

DEPARTMENT OF EDUCATION
FY 2024-25 JOINT BUDGET COMMITTEE HEARING AGENDA

Tuesday, December 12, 2023
1:30 pm – 5:00 pm

1:30-2:00 GOVERNOR’S OFFICE PRESENTATION

Presenters:

- Mark Ferrandino, Executive Director, Office of State Planning and Budgeting

2:00-2:15 INTRODUCTIONS AND OPENING COMMENTS

Presenters:

- Rebecca McClellan, Chair - State Board of Education
- Susana Córdova, Commissioner
- Wayne Peel, Budget Director

2:15-2:45 COMMON QUESTIONS

Main Presenters:

- Susana Córdova, Commissioner
- Wayne Peel, Budget Director

Supporting Presenters:

- Scott D. Jones, Chief of Staff

Topics:

- Question 1: Pages 1-8, Question 1 in the packet, Slides 9-10
- Question 2: Pages 8-9, Question 2 in the packet
- Question 3: Page 10, Question 3 in the packet

2:45-3:15 BUDGET REQUESTS FOR PROGRAMS MANAGED WITHIN THE DEPARTMENT OF EDUCATION

Main Presenters:

- Susana Córdova, Commissioner
- Wayne Peel, Budget Director

Supporting Presenters:

- Scott D. Jones, Chief of Staff
- Dr. Colleen O’Neil, Associate Commissioner of Educator Talent
- Dr. Rhonda Haniford, Associate Commissioner of School Support
- Lindsey Jaeckel, Executive Director of School and District Transformation

Topics:

- R4 Human Resources Capacity: Pