appropriation for the state share by \$186.8 million above the FY 2014-15 adjusted appropriation.
- Increase the cash funds appropriation from the State Education Fund by \$152.9 million above the FY 2014-15 adjusted appropriation.
- Decrease the cash funds appropriation from the State Public School Fund by \$4.1 million based on projections of available revenues and the use of a one-time fund balance in FY 2014-15.
- Reduce the negative factor (on a *one-time* basis) from \$880,176,146 (12.9 percent) in FY 2014-15 to \$682,491,929 (9.6 percent) in FY 2015-16. Thus the request makes a one-time \$197.7 million "buy down" of the negative factor in FY 2015-16. The request does not specify a targeted negative factor in FY 2016-17 or subsequent years.

***Staff Recommendation for Long Bill, Based on Current Law.* Staff recommends appropriating a total of \$4,088,628,787 in the Long Bill for the State Share of Districts' Total Program Funding for FY 2015-16, an increase of \$138,016,305 (3.5 percent) relative to the FY 2014-15 appropriation.**

Staff's recommendation for the FY 2015-16 Long Bill is based on current law, as enacted in H.B. 14-1298, which specifies that the current law appropriation for FY 2015-16 will prevent growth in the negative factor as a dollar amount from FY 2014-15 to FY 2015-16. Thus, staff's recommendation increases statewide average per pupil funding from \$7,025.60 in FY 2014-15 to \$7,265.19 in FY 2015-16. That per pupil funding level requires an increase of \$281,432,935 total funds relative to the FY 2014-15 appropriation, including \$138,016,305 in state funding and a projected \$143,416,629 in local funds.

The following table summarizes the key components of the Department's request and staff's recommendation; for purposes of comparison, FY 2014-15 data is provided as well. [Appendix

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

B-3 provides a comparison of the FY 2015-16 request and the Long Bill recommendation, calculating the differences between the two.]

Total Program Funding Recommendation for Long Bill				
	FY 2014-15 Adjusted Appropriation	FY 2015-16		
		Request	Staff Recomm.	Annual Change
Funded Pupil Count /1,2	844,546.4	855,433.0	855,433.0	10,886.6
<i>Annual Percent Change</i>	<i>1.7%</i>	<i>1.3%</i>	<i>1.3%</i>	
Statewide <u>Base</u> Per Pupil Funding /3	\$6,121.00	\$6,292.39	\$6,292.39	\$171.39
<i>Annual Percent Change</i>	<i>2.8%</i>	<i>2.8%</i>	<i>2.8%</i>	
Total Program Funding PRIOR TO Negative Factor /1	\$6,813,620,535	\$7,095,053,470	\$7,095,053,470	\$281,432,935
LESS: Negative Factor Reduction /1	(880,176,146)	(682,491,929)	(880,176,146)	0
<i>Negative Factor as % of Total Program</i>	<i>-12.9%</i>	<i>-9.6%</i>	<i>-12.4%</i>	
EQUALS: Adjusted Total Program Funding /4	\$5,933,444,389	\$6,412,561,541	\$6,214,877,324	\$281,432,935
<i>Annual Percent Change</i>	<i>7.4%</i>	<i>8.1%</i>	<i>4.7%</i>	
Statewide Average Per Pupil Funding (for adjusted total program funding)	\$7,025.60	\$7,496.28	\$7,265.18	\$239.58
<i>Annual Percent Change</i>	<i>5.6%</i>	<i>6.7%</i>	<i>3.4%</i>	
<u>Local Share</u> of Districts' Total Program Funding	<u>\$1,982,831,906</u>	<u>\$2,126,248,537</u>	<u>\$2,126,248,537</u>	<u>\$143,416,631</u>
Property Tax Revenue /1	1,837,512,870	1,976,569,929	1,976,569,929	139,057,059
Specific Ownership Tax Revenue /1	145,319,036	149,678,608	149,678,608	4,359,572
<i>Annual Percent Change on Total</i>	<i>2.2%</i>	<i>7.2%</i>	<i>7.2%</i>	
State Share of Districts' Total Program Funding	\$3,950,612,483	\$4,286,313,004	\$4,088,628,787	\$138,016,304
<i>Annual Percent Change</i>	<i>10.1%</i>	<i>8.5%</i>	<i>3.5%</i>	
<i>State Share as Percent of Districts' Total Program</i>	<i>66.6%</i>	<i>66.8%</i>	<i>65.8%</i>	

1/ The recommendation is based on Legislative Council Staff projection or calculation.

2/ The recommended funded pupil count includes: 14,180 FTE to serve 28,360 at-risk children through a half-day preschool program; 37,564.5 FTE to serve 64,766.4 students through a full-day kindergarten program; and 708 FTE to allow 708 students to participate in the ASCENT Program (discussed further below).

3/ The recommendation is based on the actual change in the Denver-Boulder consumer price index for CY 2014 (2.8 percent). The final request was based on the December 2014 OSPB Revenue Forecast, which was also 2.8 percent.

4/ Consistent with General Assembly action since FY 2010-11, the recommendation is \$5,778,632 higher than the statutory total program funding floor based on the amount of negative factor reduction that cannot be absorbed by school districts that receive little or no state funding.

Please note the following in relation to the FY 2015-16 recommended figures above:

- The Department's request reflects 592 FTE participants in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program based on the Department's estimates of participation in FY 2015-16. The request aligns with estimates of participation in FY 2015-

16 that the districts submitted in September 2014 and February 2015. The request represents an increase of 168.5 student FTE above actual participation in FY 2014-15, which staff suspects may be unrealistically high. However, staff assumes that the General Assembly intends to continue to fund all eligible applicants. Based on a rate of \$6,640/FTE, staff's recommendation includes a total of \$3,930,880 for ASCENT participants. While staff's recommendation assumes that the General Assembly wishes to continue to provide funding for all students expected to be designated as ASCENT participants, the Committee may also wish to consider reducing the ASCENT "cap" to limit participation in the program and reduce costs.

ASCENT Program Participation			
Fiscal Year	Estimate from Previous September	Update from Previous February	Actual October Pupil Count
FY 2010-11	675	277	99
FY 2011-12	2,481	753	205
FY 2012-13	1,231	601	281.5
FY 2013-14	1,811	1,080	390.5
FY 2014-15	708	708	423.5
FY 2015-16	592	592	TBD

Staff Recommended Fund Sources. Staff recommends a total of **\$3,374,037,348 General Fund** (an increase of **\$189,989,887 (6.0 percent)** over the **FY 2014-15 appropriation**); **\$624,436,590 cash funds from the State Education Fund** (a decrease of **\$43,150,732 (6.5 percent)**); and **\$90,154,849 cash funds from the State Public School Fund** (a decrease of **\$8,822,851 (9.0 percent)**). The following table summarizes staff's recommendation, by fund source, in relation to both the request and existing appropriations. Staff has provided a discussion of each funding source below.

Sources of Funds Appropriated for the State Share of Districts' Total Program				
Fund Source	FY 2014-15	Request	FY 2015-16 Recomm. Long Bill Approp.	Annual Change
Cash Funds (State Public School Fund)	\$98,977,700	\$94,910,156	\$90,154,849	(\$8,822,851)
<i>Annual Percent Change</i>	31.3%	-4.1%	-8.9%	
Cash Funds (State Education Fund)	667,587,322	820,507,900	624,436,590	(43,150,732)
<i>Annual Percent Change</i>	26.6%	22.9%	-6.5%	
General Fund	3,184,047,461	3,370,894,948	3,374,037,348	189,989,887
<i>Annual Percent Change</i>	6.7%	5.9%	6.0%	
Total State Funds	\$3,950,612,483	\$4,286,313,004	\$4,088,628,787	\$138,016,304
<i>Annual Percent Change</i>	10.1%	8.5%	3.5%	

As was discussed extensively at the FY 2015-16 budget briefing for the Department of Education, one-time revenues in the State Education Fund have relieved pressure on the General Fund in recent years but the depletion of those one-time revenues will require significant increases in General Fund spending in the coming years to avoid reductions in total program funding. Based on concerns about the viability of such General Fund increases as soon as FY

2016-17, staff recommends that the Committee plan to spend down the existing balance in the State Education Fund over a period of at least two years (FY 2015-16 and FY 2016-17). **Specifically, staff recommends retaining a balance of approximately \$300 million in the State Education Fund at the end of FY 2015-16 (compared to approximately \$100 million under the Governor’s request) and then spending down to an ongoing \$100 million minimum ending balance no earlier than FY 2016-17. Based on that recommendation:**

- The staff recommendation for the Long Bill appropriation targets a balance of \$300 million in the State Education Fund at the end of FY 2015-16.
- **If the General Assembly elects to provide additional funding for school finance (either in the Long Bill or in other legislation), then staff recommends supporting any such increases with General Fund moneys rather than the State Education Fund.**

The following tables illustrate the potential risk of spending down the SEF balance in FY 2015-16 and creating the need for a large increase in General Fund appropriations in FY 2016-17. Table 1 depicts the annual change in General Fund appropriations required under two scenarios: (1) holding the negative factor constant at \$880.2 million throughout the four year period; and (2) reducing the negative factor by \$100 million in FY 2015-16 and then holding it constant at \$780.2 million for the remainder of the period. Both scenarios in the first table follow the staff recommendation to maintain an SEF ending balance of \$300 million at the end of FY 2015-16 and \$100 million at the end of FY 2016-17.

TABLE 1: Projection of General Fund Need for Public School Finance				
LCS Forecast with \$300 Million Minimum SEF Balance in FY 2015-16 and \$100 million in FY 2016-17				
(\$ in millions)				
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Current Law Scenario - Constant Negative Factor				
Base Appropriation	\$3,184	\$3,374	\$3,706	\$3,978
Annual General Fund Change with Constant Negative Factor	190	332	272	155
Total General Fund - Constant Negative Factor Throughout	\$3,374	\$3,706	\$3,978	\$4,133
Percent Change in General Fund	6.0%	9.8%	7.3%	3.9%
\$100 Million Negative Factor Reduction in FY 2015-16				
Base Appropriation	\$3,184	\$3,474	\$3,806	\$4,078
Annual General Fund Change - \$100 Million Negative Factor Reduction	290	332	272	155
Total General Fund - with \$100 Million Negative Factor Reduction	\$3,474	\$3,806	\$4,078	\$4,233
Percent Change in General Fund	9.1%	9.5%	7.1%	3.8%

Table 2 shows the same scenarios (constant negative factor and \$100 million reduction in FY 2015-16) but with the SEF spent down to a \$100 million ending balance at the end of FY 2015-16.

TABLE 2: Projection of General Fund Need for Public School Finance				
LCS Forecast with \$100 Million Minimum SEF Balance in FY 2015-16 and beyond				
(\$ in millions)				
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Current Law Scenario - Constant Negative Factor				
Base Appropriation	\$3,184	\$3,174	\$3,906	\$3,978
Annual General Fund Change with Constant Negative Factor	(10)	732	72	155
Total General Fund - Constant Negative Factor Throughout	\$3,174	\$3,906	\$3,978	\$4,133
Percent Change in General Fund	-0.3%	23.1%	1.8%	3.9%
\$100 Million Negative Factor Reduction in FY 2015-16				
Base Appropriation	\$3,184	\$3,274	\$4,006	\$4,078
Annual General Fund Change - \$100 Million Negative Factor Reduction	90	732	72	155
Total General Fund - with \$100 Million Negative Factor Reduction	\$3,274	\$4,006	\$4,078	\$4,233
Percent Change in General Fund	2.8%	22.4%	1.8%	3.8%

A discussion of each state fund source for school finance follows.

State Public School Fund. The State Public School Fund (SPSF) is the smallest source of revenue available for public school finance. The SPSF annually receives revenues from three primary sources¹², discussed below.

1. Federal Mineral Lease Revenues. A portion of federal funds received by the State for sales, bonuses, royalties, and rentals of public lands within the State are also credited to the SPSF. These federal mineral lease (FML) revenues are primarily derived from coal, gas, and oil, and most revenues are earned from federal lands on the Western Slope. Due to production and price changes, federal mineral lease revenues can vary significantly from year to year, and are therefore difficult to project. However, pursuant to S.B. 08-218, the amount of FML credited to the SPSF annually is capped [see Section 34-63-102 (5.4) (a), C.R.S.]. For FY 2014-15 and FY 2015-16, staff's projections are based on the December 2014 Legislative Council Staff Revenue Forecast.
2. Interest and Investment Income Earned on Public School ("Permanent") Fund. For FY 2013-14 and subsequent years, current law [see Section 22-41-102 (3) (d), C.R.S.] credits the first \$16.0 million of any interest or income earned on the investment of moneys in the Permanent Fund to the SPSF.
3. District Audit Recoveries. The balance of annual revenues to the SPSF come from amounts recovered by the Department pursuant to school district audits. The time period over which a district may pay back overpayments to the Department is equivalent to the number of years covered by the audit [see Section 22-2-113 (1) (g), C.R.S.]. The Department offsets a large portion of its accounts receivable from districts (an asset) with deferred revenue equal to those amounts that are not anticipated to be received within the following fiscal year (a

¹² Please note that the Department is required to transfer to the SPSF, on a quarterly basis, amounts appropriated from the General Fund for the state share of districts' total program funding [see Section 22-54-114 (1), C.R.S.]. The SPSF thus serves as a flow-through account for much of the state funding for school finance. These portions of the SPSF are excluded from the above discussion.

liability). Thus, the SPSF balance reflects only that portion of accounts receivable that the Department actually anticipates receiving within the following fiscal year.

In some years, the General Assembly has authorized time-limited transfers of other moneys to the SPSF. For example, three bills² have authorized transfers of certain moneys to the SPSF that would otherwise have been credited to the Public School ("Permanent") Fund. In other cases (e.g., S.B. 11-230), the General Assembly has transferred excess General Fund revenues to the SPSF. However, barring additional legislative changes, no such one-time moneys will be available for FY 2015-16, and the SPSF will operate based on routine annual revenues. The following table details the calculations underlying staff's FY 2015-16 recommended appropriation from the SPSF, as well as comparable information for FY 2014-15.

State Public School Fund Revenues and Expenditures: FY 2014-15 and FY 2015-16		
Description	FY 2014-15 Appropriation	Recommended FY 2015-16 Appropriation
Beginning Fund Balance /1	\$18,174,269	\$3,154,893
Federal Mineral Lease Revenues /2	76,040,806	79,082,438
Interest/ Investment Income on Permanent Fund	<u>16,000,000</u>	<u>16,000,000</u>
Total Projected Funds Available	\$110,215,075	\$98,237,331
State Match for School Lunch Program [pursuant to Section 22-54-123, C.R.S.]	2,472,644	2,472,644
At-risk Supplemental Aid [pursuant to Section 22-30.5-112.2, C.R.S.]	5,094,358	5,094,358
Supplemental On-Line Education Programs [pursuant to Sections 22-2-130 and 22-5-119, C.R.S.]	480,000	480,000
Amount Required to Print Public School Laws [pursuant to Section 22-2-112 (1) (i), C.R.S.]	35,480	35,480
Subtotal: Expenditures for Purposes Other than School Finance Act	8,082,482	8,082,482
Appropriation for the State Share of Districts' Total Program Funding	\$98,977,700	\$90,154,849
Ending Fund Balance	\$3,154,893	\$0

- 1/ The district audit recoveries anticipated to be collected each fiscal year are reflected in the beginning fund balance.
2/ Reflects December 2014 Legislative Council Staff Revenue Forecast.

For purposes of this document, staff assumes that the Committee will continue the appropriations identified above, and will not appropriate moneys from this fund for other purposes for FY 2015-16. If the Committee approves appropriations from the SPSF that are higher (or lower) than the amounts assumed by staff, staff requests permission to adjust the cash funds and General Fund appropriations in this line item accordingly. In addition, the Legislative Council Staff March 2015 Revenue Forecast may change staff's assumptions regarding federal mineral lease revenues in FY 2014-15 and/or FY 2015-16. If the changes are significant, staff intends to return to the Committee with a comeback to align with anticipated revenues.

State Education Fund. The State Education Fund (SEF) consists of one-third of one percent of income tax revenues, plus any interest earned on the fund balance and any additional transfers

² Legislation authorizing these transfers include: S.B. 09-260, S.B. 10-150, and S.B. 11-230.

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

from the General Fund. The General Assembly may annually appropriate moneys from the SEF for a number of education-related purposes, including complying with the requirement to annually increase base per pupil funding. SEF revenues are not subject to the constitutional limitation on fiscal year spending, and any appropriation from the SEF is not subject to the statutory limitation on state General Fund appropriations.

The following table details the calculations underlying staff’s FY 2015-16 recommended appropriation from the SEF, as well as comparable information for FY 2014-15. As discussed above, staff’s recommendation is predicated on maintaining a minimum SEF balance of at least \$300 million at the end of FY 2015-16 and at least \$100 million in subsequent years. Legislative Council Staff and Joint Budget Committee Staff have used projections of income tax revenues to the State Education Fund and legislative transfers of General Fund to the State Education Fund to target the specified fund balances.

State Education Fund Revenues and Expenditures: FY 2013-14 and FY 2014-15		
Description	FY 2014-15 Appropriation	Recommended FY 2015-16 Appropriation
Beginning Fund Balance	\$1,048,948,892	\$659,963,912
Transfer of FY 2013-14 General Fund Revenues Pursuant to H.B. 14-1342 /1	38,600,000	0
FPPA Repayment Pursuant to S.B. 13-234	25,321,079	25,321,079
General Fund Revenues Directed to SEF Pursuant to Amendment 23 /2	503,500,000	534,900,000
Interest Income /3	<u>10,476,424</u>	<u>8,960,664</u>
Total Projected Funds Available	\$1,626,846,395	\$1,229,145,655
Categorical Programs /4	136,525,196	144,317,335
Various Other Existing Programs and Functions /5	162,769,965	158,915,251
Subtotal: Expenditures for Purposes Other than School Finance Act	299,295,161	303,232,586
Appropriation for the State Share of Districts' Total Program Funding	\$667,587,322	\$624,436,590
Ending Fund Balance	\$659,963,912	\$301,476,479

1/ H.B. 14-1342 transferred \$38.6 million of FY 2013-14 excess General Fund revenues to the State Education Fund in December 2014.

2/ Reflects estimates included in LCS's December 2014 revenue forecast.

3/ Amounts are estimated by Legislative Council Staff.

4/ Assumes that the full increase in state funding required for FY 2015-16 will be appropriated from the SEF, as requested.

5/ Assumes staff recommended amounts for other appropriations, which primarily include: \$34.0 million transferred to the Early Literacy Fund; \$28.3 million for statewide assessments; \$27.5 million for non-categorical English language learner programs; \$20.0 million for charter school facilities; \$16.8 million for facility school funding; \$8.0 million for the School Counselor Corps Grant Program; \$7.8 million for hold-harmless full-day kindergarten; \$3.3 million for BOCES funding; \$3.0 million for the Quality Teacher Recruitment Program; \$2.8 million for the Early Literacy Assessment tool; and \$850,000 for the School Lunch Protection Program.

For purposes of this document, staff assumes that the Committee will appropriate the full required inflationary increase in state funding for categorical programs from the SEF, and will appropriate the recommended amounts from the SEF for programs other than school finance. If the Committee approves appropriations from the SEF that are higher (or lower) than the amounts

assumed by staff, staff requests permission to adjust the cash funds and General Fund appropriations in this line item as necessary.

General Fund. Although moneys available in the SPSF and the SEF may be used to provide a portion of the funding required for districts' total program funding, the state General Fund has always been and will continue to be the primary source of funding for this purpose. In FY 2014-15, the General Fund provides about 81 percent of the *state* funding for districts' total program funding.

For purposes of providing a historical perspective, the following table summarizes annual appropriations for the *state share* of school districts' total program funding since FY 1994-95 (when the current School Finance Act was adopted). From FY 1994-95 to FY 2000-01, the compound annual growth rate in General Fund appropriations for districts' total program funding was 5.98 percent. This compares to a compound annual growth rate of 3.35 percent for the fourteen years following the passage of Amendment 23 (FY 2001-02 through FY 2014-15).

Recent History of Appropriations for the State Share of Districts' Total Program Funding						
State Public School Fund/						
Fiscal Year	General Fund	Annual % Change	State Education Fund	Annual % Change	Total State Funds	Annual % Change
1994-95	\$1,393,562,482		\$34,016,762		\$1,427,579,244	
1995-96	1,469,655,920	5.5%	56,613,541	66.4%	1,526,269,461	6.9%
1996-97	1,594,123,930	8.5%	53,580,360	-5.4%	1,647,704,290	8.0%
1997-98	1,689,946,178	6.0%	35,647,023	-33.5%	1,725,593,201	4.7%
1998-99	1,776,015,806	5.1%	74,830,202	109.9%	1,850,846,008	7.3%
1999-00	1,887,449,285	6.3%	42,685,306	-43.0%	1,930,134,591	4.3%
2000-01	1,974,673,211	4.6%	73,400,663	72.0%	2,048,073,874	6.1%
Passage of Amendment 23						
2001-02	2,073,406,872	5.0%	156,629,363	113.4%	2,230,036,235	8.9%
2002-03	2,137,582,405	3.1%	346,960,158	121.5%	2,484,542,563	11.4%
2003-04	2,247,917,791	5.2%	379,156,261	9.3%	2,627,074,052	5.7%
2004-05	2,342,782,148	4.2%	401,122,658	5.8%	2,743,904,806	4.4%
2005-06	2,480,460,455	5.9%	390,768,821	-2.6%	2,871,229,276	4.6%
2006-07	2,657,663,684	7.1%	403,505,151	3.3%	3,061,168,835	6.6%
2007-08	2,790,546,868	5.0%	362,163,909	-10.2%	3,152,710,777	3.0%
2008-09	2,930,074,211	5.0%	462,870,995	27.8%	3,392,945,206	7.6%
2009-10	3,076,277,922	5.0%	442,677,995	-4.4%	3,518,955,917	3.7%
2010-11	2,797,831,709	-9.1%	408,557,173	-7.7%	3,206,388,882	-8.9%
2011-12	2,671,845,744	-4.5%	660,076,411	61.6%	3,331,922,155	3.9%
2012-13	2,852,301,877	6.8%	527,412,414	-20.1%	3,379,714,291	1.4%

Recent History of Appropriations for the State Share of Districts' Total Program Funding						
Fiscal Year			State Public School Fund/			
	General Fund	Annual % Change	State Education Fund	Annual % Change	Total State Funds	Annual % Change
2013-14	2,985,310,883	4.7%	602,789,377	14.3%	3,588,100,260	6.2%
2014-15	3,184,047,461	6.7%	766,565,022	27.2%	3,950,612,483	10.1%

Please note that staff’s recommended General Fund appropriation is predicated on Committee actions concerning appropriations from the SEF and the SPSF for other line items (outside of school finance). If the Committee approves appropriations from these cash funds that are higher (or lower) than the amounts assumed by staff, staff requests permission to adjust the cash funds and General Fund appropriations in this line item accordingly.

Finally, staff’s recommendations are based on Legislative Council Staff’s December 2014 revenue forecast. If the March 2015 forecast significantly changes projected income tax revenues credited to the SEF and/or anticipated revenues for the SPSF, staff will bring information back to the Committee to potentially adjust the fund sources appropriated for this line item.

Non-Supplantation Requirement. Article IX, Section 17 (5) of the State Constitution states that moneys appropriated from the SEF may not be used to supplant the level of General Fund appropriations that existed on December 28, 2000 (the effective date of Amendment 23) for categorical programs and total program. The General Fund appropriation for the State Share of Districts’ Total Program Funding on December 28, 2000 was \$1,982,638,862. Thus, the FY 2015-16 General Fund appropriation must exceed this amount.

Options for Alternative Funding Levels. The Committee and General Assembly may wish to provide more (or less) funding than staff is recommending for school finance in FY 2015-16 (most likely to be changed through the annual school finance bill). **Staff is not including a specific recommendation regarding a different funding level in this packet. However, the following table shows the funding increases necessary to achieve specific funding benchmarks in FY 2015-16 (relative to the FY 2014-15 adjusted appropriation). Should the General Assembly elect to add funding above the Long Bill recommendation, staff recommends doing so from the General Fund in order to maintain the targeted balance in the State Education Fund at the end of FY 2015-16.**

Total Change in State Funding Required for FY 2015-16 under Four Scenarios				
Description	Statewide Average Per Pupil Funding	Incremental Annual Change in State Funding from FY 2013-14 Appropriation	Cumulative Annual Change in State Funding	Change from Staff Recommendation
Maintain Constant Negative Factor (\$880,176,146) - staff Long Bill recommendation	7,265.18	138,016,304	138,016,304	0
\$100 million Negative Factor Reduction	7,382.08	100,000,000	238,016,304	100,000,000
\$200 million Negative Factor Reduction (Governor's request is a one-time reduction)	7,496.28	97,684,217	335,700,521	197,684,217
Eliminate Negative Factor	8,294.11	682,491,929	1,018,192,450	880,176,146

Hold-harmless Full-day Kindergarten Funding

Current law [Section 22-28-104 (2) (a) (III), C.R.S.] authorizes a total of 28,360 half-day preschool slots for the Colorado Preschool Program (CPP) for FY 2014-15, including 8,200 slots for the Early Childhood At-risk Enhancement (ECARE) program created in S.B. 13-260. Pursuant to H.B. 08-1388, schools can no longer use standard (non-ECARE) CPP slots to provide full-day kindergarten. For those districts that had previously elected to use CPP slots to provide full-day kindergarten, this act included a "hold harmless" provision [Section 22-54-130, C.R.S.]. Thus, these 60 districts receive 0.58 FTE funding for all kindergarten students, plus an additional amount of per pupil funding (0.42 FTE) based on the number of kindergarten students previously served through CPP.

Request: As discussed above with the State Share of Districts' Total Program line item, the Department requests \$8,000,770 cash funds from the State Education fund for FY 2015-16. The request includes an increase of \$504,758 associated with requests R1 and BA5 (discussed above).

Recommendation: Based on current law, staff recommends an appropriation of \$7,756,431 cash funds from the State Education Fund (an increase of \$260,419 above the FY 2014-15 appropriation) to provide the estimated amount necessary to fund this line item under staff's recommendation for school finance in FY 2015-16.

District Per Pupil Reimbursements for Juveniles Held in Jail

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

This line item provides funding for two types of expenses:

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

Request: The Department requests continuation level funding (\$25,000 cash funds from the State Education Fund) for school district reimbursements in FY 2015-16. The General Assembly reduced the appropriation from \$100,000 in FY 2012-13 to \$25,000 in FY 2013-14 because: (1) usage in recent years was well below the previous appropriation; and (2) two bills enacted in the 2012 Session (H.B. 12-1139 and H.B. 12-1271) appeared likely to further reduce the number of juveniles held in adult jails.

Recommendation: Staff recommends approving the request. The Department had no expenditures from this line item in FY 2012-13 or FY 2013-14, and the appropriation may no longer be necessary. However, staff recommends appropriating the requested continuation funding to provide flexibility in the event that the Department receives a request. Any unspent moneys will remain in the State Education Fund.

At-risk Supplemental Aid

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

Request: The Department requests a continuation appropriation of \$5,094,358 cash funds from the State Education Fund, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request. The Department expects the requested continuation appropriation to be sufficient to fully fund the At-risk Supplemental Aid calculation in FY 2015-16.

Education Stabilization Funds from the State Fiscal Stabilization Fund in ARRA and Education Jobs Fund Program

These two appropriations were included in S.B. 11-157 to reflect the availability of two sources of federal funds. These funds are no longer available.

(B) CATEGORICAL PROGRAMS

Background Information - Constitutional Funding Requirement. Programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation) have traditionally been referred to as "categorical" programs. Unlike public school finance funding, there is no legal requirement that the General Assembly increase funding commensurate with the number of students eligible for any particular categorical program. However, Section 17 of Article IX of the Colorado Constitution requires the General Assembly to increase *total state funding* for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years. For example, in calendar year 2013 the percentage change in the Denver-Boulder consumer price index was 2.8 percent, so the General Assembly was required to increase state funding for categorical programs by at least that amount (\$7,528,064) for FY 2014-15.

The General Assembly determines on an annual basis how to allocate the required increase among the various categorical programs. Since FY 2000-01, the General Assembly has increased annual state funding for categorical programs by \$136.1 million. In certain fiscal years, the General Assembly elected to increase state funding by more than the minimum constitutionally required amount, resulting in appropriations that are now \$61.3 million higher than the minimum amount that would have otherwise been required. The following table details the allocation of the \$136.1 million among categorical programs.

Increases in State Funding for Categorical Programs Since FY 2000-01				
Long Bill Line Item	FY 2000-01 Appropriation	FY 2014-15 Appropriation	Total Increase in Annual Appropriation of State Funds Since FY 2000-01	
Special Education - Children with Disabilities	\$71,510,773	\$160,981,786	\$89,471,013	125.1%
English Language Proficiency Program	3,101,598	16,739,145	13,637,547	439.7%
Public School Transportation	36,922,227	54,217,347	17,295,120	46.8%
Career and Technical Education Programs	17,792,850	24,983,788	7,190,938	40.4%
Special Education - Gifted and Talented Children	5,500,000	11,910,269	6,410,269	116.6%
Expelled and At-risk Student Services Grant Program	5,788,807	7,493,560	1,704,753	29.4%
Small Attendance Center Aid	948,140	959,379	11,239	1.2%
Comprehensive Health Education	600,000	1,005,396	405,396	67.6%
Total	\$142,164,395	\$278,290,670	\$136,126,275	95.8%

The constitution also requires that moneys from the State Education Fund shall not be used to supplant the level of General Fund appropriations existing on December 28, 2000, for categorical programs [see Section 17 (5) of Article IX of the Colorado Constitution]. Staff's recommendations for this section ensure that General Fund appropriations are maintained at \$141,765,474 to comply with this requirement.

Finally, please note that pursuant to Section 22-55-107 (3), C.R.S., for FY 2008-09 budget year and each budget year thereafter, on or before February 15, "the education committees of the house of representatives and senate, or any successor committees, may submit to the joint budget

committee of the general assembly a joint recommendation regarding the allocation of the increase in total state funding for all categorical programs as required by subsection (1) of this section for the next budget year. The joint budget committee shall consider but shall not be bound by any joint recommendations made pursuant to this subsection (3) when developing the annual general appropriation bill for the budget year for which the joint recommendation is made". To date, these Committees have not made any such recommendation.

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

➔ R2 – Categorical Programs Increase

Overview of Staff Recommendation for All Categorical Programs

Allocation of Required Funding Increase for FY 2015-16. As noted above, the Constitution requires the General Assembly to increase total state funding for all categorical programs annually by at least the rate of inflation (based on the change in the Denver-Boulder Consumer Price Index for calendar year 2014) for FY 2015-16. The Department's request for FY 2015-16 includes a \$7,792,138 increase, based on a projected 2.8 percent inflation rate from the OSPB September 2014 Revenue Forecast, which aligns with the actual rate.

Based on the actual change in the CPI for CY 2014 (2.8 percent), staff recommends adding a total of \$7,792,139 state funds for categorical programs for FY 2015-16. Staff's recommendation would appropriate *all* of the recommended increases as cash funds from the State Education Fund.

Since December 2006, staff has recommended that the Committee consider four factors when allocating state funds among categorical programs:

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

Consistent with prior years, for FY 2015-16, staff recommends: (a) maintaining existing state funding levels for the Expelled and At-risk Student Services Grant Program, Small Attendance Center Aid, and Comprehensive Health Education; and (b) allocating the

required increase among the remaining programs based on the relative gaps between the sum of state and federal funding, and actual district expenditures (see Table A, below).

The Department and staff have used similar mechanisms to allocate the increases among line items. Staff has treated transportation expenses slightly differently than the Department in calculating the allocation of additional categorical funding. The Department compared state distributions for transportation to local education providers' total reported transportation expenditures. Staff compared the state distributions to costs that were reported as eligible for reimbursement from the state (excluding capital costs for new buses and costs associated with activity trips such as sporting events and field trips, for example).

The following pages include three tables associated with categorical funding.

- Table A shows the gap between state and federal funding and actual local expenditures in FY 2012-13.
- Table B shows the gap between FY 2013-14 funding levels and "full funding" for the programs with statutory formulas for that year.
- Table C summarizes the allocation recommended by staff, the allocation requested by the Department, and two other potential options for discussion purposes.

TABLE A: Categorical Program Revenues and Expenditures: FY 2012-13						
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c)/(d)	(f) = (d) - (c)
Long Bill Line Item	State Funds	Federal Funds	Total State and Federal Funds	Total District Expenditures	State/Federal Share of Expenditures	Local Share of Expenditures
District Programs Required by Statute						
Special Education - Children with Disabilities a/	\$164,664,490	\$156,558,311	\$321,222,801	\$826,872,871	38.8%	505,650,070
English Language Proficiency Program	14,460,255	9,913,473	24,373,728	186,774,796	13.0%	162,401,068
Other Categorical Programs						
Public School Transportation	54,026,096	0	54,026,096	213,666,283	25.3%	159,640,186
Career and Technical Education	24,218,018	5,762,532	29,980,550	82,371,196	36.4%	52,390,646
Special Education - Gifted and Talented Children	9,280,600	0	9,280,600	30,659,347	30.3%	21,378,747
Total						\$901,460,717

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

TABLE B: Maximum Amount of State Funds Districts Were Statutorily Eligible to Receive for FY 2013-14					
Long Bill Line Item	Description of What Determines Maximum State Funding	Total State Funds	Maximum State Funding	Percent of Maximum Covered by State Funds	Estimated Increase Required to Fund Statutory maximum
District Programs Required by Statute:					
Special Education - Children With Disabilities a/	Driven by the number of children requiring special education services, characteristics of the children eligible for such services, and the cost of such services	\$154,751,006	\$234,825,500	65.9%	\$80,074,494
English Language Proficiency Program	Driven by the number of eligible students and statewide average per pupil operating revenue	15,240,040	33,997,943	44.8%	18,757,903
Other Categorical Programs (with specified statutory reimbursement levels):					
Public School Transportation	Driven by total miles traveled and total transportation-related costs (excluding capital outlay expenses)	53,053,629	84,538,042	62.8%	31,484,413
Colorado Vocational Distributions Act	Driven by the number of students participating in vocational education programs and the costs of such services per FTE in relation to each districts per pupil operating revenue	24,528,307	24,528,307	100.0%	0
Small Attendance Center Aid	Driven by the number of eligible schools, such schools' enrollment, and eligible districts' per pupil funding	959,379	1,076,550	89.1%	117,171
Total					\$130,433,981

a/ The estimated increase to fund the statutory maximum for special education for children with disabilities is based on the following: \$110,998,750 (\$1,250 for each student with disabilities); \$235,525,312 (assuming districts received \$6,000 per student for 100 percent of the 39,254 students with specified disabilities, rather than for 16.7 percent of these students); \$4,000,000 for high cost grants; and \$500,000 for "educational orphans." Staff has not attempted to estimate the costs of "fully funding" the high cost grant program.

TABLE C: Required Increase in State Funding for Categorical Programs in FY 2015-16									
Long Bill Line Item	FY 14-15 Approp.	Examples of Options for Allocating Required Increase							
		A: Staff Recomm.	%	B: Dept. Request	%	C	%	D	%
Special education programs for children with disabilities	\$160,981,786	\$4,370,790	2.7%	\$4,360,818	2.7%	\$7,058,215	4.4%	\$4,507,490	2.8%
English language proficiency program	16,739,145	1,403,779	8.4%	1,400,568	8.4%	\$733,924	4.4%	468,696	2.8%
Public school transportation	54,217,347	1,379,914	2.5%	1,345,141	2.5%	0	0.0%	1,518,086	2.8%
Career and technical education	24,983,788	452,860	1.8%	501,238	2.0%	0	0.0%	699,546	2.8%
Special education programs for gifted and talented children	11,910,269	184,796	1.6%	184,373	1.5%	0	0.0%	333,488	2.8%
Expelled and at-risk student services grant program	7,493,560	0	0.0%	0	0.0%	0	0.0%	209,820	2.8%
Small attendance center aid	959,379	0	0.0%	0	0.0%	0	0.0%	26,863	2.8%
Comprehensive health education	1,005,396	0	0.0%	0	0.0%	0	0.0%	28,151	2.8%
Totals (may not sum due to rounding)	\$278,290,670	\$7,792,139	2.8%	\$7,792,138	2.8%	\$7,792,139	2.8%	\$7,792,139	2.8%

(I) District Programs Required by Statute

Special Education Programs for Children with Disabilities

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

In addition to total program funds districts receive to provide educational services to children with disabilities (including three- and four-year-old children¹³), districts are statutorily eligible to receive reimbursement for additional costs incurred in providing educational services to school-age children with disabilities. These reimbursements include federal funding and state funding (subject to available appropriations). Federal funds are generally allocated based on the total number of elementary and secondary students within the boundaries of each administrative unit, with a portion of the funding allocated based on the number of children living in poverty.

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

- "Tier A": Administrative units receive \$1,250 for each child with a disability who was reported on the prior year special education count.
- "Tier B": Administrative units receive an additional \$6,000 per student for a percentage of the children reported on the prior year special education count with the following disabilities: intellectual disability; serious emotional disability; hearing impairment, including deafness; vision impairment, including blindness; deaf-blindness; autism spectrum disorders; traumatic brain injury, and multiple disabilities. The percentage is determined by the appropriation.
- "Tier C": Administrative units receive grants for reimbursement of high costs incurred in providing special education services to a child in the preceding fiscal year. These grants are distributed based on recommendations from the Colorado Special Education Fiscal Advisory Committee, taking into consideration the magnitude of the high costs incurred by a unit in relation to its budget. A total of \$4.0 million is allocated for this purpose, including \$2 million for costs incurred to serve students within the school district, and \$2 million for costs incurred to serve students outside the district.

¹³ Pursuant to Section 22-54-103 (10) (d), C.R.S., three- and four-year-old children with disabilities are counted as half-day pupils.

- Child Find: Administrative units receive funds to offset the costs incurred in conducting child find activities under Part C of IDEA for children who are less than three years of age (e.g., screening and evaluation of children with disabilities from birth through two years of age). The total dollar amount allocated for this purpose increases each year based on the lesser of the rate of inflation or the annual percentage change in state funding for special education services, and the number of children evaluated by administrative units in the preceding budget year.
- "Educational Orphans": Up to \$500,000 is used to reimburse administrative units for excess costs paid to eligible facilities within the unit's boundaries for "educational orphans", those students with disabilities: (a) for whom parental rights have been relinquished or terminated; (b) the parents of whom are incarcerated or cannot be located; (c) the parents of whom reside out of the state but the Department of Human Services has placed such children within the administrative unit; or (d) who are legally emancipated.

Request: The Department's request for FY 2015-16 includes a total of \$165.3 million state funds (including \$71.6 million General Fund and \$93.8 million cash funds from the State Education Fund), an increase of \$4.4 million (2.7 percent) in state funding. The Department's request also reflects \$104,043 reappropriated funds and 1.0 FTE from funds transferred from the Department of Human Services, Division of Vocational Rehabilitation, and \$155.7 million in federal funds that are anticipated to be available to reimburse administrative units and support 62.0 federally-funded Department FTE. The request includes the following increases above the FY 2014-15 appropriation:

- \$4,360,818 cash funds from the State Education Fund (an 2.7 percent increase in state funding) to provide the inflationary increase required by amendment 23 (request R2); and
- \$270,573 federal funds to annualize FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends reflecting a total appropriation of \$320,727,987, including: \$71,572,347 General Fund; \$93,780,229 cash funds from the State Education Fund (a 2.7 percent annual increase in *state* funding associated with the inflationary increase required by Amendment 23); \$104,043 reappropriated funds; and \$155,271,368 federal funds. Staff also recommends reflecting the requested 63.0 FTE. The recommendation includes the following changes from the FY 2014-15 appropriation:

- An increase of \$4,370,790 cash funds from the State Education Fund associated with the inflationary increase required by Amendment 23 (request R2).
- An increase of \$270,573 federal funds to annualize FY 2014-15 salary survey and merit pay. Staff recommends reflecting the annualization of prior year salary survey and merit pay for this line item because the funds are not state funds, are not base building for the categorical programs, and are therefore not subject to inflationary increases required by Amendment 23.
- A reduction of \$386,689 federal funds as part of the consolidation of private leased space funding (discussed above). The reduction is possible because the funds supporting leased

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

space expenses are federal and are therefore not subject to the requirements of Amendment 23.

The following table shows the recommended changes from the FY 2014-15 appropriation for the Special Education Programs for Children with Disabilities categorical program.

Assistance to Public Schools, Categorical Programs, Special Education - Children with Disabilities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$316,473,313	\$71,572,347	\$89,409,439	\$104,043	\$155,387,484	63.0
TOTAL	\$316,473,313	\$71,572,347	\$89,409,439	\$104,043	\$155,387,484	63.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$316,473,313	\$71,572,347	\$89,409,439	\$104,043	\$155,387,484	63.0
R2 Categorical programs increase	4,370,790	0	4,370,790	0	0	0.0
Annualize prior year budget actions	270,573	0	0	0	270,573	0.0
Leased space consolidation	(386,689)	0	0	0	(386,689)	0.0
TOTAL	\$320,727,987	\$71,572,347	\$93,780,229	\$104,043	\$155,271,368	63.0
Increase/(Decrease)	\$4,254,674	\$0	\$4,370,790	\$0	(\$116,116)	0.0
Percentage Change	1.3%	0.0%	4.9%	0.0%	(0.1%)	0.0%
FY 2015-16 Executive Request:	\$321,104,704	\$71,572,347	\$93,770,257	\$104,043	\$155,658,057	63.0
Request Above/(Below) Recommendation	\$376,717	\$0	(\$9,972)	\$0	\$386,689	0.0

English Language Proficiency Program

Pursuant to the federal *No Child Left Behind Act* [Title III - Language Instruction for Limited English Proficient and Immigrant Students], the federal *Civil Rights Act of 1964* [Title VI], and the English Language Proficiency Act [Article 24 of Title 22, C.R.S.], districts are required to identify and provide programs for students with limited English proficiency. The Department previously provided data detailing the number of students eligible for state funding as well as the number receiving English language learner (ELL) services who are not eligible for state funding, by grade level. This data indicated that the largest numbers of students are receiving ELL services in preschool through third grade (46 percent).

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

per student). Third, beginning in FY 2014-15, districts receive additional funding (a total of \$27.0 million in FY 2014-15) through the English Language Learners Professional Development and Student Support Program created in H.B. 14-1298.

Section 22-24-104 (3), C.R.S., requires the Department to allocate the categorical program funding in two parts:

- Three-quarters of the amount appropriated provides funding to districts serving students who: (a) speak languages other than English and do not comprehend or speak English; or (b) students who comprehend or speak some English, but whose primary comprehension or speech is in a language other than English. Annual per eligible student funding for these students may not exceed \$400 or 20 percent of the state average per pupil operating revenues for the preceding year, whichever is greater.
- The remaining 25 percent of the amount appropriated is distributed to districts that serve students who comprehend and speak English and one or more other languages but whose English language development and comprehension is either: (1) at or below the district mean or below the mean or equivalent on a nationally standardized test; or (2) below the acceptable proficiency level based on the instrument or technique developed and approved by the Department. Annual per eligible student funding for these students may not exceed \$200 or 10 percent of the state average per pupil operating revenues for the preceding year, whichever is greater.

Request: The Department's request for FY 2015-16 includes a total of \$18.1 million state funding (including \$3.1 million General Fund and \$15.0 million cash funds from the State Education Fund) and \$11.3 million federal funds. The request reflects continuation of 4.6 federally funded FTE. The request includes the following increases above the FY 2014-15 appropriation:

- \$1,400,568 cash funds from the State Education Fund associated with R2 to provide the inflationary increase required by Amendment 23. The request represents an increase of 8.4 percent in state funding.
- \$9,208 federal funds to annualize FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends a total appropriation of \$29,377,047, including \$3,101,598 General Fund and \$15,041,326 cash funds from the State Education Fund, an increase of \$1,403,779 (8.2 percent) in state funding. Staff recommends reflecting \$11,234,365 federal funds and 4.6 federally funded FTE in this line item. The recommendation includes the following increases above the FY 2014-15 appropriation:

- An increase of \$1,403,779 cash funds from the State Education Fund associated with the inflationary increase required by Amendment 23 (request R2).

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Committee Decision*

- An increase of \$9,208 federal funds (reflected for informational purposes) to annualize FY 2014-15 salary survey and merit pay. Because these are not state funds, are not base building for Amendment 23 inflationary purposes, and are reflected for informational purposes, staff recommends reflecting the increase in the Long Bill.
- A decrease of \$18,882 federal funds as part of the consolidation of leased space appropriations.

The following table shows the recommended changes from the FY 2014-15 appropriation for the English Language Proficiency categorical program.

Assistance to Public Schools, Categorical Programs, English Language Proficiency Program					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	\$27,983,302	\$3,101,598	\$13,637,547	\$11,244,157	4.6
TOTAL	\$27,983,302	\$3,101,598	\$13,637,547	\$11,244,157	4.6
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	27,983,302	3,101,598	13,637,547	11,244,157	4.6
R2 Categorical programs increase	1,403,779	0	1,403,779	0	0.0
Annualize salary survey and merit pay (federal funds)	9,208	0	0	9,208	0.0
Leased space consolidation	(18,882)	0	0	(18,882)	0.0
TOTAL	\$29,377,407	\$3,101,598	\$15,041,326	\$11,234,483	4.6
Increase/(Decrease)	\$1,394,105	\$0	\$1,403,779	(\$9,674)	0.0
Percentage Change	5.0%	0.0%	10.3%	(0.1%)	0.0%
FY 2015-16 Executive Request:	\$29,393,078	\$3,101,598	\$15,038,115	\$11,253,365	4.6
Request Above/(Below) Recommendation	\$15,671	\$0	(\$3,211)	\$18,882	0.0

(II) Other Categorical Programs

Public School Transportation

Pursuant to Section 22-32-113, C.R.S., a school district may provide transportation for students to and from school. However, a school district must provide transportation for students who fall under the federal *Individuals with Disabilities Education Act* or Section 504 of the federal *Rehabilitation Act of 1973*, as well as homeless students. The Department indicates that one of Colorado's 178 school districts (San Juan – Silverton) does not provide transportation services. Statewide, over 43 percent of students are transported. School districts employ a fleet of over 6,300 buses and small vehicles traveling approximately 60 million miles each year.

This line item provides state funding to reimburse school districts for a portion of the costs incurred to transport students. Pursuant to Section 22-51-104, C.R.S., and subject to available appropriations, each district is eligible to receive reimbursement equal to \$0.3787 per-mile-traveled plus 33.87 percent of its total transportation-related costs (excluding capital outlay expenses) in excess of the per-mile-traveled reimbursement. Districts are authorized to generate additional local revenues to support their transportation programs via an additional mill levy or a transportation user fee. While voter approval is required to levy additional taxes, as of FY 2005-06, a district is allowed to impose a user fee without prior voter approval. Eight districts have received voter approval to levy separate mills to generate additional local revenues.¹⁴ Currently, ten districts report that they are collecting fees from individuals for transporting students to and from school.¹⁵ In years when the appropriation does not fully fund the maximum allowable reimbursement, the Department prorates reimbursements accordingly.

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

Request: The Department's request for FY 2015-16 includes a total of \$56,016,549, including \$55,566,549 in state funding (a 2.5 percent annual increase) and 2.0 FTE and a continuation appropriation of \$450,000 from the State Public School Transportation Fund, which consists of moneys that are recovered by the Department when it identifies a transportation-related overpayment to a district. The requested appropriation from the State Public School Transportation Fund would allow the Department to re-distribute moneys that are recovered in the current fiscal year in FY 2015-16. The request includes the following increases above the FY 2014-15 appropriation:

- \$1,345,141 cash funds from the State Education Fund to provide inflationary increases required by Amendment 23 (request R2); and
- \$4,061 cash funds from the State Education Fund to annualize FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends a total appropriation of \$56,047,261 and 2.0 FTE. The recommendation includes \$36,922,227 General Fund, \$18,675,034 cash funds from the State Education Fund, and \$450,000 cash funds from the State Public school Transportation Fund. The recommendation includes an increase of \$1,379,914 cash funds from the State Education Fund associated with request R2 to provide the inflationary increase required by Amendment 23 (\$34,773 above the requested increase).

¹⁴ Districts include: Boulder - Boulder Valley, Eagle, Gilpin, Grand - East Grand, Las Animas - Primero, Rio Blanco - Rangely, San Miguel - Telluride, and Summit.

¹⁵ Districts collecting fees include: Adams – Adams 12 Five Star, Adams - Brighton, Douglas, El Paso – Academy, El Paso – Lewis Palmer, El Paso - Falcon, Jefferson, Rio Blanco – Rangely, Summit, and Teller – Woodland Park.

In a change from the request, staff does not recommend providing additional state funding to annualize FY 2014-15 salary survey and merit pay. Staff does not recommend including additional base building funds (under Amendment 23) in the appropriation for that purpose. Particularly given the limited amount of funding involved (a total of \$4,061), staff recommends that the Department absorb those costs within the recommended inflationary increase as part of the cost of operating the program.

The following table shows the components of staff’s recommendation relative to the FY 2014-15 appropriation. For transparency purposes, the table shows the requested increase to annualize salary survey and merit pay and the recommended elimination of that increase.

Assistance to Public Schools, Categorical Programs, Public School Transportation				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$54,667,347	\$36,922,227	\$17,745,120	2.0
TOTAL	\$54,667,347	\$36,922,227	\$17,745,120	2.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$54,667,347	\$36,922,227	\$17,745,120	2.0
R2 Categorical programs increase	1,379,914	0	1,379,914	0.0
Annualize prior year budget actions	4,061	0	4,061	0.0
Eliminate salary survey and merit pay annualization (state funds)	(4,061)	0	(4,061)	0.0
TOTAL	\$56,047,261	\$36,922,227	\$19,125,034	2.0
Increase/(Decrease)	\$1,379,914	\$0	\$1,379,914	0.0
Percentage Change	2.5%	0.0%	7.8%	0.0%
FY 2015-16 Executive Request:	\$56,016,549	\$36,922,227	\$19,094,322	2.0
Request Above/(Below) Recommendation	(\$30,712)	\$0	(\$30,712)	0.0

Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education

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

eligible to receive reimbursement for 80 percent of the first \$1,250 in "excess costs" incurred, and 50 percent of any excess costs above \$1,250.

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

Request: The Department requests a total of \$25.5 million in state funding in FY 2015-16 (a 2.0 percent annual increase).

Recommendation: Staff recommends a total appropriation of \$25,436,648, including \$17,792,850 General Fund and \$7,643,798 cash funds from the State Education Fund (a 1.8 percent increase in state funding). The recommendation includes an increase of \$452,860 cash funds from the State Education Fund associated with request R2 (\$48,378 below the requested increase). The following table shows the components of staff's recommendation relative to the FY 2014-15 appropriation.

Assistance to Public Schools, Categorical Programs, Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$24,983,788	\$17,792,850	\$7,190,938	0.0
TOTAL	\$24,983,788	\$17,792,850	\$7,190,938	0.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	24,983,788	17,792,850	7,190,938	0.0
R2 Categorical programs increase	452,860	0	452,860	0.0
TOTAL	\$25,436,648	\$17,792,850	\$7,643,798	0.0
Increase/(Decrease)	\$452,860	\$0	\$452,860	0.0
Percentage Change	1.8%	0.0%	6.3%	0.0%
FY 2015-16 Executive Request:	\$25,485,026	\$17,792,850	\$7,692,176	0.0
Request Above/(Below) Recommendation	\$48,378	\$0	\$48,378	0.0

Special Education Programs for Gifted and Talented Children

The state *Exceptional Children's Educational Act* defines a gifted child as one whose "aptitude or competence in abilities and talents and potential for accomplishments in one or more domains, as defined by state board rule, are so outstanding that he or she requires special provisions to meet his or her educational needs" [see Section 22-20-202 (11), C.R.S.]. Pursuant to Section 22-

20-204, C.R.S. (as amended by H.B. 14-1102 (Gifted Education Programs), each administrative unit is required to adopt and implement a program to identify and serve gifted children. The plan must be implementable within the local, state, and federal resources available for gifted education programs. State funding for gifted programs must supplement, not supplant, programs for students with disabilities.

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

Request: The Department requests a total of \$12.1 million in state funding (a 1.5 percent annual increase) and 0.5 FTE in FY 2015-16. The request includes the following changes from the FY 2014-15 appropriation: (1) an increase of \$184,373 cash funds from the State Education Fund associated with request R2; (2) an increase of \$1,571 cash funds from the State Education Fund to annualize FY 2014-15 salary survey and merit pay; and (3) a decrease of \$11,353 cash funds from the State Education Fund to annualize H.B. 14-1102.

Recommendation: Staff recommends a total appropriation of \$12,095,065 and 1.5 FTE, including \$5,500,000 General Fund and \$6,595,065 cash funds from the State Education Fund (a 1.6 percent increase in state funding). The recommendation includes an increase of \$184,796 cash funds from the State Education Fund associated with request R2 (\$423 above the requested increase). Similar to the staff recommendation for transportation, staff recommends rejecting the requested increase to annualize FY 2014-15 salary survey and merit pay and directing the Department to absorb those increases within the inflationary increase associated with R2. The recommendation also rejects the requested reduction of \$11,353 cash funds to annualize H.B. 14-1102 because Amendment 23 prohibits reductions to overall categorical funding. The following table shows the components of staff's recommendation relative to the FY 2014-15 appropriation.

Assistance to Public Schools, Categorical Programs, Special Education Programs for Gifted and Talented Children				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$10,007,091	\$5,500,000	\$4,507,091	0.5
Other Legislation	<u>1,903,178</u>	<u>0</u>	<u>1,903,178</u>	<u>1.0</u>
TOTAL	\$11,910,269	\$5,500,000	\$6,410,269	1.5

Assistance to Public Schools, Categorical Programs, Special Education Programs for Gifted and Talented Children				
	Total Funds	General Fund	Cash Funds	FTE
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$11,910,269	\$5,500,000	\$6,410,269	1.5
R2 Categorical programs increase	184,796	0	184,796	0.0
Annualize prior year salary survey and merit pay (state funds)	1,571	0	1,571	0.0
Annualize prior year legislation	0	0	0	0.0
Eliminate salary survey and merit pay annualization (state funds)	<u>(1,571)</u>	<u>0</u>	<u>(1,571)</u>	<u>0.0</u>
TOTAL	\$12,095,065	\$5,500,000	\$6,595,065	1.5
Increase/(Decrease)	\$184,796	\$0	\$184,796	0.0
Percentage Change	1.6%	0.0%	2.9%	0.0%
FY 2015-16 Executive Request:	\$12,084,860	\$5,500,000	\$6,584,860	1.5
Request Above/(Below) Recommendation	(\$10,205)	\$0	(\$10,205)	0.0

Expelled and At-risk Student Services Grant Program

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

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

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

The Department is also authorized to retain: (a) up to one percent of moneys appropriated for the purpose of annually evaluating the program; and (b) up to two percent of moneys appropriated

for the purpose of partnering with organizations and agencies that provide services and supports designed to reduce the number of truancy cases requiring court involvement and that also reflect the best interests of students and families.

For FY 2009-10, the General Assembly increased funding for this program by approximately \$1.0 million. The Department approved funding for 19 new sites from a total of 50 applicants. The Department also increased funding for seven existing sites (by a total of \$635,700) for the purpose of providing services and supports designed to reduce the number of truancy cases requiring court involvement. These awards were targeted toward those judicial districts with the highest number of truancy court referrals. Finally, the Department contracted with Rocky Mountain Children's Law Center (a total of \$25,000) to work with selected judicial districts to develop alternatives to guardian ad litem services in truancy proceedings.

Request: The Department requests a continuation appropriation of \$7,496,922 state funds and 1.0 FTE in FY 2015-16. The request includes \$3,362 cash funds from the State Education Fund to annualize FY 2014-15 salary survey and merit pay. Consistent with prior years, the request does not include an inflationary increase for this program associated with request R2.

Recommendation: Staff recommends a continuation appropriation of \$7,493,560 total funds (including \$5,788,807 General Fund and \$1,704,753 cash funds from the State Education Fund) with no change from the FY 2014-15 appropriation. The recommendation is \$3,362 cash funds below the request because the recommendation does not annualize FY 2014-15 salary survey and merit pay. The Department requested the annualization of salary survey and merit pay outside of request R2 (Categorical Programs Increase). Because funding the categorical programs above the inflationary increase required by Amendment 23 will require additional inflationary increases indefinitely, staff does not recommend appropriating the additional funding in FY 2015-16. Staff's recommendation would require the Department to absorb the annualization within existing funds.

Small Attendance Center Aid

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

Similar to other categorical programs, whether a school district eligible for Small Attendance Center Aid actually receives the maximum reimbursement allowable is subject to appropriation. From FY 1998-99 through FY 2007-08, the appropriation for this line item was sufficient to reimburse eligible districts for the full amount statutorily allowed. Since FY 2008-09, the appropriation has fallen short of full funding. The following table details the allocation of small attendance center aid for FY 2013-14 (data is not yet available for FY 2014-15). On average, eligible schools received an additional \$1,004 per pupil in FY 2013-14.

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

Small Attendance Center Aid: FY 2013-14					
School District	School	13-14 Enrollment	Full Funding Per Formula	Amount Distributed	Distribution per FTE
Dolores	Rico Elementary	9.7	\$21,070	\$18,777	\$1,936
Gunnison	Marble Charter School	37.1	99,884	89,013	2,399
Huerfano	Gardner School	73.1	111,433	99,304	1,358
La Plata - Durango	Fort Lewis Mesa Elementary	146.2	97,645	87,018	595
Larimer - Poudre	Red Feather Elementary	33.5	93,982	83,753	2,500
Logan - Valley	Caliche Elementary	149.5	84,849	75,614	506
Logan - Valley	Caliche Jr./Sr. High	139.0	99,209	88,411	636
Mesa - Mesa Valley	Gateway School	32.2	89,128	79,427	2,467
Moffatt	Maybell Elementary	16.0	49,411	44,034	2,752
Montrose - West End	Paradox Valley Charter School	36.5	66,180	58,977	1,471
Park	Guffey Community Charter School	21.6	59,737	53,235	2,465
Park	Lake George Charter School	117.7	107,808	96,074	816
Pueblo 70	Beulah School	143.2	96,216	85,743	599
Totals		955.3	\$1,076,550	\$959,379	\$1,004

Request: The Department requests a continuation appropriation of \$959,379 in state funds, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request.

Comprehensive Health Education

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

This line item provides funding for grants to school districts, facility schools, and boards of cooperative services to implement local comprehensive health education and student wellness programs, and for 1.0 FTE to administer the program and perform the duties required by the act. The Department of Education works with the Department of Public Health and Environment to review applications for state funding, and the State Board of Education allocates available funds. Fiscal year 2014-15 is the second year of a three-year grant cycle for both the comprehensive health education programs and the local student wellness programs.

Request: The Department requests a continuation appropriation of \$1,010,832 in state funds and 1.0 FTE, including an increase of \$5,436 cash funds from the State Education Fund to annualize FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends a continuation appropriation of \$1,005,396 total funds (including \$300,000 General Fund and \$705,396 cash funds from the State Education Fund) with no change from the FY 2014-15 appropriation. The recommendation is \$5,436 cash funds below the request because the recommendation does not annualize FY 2014-15 salary survey and merit pay. The Department requested the annualization of salary survey and merit pay outside of request R2 (Categorical Programs Increase). Because funding the categorical programs above the amount required by Amendment 23 will require additional inflationary increases indefinitely, staff does not recommend appropriating the additional funding in FY 2015-16. Staff's recommendation would require the Department to absorb the annualization within existing funds.

(C) GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE

(I) Health and Nutrition

Background Information - Federal School Lunch Program: The National School Lunch Program provides low cost or free meals (breakfast, lunch, and after school snacks) to children. Public or non-profit private schools and residential child care 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., \$31,005 for a family of four in FY 2014-15) are eligible.
- *Reduced price* meals: Families with incomes between 130% and 185% of the federal poverty level (e.g., between \$31,006 and \$44,123 for a family of four in FY 2014-15) are eligible.

Federal per meal reimbursements differ depending on whether the meal was served to a child who is eligible for free, reduced, or "full" price meals. For example, for school breakfasts, most schools currently receive \$1.62 for each free meal served, \$1.32 for each reduced price meal served, and \$0.28 for each full price meal served. Children receiving a reduced price meal are generally charged the difference between the federal reimbursements for free and reduced price meals (e.g., \$0.30 per reduced price breakfast).

In Colorado, the Department of Education administers the National School Lunch and Breakfast Programs and operates the programs through agreements with local school food authorities (usually school districts). Families are asked to complete a meal application to determine eligibility for free or reduced price meals. This information is confidential and is not shared with any other state or local agencies unless allowed by federal regulation. In FY 2014-15, per the October 1 pupil count, a total of 305,268 children are eligible for free meals, and another 64,405 children are eligible for reduced price meals. The percentage of students who are eligible for *free* meals is used as a factor to determine the level of per pupil funding for each school district,

so districts have a financial incentive to encourage families to complete these forms even if they do not plan to participate in the school’s lunch or breakfast program.

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

Data Concerning National School Lunch Program in Colorado						
	FY 2010-11 Actual	FY 2011-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual*	FY 15-16 Estimate
Children <i>eligible</i> for <u>free</u> meals	279,275	288,568	297,167	304,962	305,268	314,426
<i>Annual % Change</i>	7.9%	3.3%	3.0%	2.6%	0.1%	2.3%
Children <i>eligible</i> for <u>reduced</u> price meals	57,168	60,362	61,732	62,822	64,405	65,693
<i>Annual % Change</i>	-5.6%	5.6%	2.3%	1.8%	2.5%	3.0%
Children eligible for free or reduced price meals	336,443	348,930	358,899	367,784	369,673	380,119
Percent of children eligible for <u>reduced price</u> meals who <i>participate</i> in <u>lunch</u> program	63.6%	62.3%	59.6%	61.2%	61.2%	61.2%
Percent of children eligible for reduced price meals who <i>participate</i> in breakfast program	26.6%	28.9%	30.3%	33.9%	33.9%	33.9%

* The eligible counts are actuals from the October 2014 Pupil Count. The participation percentages are estimates from the prior year.

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.

Request: The Department requests continuation level funding of \$156,598,163 total funds (including \$88,249 General Fund and \$156,509,914 federal funds) and 9.0 FTE. The request is for a continuation appropriation including annualization of FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends approving an appropriation of \$156,527,414 total funds (including \$86,907 General Fund) and 9.0 FTE for FY 2015-16. The recommendation is \$70,749 total funds below the request because staff recommends reflecting that amount in the “Leased Space” line item based on the program’s anticipated private leased space costs in FY 2015-16. The following table shows the recommended changes from the FY 2014-15 appropriation.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Federal Nutrition Programs			
	Total Funds	General Fund	FTE
FY 2014-15 Appropriation			

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Federal Nutrition Programs				
	Total Funds	General Fund	Federal Funds	FTE
HB 14-1336 (Long Bill)	\$156,554,776	\$84,747	\$156,470,029	9.0
TOTAL	\$156,554,776	\$84,747	\$156,470,029	9.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$156,554,776	\$84,747	\$156,470,029	9.0
Annualize salary survey and merit pay	43,387	3,502	39,885	0.0
Leased space consolidation	<u>(70,749)</u>	<u>(1,342)</u>	<u>(69,407)</u>	<u>0.0</u>
TOTAL	\$156,527,414	\$86,907	\$156,440,507	9.0
Increase/(Decrease)	(\$27,362)	\$2,160	(\$29,522)	0.0
Percentage Change	(0.0%)	2.5%	(0.0%)	0.0%
FY 2015-16 Executive Request:	\$156,598,163	\$88,249	\$156,509,914	9.0
Request Above/(Below) Recommendation	\$70,749	\$1,342	\$69,407	0.0

State Match for Federal School Lunch Program

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

Pursuant to S.B. 01-129, the General Assembly is now required 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".

Request: The Department requests continuation funding of \$2,472,644 cash funds from the State Public School Fund for FY 2015-16, unchanged from the FY 2014-15 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 MOE requirement, state moneys must be appropriated or used specifically for National School Lunch Program purposes (excluding state-level administrative expenses). It is possible that the State would risk the loss of about \$18 million in federal funds if this appropriation were eliminated. Staff recommends continuing to reflect this appropriation as cash funds -- interest and investment income earned on the Public School (Permanent) Fund that is credited to the State Public School Fund.

Child Nutrition School Lunch Protection Program

Pursuant to S.B. 08-123 [Section 22-82.9-101 et seq., C.R.S.], the Child Nutrition School Lunch Protection Program provides state funding to reimburse school districts for each lunch served to a child in kindergarten through fifth grade¹⁶ 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 following table provides data related to districts’ school lunch programs and the Child Nutrition School Lunch Protection Program.

Data Concerning Districts' School Lunch Programs and the Child Nutrition School Lunch Protection Program				
	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Estimate *
Total number of reduced priced lunches served (all grade levels)	6,319,954	6,130,901	6,113,084	7,608,690
Number of above meals for which state reimbursement is available	1,718,516	1,785,307	1,817,321	3,763,985
Estimated number of students who benefit from Child Nutrition School Lunch Protection Program subsidy	10,031	10,850	11,775	22,141
Child Nutrition School Lunch Protection Program Expenditures	\$683,230	\$710,020	\$726,913	\$1,505,594
<i>Annual percent change</i>	<i>-0.7%</i>	<i>3.9%</i>	<i>2.4%</i>	<i>107.1%</i>

* Note: HB 14-1156 Eligibility Age for the School Lunch Protection Program expanded the Program from PK-2nd grade to PK-5th grade. Estimates from the Fiscal Note have not been updated as only 3 months of actual data are available at this point in time.

The act requires that "the General Assembly shall annually appropriate by separate line item in the annual general appropriation bill an amount of not less than \$850,000 and not more than \$1.5 million to the Department to allow school districts to provide lunches at no charge for children in kindergarten through fifth grade participating in the school lunch program who would otherwise be required to pay a reduced price for lunch." The act authorizes the Department to spend up to 2.0 percent of appropriated moneys for administrative costs (*e.g.*, \$30,000 for a \$1.5 million appropriation).

¹⁶ Prior to FY 2014-15, statute limited the program to kindergarten through second grade. However, H.B. 14-1156 (Eligibility Age School Lunch Protection Program) expanded the program to include kindergarten through fifth grade in FY 2014-15 and subsequent years.

Request: The Department requests continuation funding of \$1,661,258 total funds (including \$811,258 General Fund and \$850,000 cash funds from the State Education Fund) for FY 2015-16. The request includes an increase of \$19,787 General Fund to annualize H.B. 14-1156.

Recommendation: As discussed above, current statute limits the appropriation to no more than \$1.5 million per year. Thus, staff recommends a Long Bill appropriation of \$1.5 million for FY 2015-16, including \$650,000 General Fund and \$850,000 cash funds from the State Education Fund. As also discussed above, staff recommends the following:

- Including a Long Bill “add-on” to reduce the FY 2014-15 appropriation from \$1,641,471 total funds (including \$791,471 General Fund) to \$1,500,000 total funds (including \$650,000 General Fund) to align with the current statutory cap of \$1.5 million per year.
- Sponsoring legislation (either as a separate bill or as part of the School Finance Bill) to either: (1) increase the cap to allow for appropriations to fully fund the program; or (2) eliminate the statutory cap.

The current statute does not indicate how the Department should prioritize reimbursements if the appropriation is not sufficient to support program expenditures. If the Committee and the General Assembly do not wish to modify the cap on expenditures to reflect the program’s expansion, then legislation to clarify how the Department should prioritize such expenditures may be beneficial.

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; and
- the number of eligible children who participate in school breakfast programs.

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

Data Concerning Districts' School Breakfast Programs and the Start Smart Nutrition Program					
	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Estimate *
Number of <i>school districts</i> that offer a school breakfast program	170	169	166	172	173
Number of <i>schools</i> that offer a school breakfast program	1,385	1,305	1,325	1,298	1,370

Data Concerning Districts' School Breakfast Programs and the Start Smart Nutrition Program					
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
	Actual	Actual	Actual	Actual	Estimate *
Number of reduced price breakfasts served (and reimbursed by State)	2,264,611	2,542,715	2,727,002	2,842,184	3,629,813
Estimated number of students who benefit from Start Smart subsidy	15,207	17,445	18,705	19,035	24,220
Start Smart expenditures*	\$679,996	\$765,105	\$818,589	\$852,655	\$1,088,944
<i>Annual percent change</i>	-2.3%	12.5%	7.0%	4.2%	27.7%

* Expenditure estimates from the Start Smart FY 2014-15 Budget Amendment have not been updated as only 3 months of actual data are available.

Request: The Department requests a continuation appropriation of \$1,370,721 General Fund to the Start Smart Nutrition Program Fund in FY 2015-16. The request also includes a total appropriation of \$1,423,320 (including \$1,370,721 reappropriated funds and \$52,509 cash funds) to support the Start Smart Nutrition Program in FY 2015-16. The request includes the following changes from the FY 2014-15 appropriation:

- an increase of \$272,738 General Fund for the Smart Start Nutrition Program Fund line item to annualize FY 2014-15 request R9.
- an increase of \$286,257 total funds (including \$272,738 reappropriated funds (from the General Fund discussed above) and \$13,509 cash funds from the Start Smart Nutrition Program Fund balance) to support the Start Smart Nutrition Program line item.

Recommendation: Staff recommends approving the following amounts for the Start Smart line items:

- \$1,370,721 General Fund for the Start Smart Nutrition Program Fund line item, as requested by the Department; and
- \$1,422,998 total funds for the Start Smart Nutrition Program line item. The recommendation is \$232 reappropriated funds below the request because staff recommends reflecting that amount in the “Leased Space” line item to reflect anticipated private leased space costs associated with Start Smart in FY 2015-16.

As detailed in the following table, the Department expects moneys in the Start Smart Nutrition Program Fund to be sufficient to cover the requested appropriation.

Start Smart Nutrition Program Fund				
	FY 12-13	FY 13-14	FY 14-15	FY 15-16
	Actual	Actual	Estimate *	Estimate *
Beginning Fund Balance	\$226,764	\$114,434	\$66,271	\$79,168
General Fund Appropriation to the Cash Fund	700,000	800,000	1,097,983	1,370,721
Interest Earnings	6,259	3,881	3,881	3,881
Program Expenditures	(818,589)	(852,044)	(1,088,967)	(1,361,705)
Ending Fund Balance	\$114,434	\$66,271	\$79,168	\$92,065
Spending Authority (Annual Appropriation from the Cash Fund)*	\$843,495	\$914,000	\$1,136,983	\$1,423,721

Start Smart Nutrition Program Fund				
	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Estimate *	FY 15-16 Estimate *
Appropriation Exceeds/(Falls Short of) Expenditures	\$24,906	\$61,956	\$48,016	\$62,016

* Estimates from the Start Smart FY 2014-15 Budget Amendment have not been updated as only 3 months of actual data were available.

Breakfast After the Bell

The General Assembly added this line item to the FY 2014-15 Long Bill to support the Breakfast After the Bell program created in H.B. 13-1006. For FY 2014-15, the bill requires schools where at least 80 percent of students qualify for free or reduced-price lunch to offer a free breakfast to every student enrolled in the school. In FY 2015-16, the program expands to include all schools with at least 70 percent of students qualifying for free or reduced-price lunch. The bill 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.

Request: The Department requests a continuation appropriation of \$14,341,931 total funds (including \$24,128 General Fund and \$14,317,803 federal funds) and 0.3 FTE, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends an appropriation of \$29,412,780 total funds (including \$23,524 General Fund and \$29,389,256 federal funds) and 0.3 FTE. The recommendation includes the following changes from the FY 2014-15 appropriation:

- An increase of \$15.1 million federal funds (shown for informational purposes) based on the Department’s estimates of the increase in federal funds associated with the expansion of the program to include schools with at least 70 percent of students qualifying for free or reduced-price lunch (discussed above). The Department inadvertently omitted the additional federal funds from the request but provided the estimate to staff and agrees with the staff recommendation.
- A reduction of \$604 General Fund as part of the recommended consolidation of leased space appropriations.

The following table shows the recommended change from the FY 2014-15 appropriation to reflect the anticipated increase in federal funds.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Breakfast After the Bell				
	Total Funds	General Fund	Federal Funds	FTE
FY 2014-15 Appropriation				

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Breakfast After the Bell				
	Total Funds	General Fund	Federal Funds	FTE
HB 14-1336 (Long Bill)	\$14,341,931	\$24,128	\$14,317,803	0.3
TOTAL	\$14,341,931	\$24,128	\$14,317,803	0.3
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$14,341,931	\$24,128	\$14,317,803	0.3
Annualize prior year legislation	15,071,453	0	15,071,453	0.0
Leased space consolidation	(604)	(604)	0	0.0
TOTAL	\$29,412,780	\$23,524	\$29,389,256	0.3
Increase/(Decrease)	\$15,070,849	(\$604)	\$15,071,453	0.0
Percentage Change	105.1%	(2.5%)	105.3%	0.0%
FY 2015-16 Executive Request:	\$14,341,931	\$24,128	\$14,317,803	0.3
Request Above/(Below) Recommendation	(\$15,070,849)	\$604	(\$15,071,453)	0.0

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 services (BOCES), and state K-12 educational institutions are authorized to be reimbursed through Medicaid for health care services¹⁷ provided to Medicaid-eligible students. In order to do so, districts and BOCES must certify local expenditures on health care services in order to claim and receive federal Medicaid funding.

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

The Department of Health Care Policy and Financing is responsible for the Medicaid billing aspects of the program, including developing regulations and administrative guidelines for submitting claims and contracting with individual districts. The Department of Education is responsible for providing technical assistance to districts in meeting administrative requirements

¹⁷ 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 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 reflect both the federal Medicaid funds (reflected as federal funds) and the local certified matching funds (reflected as cash funds). The total funds appropriated to DHCPF cover the administrative costs incurred by the DHCPF and the Department of Education, as well as actual costs of health care claims. Since FY 2006-07, the appropriation to the Department of Education has only reflected the federal Medicaid funds that are used by the Department of Education to administer the program.

Request: The Department requests a continuation appropriation of \$141,943 reappropriated funds and 1.4 FTE pursuant to OSPB’s common policies (annualizing FY 2014-15 salary survey and merit pay).

Recommendation: Staff recommends approving an appropriation of \$152,341 reappropriated funds and 1.4 FTE. The recommendation includes the following changes from the FY 2014-15 appropriation: (1) an increase of \$18,412 to align with the program spending and revenues from HCPF; (2) an increase of \$4,137 to annualize the FY 2014-15 salary survey and merit pay; and (3) a reduction of \$8,014 as part of the recommended consolidation of leased space appropriations. The following table shows the recommended changes from the FY 2014-15 appropriation.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, S.B. 97-101 Public School Health Services				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$137,806</u>	<u>\$0</u>	<u>\$137,806</u>	<u>1.4</u>
TOTAL	\$137,806	\$0	\$137,806	1.4
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$137,806	\$0	\$137,806	1.4
Reflect revenue estimates	18,412	0	18,412	0.0
Annualize salary survey and merit pay	4,137	0	4,137	0.0
Leased space consolidation	<u>(8,014)</u>	<u>0</u>	<u>(8,014)</u>	<u>0.0</u>
TOTAL	\$152,341	\$0	\$152,341	1.4
Increase/(Decrease)	\$14,535	\$0	\$14,535	0.0
Percentage Change	10.5%	0.0%	10.5%	0.0%
FY 2015-16 Executive Request:	\$141,943	\$0	\$141,943	1.4
Request Above/(Below) Recommendation	(\$10,398)	\$0	(\$10,398)	0.0

SCHOOL HEALTH PROFESSIONALS GRANT PROGRAM (new line item requested)

The Department requests the creation of a new line item in FY 2015-16 to support the School Health Professionals 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 (generally 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 substance abuse and behavioral health care to secondary school students;
- To provide training and resources for school staff on the implementation of evidence-based programs for substance abuse prevention education for all secondary school students; and
- To allow school health professionals to connect secondary school students at risk for substance abuse with services provided by community-based organizations for treatment and counseling.

Request: The Department requests an appropriation of \$2,280,444 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE for FY 2015-16. The request includes a reduction of \$219,556 cash funds from the FY 2014-15 appropriation of \$2.5 million (in S.B. 14-215) based on anticipated marijuana tax revenues available for appropriation in FY 2015-16.

Recommendation: Staff recommends approving the request, which is consistent with Committee policy. The following table shows the recommended changes from the FY 2014-15 appropriation.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, School Health Professionals Grant Program				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
S.B. 14-215 (Disposition of legal marijuana revenue)	\$2,500,000	\$0	\$2,500,000	1.0
TOTAL	\$2,500,000	\$0	\$2,500,000	1.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$2,500,000	\$0	\$2,500,000	1.0
Marijuana tax revenue adjustment	(219,556)	0	(219,556)	0.0
TOTAL	\$2,280,444		\$2,280,444	1.0
Increase/(Decrease)	(\$219,556)	\$0	(\$219,556)	0.0
Percentage Change	(8.8%)	0.0%	(8.8%)	0.0%
FY 2015-16 Executive Request:	\$2,280,444	\$0	\$2,280,444	1.0

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, School Health Professionals Grant Program				
	Total Funds	General Fund	Cash Funds	FTE
Request Above/(Below) Recommendation	\$0		\$0	0.0

(II) Capital Construction

Background Information - Building Excellent Schools Today (BEST) Program. House Bill 08-1335 replaced the capital construction financial assistance programs that were established in response to the *Giardino* lawsuit with the BEST program. The BEST 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 BEST program is supported by royalty and rental income earned on state trust lands, interest earned on the Public School Fund, lottery proceeds, and (beginning in FY 2013-14) up to \$40.0 million per year in recreational marijuana excise tax revenues pursuant to Amendment 64 and Proposition AA. Under current law, the following moneys are annually credited 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 (\$85.9 million in FY 2013-14);
- all local matching moneys for COP projects (\$14.9 million in FY 2013-14);
- lottery proceeds that would otherwise be transferred to the General Fund (\$4.7 million in FY 2013-14);
- recreational marijuana excise tax revenues (\$3.0 million in FY 2013-14); and
- interest and investment income earned on the PSCCA Fund (\$1.7 million in FY 2013-14).

With the enactment of S.B. 14-112, moneys in the PSCCA Fund are 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, moneys for cash grants were continuously appropriated to the Department).

The act 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 (published in 2010);
- (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. Financial assistance is awarded 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.

Division of Public School Capital Construction Assistance

This line item supports the PSCCA Board and the Division of PSCCA.

Request: The Department requests an appropriation of \$4,389,743 cash funds from the Public School Capital Construction Assistance Fund and 15.0 FTE, an increase of \$3,493,602 cash funds above the FY 2014-15 appropriation. The request includes the following changes from the FY 2014-15 appropriation:

- An increase of \$3,472,914 and 6.0 FTE associated with request R7 (BEST Statewide Financial Assistance Priority Assessment, discussed above); and
- An increase of \$20,688 to annualize FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends approving an appropriation of \$1,392,473 and 15.0 FTE for FY 2015-16. The recommendation includes an increase of \$508,311 cash funds *to this line item* associated with request R7. As discussed above with request R7, the recommendation includes the following changes to request R7 as it was submitted by the Department:

- A decrease of \$2.8 million *for this line item*, and an appropriation of \$2.7 million of that amount to the Financial Assistance Priority Assessment line item instead. The recommended \$2.7 million represents one-time funding to reconfigure and adjust the program's priority assessment database and to train the proposed assessment staff. Staff believes the one-time funding is more appropriately reflected in the priority assessment line item.
- A decrease of \$103,756 based on the Committee's common policy not to appropriate funds for centrally appropriated items in the first year for new FTE.
- A decrease of \$53,697 based on the Committee's common policy to appropriate funds for the range minimum salaries for new FTE (the request seeks mid-range salaries for the requested positions).

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

In addition to the changes associated with R7, the recommendation includes: (1) an increase of \$20,688 to annualize FY 2014-15 salary survey and merit pay; and (2) a reduction of \$33,667 cash funds as part of the consolidation of leased space appropriations. The following table shows the components of the staff recommendation.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Division of Public School Capital Construction Assistance				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$896,141	\$0	\$896,141	9.0
TOTAL	\$896,141	\$0	\$896,141	9.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$896,141	\$0	\$896,141	9.0
R7 BEST statewide priority assessment	509,311	0	509,311	6.0
Annualize salary survey and merit pay	20,688	0	20,688	0.0
Leased space consolidation	(33,667)	0	(33,667)	0.0
TOTAL	\$1,392,473	\$0	\$1,392,473	15.0
Increase/(Decrease)	\$496,332	\$0	\$496,332	6.0
Percentage Change	55.4%	0.0%	55.4%	66.7%
FY 2015-16 Executive Request:	\$4,389,743	\$0	\$4,389,743	15.0
Request Above/(Below)				
Recommendation	\$2,997,270	\$0	\$2,997,270	0.0

Public School Capital Construction Assistance Board – Lease Payments

This line item provides spending authority to make payments as required by lease-purchase agreements. The State portion of funding required to make lease payments may not exceed 50 percent of the \$80 million maximum total annual lease payments. Thus, the state share of payments may not exceed \$40 million per year. Further, 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.

Request: The Department requests a continuation appropriation of \$65.0 million cash funds from the Public School Capital Construction Assistance Fund to support BEST COP payments, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request. The BEST program has already issued COPs requiring a total of \$64.2 million in payments in FY 2015-16 (including an assumed \$8.6 million in federal subsidies). The COP issuance documentation requires the State to appropriate sufficient funds to pay the *gross base rent* due each year, not reduced by the federal subsidy. Thus, it appears that the General Assembly has little option other than to appropriate

the requested amount. The following table shows the components of the \$65.0 million appropriation.

FY 2014-15 and FY 2015-16 Gross Base Rent Payments for BEST COPs			
	FY 2014-15 Appropriation	FY 2015-16 Estimate/ Request	Change from FY 2014-15
State Share COP Payment	\$38,636,821	\$38,645,975	\$9,154
LEA Matching Money Lease Payment	16,165,597	16,394,967	229,370
Federal Subsidy	<u>8,758,178</u>	<u>8,616,613</u>	<u>(141,565)</u>
Gross Base Rent Payments for BEST COPs	\$63,560,596	\$64,233,071	\$672,475
Total Lease Payments Appropriation/Request	\$65,000,000	\$65,000,000	\$0

Public School Capital Construction Assistance Board – Cash Grants

The General Assembly added this line item to the FY 2014-15 Long Bill to appropriate funds to support the BEST Program’s cash grants. As discussed above, prior to FY 2014-15, moneys for BEST cash grants were continuously appropriated to the Department. However, the enactment of S.B. 14-112 made cash grants subject to annual appropriation by the General Assembly.

Request: The Department requests a continuation appropriation of \$45.0 million cash funds from the Public School Capital Construction Assistance Fund to support BEST cash grants in FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving an appropriation of \$50,000,000 cash funds. While the Department’s November 1, 2014, budget request seeks a continuation appropriation of \$45,000,000 (unchanged from the FY 2014-15 appropriation), staff’s recommendation aligns with the BEST program’s February 2015 report to the legislature. The legislative report and the staff recommendation are based on updated information and estimates of BEST Program revenues that were not available at the time of the November 1 budget request.

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.

Request: The Department requests a continuation appropriation of \$50,000 cash funds from the Public School Capital Construction Assistance Fund, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving an appropriation of \$2,750,000 cash funds from the Public School Capital Construction Assistance Fund. As discussed above with request R7, staff recommends reflecting \$2.7 million in one-time funding associated with R7 in this line

item rather than the Division of Public School Capital Construction Assistance line item as requested by the Department. The \$2.7 million in recommended one-time funding will allow the Department to contract to: (1) reconfigure and adjust the priority assessment database; and (2) train the new assessment staff requested in R7. Staff recommends reflecting the costs and FTE for the new staff in the program’s operating line item but reflecting the one-time funding for database reconfiguration and staff training in this line item. The following table shows the recommended changes from the FY 2014-15 appropriation.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Financial Assistance Priority Assessment				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$50,000</u>	<u>\$0</u>	<u>\$50,000</u>	<u>0.0</u>
TOTAL	\$50,000	\$0	\$50,000	0.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$50,000	\$0	\$50,000	0.0
R7 BEST statewide priority assessment	<u>2,700,000</u>	<u>0</u>	<u>2,700,000</u>	<u>0.0</u>
TOTAL	\$2,750,000	\$0	\$2,750,000	0.0
Increase/(Decrease)	\$2,700,000	\$0	\$2,700,000	0.0
Percentage Change	5,400.0%	0.0%	5,400.0%	0.0%
FY 2015-16 Executive Request:	\$50,000	\$0	\$50,000	0.0
Request Above/(Below) Recommendation	(\$2,700,000)	\$0	(\$2,700,000)	0.0

State Aid for Charter School Facilities

In 2001 (S.B. 01-129) the General Assembly created a new program to distribute State Education Fund moneys to charter schools for capital construction, providing that certain "qualified" charter schools will receive a flat amount of funding per pupil for capital construction expenditures. The amount that each charter school received per pupil was originally calculated as 130 percent of the minimum per pupil capital reserve amount that each district is required to budget; for FY 2001-02, qualified charter schools received \$322 per pupil. Thus, the amount of funding was originally required to increase each year based on the number of qualified charter schools, the number of pupils attending such schools, and inflationary increases in the minimum per pupil capital reserve amount.

Subsequently, the General Assembly modified this program in two significant ways. First, the amount appropriated for the program is now specified in statute [see Section 22-54-124 (3) (a) (III) (A), C.R.S.]. Second, with the exception of a charter school that operates within a state facility, any charter school with "capital construction costs" is eligible to receive funding. Moneys appropriated each year are allocated among charter schools on a per pupil basis, except that any charter school operating in a school district facility that does not have ongoing financial

obligations to repay the outstanding costs of new construction undertaken for the charter school's benefit receives one-half the amount per pupil that other charter schools receive. With the enactment of H.B. 14-1292 (Student Success Act), the General Assembly made the following changes to funding for the program for FY 2014-15 and FY 2015-16:

- 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
- 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 intends to spend moneys deposited into the Charter School Facilities Assistance Account in the year *after* the moneys are collected. Thus, the Department intends to distribute revenues collected in FY 2014-15 to charter schools in FY 2015-16. Based on an estimated \$16.0 million in marijuana excise tax revenues in FY 2014-15, the Department anticipates a transfer of \$2.0 million to the Charter School Facilities Assistance Account to be available for charter school construction in FY 2015-16.

Request: The Department requests a continuation appropriation of \$20.0 million cash funds from the State Education Fund, an increase of \$6.5 million above the FY 2014-15 appropriation to support the increase required by H.B. 14-1292. The request does not address the \$2.0 million in marijuana excise tax revenues anticipated to be available for FY 2015-16.

Recommendation: Staff recommends approving an appropriation of \$22.0 million cash funds, including \$20.0 million from the State Education Fund and \$2.0 million from the Charter School Facilities Assistance Account, based on current law. The following table shows a history of per pupil funding amounts for this line item from FY 2004-05 through the FY 2015-16 recommendation.

State Funding for Charter School Capital Construction Costs				
Fiscal Year	Total Appropriation	Total Funding per Pupil for Eligible Schools a/	State Education Fund Appropriation	Dedicated Marijuana Excise Tax Funding c/
2004-05	\$5,000,000	\$171.06	\$5,000,000	
2005-06	5,000,000	145.09	5,000,000	
2006-07	7,800,000	201.17	7,800,000	
2007-08	5,000,000	115.77	5,000,000	
2008-09 b/	5,135,000	107.47	5,135,000	
2009-10	5,000,000	97.64	5,000,000	
2010-11	5,000,000	90.06	5,000,000	
2011-12	5,000,000	78.98	5,000,000	
2012-13	6,000,000	87.67	6,000,000	
2013-14	7,000,000	94.40	7,000,000	

State Funding for Charter School Capital Construction Costs				
Fiscal Year	Total Appropriation	Total Funding per Pupil for Eligible Schools a/	State Education Fund Appropriation	Dedicated Marijuana Excise Tax Funding c/
2014-15	13,500,000	169.29	13,500,000	
2015-16 estimate	\$22,000,000	\$255.35	\$20,000,000	\$2,000,000

a/ These figures represent the amount that most eligible schools receive; eligible schools *operating in a district facility* receive one-half this amount per student.

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

c/ Based on estimate of 12.5 percent of marijuana excise tax revenues credited to the Public School Capital Construction Assistance Fund in the preceding fiscal year.

Based on self-reported enrollment projections for FY 2015-16 and estimated marijuana excise tax revenues from FY 2014-15 (to be spent in FY 2015-16), Department staff estimates that this appropriation would provide about \$255 per FTE (with charter schools in district facilities receiving about \$128 per FTE).

(III) Reading and Literacy

Background – Early Literacy and H.B. 12-1238

House Bill 12-1238 (READ Act) eliminated the Read-to-Achieve Program and replaced it with the Early Literacy Program. Section 22-7-1210, C.R.S., provides two fund sources for the Early Literacy Program:

- Tobacco litigation settlement moneys previously supporting the Read-to-Achieve Program (five percent of the annual settlement moneys received by the State, up to a maximum of \$8.0 million dollars). Based on the Legislative Council Staff January 2015 Tobacco Master Settlement Agreement (MSA) forecast, staff anticipates a total of \$4,428,129 in tobacco moneys to be available to support early literacy programs in FY 2015-16.
- \$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)).

Staff thus anticipates a total of \$38,428,129 to be available for early literacy activities in FY 2015-16 (as shown in the following table).

Early Literacy Program Fund Sources in FY 2015-16	
Description	Revenue Estimate
<i>Projected Funds Available</i>	
Tobacco Settlement Moneys	\$4,428,129
State Education Fund Moneys	<u>34,000,000</u>
Projected Early Literacy Fund Revenues	\$38,428,129

Within those resources, Sections 22-7-1210 (4) and (5), C.R.S., direct the Department to:

- provide \$4.0 million per year in competitive grants;
- spend \$1.0 million per year on regional professional development provided by Department staff;

- utilize up to 1.0 percent of the total annual appropriation from the Early Literacy Fund to administer the program; and
- 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.

Early Literacy Competitive Grant Program

Created in FY 2013-14, this line item supports the following activities authorized or required by H.B. 12-1238:

- \$4.0 million per year for the competitive grant program, as directed by the bill;
- \$1.0 million for regional professional development and support provided by Department staff, as directed by the bill; and
- Up to 1.0 percent of the annual appropriation *from the Early Literacy Fund* to support the Department’s administration of early literacy activities.

The funds for the proposed line item are largely from tobacco settlement funds that formerly supported the Read-to-Achieve program which H.B. 12-1238 eliminated and replaced with the Early Literacy Program. However, because the bill directs the Department to spend more than \$5.0 million on activities included in this line item, State Education Fund moneys transferred to the Early Literacy Fund will also support some of the activities in this line item.

Request: The Department requests a continuation appropriation of \$5,185,705 cash funds from the Early Literacy Fund and 8.0 FTE pursuant to OSPB’s common policies, including an increase of \$22,367 to annualize FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends approving the request. Pursuant to the Committee’s common policy to use the Legislative Council Staff January 2015 Tobacco Master Settlement Agreement (MSA) forecast for programs supported with MSA funds, staff’s recommendation includes \$4,428,129 in anticipated MSA revenues transferred to the Early Literacy Fund pursuant to Section 22-7-1210 (3), C.R.S. The remaining \$757,576 is from State Education Fund moneys transferred to the Early Literacy Fund pursuant to Section 22-7-1210 (1) (d) (I), C.R.S. In compliance with the direction in Section 22-7-1210 (4) (b), C.R.S., staff’s recommendation includes:

- \$4.0 million for the competitive grant program required by the bill;
- \$1.0 million and 7.0 FTE to support regional professional development activities required by the bill; and
- \$185,705 and 1.0 FTE for program administration (representing 0.5 percent of the total \$38.4 million recommended appropriation from the Early Literacy Fund).

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 following table shows READ Act assessment results and per pupil funding amounts for FY 2013-14 and FY 2014-15.

Early Literacy Per Pupil Intervention Funding for FY 2013-14 and FY 2014-15						
Grade	Number of Students READ Act Tested in 2013	Number Identified with SRD in 2013 (Funded FY 2013-14)	2013 percent with SRD	Number of Students READ Act Tested in 2014	Number Identified with SRD in 2014 (Funded FY 2014-15)	2014 percent with SRD
Half-day Kindergarten	18,496	1,248	6.7%	17,822	1,210	6.8%
Full-day Kindergarten	45,848	3,526	7.7%	47,411	2,921	6.2%
Grade 1	65,683	13,145	20.0%	66,309	11,619	17.5%
Grade 2	64,520	12,310	19.1%	65,419	10,536	16.1%
Grade 3	<u>63,462</u>	<u>12,250</u>	19.3%	<u>64,382</u>	<u>11,220</u>	17.4%
Total	258,009	42,479	16.5%	261,343	37,506	14.4%
Total Intervention Funding		\$15,433,895			\$33,186,433	
Per Pupil Allocation		\$363.33			\$884.83	

Request: The Department requests a continuation appropriation of \$33,397,672 cash funds from the Early Literacy Fund (originally from the State Education Fund) and 1.0 FTE, unchanged from the FY 2014-15 appropriation.

Recommendation: Based on current estimates of the revenues available in the Early Literacy Fund in FY 2015-16, staff recommends an appropriation of \$33,242,424 cash funds, all of which originates in the State Education Fund. The following table shows the components of the staff recommendation.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Early Literacy Program Per Pupil Intervention Funding				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$15,397,672	\$0	\$15,397,672	1.0
HB 14-1292 (Student Success)	20,000,000	0	20,000,000	0.0
HB 14-1298 (School Finance)	<u>(2,000,000)</u>	<u>0</u>	<u>(2,000,000)</u>	<u>0.0</u>
TOTAL	\$33,397,672	\$0	\$33,397,672	1.0

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Early Literacy Program Per Pupil Intervention Funding				
	Total Funds	General Fund	Cash Funds	FTE
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$33,397,672	\$0	\$33,397,672	1.0
Reflect revenue estimates	(155,248)	0	(155,248)	0.0
TOTAL	\$33,242,424	\$0	\$33,242,424	1.0
Increase/(Decrease)	(\$155,248)	\$0	(\$155,248)	0.0
Percentage Change	(0.5%)	0.0%	(0.5%)	0.0%
FY 2015-16 Executive Request:	\$33,397,672	\$0	\$33,397,672	1.0
Request Above/(Below) Recommendation	\$155,248	\$0	\$155,248	0.0

Early Literacy Assessment Tool Program

The General Assembly added this line item to the FY 2014-15 Long Bill to provide ongoing support for the Early Literacy Assessment Tool (ELAT) Program originally created in H.B. 12-1345 (2012 School Finance Bill). The READ Act (H.B. 12-1238) requires public school teachers in kindergarten through third grade to administer an interim assessment to all students to determine whether children are on track to reach grade level reading proficiency. Students identified as significantly below grade level must take a diagnostic assessment to determine specific areas of need for reading improvement. Teachers then use the assessment data to develop a collaborative intervention plan (READ Plan) with the child’s parents.

Associated with the early literacy assessment requirements in the READ Act, House Bill 12-1345 required the Department to issue a competitive request for proposals to procure an Early Literacy Assessment Tool (ELAT) for districts’ use and appropriated \$3.0 million cash funds from the State Education Fund to procure the tool. For participating districts, the use of the ELAT defrays assessment costs that would otherwise be required by the READ Act; districts may choose between seven state-approved assessments for READ Act implementation (one of which is the ELAT) but must pay for tools other than the ELAT. The ELAT provision (Section 22-2-141, C.R.S.) requires the ELAT software to, at a minimum:

- Provide individualized assessments with immediate results;
- Store and analyze assessment results, recommend activities that are aligned with the assessment results, and assist in tracking student performance and identifying strategies to improve student performance;
- Provide student grouping recommendations based on the assessment scores and provide proposed lesson plans on a short-term cycle; and
- Assist in generating and populating individualized plans to improve students’ reading skills.

The Department has contracted with Amplify to supply the ELAT, and 123 school districts and the State Charter School Institute (a total of 417 schools, covering 90,500 students) used the tool

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

in FY 2013-14. In FY 2014-15, 126 school districts and the State Charter School Institute (a total of 482 schools, covering 109,338 students) are using the tool. The Department anticipates growth of 20,000 students in FY 2015-16. The following tables show the full-year results yielded by the ELAT for FY 2013-14 and the mid-year results for FY 2014-15.

FY 2013-14 Full Year ELAT Project Results								
Percentage of Students Well Below Benchmark					Percentage of Students at Benchmark			
Grade	August	December	May	Change - Aug to May	August	December	May	Change Aug to May
Kindergarten	27%	15%	8%	-19%	54%	67%	78%	24%
First	24%	14%	8%	-16%	54%	68%	79%	25%
Second	28%	21%	17%	-11%	56%	60%	70%	14%
Third	20%	18%	15%	-5%	69%	73%	73%	4%

FY 2014-15 Mid-Year ELAT Results						
Percentage of Students Well Below Benchmark				Percentage of Students at Benchmark		
Grade	August	December	Change	August	December	Change
Kindergarten	28%	13%	-15%	53%	70%	17%
First	26%	21%	-5%	58%	68%	10%
Second	20%	18%	-2%	70%	73%	3%
Third	23%	18%	-5%	67%	71%	4%

Request: The Department requests a continuation appropriation of \$2,679,484 cash funds from the State Education Fund, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving an appropriation of \$2,795,767 for the ELAT in FY 2015-16. Based on the current contract costs, the recommendation would allow for an increase of 20,000 students using the ELAT (largely through additional districts participating). That estimated growth is comparable to the actual increase of 17,773 students in FY 2014-15 (above the FY 2013-14 participation numbers). The following table shows the basis of the staff recommendation for FY 2015-16.

FY 2015-16 ELAT Contract Cost Estimates			
	Estimated Number of Students	Cost per Student	Total Cost
Returning Students	109,338	\$21.50	\$2,350,767
New Students (Growth)	<u>20,000</u>	\$22.25	<u>\$445,000</u>
Total Students and Contract Costs	129,338		\$2,795,767

Please note that in order to be consistent with the FY 2014-15 appropriation, the staff recommendation is based solely on the “per student” cost of the assessment (\$21.50 per returning student and \$22.25 per new student). However, the Department is spending \$313,211 in funds above the “per student” amount in FY 2014-15 to purchase additional professional development

and support services (using funds available because the growth in student numbers (17,773) was lower than the 33,000 new students anticipated in the appropriation).

After the General Assembly approved the FY 2014-15 appropriation, and based on feedback from participating districts, the Department decided to transition from the diagnostic assessment that the state provided in FY 2013-14 (“Burst”) to the “DIBELS Deep” diagnostic assessment in FY 2014-15 (the program is using both assessments in FY 2014-15 but plans to transition fully to DIBELS Deep in FY 2015-16). As part of the transition, the Department used the “excess” funds appropriated in FY 2014-15 to purchase the additional services associated with DIBELS Deep.

The original appropriation did not anticipate purchasing the additional services, the Department has not submitted an official request justifying the need for funds, and staff is not recommending additional funds for such services in FY 2015-16. However, the Department has provided information estimating need for \$191,752 in additional professional development and support in FY 2015-16. **Thus, supporting the Department’s preferred professional development and support activities in FY 2015-16 would require a total FY 2015-16 appropriation of \$2,987,519.** The following table shows the basis of the Department’s calculations for the Committee’s consideration.

Department Option FY 2015-16 ELAT Contract Cost Estimates			
	Estimated Number of Students	Cost per Student	Total Cost
Returning Students	109,338	\$21.50	\$2,350,767
New Students (Growth)	<u>20,000</u>	22.25	<u>445,000</u>
Subtotal - Contract Costs on Per Test Basis	129,338		\$2,795,767
Additional Costs Proposed by Department (not included in November 2014 request)			
Customized Onsite Professional Development Beyond Licensure and Regional Support			\$119,252
DIBELS Deep Regional Sessions - 25 Sessions			<u>72,500</u>
Total Appropriation Required for Department Option			\$2,987,519

Adult Education and Literacy Grant Program (New line items requested)

The Department is requesting the creation of two line items 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 FY 2014-15 appropriation (in H.B. 14-1085) includes an appropriation of \$960,000 General Fund into the Adult Education and Literacy Grant Fund (created in the bill) and an appropriation of that amount of reappropriated funds out of the cash fund. Thus, the Department requested the creation of two line items: (1) Adult Education and Literacy Grant Fund to appropriate General fund into the cash fund; and (2) Adult Education and Literacy Grant Program to reappropriate those funds to support the program. However, S.B. 15-108 (Direct Appropriations for CDE

Programs) eliminates the dual line item structure for this program, allowing for direct appropriations of General Fund to support the program in FY 2015-16. **As a result, staff only recommends creating one line item for the FY 2015-16 Long Bill (Adult Education and Literacy Grant Program).**

Request: The request includes the following amounts for the Adult Education and Literacy Grant Program:

- \$960,000 General Fund for the proposed Adult Education and Literacy Grant Fund line item; and
- \$960,000 reappropriated funds from the Adult Education and Literacy Grant Fund and 1.0 FTE for the Adult Education and Literacy Grant Program line item.

Recommendation: Staff recommends: (1) creating a single line item to support the program (Adult Education and Literacy Grant Program) rather than the two requested by the Department; and (2) appropriating \$960,000 General Fund directly to the new line item to support the program. The Department supports the staff recommendation.

(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.

Request: The Department requests a continuation appropriation of \$479,939 cash funds from the State Education Fund and 5.0 FTE pursuant to OSPB’s common policies (annualizing FY 2015-16 salary survey and merit pay).

Recommendation: Staff recommends approving an appropriation of \$460,698 cash funds from the State Education Fund and 5.0 FTE. The recommendation is \$19,241 below the request because the recommendation includes a reduction of that amount as part of the consolidation of leased space appropriations. Please note that if the Committee approves the standards implementation staff requested through request R5 (Field Implementation Support, discussed above) staff recommends reflecting the funding and FTE in this line item. The following table shows the recommended change from the FY 2014-15 appropriation.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Content Specialists				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$463,652	\$0	\$463,652	5.0
TOTAL	\$463,652	\$0	\$463,652	5.0

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Content Specialists				
	Total Funds	General Fund	Cash Funds	FTE
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$463,652	\$0	\$463,652	5.0
Annualize salary survey and merit pay	16,287	0	16,287	0.0
Leased space consolidation	(19,241)	0	(19,241)	0.0
TOTAL	\$460,698	\$0	\$460,698	5.0
Increase/(Decrease)	(\$2,954)	\$0	(\$2,954)	0.0
Percentage Change	(0.6%)	0.0%	(0.6%)	0.0%
FY 2015-16 Executive Request:	\$479,939	\$0	\$479,939	5.0
Request Above/(Below)				
Recommendation	\$19,241	\$0	\$19,241	0.0

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 Re-engagement to collaborate with local education providers to reduce student dropout rates and to increase graduation rates. The act created the Student Re-engagement Grant Program Fund, consisting of gifts, grants, and donations as well as any moneys appropriated by the General Assembly to the Fund.

In FY 2009-10, this line item received a one-time increase of \$307,944 federal American Recovery and Reinvestment Act (ARRA) funds for the purposes of enhancing the State's competitiveness for federal Race-to-the-Top Grant awards; these moneys were expected to be spent in both FY 2009-10 and FY 2010-11. To date, the General Assembly has not appropriated any moneys to the Student Re-engagement Grant Program Fund.

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 is using these funds to partner with 54 high needs high schools to implement dropout prevention and recovery projects. The goal of the project is 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.

The Department's budget submission to the U.S. Department of Education included the following schedule for spending:

FY 2010-11	\$3,000,000 and 2.3 FTE
FY 2011-12	\$3,000,000 and 2.3 FTE
FY 2012-13	\$3,000,000 and 2.3 FTE
FY 2013-14	\$2,700,000 and 2.3 FTE
FY 2014-15	\$2,400,000 and 2.3 FTE

The existing grant expires September 30, 2015, at the end of the federal fiscal year. Without an extension from the U.S. Department of Education, the Department anticipates spending \$117,578 federal funds in (state) FY 2015-16.

Request: The Department requests a continuation appropriation of \$2,400,000 federal funds and 2.3 FTE (to be shown for informational purposes only), with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends an appropriation of \$117,578 federal funds and 0.9 FTE (to be shown for informational purposes only) based on the Department’s estimated expenditures from July 1, 2015 through September 30, 2015. If the Department receives an extension from the U.S. Department of Education, it will be able to spend additional funds without an increased appropriation because the funds are reflected for informational purposes only. The following table shows the components of staff’s recommendation.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Office of Dropout Prevention and Student Reengagement				
	Total Funds	General Fund	Federal Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$2,400,000</u>	<u>\$0</u>	<u>\$2,400,000</u>	<u>2.3</u>
TOTAL	\$2,400,000	\$0	\$2,400,000	2.3
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$2,400,000	\$0	\$2,400,000	2.3
Informational funds adjustment	<u>(2,282,422)</u>	<u>0</u>	<u>(2,282,422)</u>	<u>(1.4)</u>
TOTAL	\$117,578	\$0	\$117,578	0.9
Increase/(Decrease)	(\$2,282,422)	\$0	(\$2,282,422)	(1.4)
Percentage Change	(95.1%)	0.0%	(95.1%)	(60.9%)
FY 2015-16 Executive Request:	\$2,400,000	\$0	\$2,400,000	2.3
Request Above/(Below) Recommendation	\$2,282,422	\$0	\$2,282,422	1.4

Stipends for Nationally Board Certified Teachers

House Bill 12-1261 extended a program (originally created by H.B. 08-1364) to provide stipends to school teachers holding certification from the National Board for Professional Teaching Standards (NBPTS). Subject to available appropriations, the program provides an annual stipend of \$1,600 to each national board certified teacher and an *additional* \$3,200 stipend to such teachers employed in low-performing, high needs schools (defined as schools accredited with a priority improvement plan or a turnaround plan).

House Bill 12-1261 included an appropriation of \$604,800 cash funds from the State Education Fund based on an estimate of the number of eligible teachers in low-performing, high needs

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

schools. Under the bill, if appropriations are insufficient to provide stipends to all qualified teachers, then the Department only provides the increased stipends to teachers in low-performing, high needs schools. In FY 2013-14, the General Assembly appropriated \$1,617,600 cash funds from the State Education Fund to provide stipends to eligible teachers outside of low-performing, high needs schools. The FY 2014-15 Long Bill reduced the appropriation to \$1,580,800 based on actual utilization of the program.

Request: The Department requests a continuation appropriation of \$1,580,800 cash funds from the State Education Fund for FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request. The Department has been unable to provide updated estimates for FY 2015-16 but the program staff have indicated that they expect to be able to operate within that appropriation for FY 2015-16. Staff’s recommendation assumes that the General Assembly intends to continue to fund stipends for all eligible teachers, including those outside of low-performing, high needs schools (as it did in FY 2013-14 and FY 2014-15). For the FY 2014-15 appropriation, the Department estimated that funding stipends for all eligible teachers would require \$1,580,800. In contrast, providing stipends only to eligible teachers in low-performing, high needs schools (as the General Assembly did in FY 2012-13) would have required \$264,000. The Department has indicated that maintaining the current funding amount will be sufficient for FY 2015-16.

Stipends for Nationally Board Certified Educators Under H.B. 12-1261				
	FY 2012-13 Fiscal Note Estimate/ Appropriation	FY 2012-13 Estimate/Actual	FY 2013-14 Estimate/ Appropriation	FY 2014-15 Current Estimate
National Board Certified Educators in Low-Performing, High Needs Schools	126	45/37	58	55
Stipend per Educator	\$4,800	\$4,800	\$4,800	\$4,800
Total Payment for Educators in Low-Performing, High Needs Schools	\$604,800	\$216,000/\$160,848	\$278,400	\$264,000
National Board Certified Educators in Other Schools	659	0	837	823
Stipend Per Educator	\$1,600	\$1,600	\$1,600	\$1,600
Total Estimated Payment for Educators in Other Schools	\$1,054,400	\$0	\$1,339,200	\$1,316,800
Total National Board Certified Educators	785	765	919	878
Total Estimated Payment for All National Board Certified Educators	\$1,659,200	\$216,000/\$160,848	\$1,617,600	\$1,580,800

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. The grant provided each organization \$1,470,000 per year for the two year grant period (FY 2013-14 and FY 2014-15) and expected each program to place teachers by the start of the 2014-15 school year. Under the Grant, the Department expected PEBC to place 65 teachers in the following 14 school districts: Adams 12, Alamosa, Aurora, Brighton, Center, Crowley, Durango, East Otero, Huerfano, Ignacio, Jefferson County, Monte Vista, Montezuma-Cortez, and North Conejos. The Department expected TFA to place 95 teachers in the following three districts: Denver, Harrison School District 2, and Pueblo City Schools.

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 submitted the first report on the program in September 2014. The following table shows each organization’s actual placements for the 2014-15 school year relative to the expectations in the grant, as well as the average cost per placement based on the September 2014 OMNI report. Please note that the school districts receiving placements pay the salaries of any placed teachers. Thus, the costs shown in the following table cover recruiting and training costs but do *not* include salaries for the teachers.

Quality Teacher Recruitment Program FY 2014-15 Placement Data			
	TFA-Colorado	PEBC	Total
Targeted Placements	95	65	160
Candidates Recruited	71	57	128
Candidates Actually Placed as of October 2014	<u>65</u>	<u>55</u>	<u>120</u>
<i>Placed as Teacher of Record</i>	65	8	73
<i>Placed as Resident in Mentor Teacher Classroom for the First Year</i>	0	47	47
Total Grant Amount (over 2 years)	\$2,940,000	\$2,940,000	\$5,880,000
State Cost per Actual Placement (over 2 years)*	\$45,231	\$53,455	\$49,000

*Note that statute requires the vendors to match the state funding so the total costs per placement (including external funds) are double these amount.

Please note that the TFA-Colorado program places all 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 will become teachers of record in the second year and have made a five year commitment to the program (including the residency year).

The OMNI report submitted in September 2014 covered only FY 2013-14 and the initial placement of teachers for the 2014-15 school year. A second report will analyze the FY 2014-15 results of the program, including teacher performance for the first year.

Request: The Department requests a continuation appropriation of \$3.0 million cash funds from the State Education Fund in FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request for FY 2015-16. Staff notes that both organizations fell short of the placements anticipated in the grant, increasing the cost per placement. According to the OMNI report, both organizations found rural placements to be particularly challenging and are working to improve their processes for rural placements. The program has, however, placed 120 teachers in schools and districts that have struggled to recruit teachers. Staff notes that because this is the first year of teacher placements, there is no information available regarding either the performance of recruits or the program's ability to retain recruits. Given the cost of placements, staff recommends that the Committee consider both performance and retention information in evaluating the value of the program going forward.

Educator Perception

The General Assembly added this line item to the FY 2014-15 Long Bill to support the administration of the biennial Teaching, Empowering, Leading, and Learning (TELL) Survey which surveys school-based educators statewide to assess teaching conditions. The appropriation provides \$100,000 General Fund to support the survey in FY 2014-15.

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 is administering the survey for the fourth time in FY 2014-15, although previous administrations were largely supported by alternative fund sources.

Request: Because the survey is administered every other year and will not be administered again until FY 2016-17, the Department is not requesting any funding for this line item in FY 2015-16.

Recommendation: Staff recommends approving the request. This is a biennial survey and no funding is necessary in FY 2015-16.

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.

Request: The Department requests a continuation appropriation of \$442,551 total funds (including \$391,675 General Fund and \$50,876 cash funds from the State Education Fund) and

5.0 FTE. The request includes the Department’s annualizations of FY 2014-15 R7 (State Support for English Language Learners) and H.B. 14-1298 (School Finance).

Recommendation: Staff recommends an appropriation of \$366,235 total funds (including \$315,359 General Fund and \$50,876 cash funds from the State Education Fund) and 5.0 FTE. The recommendation includes staff’s recommended annualizations of FY 2014-15 R7 (which corrects technical errors in the Department’s request) and H.B. 14-1298 (as requested by the Department). In addition, the recommendation includes a reduction of \$16,205 General Fund as part of the recommended consolidation of leased space appropriations. The following table shows the recommended changes from the FY 2014-15 appropriation.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, English Language Learners Technical Assistance				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$311,682	\$311,682	\$0	4.1
HB 14-1298 (School Finance)	<u>53,228</u>	<u>0</u>	<u>53,228</u>	<u>0.5</u>
TOTAL	\$364,910	\$311,682	\$53,228	4.6
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$364,910	\$311,682	\$53,228	4.6
Annualize FY 2014-15 R7	19,882	19,882	0	0.4
Leased space consolidation	(16,205)	(16,205)	0	0.0
Annualize HB 14-1298	<u>(2,352)</u>	<u>0</u>	<u>(2,352)</u>	<u>0.0</u>
TOTAL	\$366,235	\$315,359	\$50,876	5.0
Increase/(Decrease)	\$1,325	\$3,677	(\$2,352)	0.4
Percentage Change	0.4%	1.2%	(4.4%)	8.7%
FY 2015-16 Executive Request:	\$442,551	\$391,675	\$50,876	5.0
Request Above/(Below) Recommendation	\$76,316	\$76,316	\$0	0.0

ENGLISH LANGUAGE PROFICIENCY ACT EXCELLENCE AWARD PROGRAM (New line items requested)

The Department is requesting the creation of two new line items to support the English Language Proficiency Act Excellence Award Program created in H.B. 14-1298 (School Finance). Created in Section 2-24-107, C.R.S., the program awards grants to local education providers and charter schools that achieve the highest growth and academic achievement for English language learners (ELLs) and the highest academic achievement for ELLs who transition out of the English Language Proficiency Program. In its first year (FY 2014-15), the program has awarded grants to ten school districts and ten charter schools.

The FY 2014-15 appropriation (in H.B. 14-1298) includes an appropriation of \$500,000 cash funds from the State Education Fund into the English Language Proficiency Act Excellence Awards Fund (created in the bill) and an appropriation of that amount of reappropriated funds out of the cash fund. Thus, the Department requested the creation of two line items: (1) English Language Proficiency Act Excellence Awards Fund to appropriate State Education Fund moneys into the cash fund; and (2) English Language Proficiency Act Excellence Awards Program to reappropriate those funds to support the program. However, S.B. 15-108 (Direct Appropriations for CDE Programs) eliminates the dual line item structure for this program, allowing for direct appropriations of State Education Fund moneys to support the program in FY 2015-16. **As a result, staff only recommends creating one line item for the FY 2015-16 Long Bill (English Language Proficiency Act Excellence Awards Program).**

Request: The request includes the following amounts for the English Language Proficiency Act Excellence Awards Program:

- \$500,000 cash funds from the State Education Fund for the proposed English Language Proficiency Act Excellence Awards Fund line item; and
- \$500,000 reappropriated funds from the English Language Proficiency Act Excellence Awards Fund for the English Language Proficiency Act Excellence Awards Program line item.

Recommendation: Staff recommends: (1) creating a single line item to support the program (English Language Proficiency Act Excellence Award Program) rather than the two requested by the Department; and (2) appropriating \$500,000 cash funds from the State Education Fund directly to the new line item to support the program. The Department supports the staff recommendation.

ENGLISH LANGUAGE LEARNERS PROFESSIONAL DEVELOPMENT AND STUDENT SUPPORT PROGRAM (New line items requested)

The Department is requesting the creation of two new line items 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 appropriates \$27.0 million to support the program in FY 2014-15 (see below for discussion of the appropriation mechanism). The program is created outside of the English Language Proficiency Program categorical program but distributes funds on a per pupil basis using the same calculation as the reenacted categorical program:

- 75 percent (\$20.25 million in FY 2014-15) for ELLs who do not comprehend or speak English or who comprehend and speak some English, but whose primary language is something other than English. With 106,906 students in this category in FY 2014-15, that equates to \$189.42 per pupil.

- 25 percent (\$6.75 million in FY 2014-15) for ELLs who comprehend and speak English, but whose proficiency is below acceptable levels. With 18,085 students in this category in FY 2014-15, that amount equates to \$373.24 per pupil.

Similar to the Excellence Awards Program discussed above, the FY 2014-15 appropriation (in H.B. 14-1298) includes an appropriation of \$27.0 million cash funds from the State Education Fund into the English Language Learners Professional Development and Student Support Fund (created in the bill) and an appropriation of that amount of reappropriated funds out of the cash fund. Thus, the Department requested the creation of two line items: (1) English Language Learners Professional Development and Student Support Fund to appropriate State Education Fund moneys into the cash fund; and (2) English Language Learners Professional Development and Student Support Program to reappropriate those funds to support the program. However, S.B. 15-108 (Direct Appropriations for CDE Programs) eliminates the dual line item structure for this program, allowing for direct appropriations of State Education Fund moneys to support the program in FY 2015-16. **As a result, staff only recommends creating one line item for the FY 2015-16 Long Bill (English Language Learners Professional Development and Student Support Program).**

Request: The request includes the following amounts for the English Language Learners Professional Development and Student Support Program:

- \$27,000,000 cash funds from the State Education Fund for the proposed English Language Learners Professional Development and Student Support Fund line item; and
- \$27,000,000 reappropriated funds from the English Language Learners Professional Development and Student Support Fund for the English Language Proficiency Act Excellence Awards Program line item.

Recommendation: Staff recommends: (1) creating a single line item to support the program (English Language Learners Professional Development and Student Support Program) rather than the two line items requested by the Department; and (2) appropriating \$27,000,000 cash funds from the State Education Fund directly to the new line item to support the program. The Department supports the staff recommendation.

ADVANCED PLACEMENT INCENTIVES PILOT PROGRAM (New line item requested)

The Department is requesting the addition of a new line item to support the Advanced Placement Incentives Pilot Program created in H.B. 14-1118 (Advanced Placement Incentives Pilot Program). The program is intended to expand access to advanced placement (AP) courses in rural schools, and particularly for low income students. Only school districts that the Department identifies as rural may participate, and the bill caps participation in the pilot program at 475 students. The bill specifies requirements for schools and districts to participate.

The program provides eligible local education providers \$500 per student that completes an AP course and takes the AP exam. Participating schools or districts may use the funds to: (1) implement school-wide or district-wide AP programs; (2) provide professional development to

administrators regarding the content required in non-AP classes to help students prepare for success in AP courses; (3) pay AP exam fees for students participating in the federal school lunch program, provided the fees are not paid with other federal grant moneys; and (4) provide teachers and mentors of AP courses with bonus payments of \$50 for each student who completes and AP course and takes the corresponding exam (up to a maximum of \$2,000 per teacher per year).

Request: The Department requests a continuation appropriation of \$261,561 cash funds from the State Education Fund and 0.3 FTE in FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving an appropriation of \$260,519 cash funds from the State Education Fund and 0.3 FTE. The recommendation is \$1,042 below the request because staff has annualized the appropriation in alignment with the Final Legislative Council Staff Fiscal Note for H.B. 14-1118 (a reduction of \$1,042 from the FY 2014-15 appropriation).

SCHOOL TURNAROUND LEADERS DEVELOPMENT PROGRAM (New line item requested)

The Department is requesting the addition of two new line items 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 throughout the State to develop school leaders with the skills and competencies required to turn around low-performing schools.

The FY 2014-15 appropriation (in S.B. 14-124) includes an appropriation of \$2.0 million cash funds from the State Education Fund into the School Turnaround Leaders Development Fund (created in the bill) and an appropriation of that amount of reappropriated funds out of the cash fund. Thus, the Department requested the creation of two line items: (1) School Turnaround Leaders Development Fund to appropriate State Education Fund moneys into the cash fund; and (2) School Turnaround Leaders Development Program to reappropriate those funds out of the cash fund to support the program. However, as with similar situations discussed above, S.B. 15-108 (Direct Appropriations for CDE Programs) eliminates the dual line item structure for this program, allowing for direct appropriations from the State Education Fund to support the program in FY 2015-16. **As a result, staff only recommends creating one line item for the FY 2015-16 Long Bill (School Turnaround Leaders Development Program).**

Request: The request includes the following amounts associated with the School Turnaround Leaders Development Program:

- \$2,000,000 cash funds from the State Education Fund for the proposed School Turnaround Leaders Development Fund line item; and
- \$2,000,000 reappropriated funds from the School Turnaround Leaders Development Fund and 1.2 FTE for the School Turnaround Leaders Development Program line item.

Recommendation: Staff recommends: (1) creating a single line item to support the program (School Turnaround Leaders Development Program) rather than the two requested by the

Department; and (2) appropriating \$2,000,000 cash funds from the State Education Fund and 1.2 FTE directly to the new line item to support the program. The Department supports the staff recommendation.

(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.¹⁸ 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.¹⁹
- 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 to perform the following tasks:

- develop and maintain a list of approved facility schools;
- make recommendations concerning curriculum standards and graduation standards;
- maintain information and records for students who receive educational services from approved facility schools; and
- communicate and collaborate with the Department of Human Services, county departments of social services, and other agencies regarding the placement and transfer of students in facilities.

¹⁸ 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.

¹⁹ 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.

Facility Schools Unit and Facility Schools Board

This line item supports the Facility Schools Unit and Board. The Department is authorized to withhold up to 2.0 percent of the amount payable to each approved facility school to cover the costs of the unit and the Board. The reappropriated funds supporting this line item are transferred from the Facility School Funding line item (discussed below).

Request: The Department requests a continuation appropriation of \$274,424 reappropriated funds and 3.0 FTE, pursuant to OSPB’s common policies (annualizing FY 2014-15 salary survey and merit pay).

Recommendation: Staff recommends approving an appropriation of \$258,535 reappropriated funds and 3.0 FTE. The recommendation includes a reduction of \$15,889 from the request as part of the recommended consolidation of leased space appropriations. As long as the amount payable to facility schools does not fall below \$12,926,750 in FY 2015-16, the above amount will fall below the 2.0 percent statutory cap on this unit's expenditures. The following table shows the recommended change from the FY 2014-15 appropriation.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Facility Schools Unit and Facility Schools Board				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$263,517</u>	<u>\$0</u>	<u>\$263,517</u>	<u>3.0</u>
TOTAL	\$263,517	\$0	\$263,517	3.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$263,517	\$0	\$263,517	3.0
Annualize salary survey and merit pay	10,907	0	10,907	0.0
Leased space consolidation	<u>(15,889)</u>	<u>0</u>	<u>(15,889)</u>	<u>0.0</u>
TOTAL	\$258,535	\$0	\$258,535	3.0
Increase/(Decrease)	(\$4,982)	\$0	(\$4,982)	0.0
Percentage Change	(1.9%)	0.0%	(1.9%)	0.0%
FY 2015-16 Executive Request:	\$274,424	\$0	\$274,424	3.0
Request Above/(Below)				
Recommendation	\$15,889	\$0	\$15,889	0.0

Facility School 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.

Request: The Department’s request includes a continuation appropriation of \$17,051,972 cash funds from the State Education Fund for FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: There are currently 55 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 H.B. 14-1298), with statewide base per pupil funding at \$6,292.39, these programs will receive up to \$10,885.83 per child per year ($\$6,292.39 \times 1.73$) for FY 2015-16 (or \$46.32 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 a few 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 2015-16, and the portions that will be transferred to other state agencies.

Facility School Funding: FY 2015-16	
Description	Updated Estimates
Projected Average Facility Schools FTE	1,520.0
Multiplied by: Statewide Base Per Pupil Funding for FY 2015-16 X 1.73	<u>\$10,885.83</u>
Total Estimated Facility School payments	\$16,546,469
Plus: Additional Funding (approximately 1.5 percent) to account for placement and attendance fluctuations	\$248,197
Recommendation for Facility School Funding line item	\$16,794,666
<u>Estimated portion of the above amount transferred to state agencies:</u>	
<i>Department of Education: Colorado School for the Deaf and the Blind /1</i>	\$1,575,894
<i>Department of Human Services: Mental Health Institutes (Pueblo only)</i>	\$153,189

/1 This amount includes an increase of \$85,646 associated with the CSDB request to add 10 student-contact days to the CSDB school year (request R5, discussed in the CSDB section of this document).

Facility schools are paid monthly for the number of students receiving educational services. Thus, unlike school districts, payments to facility schools fluctuate throughout the year based on enrollment and attendance. Staff thus recommends providing an appropriation that is somewhat higher than the total estimated facility school payments, as calculated in the table above. If actual billings fall short of the appropriation, the unspent funds would remain in the State Education Fund.

Staff recommends appropriating \$16,794,666 for FY 2015-16. As in prior years, the staff recommendation leaves a cushion of about 1.5 percent 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., now 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.

- \$1,575,894 to the Colorado School for the Deaf and the Blind (CSDB), School Operations. This amount includes an increase of \$85,646 associated with a 10-day extension of the CSDB school year requested and recommended through request R5 (CSDB Strategic Plan Implementation, discussed below in the CSDB section of this document).
- \$153,189 to the Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, for the Mental Health Institute at Pueblo.

(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.

Request: The Department requests a total appropriation of \$281,691,609 (including \$2,725,145 cash funds, \$4,622,487 reappropriated funds, and \$274,343,977 federal funds) and 68.7 FTE.

Recommendation: Staff recommends approving an appropriation of \$281,464,717 total funds. The recommendation is \$226,892 total funds below the request because staff recommends reducing that amount as part of the recommended leased space consolidation. The following table shows the estimated components of the staff recommendation for the Appropriated Sponsored Programs line item.

Appropriated Sponsored Programs: FY 2015-16 Estimates		
Distribution	Staff Recommendation	
	Amount	FTE
<i>Cash Funds:</i>		
Fees charged for workshops, conferences, training programs, and seminars	\$810,000	0.0
CO Legacy Foundation/ Gates Foundation Grant	900,000	0.0
Healthy Schools Private Grant	622,795	1.0
Allowance for Additional Grants	385,450	0.0
Reduction for Leased Space Consolidation	<u>(31,516)</u>	<u>0.0</u>

Appropriated Sponsored Programs: FY 2015-16 Estimates		
Distribution	Staff Recommendation	
	Amount	FTE
Subtotal: Cash Funds	\$2,686,729	1.0
<i>Reappropriated Funds:</i>		
Federal Child Care Block Grant Funds transferred from the Department of Human Services	<u>\$4,630,245</u>	<u>6.0</u>
Subtotal: Reappropriated Funds	\$4,630,245	6.0
<i>Federal Funds:</i>		
Title I Programs	\$207,343,574	27.7
Title II Programs	29,794,149	10.5
After School Learning Centers	12,519,508	5.0
Charter School Grants	10,465,179	4.0
Adult Education - WIA	7,041,872	8.0
Mathematics and Science Partnerships	2,205,159	1.0
Educate Homeless Children	880,554	1.3
Even Start	557,982	0.1
Byrd Scholarship Program	653,851	0.0
Coordinated School Health/ AIDS Prevention	72,969	2.1
Other	2,808,321	2.0
Reduction for Leased Space Consolidation	<u>(195,376)</u>	<u>0.0</u>
Subtotal: Federal Funds	\$274,147,743	61.7
Total	\$281,464,717	68.7

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 criteria²⁰. 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.

A total of 90 schools received grants through the first grant cycle, which ended in FY 2010-11, and some of those schools received additional performance awards. According to the

²⁰ 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.

Department, a total of 78 schools were selected for grants in the second cycle, which began in FY 2011-12. The General Assembly increased the appropriation by \$3.0 million cash funds from the State Education Fund in FY 2014-15 (from \$5.0 million in FY 2013-14 to \$8.0 million in FY 2014-15). According to the Department, the additional funds provided in FY 2014-15 have allowed the program to fund 12 additional districts, including 43 new (not previously funded) schools. The program is currently funding grants in 174 schools in 64 districts.

Request: The Department requests a continuation appropriation of \$8,006,188 cash funds from the State Education Fund and 1.0 FTE pursuant to OSPB’s common policies (annualizing FY 2014-15 salary survey and merit pay).

Recommendation: Staff recommends approving the request. The Department made significant changes to the program for FY 2013-14, including: (1) providing limited funding for the first year of the grant to support planning; (2) requiring reporting at the end of the planning year and using that reporting to determine whether to continue funding; (3) eliminating repeat funding for individual schools; and (4) increasing annual reporting and accountability required of grant recipients. Staff supports the Department’s changes to the program and believes the additional reporting information will allow for a more informed evaluation of the program in future years. The following table shows the components of staff’s recommendation.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, School Counselor Corps Grant Program				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	\$5,002,716	\$0	\$5,002,716	1.0
SB 14-150 (Counselor Corps)	5,000,000	0	5,000,000	1.0
HB 14-1298 (School Finance)	<u>(2,000,000)</u>	<u>0</u>	<u>(2,000,000)</u>	<u>0.0</u>
TOTAL	\$8,002,716	\$0	\$8,002,716	2.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$8,002,716	\$0	\$8,002,716	2.0
Annualize salary survey and merit pay	<u>3,472</u>	<u>0</u>	<u>3,472</u>	<u>0.0</u>
TOTAL	\$8,006,188	\$0	\$8,006,188	2.0
Increase/(Decrease)	\$3,472	\$0	\$3,472	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$8,006,188	\$0	\$8,006,188	2.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

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. 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.

Request: The Department requests a continuation appropriation of \$3,306,260 cash funds from the State Education Fund and 1.0 FTE pursuant to OSPB's common policies (annualizing FY 2014-15 salary survey and merit pay).

Recommendation: Staff recommends approving the request.

Contingency Reserve Fund

Pursuant to Section 22-54-117 (1) and (4), C.R.S., the State Board is authorized to approve payments from the Contingency Reserve Fund to assist school districts under the following circumstances:

- (a) (I): financial emergencies caused by an act of God or arising from extraordinary problems in the collection of taxes;
- (a) (II): financial emergencies caused by nonpayment of property taxes;
- (a) (III): revenues are insufficient to make abatements and refunds of property taxes;
- (a) (IV): unforeseen contingencies (e.g., reductions in valuation exceeding 20 percent);
- (a) (V): unusual financial burden caused by the instruction of court-ordered or agency-placed non-resident children;
- (a) (VI): unusual financial burden caused by the instruction of children who move into the district following the pupil count date (applies to small districts only);
- (a) (VII): unusual financial burden caused by a significant enrollment decline pursuant to a reorganization; and,
- (b): in cases of extreme emergency, other factors that affect the ability of the district to maintain its schools without additional financial assistance.

Section 22-54-117 (1) (a), C.R.S., indicates that, "In deciding the amount to be appropriated to the contingency reserve, the general assembly may take into consideration any recommendations made by the department of education, but nothing in this section shall be construed to obligate the general assembly to provide supplemental assistance to all districts determined to be in need or fully fund the total amount of such need."

Please note that pursuant to Section 22-54-117 (1) (c), C.R.S., when a school district reimburses the State for supplemental assistance received from the Contingency Reserve, the reimbursement

is credited to the Contingency Reserve Fund rather than the General Fund. Thus, these repayments may then be made available to meet other districts' needs.

Request: The Department's request reflects continuation funding of \$1,000,000 cash funds from the Contingency Reserve Fund for FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request.

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 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. Since FY 2007-08, the General Assembly has annually appropriated \$480,000 cash funds for this purpose.

Request: The Department requests continuation funding of \$480,000 cash funds from the State Public School Fund for FY 2015-16.

Recommendation: Staff recommends approving the request. Federal mineral lease revenues (which are deposited into the State Public School Fund) that are not appropriated for this purpose could instead be appropriated for the State Share of Districts' Total Program Funding, thereby mitigating any reduction to school districts' total program funding. However, staff sees this program 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. Colorado is currently one of 40 states that have 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. Cheryl Serrano, Superintendent of El Paso - Fountain Ft. Carson school district currently serves as Colorado's Commission member.

The Compact is intended to remove barriers to educational success children of military families experience due to either frequent moves and/or the deployment of their parents. The Compact provides for uniform treatment of military children transferring between school districts and states. Specifically, the Compact addresses the following issues facing children of active duty service members, of members who die on active duty, and of veterans:

- *Enrollment* - educational records, immunizations, and kindergarten and 1st grade entrance age
- *Placement and Attendance* - course and educational program placement, special education services, placement flexibility, and absence related to deployment activities
- *Eligibility* - eligibility for student enrollment and extracurricular activities
- *Graduation* - waiving course requirements if similar courseware has been completed; flexibility in accepting state exit and end-of-course exams, national achievement tests, or alternative testing in lieu of graduation testing requirements; and allowing a student to receive a diploma from a sending school district

Request: The Department requests a continuation appropriation of \$23,217 cash funds from the State Education Fund in FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends appropriating \$22,826 cash funds from the State Education Fund in FY 2015-16. Commission staff indicate that the current assessment is \$1.00 per child of active duty military personnel who reside on a base in each member state. The number of children that is used as the basis for the assessment is determined by the Department of Defense. The Commission notifies member states in September of the assessment that will occur the following July. Commission staff indicate that Colorado's assessment for the current fiscal year is \$23,217, and for FY 2015-16 has been established at \$22,826.

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 of 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.

Request: The Department requests a continuation appropriation of \$199,519 General Fund and 2.0 FTE (annualizing FY 2014-15 request R5 (College and Career Readiness)).

Recommendation: Staff recommends approving an appropriation of \$178,954 General Fund and 2.0 FTE. The recommendation is \$20,565 below the request because the requested annualization erroneously includes centrally appropriated amounts (Health, Life, and Dental, Short-term Disability, AED, and SAED) associated with the program's FTE in this line item when those items are actually addressed through the centrally appropriated items in the Management and Administration Division. The following table shows the recommended changes from the FY 2014-15 appropriation.

Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, College and Career Readiness			
	Total Funds	General Fund	FTE
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	<u>\$170,845</u>	<u>\$170,845</u>	<u>1.8</u>
TOTAL	\$170,845	\$170,845	1.8
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$170,845	\$170,845	1.8
Annualize FY 2014-15 R5	<u>8,109</u>	<u>8,109</u>	<u>0.2</u>
TOTAL	\$178,954	\$178,954	2.0
Increase/(Decrease)	\$8,109	\$8,109	0.2
Percentage Change	4.7%	4.7%	11.1%
FY 2015-16 Executive Request:	\$199,519	\$199,519	2.0
Request Above/(Below) Recommendation	\$20,565	\$20,565	0.0

Minority Teacher Study Strategy Report

House Bill 14-1175 (Minority K-12 Teachers Study) provided \$50,000 in one-time funding in FY 2014-15 for the Department to study and develop strategies to improve the recruitment, preparation, and retention of high quality minority teachers. The study was completed in 2014 and no funding is necessary in FY 2015-16.

(D) INDIRECT COST ASSESSMENT

Indirect Cost Assessment

The General Assembly added this line item to the FY 2013-14 Long Bill to reflect 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 Administration division for General Department and Program Administration and a variety of centrally appropriated line items.

Request: The Department requests a continuation appropriation to assess a total of \$2,057,248 in indirect costs to a variety of line items within Assistance to Public Schools, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends appropriating \$2,244,216 total funds, based on updated calculations from the Department.

(3) Library Programs

Background Information: Public libraries are managed and operated locally based on revenues raised from local sources.²¹ 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:

- a statewide interlibrary loan system;
- Colorado Online Libraries - a web hosting services that allows small libraries to have a web presence;

²¹ Publicly supported libraries include public, school, and academic libraries. The Department indicates that Colorado has 114 public library jurisdictions with 252 public library buildings. The jurisdictions include two rural bookmobile services classified as separate jurisdictions. Local libraries are funded through property, sales, and specific ownership tax revenues, as well as grants, donations, and fine revenues. Most public library jurisdictions serve rural populations, with 85 percent (96 jurisdictions) serving populations under 50,000, and 42 percent (48 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: education programming and technology training (100 percent); free Wi-Fi access (97 percent); assistance with government forms (98 percent); and access to online job and employment resources (95 percent).

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

- 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 public and school libraries include support of early literacy activities and Summer reading programs. The State Library also operates the State Publications Library (which provides free access to state government documents) and the Colorado Talking Book Library (which provides free materials to individuals who are unable to read standard print material). Finally, the State Library provides research and statistical information to support policy-making, budgeting, planning, and evaluation activities for libraries and library agencies at the local, regional, state, and federal levels.

The following table summarizes the staff recommendation for the Library Programs division.

Library Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	<u>\$9,881,787</u>	<u>\$4,202,204</u>	<u>\$271,214</u>	<u>\$2,360,000</u>	<u>\$3,048,369</u>	<u>38.1</u>
TOTAL	\$9,881,787	\$4,202,204	\$271,214	\$2,360,000	\$3,048,369	38.1
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$9,881,787	\$4,202,204	\$271,214	\$2,360,000	\$3,048,369	38.1
Annualize salary survey and merit pay	98,959	35,521	1,577	1,576	60,285	0.0
Eliminate dual appropriations (SB 15-108)	<u>(2,001,576)</u>	<u>0</u>	<u>0</u>	<u>(2,001,576)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,979,170	\$4,237,725	\$272,791	\$360,000	\$3,108,654	38.1
Increase/(Decrease)	(\$1,902,617)	\$35,521	\$1,577	(\$2,000,000)	\$60,285	0.0
Percentage Change	(19.3%)	0.8%	0.6%	(84.7%)	2.0%	0.0%
FY 2015-16 Executive Request:	\$9,979,170	\$4,236,149	\$272,791	\$2,361,576	\$3,108,654	38.1
Request Above/(Below) Recommendation	\$2,000,000	(\$1,576)	\$0	\$2,001,576	\$0	0.0

Administration

This line item provides state funding and staff for the general administration of library programs and the provision of library services.

Request: The Department requests continuation level funding according to OSPB’s common policies, annualizing FY 2014-15 salary survey and merit pay. The FY 2015-16 request includes

a total of \$1,058,484 and 14.3 FTE, consisting of \$805,693 General Fund and \$252,791 cash funds. The source of cash funds is grants and donations.²²

Recommendation: Staff recommends approving an appropriation of \$1,060,060 total funds, which is consistent with the Committee's common policies. The recommendation is \$1,576 General Fund above the request because staff has included funding to annualize salary survey and merit pay associated with the State Grants to Publicly-Supported Libraries Program (discussed below) in this line item because the FTE administering the program are shown in this (Administration) line item. The State Library effectively uses a relatively small amount of state funding to leverage federal funding, reduce public library costs, and ensure equal access to information for underserved and vulnerable populations.

Broadband Technology Opportunities Program

The Colorado State Library received a \$2,275,526 federal Broadband Technology Opportunities Program (BTOP) grant from the Department of Commerce in FY 2010-11 to implement public computer centers in 81 underserved communities. The Department also received a matching grant of \$790,000 from the Bill and Melinda Gates Foundation (classified as cash funds for appropriations purposes). The Committee approved the creation of a new line item for FY 2010-11 to reflect the federal grant for informational purposes and to authorize the Department to spend the matching grant. The Department is spent the federal funds over a four year period (through FY 2013-14) and the funding is no longer available.

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.

Request: The Department requests continuation level funding of \$3,053,327 federal funds and 23.8 FTE according to OSPB's common policies, including an increase of \$60,285 federal funds to annualize the FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends approving the request, which is consistent with the Committee's common policies.

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 2003.²³ The Consortium supports publicly-funded libraries statewide by:

²² Cash funds for this line item include interest earned on the Mary Jones Trust, which was established in 1981 with an initial donation of \$91,000. As of February 12, 2014, the balance in the Trust was approximately \$707,000. The Trust was intended to support Colorado Talking Book Library projects that have an impact on a large number of library patrons. Since 2002, interest earnings have been used to support staff positions.

- expediting the discovery, selection, and delivery of information and materials to library patrons (including courier services);
- administering a cooperative purchasing program (negotiating significant discounts on books and other library materials);
- providing and supporting learning opportunities for ongoing professional development to improve library services; and
- identifying and supporting initiatives to strengthen the Colorado library community.

The Consortium's \$1.6 million annual budget consists of state funding provided through this line item (\$1.0 million General Fund annually since FY 2006-07), courier income (\$500,000), continuing education fees (\$32,000), administrative fees related to a cooperative purchasing program (\$19,000), and other miscellaneous sources.

Request: The Department requests continuation level funding (\$1.0 million General Fund) for FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request. This appropriation ensures that the Consortium can offer public libraries a cooperative purchasing program and a statewide courier service at a reasonable cost, reducing public library expenses and facilitating resource sharing.

Colorado Virtual Library

Pursuant to Section 24-90-302 et seq., C.R.S., the State Librarian is responsible for providing electronic resources through libraries to all Colorado residents, to students and staff at higher education institutions and public schools. The Colorado Virtual Library is thus a statewide, Internet-based library network that provides free access to:

- on-line catalogs of the holdings of Colorado libraries;
- locally produced databases;
- digitized collections of Colorado resources;
- indexes and full text database products;
- an interlibrary loan system facilitating resource sharing throughout Colorado; and
- 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

²³ 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.

support, annual hardware and software maintenance fees, leased space, database archiving services, backup tapes, and Internet connectivity.

Request: The Department requests continuation level funding of \$379,796 (including \$359,796 General Fund and \$20,000 cash funds) for FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends the approving request.

Colorado Talking Book Library, Building Maintenance and Utilities Expenses

Background Information: The Colorado Talking Book Library is part of a national library program providing Braille, audio, and large-print books for individuals of all ages who are unable to read standard print material due to visual, physical, or learning disabilities. 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 tape machines are provided by the Library of Congress; this collection is enhanced by recordings of local materials taped 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.

The Library operates in a cost-effective manner. State funds currently support a portion of the operating expenses and some staff, the balance is supported through federal funds, The Friends of the Colorado Talking Book Library, and volunteers. In addition, the National Library for the Blind and Physically Handicapped (NLS), within the Library of Congress, provides playback equipment and some supplies, Braille and recorded books and magazines. The value the existing inventory of materials and equipment provided by NLS is valued at over \$8.1 million. Finally, the U.S. Postal Service subsidizes mail service for materials sent to and returned from Library patrons.

Description. In addition to supporting a portion of the Talking Book Library staff and operating expenses (through the Administration line item), this appropriation covers the library's maintenance and utility expenses.

Request: The Department requests continuation level funding of \$70,660 General Fund in FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request.

Reading Services for the Blind

Background Information: Pursuant to Sections 40-17-103 and 104, C.R.S., the Public Utilities Commission (PUC) is required to administer a contract for the provision of telecommunications relay services (which allow individuals who have a hearing or speech disability to communicate by wire or radio). The PUC is required to recover the costs of providing these services by assessing a monthly surcharge on each telephone access line to cover the following costs:

- the PUC's costs of developing, implementing, and administering telecommunications relay services (not to exceed 3.0 percent of the total costs);
- the cost to local exchange companies of imposing and collecting the surcharge; and
- the costs of providers rendering telecommunications relay services.

The PUC adjusts this surcharge annually, when necessary. Moneys collected by the local exchange companies are credited to the Colorado Disabled Telephone Users Fund. These moneys are currently authorized to be utilized by three different departments. Specifically, the General Assembly is required to make the following annual appropriations from the Fund (FY 2014-15 Long Bill appropriations to the Department of Regulatory Agencies are noted):

- for the PUC's administration of the Fund (\$1,485,430);
- to the Reading Services for the Blind Cash Fund, for use by the State Librarian in support of privately operated reading services for the blind (\$360,000); and
- to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund (\$1,012,818).

Cash fund appropriations for each of these purposes are made to the PUC annually, and corresponding appropriations appear in the other relevant state agencies' budgets. Moneys in the Fund not used for the above purposes are continuously appropriated to the PUC for the reimbursement of providers who render telecommunications services (estimated to be \$1,900,542 in the FY 2014-15 Long Bill).

Description. This line item authorizes the Department of Education to spend moneys in the Reading Services for the Blind Cash Fund for the provision of reading services for the blind. The Department annually 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. Prior to FY 2012-13, the General Assembly had allocated \$200,000 per year to the AINC. The FY 2012-13 Long Bill increased the AINC allocation to \$300,000, and the FY 2014-15 Long Bill added \$10,000 for a total of \$310,000 in FY 2014-15.

The remaining \$50,000 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.

Request: The Department requests continuation level funding of \$360,000 reappropriated funds for FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request.

State Grants to Publicly-Supported Libraries Program

Background Information: 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 has 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) eliminates the dual appropriation structure for this program, allowing for a direct appropriation from the General Fund to support the program.

The program operated for FY 2000-01 through FY 2001-02. The Governor vetoed the appropriations to the program for FY 2002-03, and the line items were unfunded from FY 2002-13 through FY 2012-13. The Committee reinstated the relevant line items 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 (discussed below). The FY 2014-15 Long Bill includes a footnote indicating the General Assembly’s intent that the funds be used to support efforts to improve early literacy. The program has awarded \$1,950,000 to 301 grantees statewide (representing 93 percent of 324 potential applicants) in FY 2014-15, with a base amount of \$3,000 per grantee (regardless of the size of the population served) and additional amounts on a per capita basis.

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.

State Grants to Publicly –Supported Libraries Fund

Under the previous structure of the program, the General Assembly used this line item to appropriate General Fund into the program’s cash fund and then used the next line item to support the program (with reappropriated funds). As discussed above, the enactment of S.B. 15-108 allows for the direct appropriation of General Fund to support the program and eliminates the need for this line item.

Request: The Department’s request predates the enactment of S.B. 15-108 and seeks a continuation appropriation of \$2,000,000 General Fund, with no change from the FY 2014-15 appropriation.

Recommendation: As discussed above, with the enactment of S.B. 15-108, this line item is no longer necessary. Thus, staff recommends eliminating this line item and supporting the program through a direct appropriation from the General Fund to the next line item.

State Grants to Publicly-Supported Libraries Program

This line item supports the State Grants to Publicly-Supported Libraries Program. In prior years, it has provided spending authority for reappropriated funds provided in the preceding line item. Beginning in FY 2015-16, the line item may provide direct appropriations of General Fund.

Request: The Department’s request predates the enactment of S.B. 15-108 and seeks a continuation appropriation of \$2,001,576 reappropriated funds, annualizing the FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends approving an appropriation of \$2,000,000 *General Fund*. As discussed above with the Administration line item, staff recommends reflecting the requested annualization of salary survey and merit pay within the Administration line item rather than this line item because the FTE supporting the program are not reflected in this line item. The following table shows the recommended changes from the FY 2014-15 appropriation.

Library Programs, State Grants to Publicly-Supported Libraries Program				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	<u>\$2,000,000</u>	<u>\$0</u>	<u>\$2,000,000</u>	<u>0.0</u>
TOTAL	\$2,000,000	\$0	\$2,000,000	0.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$2,000,000	\$0	\$2,000,000	0.0
Eliminate dual appropriations (SB 15-108)	<u>0</u>	<u>2,000,000</u>	<u>(2,000,000)</u>	<u>0.0</u>
TOTAL	\$2,000,000	\$2,000,000	\$0	0.0
Increase/(Decrease)	\$0	\$2,000,000	(\$2,000,000)	0.0
Percentage Change	0.0%	0.0%	(100.0%)	0.0%
FY 2015-16 Executive Request:				
Request Above/(Below)	\$2,001,576	\$0	\$2,001,576	0.0
Recommendation	\$1,576	(\$2,000,000)	\$2,001,576	0.0

Indirect Cost Assessment

Pursuant to the Committee’s common policy to improve the transparency of the treatment of indirect costs, the Committee created a new line item in FY 2013-14 to reflect 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 Administration

division for General Department and Program Administration and a variety of centrally appropriated line items.

Request: The Department requests a continuation appropriation of \$55,327 federal funds (assessed to the Federal Library Funding line item), reflected for informational purposes, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request. The indirect cost assessment for Library Programs is fixed based on the federal grantor's limitation on the amount of grant funding used for administration purposes. Thus, there will be no change from the FY 2014-15 appropriation.

(4) School for the Deaf and the Blind

Background Information. The Colorado School for the Deaf and the Blind (CSDB) is a state-funded school that was established for the purpose of providing comprehensive educational services for children under the age of twenty-two who are blind and/or deaf. Originally named the "Colorado Institute for the Education of Mutes", the School opened in a rented house in April 1874 with an appropriation from the Territorial Legislature. The student population rapidly outgrew the space available and in 1876 the School moved to its current campus, made possible with a donation of ten acres by the founder of the city of Colorado Springs. The CSDB received its initial accreditation from the Department of Education in 1961, and in 1977, the CSDB was transferred from the Department of Institutions to the Department of Education.

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:

1. Assessment and identification of educational needs;
2. Special curricula;
3. Equipment and materials;
4. Supplemental related services;
5. Special short-term programs;

6. Program planning and staff development;
7. Programs for parents, families, and the public; and
8. 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 215 students (ages 3 to 21) in the 2013-14 school year, an increase of fifteen students from the 2012-13 school year. The CSDB's total enrollment was 504 students for the 2013-14 school year, including 289 children under age three. That total enrollment included 407 deaf/hearing impaired children and 97 blind/visually impaired children. Compared to FY 2012-13, the CSDB's total enrollment increased by 41 students (8.9 percent). Of the total number of students receiving on-campus services, 84 resided at the CSDB (returning home on weekends) and the remaining 131 students only attended classes during the day.

Of the total number of students enrolled, 315 were infants, preschool students, attending classes part-time in local public schools, or in the community-based transition program, and were thus not eligible for per pupil funding. As a result, the CSDB only received per pupil revenue for 189 students. The CSDB indicates that the per pupil operating revenue covered about 10 percent of the average costs per student (including both residential and non-residential students).

Colorado School for the Deaf and the Blind: FY 2013-14 Enrollment						
Description	Children Under 3		On-campus Students		Total Enrollment	
	Number	Annual % Change	Number	Annual % Change	Number	Annual % Change
Deaf/ Hearing Impaired	256	14.3%	151	7.9%	407	11.8%
Blind/ Visually Impaired	33	-15.4%	64	6.7%	97	-2.0%
Total Enrollment	289	9.9%	215	7.5%	504	8.9%
Number of Residential Students	0	0.0%	84	5.0%	84	5.0%
Number of FTE for Whom Facility School Funding is Received	0	0.0%	189	3.8%	189	3.8%
<i>Percent of FTE for Whom Per Pupil Operating Revenues are Transferred from Districts</i>	<i>0.0%</i>		<i>87.9%</i>		<i>37.5%</i>	

In addition, the CSDB provides in-home support services for eligible children under age five and their families across the state. The CSDB reports that these programs served 387 children and their families in FY 2013-14.

The following table summarizes the staff recommendation for the Colorado School for the Deaf and the Blind.

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School for the Deaf and the Blind						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$14,795,041	\$10,172,809	\$1,075,000	\$3,547,232	\$0	167.6
SB 15-145 (Supplemental)	<u>27,550</u>	<u>27,550</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,822,591	\$10,200,359	\$1,075,000	\$3,547,232	\$0	167.6
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$14,822,591	\$10,200,359	\$1,075,000	\$3,547,232	\$0	167.6
R5 CSDB strategic plan implementation	907,890	822,244	0	85,646	0	11.5
Annualize prior year budget actions	124,916	123,780	0	1,136	0	0.0
R6 CSDB teacher salary adjustment	102,391	102,391	0	0	0	0.0
BA3 CSDB utilities	20,220	20,220	0	0	0	0.0
Fund source adjustments	0	(19,593)	0	19,593	0	0.0
Centrally appropriated line item adjustments	<u>(425)</u>	<u>(425)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$15,977,583	\$11,248,976	\$1,075,000	\$3,653,607	\$0	179.1
Increase/(Decrease)	\$1,154,992	\$1,048,617	\$0	\$106,375	\$0	11.5
Percentage Change	7.8%	10.3%	0.0%	3.0%	0.0%	6.9%
FY 2015-16 Executive Request:	\$16,143,101	\$11,515,409	\$1,075,000	\$3,552,692	\$0	179.1
Request Above/(Below) Recommendation	\$165,518	\$266,433	\$0	(\$100,915)	\$0	0.0

CHANGE ITEMS AFFECTING THE COLORADO SCHOOL FOR THE DEAF AND THE BLIND

➔ R5 CSDB Strategic Plan Implementation

- The Department requests an increase of \$1,087,179 General Fund and 11.5 FTE in FY 2015-16 to enhance school services in accordance with the Colorado School for the Deaf and the Blind’s strategic plan.
- Staff recommends approving an increase of \$930,677 total funds, including \$845,031 General Fund and \$85,646 reappropriated funds from the Facility School Funding line item and 11.5 FTE for FY 2015-16.

Request: The Department requests an increase of \$1,087,179 General Fund and 11.5 FTE in FY 2015-16 (annualizing to \$1,205,831 and 12.6 FTE in subsequent years) for the Colorado School for the Deaf and the Blind (CSDB) to enhance school services in accordance with the school’s strategic plan. The request includes three major components: (1) \$304,489 and 5.9 FTE (annualizing to \$439,438 and 6.0 FTE) to extend the CSDB school year by 10 days (this

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

component does not include new staff but reflects increased work time for the existing staff as a result of the additional days); (2) \$501,846 and 5.6 FTE (annualizing to \$521,269 and 6.2 FTE) to add *additional* CSDB staff; and (3) \$275,844 (annualizing to \$245,124) to support increased operating expenses that are not associated with the additional staff, including technology updates and general operating expenses increases.

Recommendation: Staff recommends approving an increase of \$930,677 total funds, including \$845,031 General Fund and \$85,646 reappropriated funds from the Facility School Funding line item, and 11.5 FTE in FY 2015-16. The recommendation is \$156,503 total funds below the request because of the following changes:

- A reduction of \$93,353 based on the Committee’s common policy not to provide funds for centrally appropriated items associated with *new FTE* in the first year.
- A reduction of \$63,150 to reflect the estimated additional fee revenue (paid by school districts for CSDB outreach services) associated with the new Outreach Services staff. The Department has sufficient cash funds spending authority within the Outreach Services line item to absorb the new fee revenues within the existing spending authority.

In addition, as discussed above, the recommendation offsets \$85,646 of the requested General Fund increase with an increase in reappropriated funds transferred from the Facility Schools Funding line item as a result of the proposed 10-day extension of the CSDB school year. The following table summarizes the Department’s request and the staff recommendation by line item.

Request R5 - Summary of Total Request and Recommendation							
Division and Line Item	FY 2015-16 Request		FY 2015-16 Staff Rec.		FY 2016-17 Impact		
	GF	FTE	GF/RF	FTE	GF/RF	FTE	
CDE Management and Administration line items							
AED	\$0		\$11,304		\$31,177		
SAED	0		10,918		30,853		
STD	0		565		1,428		
HLD	<u>0</u>		<u>0</u>		<u>63,417</u>		
Subtotal, Management and Administration - GF	\$0		\$22,787		\$63,458		
CSDB School Operations, Personal Services							
Salary/Personal Services	\$594,378	11.5	\$594,378	11.5	\$649,540	12.6	
PERA	60,331		60,331		65,929		
Medicare	8,619		8,619		9,418		
AED	26,154		0		0		
SAED	25,261		0		0		
STD	1,308		0		0		
HLD	63,417		0		0		
Amount Offset with Anticipated Fee Revenue	<u>0</u>	<u>0.0</u>	<u>(63,150)</u>	<u>(1.0)</u>	<u>(68,465)</u>	<u>(1.0)</u>	
Subtotal, CSDB Personal Services	\$779,468	11.5	\$600,178	10.5	\$656,422	11.6	
Estimated Increase in Facility School Funding for CSDB Personal Services (reappropriated funds to offset General Fund in Personal Services)							
	\$0	0.0	\$85,646	0.0	\$91,718	0.0	
CSDB School Operations, Operating Expenses							
Operating Expenses Associated with New FTE	\$31,868		\$31,868		\$5,890		
Information Technology Lifecycle	225,778		225,778		195,058		

Request R5 - Summary of Total Request and Recommendation						
Division and Line Item	FY 2015-16 Request		FY 2015-16 Staff Rec.		FY 2016-17 Impact	
	GF	FTE	GF/RF	FTE	GF/RF	FTE
Inflationary Operating Expenses Increase	50,066		50,066		50,066	
Subtotal, CSDB Operating Expenses	\$307,712		\$307,712		\$251,014	
CSDB Special Purpose, Outreach Services (supported with additional fee revenue within current spending authority)	\$0	0.0	\$0	1.0	\$0	1.0
Total Funds	\$1,087,180	11.5	\$930,677	11.5	\$970,894	12.6
General Fund	1,087,180		845,031		879,176	
Reappropriated Funds	0		85,646		91,718	

Analysis: The request includes three major components (each component is discussed in greater detail on the following pages):

- \$304,489 and 5.9 FTE (annualizing to \$439,438 and 6.0 FTE in subsequent years) to extend the CSDB school year by 10 days (this component does not include new staff but reflects increased work time for the existing staff);
- \$501,846 and 5.6 FTE (annualizing to \$521,269 and 6.2 FTE) to add *additional staff* to the school; and
- \$275,844 (annualizing to \$245,124) to support increased operating expenses, including technology updates and enhancements as well as general operating expenses increases.

Extended School Year

The CSDB is requesting funds to extend the school year by ten days, from 174 student contact days to 184.²⁴ The school has found that its students often experience regression in their learning during extended breaks from school, such as the summer break. In an effort to minimize that regression, the school has already adjusted the schedule to include more short breaks and to shorten the long breaks from school. The school is now seeking the resources to extend the school year. The CSDB has not finalized a proposed school year calendar including the 10 day extension but has indicated that the calendar would extend farther into June (the CSDB’s 2014-15 school year started August 11, 2014, and will end June 4, 2015).

This component of the request includes an increase of \$309,489 General Fund and 5.9 FTE (annualizing to \$439,438 and \$6.4 FTE) to support the 10 additional days. Please note that this component of the request does not include any *additional staff*; instead, the cost and FTE increase reflect additional work time for the existing staff. The following table summarizes the change in FTE associated with the extension of the school year.

Request R5 - CSDB School Year Extension FTE Impact		
	FY 2015-16 FTE Change	FY 2016-17 FTE Change
Interpreters	0.1	0.1
Program Coordinators	0.4	0.4

²⁴ The CSDB staff has 11 additional staff days, so the staff school year would increase from 185 days to 195 days.

Request R5 - CSDB School Year Extension FTE Impact		
	FY 2015-16 FTE Change	FY 2016-17 FTE Change
Health Care Technicians	1.4	1.5
Nursing	0.1	0.1
Dining Services	0.3	0.3
Teacher Aides	0.5	0.5
Administrative Assistant	0.1	0.1
Teachers	3.0	3.3
Police Officer	<u>0.1</u>	<u>0.1</u>
Total FTE Change*	5.9	6.4

*Table sums to 6.0 FTE in FY 2015-16. Difference is due to rounding.

The CSDB offers three related justifications for the request to add student contact days:

- *Summer Learning Loss:* Over the past four years, the CSDB has found that roughly half of CSDB students show summer learning loss as measured by spring and fall assessments, particularly with respect to literacy. The CSDB has already adjusted the school year calendar to increase the number of shorter breaks (such as periodic four day weekends) and limit the length of longer breaks in an attempt to minimize summer learning loss. The school feels that it has maximized the use of that flexibility within a 174 student contact day calendar and needs to add days to the school year.
- *Overall Reading Delays:* Regardless of summer learning loss, many CSDB students have significant delays in English language and literacy skills (as measured by annual administration of the Developmental Reading Assessment (DRA)), especially students that come to CSDB at later ages. For example, in spring 2014:
 - 47 percent (25/55) of CSDB high school students (grades 9 through 12) had reading delays greater than 6 grades, with an average delay of 8.5 grades among those students;
 - 71 percent (22/31) of CSDB middle school students (grades 6 through 8) had delays greater than 4 grades, with an average delay of 4.4 grades among those students; and
 - 74 percent (29/39) of CSDB elementary students (grades 1 through 5) had delays greater than 1 grade, with an average delay of 2.6 grades among those students.
- *Inherent Special Education Needs:* The Department notes that *every* CSDB student has at least one identified disability and an Individual Education Program, contributing to both summer learning loss and the number of students below grade level regardless of summer learning loss.

For reference, statute (Section 22-32-109 (1) (n), C.R.S.) requires at least the following *minimum* levels of contact time per school year statewide: (1) 450 hours for half day kindergarten students; (2) 990 hours for elementary students; and (3) 1,080 hours for secondary students (junior high,

middle, or high school). The current CSDB calendar provides 1,131 hours (174 days at 6.5 hours per day) for all students. The proposed calendar would provide 1,196 hours for all students.

The Department does not track school districts’ student contact time, and the contact time can vary among schools within a given district. As a result, staff is unable to compare the CSDB calendar to most school districts. However, staff has reviewed a sampling of other facility school calendars (which may be a better frame of reference for the CSDB) and found school years ranging from 175 to 184 student contact days (with no information about the hours per day). The majority of schools sampled showed 176 student contact days. Facility school models vary significantly, however, and many serve as short term facilities rather than serving individual students for multiple years like the CSDB, making any comparisons difficult.

Staff notes that summer learning loss and literacy delays are concerns for many schools and school districts. However, staff also notes that the CSDB’s unique student population is particularly susceptible to such delays in language development.

Given the CSDB’s unique student population, staff recommends providing the requested funds to extend the school year. However, staff recommends the following adjustments to this component of the request:

- A reduction of \$85,646 General Fund which is offset by an increase of \$85,646 reappropriated funds from the Facility School Funding line item (originally from the State Education Fund). The CSDB is reimbursed with facility school funds based on a daily rate, and the increased number of days in the school year will increase the transfer of facility school funds, reducing some of the need for General Fund appropriations.
- Reflecting the requested amounts for centrally appropriated items (AED, SAED, and Short-term Disability in FY 2015-16) in the relevant line items in the Management and Administration Division, rather than within the CSDB Personal Services line item as requested by the Department. Staff recommends providing the funds because these are existing CSDB FTE that are already supported with General Fund rather than new FTE.

The following table summarizes the Department’s request and the staff recommendation for the school year extension.

Request R5 - CSDB School Year Extension Costs						
Division and Line item	FY 2015-16 Request		FY 2015-16 Staff Rec.		FY 2016-17 Impact	
	GF	FTE	GF/RF	FTE	GF/RF	FTE
Management and Administration, Centrally Appropriated Line Items						
AED	\$0		\$11,304		\$13,303	
SAED	0		10,918		13,165	
STD	<u>0</u>		<u>565</u>		<u>609</u>	
Subtotal, Management and Administration - GF	\$0		\$22,787		\$27,077	
CSDB, School Operations, Personal Services						
Salary/Personal Services	\$256,901	5.9	\$256,901	5.9	\$277,157	6.4
PERA	26,076		26,076		28,132	
Medicare	3,725		3,725		4,019	

Request R5 - CSDB School Year Extension Costs							
Division and Line item	FY 2015-16 Request		FY 2015-16 Staff Rec.		FY 2016-17 Impact		
	GF	FTE	GF/RF	FTE	GF/RF	FTE	
AED	11,304		0		0		
SAED	10,918		0		0		
STD	<u>565</u>		<u>0</u>		<u>0</u>		
Subtotal, CSDB Personal Services	\$309,489	5.9	\$286,702	5.9	\$309,308	6.4	
Estimated Increase in Facility School Funding for CSDB Personal Services (Reappropriated Funds)	\$0		\$85,646		\$88,044		
Total Funds	\$309,489	5.9	\$309,489	5.9	\$309,308	6.4	
General Fund	309,489		223,843		221,264		
Reappropriated Funds	0		85,646		88,044		

Additional Staff

The request includes an increase of \$469,980 General Fund and 5.6 FTE in FY 2015-16 (annualizing to \$515,379 and 6.2 FTE in subsequent years) to add *new* staff to the CSDB. The request includes 0.7 FTE for additional interpreter services for deaf students and a total of 4.9 FTE focused on additional outreach services for local schools and school districts. The following table shows the requested FTE by position type.

Request R5 - CSDB New Staff FTE Impact			
	FY 2014-15 FTE	FY 2015-16 FTE Change	FY 2016-17 FTE Change
Interpreter	1.0	0.7	0.8
Distance Learning Teachers (Outreach)	0.8	2.3	2.5
Teacher of the Deaf (Outreach)	0.7	0.7	0.8
Teacher of the Visually Impaired (Outreach)	0.7	0.7	0.8
American Sign Language Instructor (Outreach)	0.0	0.5	0.5
Educational Liaison for Deaf/Hard of Hearing (Outreach)	<u>0.0</u>	<u>0.7</u>	<u>0.8</u>
Total FTE Change	3.2	5.6	6.2

Staff Analysis

The Department justifies the request for additional staff based on unmet demand for each service by schools, school districts, and families. Below is a discussion of each position type, including the FY 2015-16 personal services cost (including salary, PERA, and Medicare costs) for each job type.

- *Interpreter (\$64,444 and 0.7 FTE):* The CSDB currently employs 1.0 FTE interpreter for the deaf, although the FTE actually consists of two part-time employees. The school also contracts out for some interpreter services but states that it is increasingly difficult and costly to secure contract interpreter services. The request seeks to ensure that interpreter services are available when needed and emphasizes the importance of having interpreters present in all workshops and classes where there may be a mix of students who do and do not sign.

- *Distance Learning Teachers (\$131,805 and 2.3 FTE):* The CSDB has increasingly used distance learning activities to reach education professionals and families. The CSDB currently utilizes 0.8 FTE for distance learning purposes but reports an inability to meet the demand. For example, families and educators from throughout the State have requested on-line American Sign Language classes that the school has been unable to provide. The school also reports an inability to meet the demand for professional development services for educators working with students who are deaf/hard of hearing, blind/visually impaired, or deaf/blind. Requests include professional development regarding teaching mathematics and reading, the appropriate use of assessments, and instructional strategies for teaching these students. In addition, the CSDB intends to provide additional information for parents of children who are deaf, blind, or both, including emotional development, behavior support, technology recommendations, and educational strategies. Finally, the CSDB reports that families have asked CSDB to facilitate opportunities for students living in rural areas or who attend schools where there are no other students with hearing or vision needs to have social interactions through on-line technology.
- *Teacher of the Deaf (\$43,395 and 0.7 FTE):* The CSDB has tried to contract for teacher of the deaf outreach services but has been unable to meet requests because of the limited availability of qualified contract staff. A CSDB teacher has provided services on a limited basis to the San Luis Valley for many years because of the lack of available staff in that region. The school reports that it is unable to accommodate requests for services in many other regions (including specifically Fort Collins, the Pikes Peak Region, the East Central BOCES, South Central BOCES, and Western Slope regions) because of the shortage of contract staff.
- *Teacher of the Visually Impaired (\$43,395 and 0.7 FTE):* Similar to the situation with teachers of the deaf (above), the CSDB is unable to find sufficient contract staff to respond to requests for services. The school reports particular difficulty finding staff to respond to requests in Craig, the Mountain BOCES, El Paso County area charter schools, Pueblo, Colorado Springs, and Canon City.
- *American Sign Language (ASL) Instructor (\$31,455 and 0.5 FTE):* The CSDB reports that requests for teachers to teach ASL to parents, educational staff, and community members, as well as to students who need such instruction are frequent. The school is unable to meet the requests (including more than 50 unmet requests over the past year and a half). The CSDB also reports an inability to support advanced ASL classes for family members in need of such classes. CSDB has used contractors for this purpose in the past but is unable to train the contractors under federal personnel rules. The request would allow the school to hire staff, train them, improve monitoring, and provide materials to enhance instruction.
- *Educational Liaison for Deaf/Hard of Hearing (\$62,132 and 0.7 FTE):* The CSDB is proposing this position to improve collaboration between school districts, BOCES, charter schools, parents who choose to home school, and agencies in Colorado who serve students who are deaf/hard of hearing, blind/visually impaired, or deaf/blind. The school believes that improved collaboration will make better use of the limited resources available to serve these populations of students, and the request seeks to build partnerships among the various

stakeholders. The proposed position would: (1) provide both face-to-face and distance communication with special education directors and parents across the State to assess needs and gaps in services; (2) work to identify creative solutions to fill gaps in services; (3) work with other stakeholders and agencies to implement solutions statewide; (4) provide leadership in seeking grant funding to provide services; and (5) improve communication to and between stakeholders.

It appears that the CSDB is unable to meet the demand for outreach services throughout the State, in part because of the lack of available contract staff to fill the need in many regions. Given the school’s statutory outreach responsibilities, staff agrees that there appears to be a need for additional staff.

Staff recommends approving the request for additional outreach staff, with the following modifications:

- A reduction of \$93,353 based on the Committee’s common policy not to fund centrally appropriated items for *new* FTE in the first year. The Department requested funds for AED, SAED, Short-term Disability, and Health, Life, and Dental for the new FTE, and staff recommends rejecting that portion of the request.
- A reduction of \$63,150 based on anticipated increases in fee revenues paid by school districts for outreach services. The Department estimates that increased fee revenues can offset 50.0 percent of the salary costs for two positions (teacher of the deaf and teacher of the visually impaired) and 25.0 percent of the salary costs for the sign language instructor. The Department has sufficient available spending authority in the Outreach Services line item to accommodate the anticipated revenues, so the recommendation simply reduces the General Fund without an offsetting increase in cash funds.
- Reflecting 0.8 FTE in the Outreach Services line item in FY 2015-16 (annualizing to 0.9 FTE in FY 2016-17) to account for the FTE associated with the increased fee revenue. The outreach FTE within the personal services line item are supported by General Fund. The outreach services line item is supported in large part by fees paid by school districts for services provided by the CSDB. The Department has sufficient spending authority to accommodate the additional revenues but would prefer to reflect the additional FTE in the Outreach Services line item.

The following table compares the request and staff recommendation for costs associated with the proposed *new* FTE.

Request R5 - CSDB Costs for New Staff						
	FY 2015-16 Request		FY 2015-16 Staff Rec.		FY 2016-17 Impact	
	GF	FTE	GF	FTE	GF	FTE
CSDB School Operations, Personal Services						
Salary/Personal Services	\$337,477	5.6	\$337,477	5.6	\$372,383	6.2
PERA	34,255		34,255		37,797	
Medicare	4,894		4,894		5,399	
AED /1	14,850		0		17,874	
SAED /1	14,343		0		17,688	

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

Request R5 - CSDB Costs for New Staff						
	FY 2015-16 Request		FY 2015-16 Staff Rec.		FY 2016-17 Impact	
	GF	FTE	GF	FTE	GF	FTE
STD /1	743		0		819	
Health Life Dental /1	63,417		0		63,417	
Amount Offset with Anticipated Fee Revenue	<u>0</u>	0.0	<u>(63,150)</u>	<u>(1.0)</u>	<u>(68,465)</u>	<u>(1.0)</u>
Subtotal, CSDB Personal Services	\$469,979	5.6	\$313,476	4.6	\$515,377	5.2
CSDB School Operations, Operating Expenses						
Supplies (\$500/FTE)	\$2,819		\$2,819		\$3,100	
Telephone (\$450/FTE)	2,537		2,537		2,790	
Personal Computer (\$1,230 per FTE)	6,934		6,934		0	
Office Furniture (\$3,473 per FTE)	<u>19,578</u>		<u>19,578</u>		<u>0</u>	
Subtotal, Operating Expenses	\$31,868		\$31,868		\$5,890	
CSDB Special Purpose, Outreach Services	\$0	0.0	\$0	1.0	\$0	1.0
Total, New Staff Costs	\$501,847	5.6	\$345,344	5.6	\$521,267	6.2

1/ These amounts would be funded through centrally appropriated line items rather than the CSDB Personal Services line item and, pursuant to JBC common policy, staff does not recommend the requested funding associated with *new* FTE in the first year.

Operating Expenses not Associated with New Staff

The request includes an increase of \$275,844 General Fund in FY 2015-16 (annualizing to \$245,124 in FY 2016-17) for additional operating expenses over and above the operating expenses associated with the requested FTE (discussed above). The operating expenses request includes two components: (1) information technology updates and enhancements; and (2) general operating expenses.

Information Technology Lifecycle (\$225,778 in FY 2015-16): The school’s strategic plan calls for students to demonstrate the core knowledge and 21st century skills required to be college and/or career ready. The CSDB argues that the technology environment provided to students is critical to achieving that outcome.

The request includes funding to implement a “lifecycle” system for information technology replacement and to enhance information technology equipment at the school, including transitioning to an electronic curriculum to improve student engagement as well as updating filter systems, firewalls, and software to improve security. The CSDB does not currently operate on a lifecycle system but works to replace equipment as needed. The following table, included in the request, details the school’s proposed lifecycle.

In recent years, the Committee has encouraged agencies to plan for information technology replacements, and the request reflects the CSDB’s intention to do so. (Please note that the Governor’s Office of Information Technology does not support the CSDB technology infrastructure and has not reviewed the request.) **Staff recommends approving the requested increase.**

CSDB Proposed Information Technology Lifecycle

Item	A Count	B Est. Cost	A x B Total Cost	Estimated Costs by Year						Average Cost
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Desktop Computers	156	900	140,400	23,400	23,400	23,400	23,400	23,400	23,400	
Laptop Computers	191	1,450	415,425	69,238	69,238	69,238	69,238	69,238	69,238	69,235
Tablet Computers	57	600	68,400	22,800		22,800		22,800		
Monitor	243	140	34,020	11,340	0	11,340	0	11,340		
Network Switches	33	4,000	132,000	92,000	40,000					
Servers	13	7,500	97,500				48,750			48,750
Firewall	2	5,000	10,000							10,000
Email filter	1	6,000	6,000				6,000			
Webfilter	3	5,000	15,000				15,000			
TV's - display monitor	32	1,400	44,800			22,400		22,400		
Mimio's and other writeboards	55	750	61,875				31,000			30,875
Cameras	9	3,000	27,000					27,000		
Wireless Access Points	70	900	63,000		63,000					
Wireless controllers	2	3,500	7,000	7,000						
Multipoint servers	10	2,300	34,500			17,250		17,250		
ThinClients	40	200	12,000			6,000				6,000
Printers	15	250	3,750			3,750				
Tape Backup tape drive	2	4,000	8,000			8,000				
Tapes - For backups	34	300	20,400			10,200				10,200
TOTAL			1,201,070	225,778	195,638	194,378	193,388	193,428	198,460	195,058

General Operating Expenses (\$50,066 in FY 2015-16 and beyond): The request also includes an increase to cover general increases in operating expenses. The school last received an increase for general operating expenses (to the current level of \$417,277) in FY 2007-08 and is requesting an inflationary increase to support the purchase of supplies, materials, equipment, and additional maintenance costs. **Staff recommends approving the requested inflationary increase.**

➔ R6 CSDB Teacher Salary Adjustment

- The Department requests an increase of \$102,391 General Fund for salary increases for teachers employed at the CSDB. Pursuant to statute, the increase is based on increases provided by El Paso District 11 in FY 2014-15.
- Staff recommends approving the request.

Request: The Department requests increase of \$102,391 General Fund for salary increases for teachers employed at the CSDB. Statute (Section 22-80-106.5, C.R.S.) requires the CSDB to compensate teachers based on the Colorado Springs District 11 salary schedule, using the CSDB’s salary policies to implement the salary schedule. To align with the District 11 salary schedule, the request includes: (1) \$26,800 to support an ongoing 1.0 percent across-the-board salary increase; (2) \$61,961 to support experience increases (steps); and (3) \$13,630 for educational increments.

Recommendation: Staff recommends approving the request, which aligns with current law requiring the CSDB to provide salary increases in accordance with the District 11 salary schedule.

Analysis: Section 22-80-106.5, C.R.S. (as amended by S.B. 14-168), requires that teachers employed by the CSDB be compensated “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.” Consistent with the salary schedule and salary policies of District 11, the CSDB did not request or receive any such increases for FY 2011-12 through FY 2013-14. The FY 2014-15 appropriation includes \$126,671 to support: (1) a one-time (non-base building) 4.0 percent salary increase; and (2) ongoing funding for educational increases

In FY 2014-15, District 11 is providing a 1.0 percent across-the-board recurring salary increase as well as increases for experience and educational attainment based on the district’s salary schedule. Because salary increases at CSDB lag the increases in District 11 by one year (pursuant to statute), the CSDB is requesting these increases in FY 2015-16. The following table summarizes the components of the CSDB request.

Proposed FY 2015-16 CSDB Teacher Salary Increases	
Component	FY 2015-16 Amount (General Fund)
Across-the-board 1 percent increase	\$26,800
Experience Increase	61,961
Educational Increments	<u>13,630</u>
Total	\$102,391

As discussed at the Department’s hearings with the Committee in December 2013 and December 2014, the CSDB has emphasized that maintaining competitive salaries is critical to ongoing efforts to recruit and retain qualified staff, particularly given a national shortage of the specialized teachers required at the CSDB. The CSDB requires highly specialized teachers and must be able to recruit both inside and outside Colorado. Staff agrees that competitive salaries are important to the school’s ability to recruit and retain qualified teachers. Staff recommends approving the request.

➔ BA3 CSDB Utilities

- The Department’s request continues an increase of \$27,000 General Fund requested through the FY 2014-15 supplemental process for increased utility costs at the CSDB.
- Staff recommends approving an increase of \$20,220 General Fund for FY 2015-16 *above the \$27,550 included in the Department’s supplemental bill (S.B. 15-145).*

Request: The Department’s request continues an increase of \$27,000 General Fund requested through the FY 2014-15 supplemental process for increased utility costs at the CSDB.

Recommendation: Staff recommends approving an additional increase of \$20,220 General Fund for FY 2015-16 above the \$27,550 increase approved through the FY 2014-15 supplemental. The \$27,550 increase in the supplemental reflected increased utility rates for FY 2014-15 that

were not known at the time of the original appropriation. The Department expects those rate increases to continue in FY 2015-16. The staff recommendation includes an additional increase of \$20,220 for mandatory energy contract costs in FY 2015-16 that were inadvertently omitted from the FY 2015-16 request.

Analysis: The Department’s FY 2014-15 supplemental bill (S.B. 15-145), provides an increase of \$27,550 General Fund for increased utilities expenses at the Colorado School for the Deaf and the Blind based on rate changes and additional billing information that was not available when the General Assembly made the original FY 2014-15 appropriation. The Department expects those rate increases to continue in FY 2015-16 and submitted BA3 to reflect the anticipated costs. As submitted, the budget amendment would not require an increase above the *adjusted* FY 2014-15 appropriation. However, while the budget amendment accounted for anticipated utility rates in FY 2015-16, it did not account for mandatory increases in energy contract costs for that fiscal year. Based on updated information, the Department will require an additional \$20,220 for the energy contract costs in FY 2015-16. The following table shows actual utilities costs for FY 2012-13 and FY 2013-14, the adjusted FY 2014-15 appropriation (including the supplemental), and the recommended increase for FY 2015-16.

Colorado School for the Deaf and the Blind Utilities Expenses					
Service	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Adjusted Approp.	FY 2015-16	
				Estimated Increase	Staff Recommendation for Long Bill
Natural gas	\$137,084	\$175,931	\$184,915	\$513	\$185,428
Electricity	152,626	170,149	184,367	477	184,844
Water and sewer	75,471	70,823	81,614	(270)	81,344
Energy efficiency contract	<u>129,692</u>	<u>135,413</u>	<u>131,464</u>	<u>19,500</u>	<u>150,964</u>
Total	\$494,873	\$552,316	\$582,360	\$20,220	\$602,580

Staff notes that prior to the adjustment in the FY 2014-15 supplemental bill, the CSDB appropriation for utilities had not changed since FY 2009-10. When combined with conservation measures, the appropriation had been sufficient to absorb fluctuations in utility rates since that time and the Department reverted funds each year (including \$2,494 in FY 2013-14). However, the anticipated costs in FY 2015-16 will require an increase of \$20,200 above the adjusted FY 2014-15 appropriation, and staff recommends approving that increase.

(A) SCHOOL OPERATIONS

Personal Services

This line item provides funding for most School employees and for certain professional and temporary services.

Request: The Department requests a total of \$10,370,258 and 152.8 FTE, including \$8,864,603 General Fund and \$1,505,655 reappropriated funds. The request includes the following changes from the FY 2014-15 appropriation:

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- An increase of \$779,469 General Fund associated with request R5 (CSDB Strategic Plan Implementation, discussed above);
- An increase of \$102,391 General Fund associated with request R6 (CSDB Teacher Salary Adjustment, discussed above); and
- A net increase of \$97,007 General Fund to annualize prior year salary and merit pay adjustments.

Recommendation: Staff recommends approving an appropriation of \$10,190,967 total funds, including the recommended adjustments associated with request R5 (CSDB Strategic Plan Implementation) and request R6 (CSDB Teacher Salary Adjustment), both of which are discussed above. The following table shows the components of the staff recommendation relative to the FY 2014-15 appropriation.

School for the Deaf and the Blind, School Operations, Personal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	<u>\$9,391,391</u>	<u>\$7,885,736</u>	<u>\$0</u>	<u>\$1,505,655</u>	<u>\$0</u>	<u>141.3</u>
TOTAL	\$9,391,391	\$7,885,736	\$0	\$1,505,655	\$0	141.3
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$9,391,391	\$7,885,736	\$0	\$1,505,655	\$0	141.3
R5 CSDB strategic plan implementation	600,178	514,532	0	85,646	0	10.7
R6 CSDB teacher salary adjustment	102,391	102,391	0	0	0	0.0
Annualize prior year budget actions	97,007	97,007	0	0	0	0.0
Fund source adjustments	<u>0</u>	<u>(19,593)</u>	<u>0</u>	<u>19,593</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$10,190,967	\$8,580,073	\$0	\$1,610,894	\$0	152.0
Increase/(Decrease)	\$799,576	\$694,337	\$0	\$105,239	\$0	10.7
Percentage Change	8.5%	8.8%	0.0%	7.0%	0.0%	7.6%
FY 2015-16 Executive Request:	\$10,370,258	\$8,864,603	\$0	\$1,505,655	\$0	152.8
Request Above/(Below) Recommendation	\$179,291	\$284,530	\$0	(\$105,239)	\$0	0.8

Funding Sources. Prior to FY 2008-09, CSDB students were included in the pupil count of each student's home school district, and the Department transferred the statewide average per pupil operating revenue from the State Share of Districts' Total Program Funding line item to the CSDB for each eligible enrolled student. The CSDB now receives funds transferred from the Facility School Funding line item. Specifically, pursuant to the changes made in S.B. 13-260 (and discussed above in the Facility Schools section of this document) the CSDB receives statewide base per pupil funding times 1.73 to cover the costs of facilities that provide year-round educational services. This amount is translated into a daily rate, and the CSDB receives a

daily rate for each child in attendance for up to 235 days each school year (the CSDB currently operates on a 174-day calendar but, as discussed above, is proposing to add 10 student contact days with request R5).

Staff's calculations concerning the recommended fund splits in the above table are detailed in the following two tables.

Projected FY 2015-16 Facility Schools Funding for CSDB	
Projected statewide base per pupil funding (based on current law)	\$6,292.39
Facility school funding for year-round educational programs (1.73 x base PPR)	\$10,885.83
Total days the increased rate applies	235
Daily rate (state average PPR increased by one-third/Total days)	\$46.32
Estimated student-days billed by CSDB based on current school year (average daily attendance (184.9 projected) x 174 instructional days)	32,171
Additional student-days billed as a result of the school year extension in R5 (average daily attendance (184.9 projected) x 10 instructional days)	1,849
Projected Transfer to CSDB (Daily rate x Student-days)	\$1,575,894

CSDB Personal Services - Funding Splits	
Total Recommended Funding	\$10,190,967
Less: Estimated Transfer from the Facility Schools Funding Line item	(1,575,894)
Less: Federal Nutritional Funds transferred from the Appropriated Sponsored Programs line item	(35,000)
General Fund portion of appropriation	\$8,580,073

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 a facilitator: working with the child to develop language skills; providing parents with information and counseling to identify strategies to use in communicating with their child; and assessing the dynamics of the parent-child interaction and providing support to improve it.

Prior to FY 2006-07, this program was supported by existing personal services funding, as well as various federal grants, donations, and in-kind services. For FY 2006-07, the General Assembly added \$462,620 General Fund and 1.8 FTE to continue and expand two early literacy development programs and funding has remained approximately at this level (with adjustments based on common policies) in subsequent years. These programs involve specially trained fluent sign language instructors/tutors (many 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. One program (the Shared Reading Program) is designed for families who rely on American Sign Language; the second program (Integrated Reading Program) is designed for families who use English-based sign language and some speech. In addition, these initiatives involve coordinating

with preschool and elementary school teachers so they may reinforce the family's use of early literacy strategies, thereby easing the child's transition into public school.

Request: The Department requests a continuation appropriation of \$1,214,620 General Fund and 10.0 FTE pursuant to OSPB's common policies, including annualizing the FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends approving the request, which is consistent with the Committee's common policies.

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). This Department uses its shift differential to provide 24-hour staff coverage for residential students at the CSDB.

Request: The Department requests \$110,479 General Fund pursuant to OSPB's common policies.

Recommendation: Staff recommends approving the request pursuant to the Committee's common policies for FY 2015-16. The following table shows the recommended change from the FY 2014-15 appropriation.

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 outlay²⁵, custodial services, equipment rental, storage, dues and subscriptions, and printing.

Request: The Department requests an appropriation of \$724,987 General Fund for operating expenses, including an increase of \$307,710 associated with request R5 (CSDB Strategic Plan Implementation, discussed above) for FY 2015-16 (annualizing to \$251,014 in FY 2016-17 and beyond). As discussed above, the requested increase for operating expenses includes the following components:

- \$225,778 (annualizing to \$195,058 in subsequent years) to transition to an information technology lifecycle plan for the replacement of information technology equipment;
- \$50,066 to support inflationary maintenance and equipment cost increases (the CSDB last received an increase for operating expenses in FY 2007-08); and
- \$31,866 (annualizing to \$5,890 in subsequent years) for operating expenses associated with *new* staff requested through R5.

²⁵ 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.

Recommendation: Staff recommends approving an appropriation of \$724,989 General Fund. The recommendation is to fund the request (including an increase of \$2 above the requested increase for R5 to correct a rounding difference in the request). The following table shows the recommended changes from the FY 2014-15 appropriation.

School for the Deaf and the Blind, School Operations, Operating Expenses			
	Total Funds	General Fund	FTE
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	\$417,277	\$417,277	0.0
TOTAL	\$417,277	\$417,277	0.0
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$417,277	\$417,277	0.0
R5 CSDB strategic plan implementation	<u>307,712</u>	<u>307,712</u>	<u>0.0</u>
TOTAL	\$724,989	\$724,989	0.0
Increase/(Decrease)	\$307,712	\$307,712	0.0
Percentage Change	73.7%	73.7%	0.0%
FY 2015-16 Executive Request:	\$724,987	\$724,987	0.0
Request Above/(Below)			
Recommendation	(\$2)	(\$2)	0.0

Vehicle Lease Payments

This line item provides funding for annual payments to the Department of Personnel and Administration for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles [see Section 24-30-1117, C.R.S.]. The current appropriation covers costs associated with a total of 14 vehicles²⁶ that are all utilized at the CSDB.

Request: The Department requests an appropriation of \$18,910 General Fund, a reduction of \$2,173 from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving an appropriation of \$16,235 General Fund, consistent with the Committee’s common policy for vehicle lease payments.

Utilities

This line item provides funding for the CSDB's water and sewer, electricity, and natural gas expenses.

²⁶ Currently, these vehicles include: seven vans, three sedans, two buses, and two trucks.

Request: The Department requests an appropriation of \$581,810 General Fund for FY 2015-16. As discussed above with BA3, the request continues an increase of \$27,000 that the Department requested as a supplemental adjustment for FY 2014-15.

Recommendation: Staff recommends approving an appropriation of \$602,580 General Fund. The recommendation is \$20,770 above the request based on updated information from the Department (see the discussion of BA3 above). The following table shows the recommended change from the FY 2014-15 appropriation, as adjusted by the supplemental bill.

School for the Deaf and the Blind, School Operations, Utilities			
	Total Funds	General Fund	FTE
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	\$554,810	\$554,810	0.0
SB 15-145 (Supplemental)	<u>27,550</u>	<u>27,550</u>	<u>0.0</u>
TOTAL	\$582,360	\$582,360	0.0
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$582,360	\$582,360	0.0
BA3 CSDB utilities	<u>20,220</u>	<u>20,220</u>	<u>0.0</u>
TOTAL	\$602,580	\$602,580	0.0
Increase/(Decrease)	\$20,220	\$20,220	0.0
Percentage Change	3.5%	3.5%	0.0%
FY 2015-16 Executive Request:			
Request Above/(Below)	\$581,810	\$581,810	0.0
Recommendation	(\$20,770)	(\$20,770)	0.0

Allocation of State and Federal Categorical Program Funding

The CSDB receives an allocation of state and federal moneys available for special education services for children with disabilities based on its December pupil count. In addition, the CSDB may receive allocations from other categorical programs (e.g., in recent years the CSDB has received allocations related to the English language proficiency program, special education for gifted and talented children, and the Expelled and At-risk Student Services Grant Program). These moneys are transferred from the various line items in the Assistance to Public Schools, Categorical Programs section of the Long Bill.

Request: The Department requests a continuation appropriation of \$170,000 reappropriated funds spending authority and 0.4 FTE, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request. The recommendation is intended to allow the CSDB to receive and spend all categorical program funding for which it is eligible.

Medicaid Reimbursement 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).

Request: The Department requests a continuation appropriation of \$402,713 reappropriated funds and 1.5 FTE, including an increase of \$1,136 reappropriated funds to annualize the FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends approving the request. The recommendation is intended to allow the CSDB to receive and spend all Medicaid funding it earns.

(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.

Request: The Department requests a continuation appropriation of \$120,000 cash funds for FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request. Staff recommends maintaining this appropriation at its current level despite the low levels of expenditures in recent years.

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 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. Due to union agreements, however, districts are unable to pay these employees more than other district employees. 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.
- Each district pays a flat amount (e.g., \$200/student) for each blind/visually impaired student enrolled in the district. These moneys are collected by the CSDB and paid to the Colorado Instructional Materials Center (CIMC) to provide Braille and large print materials for students.

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. The source of the cash funds are from reimbursements that the CSDB collects from school districts and BOCES.

Request: The Department requests a continuation appropriation of \$1,025,860 (including \$755,000 cash funds and \$275,699 reappropriated funds) and 5.4 FTE for FY 2015-16, pursuant to OSPB's common policies (annualizing FY 2014-15 salary survey and merit pay).

Recommendation: Staff recommends an appropriation of \$1,025,000 (including \$755,000 cash funds and \$270,000 reappropriated funds) and 6.2 FTE. The program's expenditures have been well below the appropriated spending authority in recent years, and staff recommends maintaining the current (round number) appropriation of \$1,025,000 because the increased spending authority to annualize salary survey and merit pay does not appear to be necessary. As discussed above with request R5, the recommendation includes an increase of 0.8 FTE to reflect the new outreach services staff associated with request R5 (actually portions of three positions)

*JBC Staff Figure Setting – FY 2015-16 Staff Working Document – Does Not Represent
Committee Decision*

that the Department and staff estimate will be supported with additional fees paid by school districts for outreach services. The Department agrees that an increase in spending authority is not necessary to accommodate the additional fee revenue but has asked to reflect the additional FTE in this line item. The following table shows the recommended change from the FY 2014-15 appropriation.

School for the Deaf and the Blind, Special Purpose, Outreach Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	\$1,025,000	\$0	\$755,000	\$270,000	5.4
TOTAL	\$1,025,000	\$0	\$755,000	\$270,000	5.4
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$1,025,000	\$0	\$755,000	\$270,000	5.4
R5 CSDB strategic plan implementation	0	0	0	0	0.8
TOTAL	\$1,025,000	\$0	\$755,000	\$270,000	6.2
Increase/(Decrease)	\$0	\$0	\$0	\$0	0.8
Percentage Change	0.0%	0.0%	0.0%	0.0%	14.8%
FY 2015-16 Executive Request:	\$1,025,860	\$0	\$755,000	\$270,860	5.4
Request Above/(Below)					
Recommendation	\$860	\$0	\$0	\$860	(0.8)

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.

Request: The Department requests a continuation appropriation of \$200,000 cash funds spending authority for FY 2015-16, with no change from the FY 2014-15 appropriation.

Recommendation: Staff recommends approving the request. Although the appropriation has not been necessary in recent years, staff recommends continuing the appropriation at its current level to allow the CSDB to serve any students deemed appropriate, which benefits both the student and the CSDB.

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.

Request: The Department requests an appropriation of \$1,203,464 reappropriated funds and 9.0 FTE for FY 2015-16, pursuant to OSPB's common policies, including an increase of \$3,464 reappropriated funds to annualize the FY 2014-15 salary survey and merit pay.

Recommendation: Staff recommends a continuation appropriation of \$1,200,000 reappropriated funds and 9.0 FTE. The program's expenditures have been well below the appropriated spending authority in recent years, and staff recommends maintaining the current (round number) appropriation of \$1,200,000 because the increased spending authority to annualize salary survey and merit pay does not appear to be necessary.

Long Bill Footnotes and Requests for Information

LONG BILL FOOTNOTES

Staff recommends that the following footnotes be **continued**.

- 6 Department of Education, Library Programs, Reading Services for the Blind – This appropriation is for the support of privately operated reading services for the blind, as authorized by Section 24-90-105.5, C.R.S. It is the intent of the General Assembly that \$310,000 of this appropriation be used to provide access to radio and television broadcasts of locally published and produced materials and \$50,000 of this appropriation be used to provide telephone access to digital transmissions of nationally published and produced materials.

Comment: This General Assembly has included this footnote in the Long Bill for several years to express the intent of the appropriation. The Department annually spends a portion of the appropriation (specified at \$310,000 in FY 2014-15 and in the recommendation for FY 2015-16) to contract with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. Broadcasts are provided

in Boulder, Louisville, and Lafayette and are available on local cable as a standard radio frequency at 98.9 KHz. AINC is working through cable associations with the cities to expand local coverage. The services provided by AINC are also made available through the internet, telephone, and podcasts.

The remaining \$50,000 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 e mail. 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.

- 7 Department of Education, Library Programs, State Grants to Publicly-Supported Library Program – It is the intent of the General Assembly that grants provided through this line item be used to support efforts to improve early literacy.

Comment: The General Assembly restored this line item and added this footnote to the Long Bill in FY 2013-14. Assuming that the footnote still reflects the General Assembly's intent for the line item, staff recommends continuing the footnote.

Staff recommends that the following footnote be **continued as modified**:

- 5 Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding – Pursuant to Section 22-35-108 (2) (a), C.R.S., the purpose of this footnote is to specify what portion of this appropriation is intended to be available for the Accelerating Students Through Concurrent Enrollment (ASCENT) Program for ~~FY 2014-15~~ FY 2015-16. It is the intent of the General Assembly that the Department of Education be authorized to utilize up to ~~\$2,720,564~~ \$3,930,880 of this appropriation to fund qualified students designated as ASCENT Program participants. This amount is calculated based on an estimated ~~708~~ 592 FTE participants funded at a rate of ~~\$6,424~~ \$6,640 per FTE pursuant to Section 22-54-104 (4.7), C.R.S.

Comment: House Bill 19-1319²⁷ created the ASCENT Program for students who voluntarily extend their high school education beyond 12th grade in order to attend college courses ("fifth year" students). The stated objectives of the program include: (1) increasing the percentage of students who participate in higher education, especially among low-income and traditionally under-served populations; (2) decreasing the number of high school dropouts; (3) decreasing the time required for a student to complete a postsecondary degree; (4) reducing state expenditures for public education; and (5) increasing the number of educational pathways available to students.

²⁷ See Section 22-35-108, C.R.S.

Similar to students participating in multi-district online programs and the Colorado Preschool Program, ASCENT students are counted and funded through the School Finance Act formula. However, the ASCENT Program is subject to available appropriations. As funding for ASCENT is calculated as part of school districts' total program funding, state funding for ASCENT students is included within the State Share of Districts' Total Program Funding line item. This footnote thus provides the mechanism for the General Assembly to limit the appropriation for ASCENT.

In addition to state funding appropriated to the Department of Education, similar to other concurrent enrollment programs, higher education institutions include ASCENT students in determining the number of full time equivalent students enrolled in the institution. The higher education institution receives tuition from ASCENT students' home school districts, as well as College Opportunity Fund Program stipend payments.

In order to inform the General Assembly of the level of interest in the ASCENT Program, on September 1 local education providers submit an estimate of the number of current grade 12 seniors who will seek designation as ASCENT Program participants in the following fiscal year. The Department reports this data as part of its annual budget request. The Department has also requested that districts update ASCENT Program estimates in February, and the Department provides the updated estimates to the Joint Budget Committee. Ultimately, statute charges the State Board of Education with determining how many qualified students may be designated as ASCENT participants for the following school year, based on available appropriations and guidelines established by the State Board.

In the current year, a total of 423.5 FTE students are participating in the ASCENT Program. The Department has provided district-reported data (from February 2015) indicating that a total of 592 12th graders may participate in ASCENT in FY 2015-16. The Department's budget assumes that the appropriation will support all of those students.

Staff recommends **adding** the following footnote:

N Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding – It is the intent of the General Assembly that a portion of the amount appropriated for this line item, not to exceed \$250,000 for fiscal year 2015-16, shall be transferred to the Legislative Council for the purpose of funding the biennial cost of living analysis pursuant to Section 22-54-104 (5) (c) (III) (B), C.R.S.

Comment: Section 22-54-104 (5) (c) (III) (A), C.R.S., requires the Legislative Council Staff to conduct a biennial study concerning the relative cost of living in each school district. The results of the study are then to be used to adjust each school district's cost of living factor for purposes of calculating per pupil funding for the following two fiscal years. Thus, the results of the study conducted in FY 2015-16 will impact funding requirements for FY 2016-17 and FY 2017-18.

REQUESTS FOR INFORMATION

Staff recommends the continuation of the following information requests, with modifications shown in struck type and small caps, in the priority order provided below:

- 2 Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S. -- The Department of Education is requested to work with the Department of Higher Education and to provide to the Joint Budget Committee information concerning the distribution of state funds available for each categorical program, excluding grant programs. The information for special education programs for children with disabilities, English language proficiency programs, public school transportation, career and technical education, and small attendance center aid is requested to include the following: (a) a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year ~~2013-14~~ 2014-15 and the maximum allowable distribution pursuant to state law and/or State Board of Education rule; and (b) a comparison of the state and federal funding distributed to each district or administrative unit for each program in fiscal year ~~2012-13~~ 2013-14 and actual district expenditures for each program in fiscal year ~~2012-13~~ 2013-14. The information for special education programs for gifted and talented children is requested to include a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year ~~2012-13~~ 2013-14 and actual district expenditures in fiscal year ~~2012-13~~ 2013-14.

Comment: This request provides the Joint Budget Committee with data that is used to annually determine the allocation of the required increase in state funding for categorical programs.

- 1 Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding -- The Department is requested to provide to the Joint Budget Committee, on or before November 1, ~~2014~~ 2015, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year ~~2013-14~~ 2014-15: (a) data reflecting the ratio of the total funded pupil count for the Program to the total funded pupil count for kindergarten; (b) data indicating the number of three-year-old children who participated in the Program; (c) data indicating the number of children who participated in the Program for a full-day rather than a half-day; and (d) the state and local shares of total program funding that are attributable to the Program.

Comment: Funding for the Colorado Preschool Program (CPP) is included in the State Share of Districts' Total Program Funding line item. This request provides the Joint Budget Committee with data related to CPP, including the costs of the program, how many existing slots are being used to serve three-year-old children or to provide a full day of preschool to an individual child, and the adequacy of the number of authorized slots.

- 2 **Department of Education, Assistance to Public Schools, Grant Programs and Other Distributions** -- The Department is requested to provide information to the Joint Budget Committee by November 1, ~~2014~~ 2015, concerning the allocation of funding to eligible boards of cooperative services (BOCES) pursuant to Section 22-2-122 (3), C.R.S. Specifically, the Department is requested to detail the sources of funds and the allocations made to each BOCES in fiscal years ~~2012-13~~ 2013-14 and ~~2013-14~~ 2014-15.

Comment: This request ensures that the Joint Budget Committee receives information about a distribution of state funds that occurs off-budget. Specifically, pursuant to a provision added by H.B. 02-1053 (Young/Taylor), the Department is required to annually allocate funds to those boards of cooperative services (BOCES) that provide a wide range of services to their member school districts, or school districts with student populations of less than four thousand students [see Section 22-2-122 (3), C.R.S.]. Specifically, up to \$250,000 is to be allocated annually using 1.0 percent of amounts appropriated "to all education grant programs for that fiscal year"; moneys are to be allocated proportionately on a per school district basis, based on the total number of school districts that have student populations of less than four thousand students and are members of eligible BOCES. The BOCES that receive allocations are required to use such moneys to assist member school districts and schools in applying for grants. The above language requests data for both FY 2013-14 and FY 2014-15.

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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<p>DEPARTMENT OF EDUCATION Robert Hammond, Commissioner</p>
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(1) MANAGEMENT AND ADMINISTRATION

This section provides funding and staff for: the State Board of Education; the administration of a variety of education-related programs and for the general department administration, including human resources, budgeting, accounting, information management, and facilities maintenance. This section also includes funding for the Office of Professional Services, the Division of On-line Learning, as well as funding associated with the State Charter School Institute. The primary source of cash funds is the Educator Licensure Cash Fund. The major sources of reappropriated funds are indirect cost recoveries and transfers of funds from various cash- and federally-funded line items. Federal funds are from a variety of sources.

(A) Administration and Centrally-Appropriated Line Items

State Board of Education	<u>285,385</u>	<u>290,566</u>	<u>297,258</u>	<u>307,789</u>	<u>307,789</u>
FTE	2.0	2.0	2.0	2.0	2.0
General Fund	285,385	290,566	297,258	307,789	307,789
 General Department and Program Administration	 <u>3,646,974</u>	 <u>3,630,448</u>	 <u>4,001,300</u>	 <u>4,231,938</u>	 <u>4,218,680</u> *
FTE	31.5	33.4	34.6	34.6	34.6
General Fund	1,562,392	1,589,218	1,715,093	1,777,040	1,763,782
Cash Funds	124,496	167,868	171,853	175,090	175,090
Reappropriated Funds	1,960,086	1,873,362	2,114,354	2,279,808	2,279,808
 Office of Professional Services	 <u>2,037,693</u>	 <u>2,475,697</u>	 <u>2,748,802</u>	 <u>2,802,445</u>	 <u>2,723,133</u>
FTE	24.6	23.3	25.0	25.0	25.0
Cash Funds	2,037,693	2,475,697	2,748,802	2,802,445	2,723,133

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Division of On-line Learning	<u>329,738</u>	<u>317,360</u>	<u>392,042</u>	<u>399,932</u>	<u>352,273</u>
FTE	3.3	2.5	3.3	3.3	3.3
General Fund	0	0	47,659	47,659	0
Cash Funds	329,738	317,360	344,383	352,273	352,273
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Health, Life, and Dental	<u>3,284,917</u>	<u>3,946,296</u>	<u>4,061,167</u>	<u>5,718,080</u>	<u>4,740,929</u>
General Fund	1,442,412	1,658,677	1,448,863	1,715,157	1,700,148
Cash Funds	288,278	231,526	539,321	754,583	565,607
Reappropriated Funds	248,740	469,931	420,606	520,566	508,433
Federal Funds	1,305,487	1,586,162	1,652,377	2,727,774	1,966,741
Short-term Disability	<u>45,817</u>	<u>63,088</u>	<u>84,446</u>	<u>88,073</u>	<u>88,638</u>
General Fund	19,713	22,532	25,289	26,369	27,057
Cash Funds	5,786	2,152	10,760	11,813	11,949
Reappropriated Funds	0	7,763	9,434	10,203	9,944
Federal Funds	20,318	30,641	38,963	39,688	39,688
S.B. 04-257 Amortization Equalization					
Disbursement	<u>953,460</u>	<u>1,339,263</u>	<u>1,732,464</u>	<u>1,886,396</u>	<u>1,897,700</u>
General Fund	376,311	465,616	521,864	567,889	581,811
Cash Funds	104,605	88,715	220,397	252,470	255,387
Reappropriated Funds	0	145,774	193,166	218,092	212,557
Federal Funds	472,544	639,158	797,037	847,945	847,945

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>694,989</u>	<u>1,044,791</u>	<u>1,624,185</u>	<u>1,822,085</u>	<u>1,833,003</u>
General Fund	186,314	418,860	489,247	548,529	561,976
Cash Funds	89,895	48,913	206,622	243,862	246,680
Reappropriated Funds	12,688	0	181,094	210,657	205,310
Federal Funds	406,092	577,018	747,222	819,037	819,037
Salary Survey	<u>0</u>	<u>735,578</u>	<u>1,206,532</u>	<u>468,386</u>	<u>468,386</u>
General Fund	0	220,235	373,619	140,238	140,890
Cash Funds	0	70,526	151,526	62,820	63,546
Reappropriated Funds	0	0	136,010	54,263	52,885
Federal Funds	0	444,817	545,377	211,065	211,065
Merit Pay	<u>0</u>	<u>394,216</u>	<u>409,766</u>	<u>428,311</u>	<u>428,311</u>
General Fund	0	87,546	121,109	129,223	129,831
Cash Funds	0	40,248	57,967	58,648	59,326
Reappropriated Funds	0	0	45,964	51,096	49,810
Federal Funds	0	266,422	184,726	189,344	189,344
Workers' Compensation	<u>353,662</u>	<u>630,906</u>	<u>633,501</u>	<u>430,177</u>	<u>435,201</u>
General Fund	163,874	241,762	242,122	173,425	166,333
Cash Funds	35,588	60,466	55,434	60,255	38,082
Reappropriated Funds	39,924	70,912	77,794	41,226	53,443
Federal Funds	114,276	257,766	258,151	155,271	177,343
Legal Services	<u>222,428</u>	<u>398,293</u>	<u>505,149</u>	<u>579,007</u>	<u>579,007</u> *
General Fund	133,151	187,967	295,446	262,927	262,927
Cash Funds	78,606	193,871	189,901	297,178	297,178
Reappropriated Funds	10,671	16,455	19,802	18,902	18,902

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Administrative Law Judge Services	<u>65,353</u>	<u>78,573</u>	<u>155,194</u>	<u>178,438</u>	<u>177,671</u>
Cash Funds	54,073	65,011	128,406	147,639	147,004
Reappropriated Funds	11,280	13,562	26,788	30,799	30,667
Payment to Risk Management and Property Funds	<u>83,183</u>	<u>92,314</u>	<u>75,598</u>	<u>67,845</u>	<u>79,031</u>
General Fund	83,183	92,314	75,598	67,845	79,031
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Leased Space	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>996,511</u>
General Fund	0	0	0	0	64,198
Cash Funds	0	0	0	0	217,184
Reappropriated Funds	0	0	0	0	24,135
Federal Funds	0	0	0	0	690,994
Capitol Complex Leased Space	<u>536,071</u>	<u>673,113</u>	<u>527,813</u>	<u>818,280</u>	<u>749,258</u>
General Fund	80,400	117,167	81,599	180,785	165,536
Cash Funds	110,601	69,937	69,250	97,793	89,545
Reappropriated Funds	87,067	113,485	102,924	137,453	125,859
Federal Funds	258,003	372,524	274,040	402,249	368,318
Reprinting and Distributing Laws Concerning Education	<u>29,009</u>	<u>32,520</u>	<u>35,480</u>	<u>35,480</u>	<u>35,480</u>
Cash Funds	29,009	32,520	35,480	35,480	35,480

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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SUBTOTAL - (A) Administration and Centrally-Appropriated Line Items	12,568,679	16,143,022	18,490,697	20,262,662	20,111,001
<i>FTE</i>	<u>61.4</u>	<u>61.2</u>	<u>64.9</u>	<u>64.9</u>	<u>64.9</u>
General Fund	4,333,135	5,392,460	5,734,766	5,944,875	5,951,309
Cash Funds	3,288,368	3,864,810	4,930,102	5,352,349	5,277,464
Reappropriated Funds	2,370,456	2,711,244	3,327,936	3,573,065	3,571,753
Federal Funds	2,576,720	4,174,508	4,497,893	5,392,373	5,310,475

(B) Information Technology

Information Technology Services	<u>2,936,124</u>	<u>3,116,328</u>	<u>3,959,533</u>	<u>4,010,932</u>	<u>4,010,932</u>
<i>FTE</i>	16.7	17.9	27.8	28.2	28.2
General Fund	2,324,057	2,492,009	3,334,439	3,384,893	3,384,893
Cash Funds	0	0	0	0	0
Reappropriated Funds	612,067	624,319	625,094	626,039	626,039
Federal Funds	0	0	0	0	0
 Purchase of Services from Computer Center	 <u>189,795</u>	 <u>175,252</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
General Fund	189,795	175,252	0	0	0
 Multiuse Network Payments	 <u>103,502</u>	 <u>266,324</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
General Fund	103,502	266,324	0	0	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
CORE Operations	<u>197,914</u>	<u>197,914</u>	<u>208,777</u>	<u>207,706</u>	<u>207,706</u>
General Fund	61,100	61,100	94,769	78,863	78,863
Cash Funds	89,496	89,496	31,248	26,004	26,004
Reappropriated Funds	47,318	47,318	34,863	29,012	29,012
Federal Funds	0	0	47,897	73,827	73,827
Information Technology Security	<u>0</u>	<u>4,658</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	4,658	0	0	0
Federal Funds	0	0	0	0	0
Information Technology Asset Maintenance	<u>298,564</u>	<u>303,439</u>	<u>2,284,180</u>	<u>862,146</u>	<u>862,146</u>
General Fund	298,564	303,439	2,284,180	862,146	862,146
Disaster Recovery	<u>17,758</u>	<u>15,498</u>	<u>19,722</u>	<u>19,722</u>	<u>19,722</u>
General Fund	17,758	15,498	19,722	19,722	19,722
Payments to OIT	<u>0</u>	<u>0</u>	<u>648,337</u>	<u>593,493</u>	<u>609,957</u>
General Fund	0	0	648,337	593,493	609,957
SUBTOTAL - (B) Information Technology	3,743,657	4,079,413	7,120,549	5,693,999	5,710,463
<i>FTE</i>	<u>16.7</u>	<u>17.9</u>	<u>27.8</u>	<u>28.2</u>	<u>28.2</u>
General Fund	2,994,776	3,318,280	6,381,447	4,939,117	4,955,581
Cash Funds	89,496	89,496	31,248	26,004	26,004
Reappropriated Funds	659,385	671,637	659,957	655,051	655,051
Federal Funds	0	0	47,897	73,827	73,827

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
(C) Assessments and Data Analyses					
Colorado Student Assessment Program	<u>26,587,994</u>	<u>28,950,144</u>	<u>36,771,010</u>	<u>36,838,079</u>	<u>36,271,577</u>
FTE	16.5	17.1	11.8	11.8	11.8
General Fund	0	0	0	0	0
Cash Funds	22,243,106	23,347,003	29,058,189	29,073,999	28,316,099
Reappropriated Funds	0	0	0	0	0
Federal Funds	4,344,888	5,603,141	7,712,821	7,764,080	7,955,478
Development of New Science and Social Studies Assessments and Updating Existing Assessments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0	0
Federal Grant for State Assessments and Related Activities	<u>2,247,224</u>	<u>2,247,224</u>	<u>2,247,224</u>	<u>2,247,224</u>	<u>2,247,224</u>
FTE	5.7	5.7	5.7	5.7	5.7
Federal Funds	2,247,224	2,247,224	2,247,224	2,247,224	2,247,224
Longitudinal Analyses of Student Assessment Results	<u>8,018,084</u>	<u>4,003,875</u>	<u>665,420</u>	<u>601,465</u>	<u>601,465</u>
FTE	2.3	4.3	3.0	3.0	3.0
General Fund	259,884	261,657	367,420	303,465	303,465
Cash Funds	0	0	298,000	298,000	298,000
Federal Funds	7,758,200	3,742,218	0	0	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Basic Skills Placement or Assessment Tests	<u>35,943</u>	<u>17,461</u>	<u>320,917</u>	<u>320,917</u>	<u>50,000</u>
Cash Funds	35,943	17,461	320,917	320,917	50,000
Preschool to Postsecondary Education Alignment	<u>510,755</u>	<u>504,591</u>	<u>702,073</u>	<u>595,861</u>	<u>586,509</u>
FTE	3.6	3.8	3.5	3.5	3.5
General Fund	0	0	122,750	0	0
Cash Funds	510,755	504,591	579,323	595,861	586,509
Educator Effectiveness Unit Administration	<u>424,390</u>	<u>455,600</u>	<u>548,108</u>	<u>1,851,010</u>	<u>548,815</u>
FTE	2.9	3.7	4.0	11.3	4.0
General Fund	0	376,072	432,718	1,719,717	422,853
Cash Funds	424,390	79,528	115,390	131,293	125,962
Educator Effectiveness Implementation	<u>1,636,898</u>	<u>7,493,661</u>	<u>2,075,020</u>	<u>2,112,336</u>	<u>2,091,696</u>
FTE	15.6	12.1	14.5	14.5	8.5
Cash Funds	680,002	200,000	0	0	0
Federal Funds	956,896	7,293,661	2,075,020	2,112,336	2,091,696
Accountability and Improvement Planning	<u>0</u>	<u>1,246,722</u>	<u>1,678,364</u>	<u>1,768,313</u>	<u>1,768,313</u>
FTE	0.0	10.3	11.4	11.4	11.4
General Fund	0	696,390	1,128,032	1,217,981	1,217,981
Federal Funds	0	550,332	550,332	550,332	550,332
SUBTOTAL - (C) Assessments and Data					
Analyses	39,461,288	44,919,278	45,008,136	46,335,205	44,165,599
FTE	<u>46.6</u>	<u>57.0</u>	<u>53.9</u>	<u>61.2</u>	<u>47.9</u>
General Fund	259,884	1,334,119	2,050,920	3,241,163	1,944,299
Cash Funds	23,894,196	24,148,583	30,371,819	30,420,070	29,376,570
Reappropriated Funds	0	0	0	0	0
Federal Funds	15,307,208	19,436,576	12,585,397	12,673,972	12,844,730

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
(D) State Charter School Institute					
State Charter School Institute Administration, Oversight, and Management	<u>1,752,933</u>	<u>2,431,866</u>	<u>2,831,760</u>	<u>2,831,760</u>	<u>2,831,760</u>
FTE	11.1	9.6	11.7	11.7	11.7
General Fund	0	0	0	0	0
Reappropriated Funds	1,752,933	2,431,866	2,831,760	2,831,760	2,831,760
Federal Funds	0	0	0	0	0
 Institute Charter School Assistance Fund	<u>0</u>	<u>681,689</u>	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>
Cash Funds	0	681,689	460,000	460,000	460,000
 Other Transfers to Institute Charter Schools	<u>3,000,786</u>	<u>3,632,867</u>	<u>3,622,979</u>	<u>3,622,979</u>	<u>3,622,979</u>
Reappropriated Funds	3,000,786	3,632,867	3,622,979	3,622,979	3,622,979
 Transfer of Federal Moneys to Institute Charter Schools	<u>5,597,366</u>	<u>8,001,838</u>	<u>6,330,000</u>	<u>6,330,000</u>	<u>6,330,000</u>
FTE	3.0	5.1	4.5	4.5	4.5
Reappropriated Funds	5,597,366	8,001,838	6,330,000	6,330,000	6,330,000
 Department Implementation of Section 22-30.5-501 et seq., C.R.S.	<u>194,420</u>	<u>198,895</u>	<u>214,782</u>	<u>224,791</u>	<u>224,791</u> *
FTE	1.7	1.3	1.6	1.6	1.6
Reappropriated Funds	194,420	198,895	214,782	224,791	224,791
 SUBTOTAL - (D) State Charter School Institute	10,545,505	14,947,155	13,459,521	13,469,530	13,469,530
FTE	<u>15.8</u>	<u>16.3</u>	<u>17.8</u>	<u>17.8</u>	<u>17.8</u>
General Fund	0	0	0	0	0
Cash Funds	0	681,689	460,000	460,000	460,000
Reappropriated Funds	10,545,505	14,265,466	12,999,521	13,009,530	13,009,530
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
(E) Indirect Cost Assessment					
Indirect Cost Assessment	0	0	528,192	528,192	545,369
General Fund	0	0	0	0	0
Cash Funds	0	0	301,950	301,950	313,976
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	226,242	226,242	231,393
SUBTOTAL - (E) Indirect Cost Assessment	0	0	528,192	528,192	545,369
<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	301,950	301,950	313,976
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	226,242	226,242	231,393
TOTAL - (1) Management and Administration	66,319,129	80,088,868	84,607,095	86,289,588	84,001,962
<i>FTE</i>	<u>140.5</u>	<u>152.4</u>	<u>164.4</u>	<u>172.1</u>	<u>158.8</u>
General Fund	7,587,795	10,044,859	14,167,133	14,125,155	12,851,189
Cash Funds	27,272,060	28,784,578	36,095,119	36,560,373	35,454,014
Reappropriated Funds	13,575,346	17,648,347	16,987,414	17,237,646	17,236,334
Federal Funds	17,883,928	23,611,084	17,357,429	18,366,414	18,460,425

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 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>1,501,257</u>	<u>1,445,456</u>	<u>1,605,443</u>	<u>1,668,768</u>	<u>1,668,768</u>
FTE	15.7	15.9	17.9	17.9	17.9
Cash Funds	20,411	20,369	84,372	81,760	81,760
Reappropriated Funds	1,480,846	1,425,087	1,521,071	1,587,008	1,587,008
State Share of Districts' Total Program Funding	<u>3,379,714,291</u>	<u>3,045,377,316</u>	<u>3,950,612,483</u>	<u>4,286,313,004</u>	<u>4,088,628,787</u> *
General Fund	2,540,099,253	2,985,087,939	2,473,211,504	2,660,058,991	2,663,201,391
General Fund Exempt	312,202,624	0	710,835,957	710,835,957	710,835,957
Cash Funds	527,412,414	60,289,377	766,565,022	915,418,056	714,591,439
Federal Funds	0	0	0	0	0
Hold-harmless Full-day Kindergarten Funding	<u>6,899,114</u>	<u>7,075,686</u>	<u>7,492,670</u>	<u>8,000,770</u>	<u>7,756,431</u> *
Cash Funds	6,899,114	7,075,686	7,492,670	8,000,770	7,756,431
District Per Pupil Reimbursements for Juveniles					
Held in Jail	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Cash Funds	0	0	25,000	25,000	25,000
At-risk Supplemental Aid	<u>3,839,627</u>	<u>3,839,627</u>	<u>5,094,358</u>	<u>5,094,358</u>	<u>5,094,358</u>
Cash Funds	3,839,627	3,839,627	5,094,358	5,094,358	5,094,358

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Education Jobs Fund Program	<u>1,113,950</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.8	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,113,950	0	0	0	0
SUBTOTAL - (A) Public School Finance	3,393,068,239	3,057,738,085	3,964,829,954	4,301,101,900	4,103,173,344
<i>FTE</i>	<u>16.5</u>	<u>15.9</u>	<u>17.9</u>	<u>17.9</u>	<u>17.9</u>
General Fund	2,540,099,253	2,985,087,939	2,473,211,504	2,660,058,991	2,663,201,391
General Fund Exempt	312,202,624	0	710,835,957	710,835,957	710,835,957
Cash Funds	538,171,566	71,225,059	779,261,422	928,619,944	727,548,988
Reappropriated Funds	1,480,846	1,425,087	1,521,071	1,587,008	1,587,008
Federal Funds	1,113,950	0	0	0	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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(B) Categorical Programs

(I) District Programs Required by Statute

Special Education - Children with Disabilities	<u>300,595,057</u>	<u>322,999,263</u>	<u>316,473,313</u>	<u>321,104,704</u>	<u>320,727,987</u>
FTE	86.0	87.1	63.0	63.0	63.0
General Fund	71,572,347	71,572,346	71,572,347	71,572,347	71,572,347
Cash Funds	63,069,594	85,649,061	89,409,439	93,770,257	93,780,229
Reappropriated Funds	101,812	101,812	104,043	104,043	104,043
Federal Funds	165,851,304	165,676,044	155,387,484	155,658,057	155,271,368
English Language Proficiency Program	<u>26,109,635</u>	<u>24,030,894</u>	<u>27,983,302</u>	<u>29,393,078</u>	<u>29,377,407</u> *
FTE	4.1	3.5	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	11,358,657	12,138,442	13,637,547	15,038,115	15,041,326
Federal Funds	11,649,380	8,790,854	11,244,157	11,253,365	11,234,483

SUBTOTAL - (I) District Programs Required by

Statute	326,704,692	347,030,157	344,456,615	350,497,782	350,105,394
FTE	<u>90.1</u>	<u>90.6</u>	<u>67.6</u>	<u>67.6</u>	<u>67.6</u>
General Fund	74,673,945	74,673,944	74,673,945	74,673,945	74,673,945
Cash Funds	74,428,251	97,787,503	103,046,986	108,808,372	108,821,555
Reappropriated Funds	101,812	101,812	104,043	104,043	104,043
Federal Funds	177,500,684	174,466,898	166,631,641	166,911,422	166,505,851

(II) Other Categorical Programs

Public School Transportation	<u>54,028,635</u>	<u>54,472,193</u>	<u>54,667,347</u>	<u>56,016,549</u>	<u>56,047,261</u> *
FTE	2.0	1.8	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	17,106,408	17,549,966	17,745,120	19,094,322	19,125,034

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education	<u>24,218,018</u>	<u>24,528,307</u>	<u>24,983,788</u>	<u>25,485,026</u>	<u>25,436,648</u> *
General Fund	17,792,850	17,792,850	17,792,850	17,792,850	17,792,850
Cash Funds	6,425,168	6,735,457	7,190,938	7,692,176	7,643,798
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Education Programs for Gifted and Talented Children	<u>9,453,560</u>	<u>9,559,025</u>	<u>11,910,269</u>	<u>12,084,860</u>	<u>12,095,065</u> *
FTE	0.7	0.8	1.5	1.5	1.5
General Fund	5,486,894	5,500,000	5,500,000	5,500,000	5,500,000
Cash Funds	3,966,666	4,059,025	6,410,269	6,584,860	6,595,065
Expelled and At-risk Student Services Grant Program	<u>7,480,341</u>	<u>7,468,360</u>	<u>7,493,560</u>	<u>7,496,922</u>	<u>7,493,560</u>
FTE	0.9	1.0	1.0	1.0	1.0
General Fund	5,787,955	5,788,728	5,788,807	5,788,807	5,788,807
Cash Funds	1,692,386	1,679,632	1,704,753	1,708,115	1,704,753
Small Attendance Center Aid	<u>959,379</u>	<u>959,379</u>	<u>959,379</u>	<u>959,379</u>	<u>959,379</u>
General Fund	787,645	787,645	787,645	787,645	787,645
Cash Funds	171,734	171,734	171,734	171,734	171,734

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Comprehensive Health Education	<u>913,569</u>	<u>931,363</u>	<u>1,005,396</u>	<u>1,010,832</u>	<u>1,005,396</u>
FTE	0.8	1.0	1.0	1.0	1.0
General Fund	299,953	300,000	300,000	300,000	300,000
Cash Funds	613,616	631,363	705,396	710,832	705,396
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (II) Other Categorical Programs	97,053,502	97,918,627	101,019,739	103,053,568	103,037,309
FTE	<u>4.4</u>	<u>4.6</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>
General Fund	67,077,524	67,091,450	67,091,529	67,091,529	67,091,529
Cash Funds	29,975,978	30,827,177	33,928,210	35,962,039	35,945,780
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Categorical Programs	423,758,194	444,948,784	445,476,354	453,551,350	453,142,703
FTE	<u>94.5</u>	<u>95.2</u>	<u>73.1</u>	<u>73.1</u>	<u>73.1</u>
General Fund	141,751,469	141,765,394	141,765,474	141,765,474	141,765,474
Cash Funds	104,404,229	128,614,680	136,975,196	144,770,411	144,767,335
Reappropriated Funds	101,812	101,812	104,043	104,043	104,043
Federal Funds	177,500,684	174,466,898	166,631,641	166,911,422	166,505,851
(C) Grant Programs, Distributions, and Other Assistance					
(I) Health and Nutrition					
Federal Nutrition Programs	<u>170,959,303</u>	<u>177,384,975</u>	<u>156,554,776</u>	<u>156,598,163</u>	<u>156,527,414</u>
FTE	11.4	12.8	9.0	9.0	9.0
General Fund	88,617	81,611	84,747	88,249	86,907
Federal Funds	170,870,686	177,303,364	156,470,029	156,509,914	156,440,507

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
State Match for School Lunch Program	<u>2,472,644</u>	<u>2,472,644</u>	<u>2,472,644</u>	<u>2,472,644</u>	<u>2,472,644</u>
Cash Funds	2,472,644	2,472,644	2,472,644	2,472,644	2,472,644
Child Nutrition School Lunch Protection Program	<u>710,020</u>	<u>730,321</u>	<u>1,641,471</u>	<u>1,661,258</u>	<u>1,500,000</u>
General Fund	0	0	791,471	811,258	650,000
Cash Funds	710,020	730,321	850,000	850,000	850,000
Start Smart Nutrition Program Fund	<u>700,000</u>	<u>800,000</u>	<u>1,097,983</u>	<u>1,370,721</u>	<u>1,370,721</u>
General Fund	700,000	800,000	1,097,983	1,370,721	1,370,721
Start Smart Nutrition Program	<u>815,877</u>	<u>852,045</u>	<u>1,136,983</u>	<u>1,423,230</u>	<u>1,422,998</u>
Cash Funds	115,877	81,667	39,000	52,509	52,509
Reappropriated Funds	700,000	770,378	1,097,983	1,370,721	1,370,489
Breakfast After the Bell	<u>0</u>	<u>0</u>	<u>14,341,931</u>	<u>14,341,931</u>	<u>29,412,780</u>
FTE	0.0	0.0	0.3	0.3	0.3
General Fund	0	0	24,128	24,128	23,524
Federal Funds	0	0	14,317,803	14,317,803	29,389,256
S.B. 97-101 Public School Health Services	<u>145,640</u>	<u>143,721</u>	<u>137,806</u>	<u>141,943</u>	<u>152,341</u>
FTE	1.4	1.4	1.4	1.4	1.4
Reappropriated Funds	145,640	143,721	137,806	141,943	152,341
School Health Professionals Grant Program	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>2,280,444</u>	<u>2,280,444</u>
FTE	0.0	0.0	1.0	1.0	1.0
Cash Funds	0	0	2,500,000	2,280,444	2,280,444

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
CPR Training Grant Program	0	0	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
FTE	0.0	0.0	0.3	0.3	0.3
Cash Funds	0	0	250,000	250,000	250,000
SUBTOTAL - (I) Health and Nutrition	175,803,484	182,383,706	180,133,594	180,540,334	195,389,342
FTE	<u>12.8</u>	<u>14.2</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>
General Fund	788,617	881,611	1,998,329	2,294,356	2,131,152
Cash Funds	3,298,541	3,284,632	6,111,644	5,905,597	5,905,597
Reappropriated Funds	845,640	914,099	1,235,789	1,512,664	1,522,830
Federal Funds	170,870,686	177,303,364	170,787,832	170,827,717	185,829,763

(II) Capital Construction

Division of Public School Capital Construction

Assistance	<u>732,049</u>	<u>679,030</u>	<u>896,141</u>	<u>4,389,743</u>	<u>1,392,473</u>
FTE	7.1	6.7	9.0	15.0	15.0
Cash Funds	732,049	679,030	896,141	4,389,743	1,392,473

Public School Capital Construction Assistance

Board - Lease Payments	<u>34,268,889</u>	<u>47,886,054</u>	<u>65,000,000</u>	<u>65,000,000</u>	<u>65,000,000</u>
Cash Funds	34,268,889	47,886,054	65,000,000	65,000,000	65,000,000

Public School Capital Construction Assistance

Board - Cash Grants	0	0	<u>45,000,000</u>	<u>45,000,000</u>	<u>50,000,000</u>
Cash Funds	0	0	45,000,000	45,000,000	50,000,000

Financial Assistance Priority Assessment

Cash Funds	<u>31,500</u>	<u>27,000</u>	<u>50,000</u>	<u>50,000</u>	<u>2,750,000</u>
	31,500	27,000	50,000	50,000	2,750,000

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
State Aid for Charter School Facilities	<u>6,000,000</u>	<u>6,999,120</u>	<u>13,500,000</u>	<u>20,000,000</u>	<u>22,000,000</u>
Cash Funds	6,000,000	6,999,120	13,500,000	20,000,000	22,000,000
SUBTOTAL - (II) Capital Construction	41,032,438	55,591,204	124,446,141	134,439,743	141,142,473
FTE	<u>7.1</u>	<u>6.7</u>	<u>9.0</u>	<u>15.0</u>	<u>15.0</u>
Cash Funds	41,032,438	55,591,204	124,446,141	134,439,743	141,142,473
(III) Reading and Literacy					
Early Literacy Program	<u>4,320,252</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	3.0	0.0	0.0	0.0	0.0
Cash Funds	4,320,252	0	0	0	0
Early Literacy Competitive Grant Program	<u>0</u>	<u>5,096,166</u>	<u>5,163,338</u>	<u>5,185,705</u>	<u>5,185,705</u>
FTE	0.0	6.8	8.0	8.0	8.0
Cash Funds	0	5,096,166	5,163,338	5,185,705	5,185,705
Early Literacy Program Per Pupil Intervention					
Funding	<u>0</u>	<u>15,433,938</u>	<u>33,397,672</u>	<u>33,397,672</u>	<u>33,242,424</u>
FTE	0.0	0.0	1.0	1.0	1.0
Cash Funds	0	15,433,938	33,397,672	33,397,672	33,242,424
Early Literacy Assessment Tool Program	<u>0</u>	<u>0</u>	<u>2,679,484</u>	<u>2,679,484</u>	<u>2,795,767</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	2,679,484	2,679,484	2,795,767

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Adult Education and Literacy Grant Fund	<u>0</u>	<u>0</u>	<u>960,000</u>	<u>960,000</u>	<u>0</u>
General Fund	0	0	960,000	960,000	0
Adult Education and Literacy Grant Program	<u>0</u>	<u>0</u>	<u>960,000</u>	<u>960,000</u>	<u>960,000</u>
FTE	0.0	0.0	1.0	1.0	1.0
General Fund	0	0	0	0	960,000
Reappropriated Funds	0	0	960,000	960,000	0
SUBTOTAL - (III) Reading and Literacy	4,320,252	20,530,104	43,160,494	43,182,861	42,183,896
FTE	<u>3.0</u>	<u>6.8</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>
General Fund	0	0	960,000	960,000	960,000
Cash Funds	4,320,252	20,530,104	41,240,494	41,262,861	41,223,896
Reappropriated Funds	0	0	960,000	960,000	0
(IV) Professional Development and Instructional Support					
Content Specialists	<u>432,150</u>	<u>433,724</u>	<u>463,652</u>	<u>479,939</u>	<u>460,698</u>
FTE	4.0	4.0	5.0	5.0	5.0
Cash Funds	432,150	433,724	463,652	479,939	460,698
Office of Dropout Prevention and Student Reengagement	<u>3,000,000</u>	<u>2,700,000</u>	<u>2,400,000</u>	<u>2,400,000</u>	<u>117,578</u>
FTE	2.3	2.3	2.3	2.3	0.9
Federal Funds	3,000,000	2,700,000	2,400,000	2,400,000	117,578
Stipends for Nationally Board Certified Teachers	<u>160,848</u>	<u>1,113,525</u>	<u>1,580,800</u>	<u>1,580,800</u>	<u>1,580,800</u>
Cash Funds	160,848	1,113,525	1,580,800	1,580,800	1,580,800
Quality Teacher Recruitment Program	<u>0</u>	<u>2,958,572</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Cash Funds	0	2,958,572	3,000,000	3,000,000	3,000,000

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Educator Perception	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>
General Fund	0	0	100,000	0	0
English Language Learners Technical Assistance	<u>0</u>	<u>0</u>	<u>364,910</u>	<u>442,551</u>	<u>366,235</u>
FTE	0.0	0.0	4.6	5.0	5.0
General Fund	0	0	311,682	391,675	315,359
Cash Funds	0	0	53,228	50,876	50,876
English Language Proficiency Act Excellence					
Awards Fund	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
Cash Funds	0	0	500,000	500,000	0
English Language Proficiency Act Excellence					
Awards Program	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Cash Funds	0	0	0	0	500,000
Reappropriated Funds	0	0	500,000	500,000	0
English Language Learners Professional					
Development and Student Support Fund	<u>0</u>	<u>0</u>	<u>27,000,000</u>	<u>27,000,000</u>	<u>0</u>
Cash Funds	0	0	27,000,000	27,000,000	0
English Language Learners Professional					
Development and Student Support Program	<u>0</u>	<u>0</u>	<u>27,000,000</u>	<u>27,000,000</u>	<u>27,000,000</u>
Cash Funds	0	0	0	0	27,000,000
Reappropriated Funds	0	0	27,000,000	27,000,000	0
Advanced Placement Incentives Pilot Program	<u>0</u>	<u>0</u>	<u>261,561</u>	<u>261,561</u>	<u>260,519</u>
FTE	0.0	0.0	0.3	0.3	0.3
Cash Funds	0	0	261,561	261,561	260,519

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
School Turnaround Leaders Development Fund	<u>0</u>	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>
Cash Funds	0	0	2,000,000	2,000,000	0
School Turnaround Leaders Development Program	<u>0</u>	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
FTE	0.0	0.0	1.2	1.2	1.2
Cash Funds	0	0	0	0	2,000,000
Reappropriated Funds	0	0	2,000,000	2,000,000	0
SUBTOTAL - (IV) Professional Development and Instructional Support	3,592,998	7,205,821	67,170,923	67,164,851	35,285,830
FTE	<u>6.3</u>	<u>6.3</u>	<u>13.4</u>	<u>13.8</u>	<u>12.4</u>
General Fund	0	0	411,682	391,675	315,359
Cash Funds	592,998	4,505,821	34,859,241	34,873,176	34,852,893
Reappropriated Funds	0	0	29,500,000	29,500,000	0
Federal Funds	3,000,000	2,700,000	2,400,000	2,400,000	117,578
(V) Facility Schools					
Facility Schools Unit and Facility Schools Board	<u>201,033</u>	<u>224,388</u>	<u>263,517</u>	<u>274,424</u>	<u>258,535</u>
FTE	2.0	2.3	3.0	3.0	3.0
Reappropriated Funds	201,033	224,388	263,517	274,424	258,535
Facility School Funding	<u>12,706,044</u>	<u>14,089,294</u>	<u>17,051,972</u>	<u>17,051,972</u>	<u>16,794,666</u>
Cash Funds	12,706,044	14,089,294	17,051,972	17,051,972	16,794,666
SUBTOTAL - (V) Facility Schools	12,907,077	14,313,682	17,315,489	17,326,396	17,053,201
FTE	<u>2.0</u>	<u>2.3</u>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
Cash Funds	12,706,044	14,089,294	17,051,972	17,051,972	16,794,666
Reappropriated Funds	201,033	224,388	263,517	274,424	258,535

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
(VI) Other Assistance					
Appropriated Sponsored Programs	<u>234,508,813</u>	<u>222,861,175</u>	<u>281,430,903</u>	<u>281,691,609</u>	<u>281,464,717</u>
FTE	82.2	79.6	68.7	68.7	68.7
Cash Funds	1,415,207	1,234,010	2,714,450	2,725,145	2,693,629
Reappropriated Funds	1,152,577	1,150,848	4,607,476	4,622,487	4,622,487
Federal Funds	231,941,029	220,476,317	274,108,977	274,343,977	274,148,601
School Counselor Corps Grant Program	<u>4,994,940</u>	<u>4,990,796</u>	<u>8,002,716</u>	<u>8,006,188</u>	<u>8,006,188</u>
FTE	1.0	1.1	2.0	2.0	2.0
Cash Funds	4,994,940	4,990,796	8,002,716	8,006,188	8,006,188
BOCES Funding per Section 22-5-122, C.R.S.	<u>1,258,806</u>	<u>1,272,259</u>	<u>3,302,785</u>	<u>3,306,260</u>	<u>3,306,260</u>
FTE	0.7	0.7	1.0	1.0	1.0
Cash Funds	1,258,806	1,272,259	3,302,785	3,306,260	3,306,260
Contingency Reserve Fund	<u>0</u>	<u>1,733,884</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	1,733,884	0	0	0
Supplemental On-line Education Services	<u>480,000</u>	<u>480,000</u>	<u>480,000</u>	<u>480,000</u>	<u>480,000</u>
Cash Funds	480,000	480,000	480,000	480,000	480,000
Interstate Compact on Educational Opportunity for Military Children	<u>24,061</u>	<u>23,015</u>	<u>23,217</u>	<u>23,217</u>	<u>22,826</u>
Cash Funds	24,061	23,015	23,217	23,217	22,826

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
College and Career Readiness	<u>0</u>	<u>0</u>	<u>170,845</u>	<u>199,519</u>	<u>178,954</u>
FTE	0.0	0.0	1.8	2.0	2.0
General Fund	0	0	170,845	199,519	178,954
Minority Teacher Study Strategy Report	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>0</u>
General Fund	0	0	50,000	0	0
SUBTOTAL - (VI) Other Assistance	241,266,620	231,361,129	294,460,466	294,706,793	294,458,945
FTE	<u>83.9</u>	<u>81.4</u>	<u>73.5</u>	<u>73.7</u>	<u>73.7</u>
General Fund	0	0	220,845	199,519	178,954
Cash Funds	8,173,014	8,000,080	15,523,168	15,540,810	15,508,903
Reappropriated Funds	1,152,577	2,884,732	4,607,476	4,622,487	4,622,487
Federal Funds	231,941,029	220,476,317	274,108,977	274,343,977	274,148,601
SUBTOTAL - (C) Grant Programs, Distributions, and Other Assistance	478,922,869	511,385,646	726,687,107	737,360,978	725,513,687
FTE	<u>115.1</u>	<u>117.7</u>	<u>120.9</u>	<u>127.5</u>	<u>126.1</u>
General Fund	788,617	881,611	3,590,856	3,845,550	3,585,465
Cash Funds	70,123,287	106,001,135	239,232,660	249,074,159	255,428,428
Reappropriated Funds	2,199,250	4,023,219	36,566,782	36,869,575	6,403,852
Federal Funds	405,811,715	400,479,681	447,296,809	447,571,694	460,095,942
(D) Indirect Cost Assessment					
Indirect Cost Assessment	<u>0</u>	<u>1,894,075</u>	<u>2,057,248</u>	<u>2,057,248</u>	<u>2,244,216</u>
Cash Funds	0	87,695	25,000	25,000	25,000
Reappropriated Funds	0	15,406	55,571	55,571	55,571
Federal Funds	0	1,790,974	1,976,677	1,976,677	2,163,645

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - (D) Indirect Cost Assessment	0	1,894,075	2,057,248	2,057,248	2,244,216
<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	87,695	25,000	25,000	25,000
Reappropriated Funds	0	15,406	55,571	55,571	55,571
Federal Funds	0	1,790,974	1,976,677	1,976,677	2,163,645
TOTAL - (2) Assistance to Public Schools	4,295,749,302	4,015,966,590	5,139,050,663	5,494,071,476	5,284,073,950
<i>FTE</i>	<u>226.1</u>	<u>228.8</u>	<u>211.9</u>	<u>218.5</u>	<u>217.1</u>
General Fund	2,682,639,339	3,127,734,944	2,618,567,834	2,805,670,015	2,808,552,330
General Fund Exempt	312,202,624	0	710,835,957	710,835,957	710,835,957
Cash Funds	712,699,082	305,928,569	1,155,494,278	1,322,489,514	1,127,769,751
Reappropriated Funds	3,781,908	5,565,524	38,247,467	38,616,197	8,150,474
Federal Funds	584,426,349	576,737,553	615,905,127	616,459,793	628,765,438

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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(3) LIBRARY PROGRAMS

This section provides funding for various library-related programs. Library programs are primarily funded with General Fund and federal funds. Cash funds include grants and donations. Transfers from the Disabled Telephone Users Fund support privately operated reading services for the blind and are reflected as reappropriated funds.

Administration	<u>847,722</u>	<u>854,239</u>	<u>1,022,962</u>	<u>1,058,484</u>	<u>1,060,060</u>
FTE	10.8	12.9	14.3	14.3	14.3
General Fund	745,078	747,012	771,748	805,693	807,269
Cash Funds	102,644	107,227	251,214	252,791	252,791
Federal Library Funding	<u>2,386,045</u>	<u>2,784,495</u>	<u>2,993,042</u>	<u>3,053,327</u>	<u>3,053,327</u>
FTE	20.3	22.0	23.8	23.8	23.8
Federal Funds	2,386,045	2,784,495	2,993,042	3,053,327	3,053,327
Broadband Technology Opportunities Program	<u>863,100</u>	<u>44,182</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	4.5	0.1	0.0	0.0	0.0
Cash Funds	86,914	44,182	0	0	0
Federal Funds	776,186	0	0	0	0
Colorado Library Consortium	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
General Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Colorado Virtual Library	<u>359,796</u>	<u>359,796</u>	<u>379,796</u>	<u>379,796</u>	<u>379,796</u>
General Fund	359,796	359,796	359,796	359,796	359,796
Cash Funds	0	0	20,000	20,000	20,000
Colorado Talking Book Library, Building					
Maintenance and Utilities Expenses	<u>62,062</u>	<u>70,610</u>	<u>70,660</u>	<u>70,660</u>	<u>70,660</u>
General Fund	62,062	70,610	70,660	70,660	70,660

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Reading Services for the Blind	<u>350,000</u>	<u>350,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Reappropriated Funds	350,000	350,000	360,000	360,000	360,000
State Grants to Publicly-Supported Libraries Fund	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>
General Fund	0	2,000,000	2,000,000	2,000,000	0
State Grants to Publicly-Supported Libraries					
Program	<u>0</u>	<u>1,999,685 0.4</u>	<u>2,000,000</u>	<u>2,001,576</u>	<u>2,000,000</u>
General Fund	0	0	0	0	2,000,000
Reappropriated Funds	0	1,999,685	2,000,000	2,001,576	0
Indirect Cost Assessment	<u>0</u>	<u>83,548</u>	<u>55,327</u>	<u>55,327</u>	<u>55,327</u>
Federal Funds	0	83,548	55,327	55,327	55,327
TOTAL - (3) Library Programs	5,868,725	9,546,555	9,881,787	9,979,170	7,979,170
<i>FTE</i>	<u>35.6</u>	<u>35.4</u>	<u>38.1</u>	<u>38.1</u>	<u>38.1</u>
General Fund	2,166,936	4,177,418	4,202,204	4,236,149	4,237,725
Cash Funds	189,558	151,409	271,214	272,791	272,791
Reappropriated Funds	350,000	2,349,685	2,360,000	2,361,576	360,000
Federal Funds	3,162,231	2,868,043	3,048,369	3,108,654	3,108,654

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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(4) SCHOOL FOR THE DEAF AND THE BLIND

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

(A) School Operations

Personal Services	<u>9,096,123</u>	<u>9,005,386</u>	<u>9,391,391</u>	<u>10,370,258</u>	<u>10,190,967</u>
FTE	128.0	131.8	141.3	152.8	152.0
General Fund	7,899,335	7,715,510	7,885,736	8,864,603	8,580,073
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,196,788	1,289,876	1,505,655	1,505,655	1,610,894
Federal Funds	0	0	0	0	0
Early Intervention Services	<u>1,008,485</u>	<u>1,101,102</u>	<u>1,187,847</u>	<u>1,214,620</u>	<u>1,214,620</u>
FTE	8.6	9.2	10.0	10.0	10.0
General Fund	1,008,485	1,101,102	1,187,847	1,214,620	1,214,620
Shift Differential	<u>83,981</u>	<u>87,031</u>	<u>106,056</u>	<u>110,479</u>	<u>110,479</u>
General Fund	83,981	87,031	106,056	110,479	110,479
Operating Expenses	<u>417,275</u>	<u>417,270</u>	<u>417,277</u>	<u>724,987</u>	<u>724,989</u> *
General Fund	417,275	417,270	417,277	724,987	724,989
Vehicle Lease Payments	<u>22,748</u>	<u>24,732</u>	<u>21,083</u>	<u>18,910</u>	<u>16,235</u>
General Fund	22,748	24,732	21,083	18,910	16,235

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Utilities	<u>494,873</u>	<u>552,316</u>	<u>582,360</u>	<u>581,810</u>	<u>602,580</u> *
General Fund	494,873	552,316	582,360	581,810	602,580
Allocation of State and Federal Categorical Program Funding	<u>177,506</u>	<u>144,522</u>	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>
FTE	0.0	0.2	0.4	0.4	0.4
Reappropriated Funds	177,506	144,522	170,000	170,000	170,000
Medicaid Reimbursements for Public School Health Services	<u>135,639</u>	<u>142,630</u>	<u>401,577</u>	<u>402,713</u>	<u>402,713</u>
FTE	1.4	1.3	1.5	1.5	1.5
Reappropriated Funds	135,639	142,630	401,577	402,713	402,713
Legislation Appropriated at the Division Level	<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
SUBTOTAL - (A) School Operations	11,436,630	11,474,989	12,277,591	13,593,777	13,432,583
FTE	<u>138.0</u>	<u>142.5</u>	<u>153.2</u>	<u>164.7</u>	<u>163.9</u>
General Fund	9,926,697	9,897,961	10,200,359	11,515,409	11,248,976
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,509,933	1,577,028	2,077,232	2,078,368	2,183,607
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
(B) Special Purpose					
Fees and Conferences	<u>8,005</u>	<u>7,297</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
General Fund	0	0	0	0	0
Cash Funds	8,005	7,297	120,000	120,000	120,000
Federal Funds	0	0	0	0	0
Outreach Services	<u>666,272</u>	<u>589,529</u>	<u>1,025,000</u>	<u>1,025,860</u>	<u>1,025,000</u>
FTE	3.0	3.3	5.4	5.4	6.2
Cash Funds	499,496	468,642	755,000	755,000	755,000
Reappropriated Funds	166,776	120,887	270,000	270,860	270,000
Tuition from Out-of-state Students	<u>0</u>	<u>0</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Cash Funds	0	0	200,000	200,000	200,000
Grants	<u>446,349</u>	<u>451,950</u>	<u>1,200,000</u>	<u>1,203,464</u>	<u>1,200,000</u>
FTE	4.0	3.9	9.0	9.0	9.0
Reappropriated Funds	446,349	451,950	1,200,000	1,203,464	1,200,000
SUBTOTAL - (B) Special Purpose	1,120,626	1,048,776	2,545,000	2,549,324	2,545,000
FTE	<u>7.0</u>	<u>7.2</u>	<u>14.4</u>	<u>14.4</u>	<u>15.2</u>
General Fund	0	0	0	0	0
Cash Funds	507,501	475,939	1,075,000	1,075,000	1,075,000
Reappropriated Funds	613,125	572,837	1,470,000	1,474,324	1,470,000
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
TOTAL - (4) School for the Deaf and the Blind	12,557,256	12,523,765	14,822,591	16,143,101	15,977,583
<i>FTE</i>	<u>145.0</u>	<u>149.7</u>	<u>167.6</u>	<u>179.1</u>	<u>179.1</u>
General Fund	9,926,697	9,897,961	10,200,359	11,515,409	11,248,976
Cash Funds	507,501	475,939	1,075,000	1,075,000	1,075,000
Reappropriated Funds	2,123,058	2,149,865	3,547,232	3,552,692	3,653,607
Federal Funds	0	0	0	0	0
 TOTAL - Department of Education	 4,380,494,412	 4,118,125,778	 5,248,362,136	 5,606,483,335	 5,392,032,665
<i>FTE</i>	<u>547.2</u>	<u>566.3</u>	<u>582.0</u>	<u>607.8</u>	<u>593.1</u>
General Fund	2,702,320,767	3,151,855,182	2,647,137,530	2,835,546,728	2,836,890,220
General Fund Exempt	312,202,624	0	710,835,957	710,835,957	710,835,957
Cash Funds	740,668,201	335,340,495	1,192,935,611	1,360,397,678	1,164,571,556
Reappropriated Funds	19,830,312	27,713,421	61,142,113	61,768,111	29,400,415
Federal Funds	605,472,508	603,216,680	636,310,925	637,934,861	650,334,517

TABLE B-1
Comparison of Governor's Request and Legislative Action: Funding for Public School Finance for FY 2014-15

Description	Governor's FY 2014-15 Request			Legislative Action				
	November 2013	January 2014	Final Request 1/	Long Bill (H.B. 14-1336)	School Finance/ Student Success (H.B. 14-1298/ H.B. 14-1292)	Subtotal	2015 Mid-year	
	Request	Budget Amendment					Adjust.	Final
							S.B. 15-166	Appropriation
Funded Pupil Count	838,724.9	3,911.6	842,636.5	842,636.0	2,500.0	845,136.0	(589.6)	844,546.4
Statewide Base Per-Pupil Funding	\$6,109.09	\$0.00	\$6,109.09	\$6,121.00		\$6,121.00		\$6,121.00
<i>Denver-Boulder Inflation Rate for Prior CY 2/</i>	<i>2.6%</i>		<i>2.6%</i>	<i>2.8%</i>		<i>2.8%</i>		<i>2.8%</i>
Total Program Funding (Prior to Negative Factor)	\$6,772,651,983	\$23,170,326	\$6,795,822,309	\$6,809,064,459	\$18,581,997	\$6,827,646,456	(\$14,025,921)	\$6,813,620,535
LESS: Negative Factor Reduction	(1,005,854,377)	3,722,572	(1,002,131,805)	(1,046,661,048)	152,458,981	(894,202,067)	14,025,921	(880,176,146)
EQUALS: Adjusted Total Program Funding	\$5,766,797,606	\$26,892,898	\$5,793,690,504	\$5,762,403,411	\$171,040,978	\$5,933,444,389	\$0	\$5,933,444,389
<i>Negative Factor as Percent of "Full" Funding</i>	<i>-14.9%</i>		<i>-14.7%</i>	<i>-15.4%</i>		<i>-13.1%</i>		<i>-12.9%</i>
Statewide Average Per Pupil Funding	\$6,875.67	\$0.00	\$6,875.67	\$6,838.54	\$182.15	\$7,020.70	\$0.00	\$7,025.60
Local Share of Districts' Total Program Funding	\$2,012,075,393	(\$32,209,553)	\$1,979,865,840	\$1,979,917,403	\$20,417	\$1,979,937,820	\$2,894,086	\$1,982,831,906
State Share of Districts' Total Program Funding	\$3,754,722,213	\$59,102,451	\$3,813,824,664	\$3,782,486,008	\$171,020,561	\$3,953,506,569	(\$2,894,086)	\$3,950,612,483

1/ These figures represent the Governor's final budget request, prior to legislative action in the 2014 Session. These figures exclude the Governor's January 2015 request for mid-year appropriation adjustments.

2/ The Governor's budget request was based on the OSPB projection of the inflation rate for calendar year 2013; legislative action was based on the actual inflation rate (released in February 2014).

TABLE B-2
Comparison of Governor's Request for FY 2015-16 and Appropriations for FY 2014-15

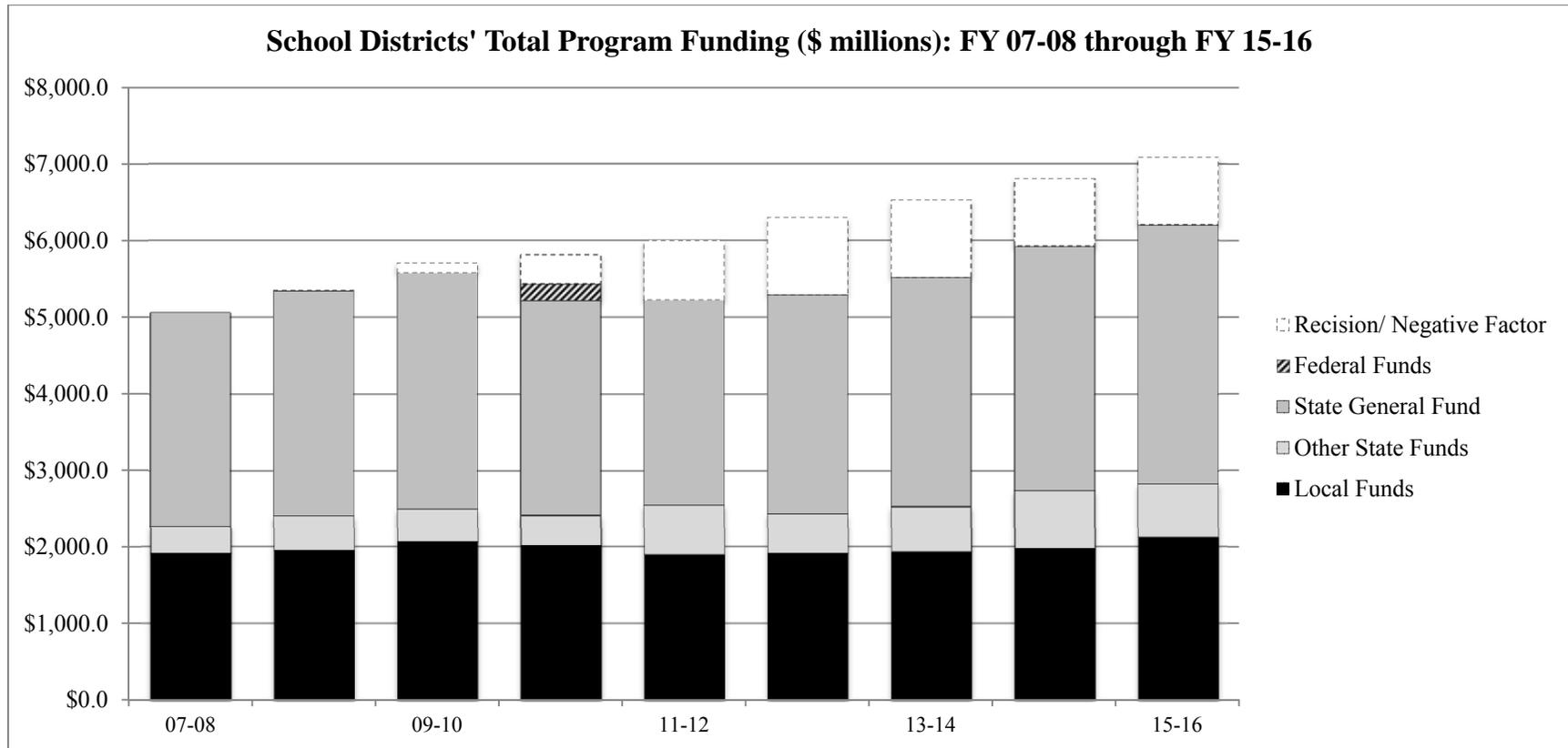
Description	Governor's November 2014 Request			Governor's Amended Request		
	FY 2014-15 Appropriation as of May 2014	FY 2015-16 Request as of November 2014	Year-over-year Change	Adjusted FY 2014-15 Appropriation (S.B. 15-166)	FY 2015-16 Request as of January 2015	Year-over-year Change
Funded Pupil Count	845,136.0	855,589.0	10,453.0	844,546.4	855,433.0	10,886.6
Statewide Base Per-Pupil Funding	\$6,121.00	\$6,292.39	\$171.39	\$6,121.00	\$6,292.39	\$171.39
<i>Denver-Boulder Inflation Rate for Prior CY 1/</i>	<i>2.8%</i>	<i>2.8%</i>		<i>2.8%</i>	<i>2.8%</i>	
Total Program Funding (Prior to Negative Factor)	\$6,827,646,456	\$7,107,937,820	\$280,291,364	\$6,813,620,535	\$7,095,053,470	\$281,432,935
LESS: Negative Factor Reduction	(894,202,067)	(694,202,067)	200,000,000	(880,176,146)	(682,491,929)	197,684,217
EQUALS: Adjusted Total Program Funding	\$5,933,444,389	\$6,413,735,753	\$480,291,364	\$5,933,444,389	\$6,412,561,541	\$479,117,152
<i>Negative Factor Reduction as Percent of "Full" Funding</i>	<i>13.1%</i>	<i>9.8%</i>	<i>-3.3%</i>	<i>12.9%</i>	<i>9.6%</i>	<i>-3.3%</i>
Statewide Average Per Pupil Funding	\$7,020.70	\$7,496.28	\$475.58	\$7,025.60	\$7,496.28	\$470.68
Local Share of Districts' Total Program Funding	\$1,979,937,820	\$2,079,654,365	\$99,716,545	\$1,982,831,906	\$2,126,248,537	\$143,416,631
State Share of Districts' Total Program Funding	\$3,953,506,569	\$4,334,081,388	\$380,574,819	\$3,950,612,483	\$4,286,313,004	\$335,700,521

1/ The Governor's budget request is based on the OSPB projection of the inflation rate for calendar year 2014 (2.8 percent); legislative action will be based on the actual inflation rate (2.8 percent).

TABLE B-3
Comparison of Governor's Request and Staff Recommendation: Funding for Public School Finance for FY 2015-16

Description	Governor's FY 2015-16 Request			Staff Recommendation for Long Bill	Difference
	November 2014 Request	January 2015 Budget Amendment	Final Request		
Funded Pupil Count	855,589.0	(156.0)	855,433.0	855,433.0	0.0
Statewide Base Per-Pupil Funding	\$6,292.39	\$0.00	\$6,292.39	\$6,292.39	\$0.00
<i>Denver-Boulder Inflation Rate for Prior CY 1/</i>	2.8%		2.6%	2.8%	
Total Program Funding (Prior to Negative Factor)	\$7,107,937,820	(\$12,884,350)	\$7,095,053,470	\$7,095,053,470	\$0
LESS: Negative Factor Reduction	(694,202,067)	11,710,138	(682,491,929)	(880,176,146)	(197,684,217)
EQUALS: Adjusted Total Program Funding	\$6,413,735,753	(\$1,174,212)	\$6,412,561,541	\$6,214,877,324	(\$197,684,217)
<i>Negative Factor Reduction as Percent of "Full" Funding</i>	9.8%	-0.1%	9.6%	12.4%	2.8%
Statewide Average Per Pupil Funding	\$7,496.28	\$0.00	\$7,496.28	\$7,265.18	(\$231.10)
Local Share of Districts' Total Program Funding	\$2,079,654,365	\$46,594,172	\$2,126,248,537	\$2,126,248,537	\$0
State Share of Districts' Total Program Funding	<u>\$4,334,081,388</u>	<u>(\$47,768,384)</u>	<u>\$4,286,313,004</u>	<u>\$4,088,628,787</u>	<u>(\$197,684,217)</u>
General Fund	3,423,942,876	(53,047,928)	3,370,894,948	3,373,895,428	3,000,480
Cash Funds (State Education Fund)	815,228,356	5,279,544	820,507,900	624,436,590	(196,071,310)
Cash Funds (State Public School Fund)	94,910,156	0	94,910,156	90,296,769	(4,613,387)

1/ The Governor's November 1, 2014 request was based on the September 2014 OSPB projection of the inflation rate for calendar year 2014 (2.8 percent); the final request was based on the December 2014 OSPB projection (2.8 percent); staff's recommendation is based on the actual inflation rate released in February 2014 (2.8 percent).



School Districts' Total Program Funding

Fund Source	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Recomm. FY 15-16
	<i>Funded Pupil Count</i>	760,917	778,136	789,511	798,677	808,195	817,645	830,833	844,546
Local Funds	\$1,915,779,555	\$1,955,868,681	\$2,068,616,086	\$2,018,856,003	\$1,900,525,468	\$1,918,248,885	\$1,938,833,489	\$1,982,831,906	\$2,126,248,537
State Education Fund (SEF)/ State Public School Fund (SPSF)	362,163,909	462,870,995	442,677,995	408,557,173	660,076,411	527,412,414	602,789,377	766,565,022	714,733,359
General Fund	2,790,546,868	2,930,074,211	3,076,277,922	2,797,831,709	2,671,845,744	2,852,301,877	2,985,310,883	3,184,047,461	3,373,895,428
Federal Funds a/	0	0	0	216,358,164	0	0	0	0	0
SUBTOTAL: AVAILABLE FUNDING	5,068,490,332	5,348,813,887	5,587,572,003	5,441,603,049	5,232,447,623	5,297,963,176	5,526,933,749	5,933,444,389	6,214,877,324
<i>Available Funding/ Funded Pupil Count</i>	\$6,661	\$6,874	\$7,077	\$6,813	\$6,474	\$6,480	\$6,652	\$7,026	
Recision/ Negative Factor b/	0	6,247,730	129,813,999	381,211,101	774,414,342	1,011,518,997	1,004,302,068	880,176,146	880,176,146
SUBTOTAL: FUNDING NOT PROVIDED	0	6,247,730	129,813,999	381,211,101	774,414,342	1,011,518,997	1,004,302,068	880,176,146	880,176,146
TOTAL	5,068,490,332	5,355,061,617	5,717,386,002	5,822,814,150	6,006,861,965	6,309,482,173	6,531,235,817	6,813,620,535	7,095,053,470

a/ This amount includes \$60,026,613 in Education Stabilization Funds from the State Fiscal Stabilization Fund in ARRA and \$156,331,551 from the Education Jobs Fund Program. While these moneys are not included within the calculation of Total Program Funding, they were distributed to districts in a similar manner.

b/ Recision amounts exclude "off-the-top" funding for School Finance Unit or Cost-of-Living Study.

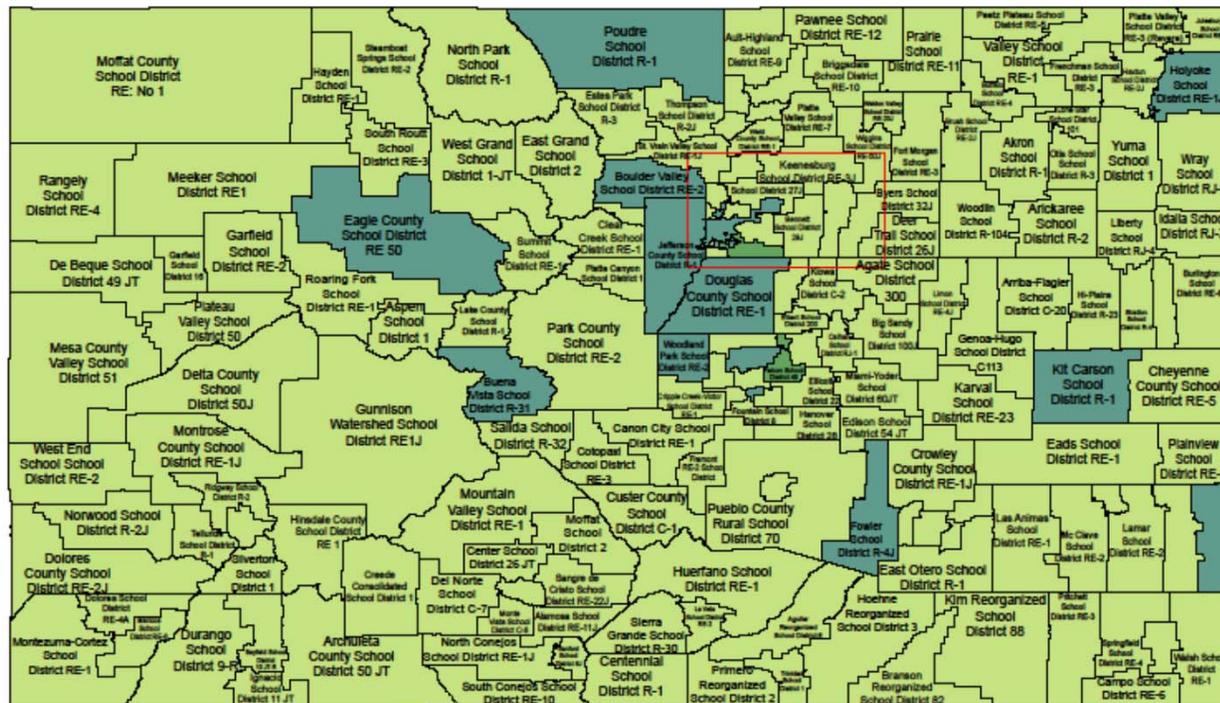


JBC Staff FY 2015-16 Figure Setting Department of Education

Presented by:

Craig Harper, JBC Staff

March 10, 2015

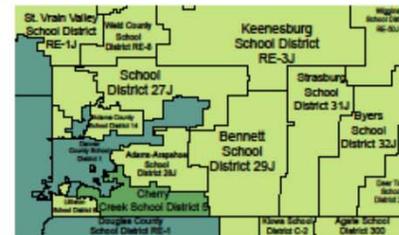


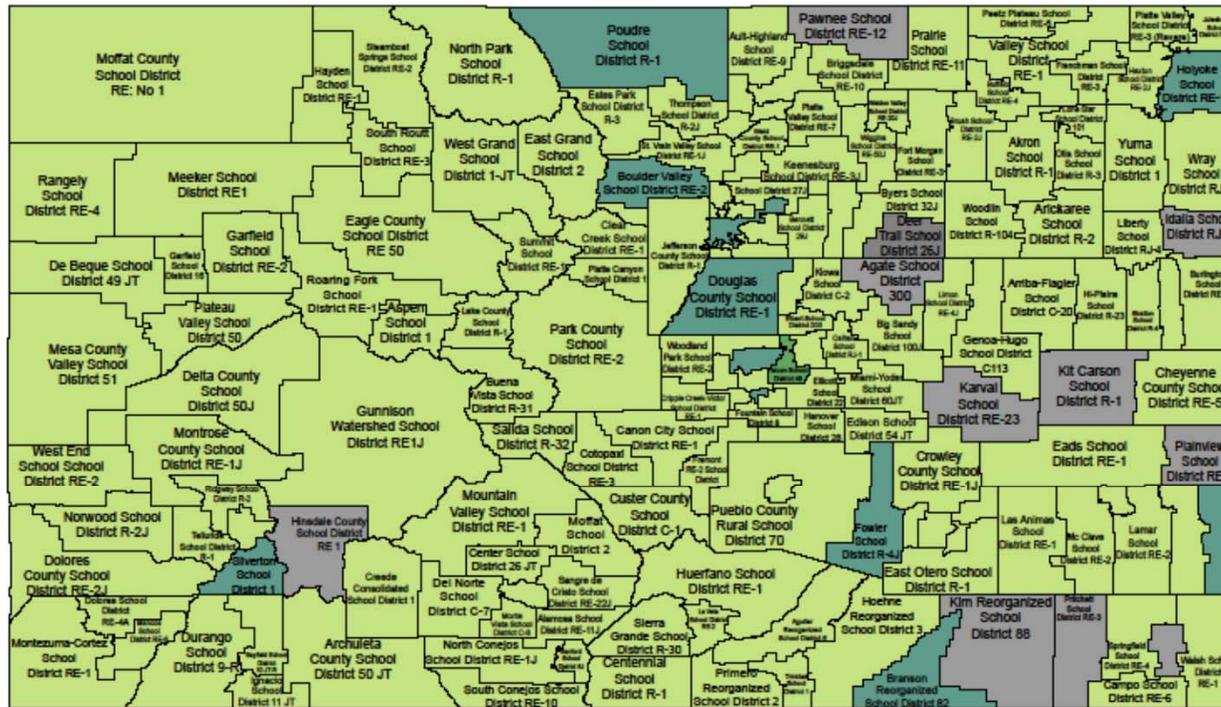
Evaluation Systems for Teachers, 2013-14

Legend

Teacher

- Local Evaluation System
- State Model
- State Model/Local Evaluation System



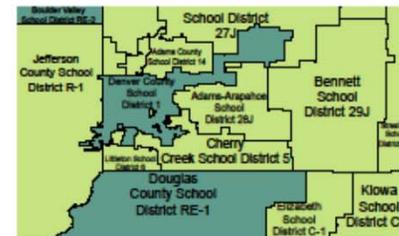


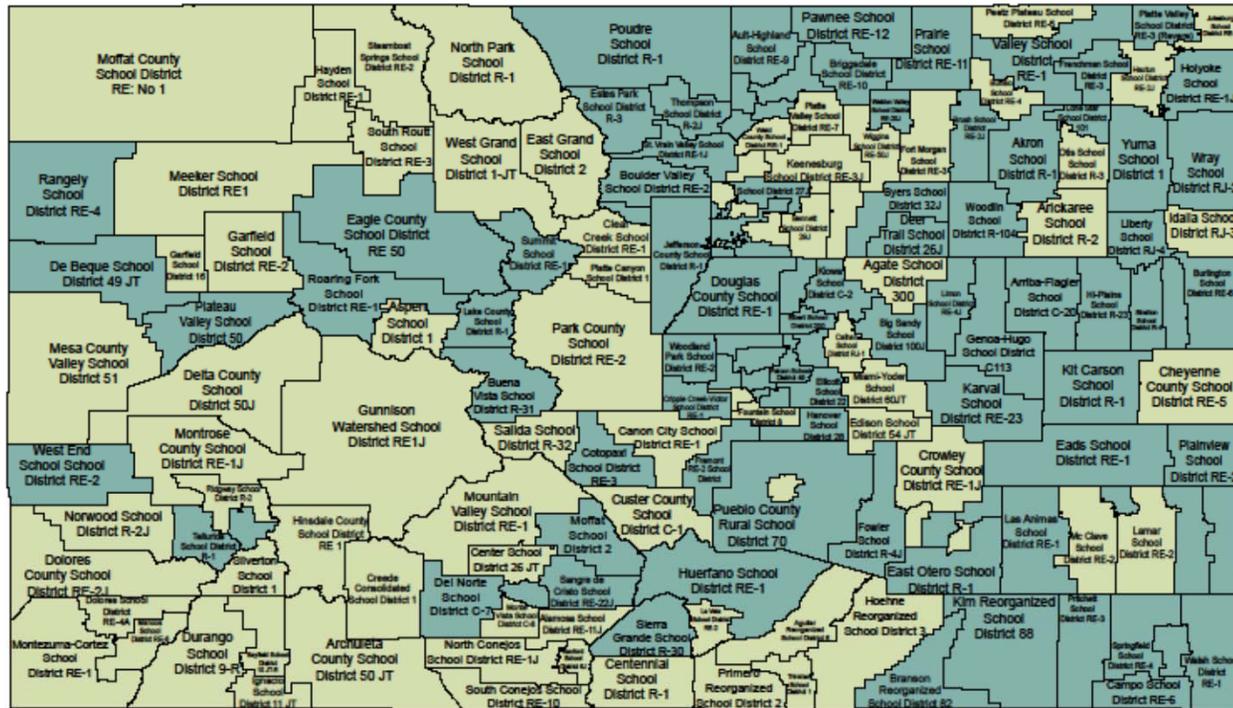
Legend

Principal

- Local Evaluation System
- N/A
- Not Employed
- State Model
- State Model/Local Evaluation System

Evaluation Systems for Principals, 2013-14



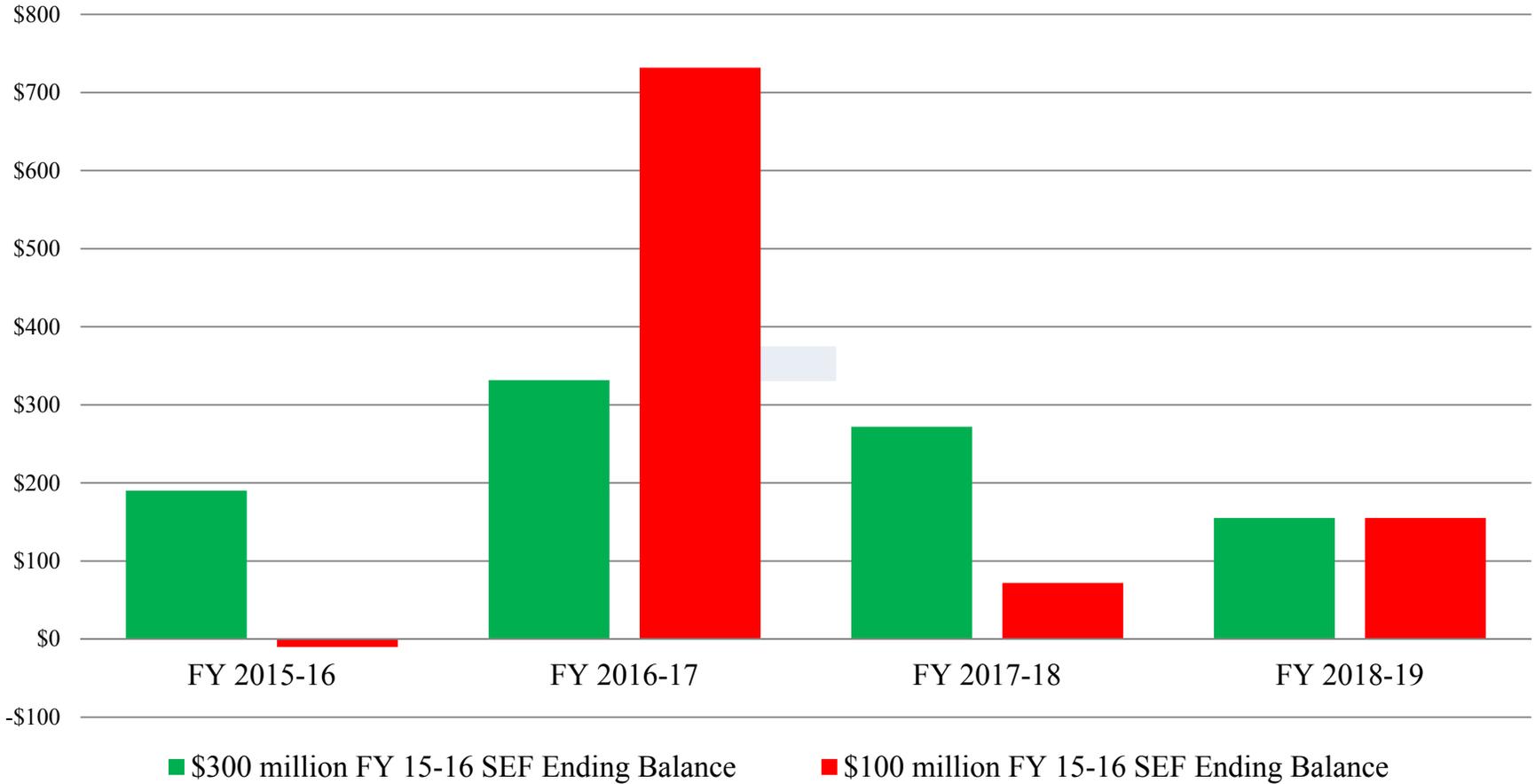


RANDA (Colorado State Model Performance Management System) Utilization, 2014-15

Legend

- Yes
- No

Annual General Fund Change for Total Program - Constant Negative Factor



**Annual General Fund Change for Total Program -\$100 Million Negative Factor
Reduction in FY 15-16**

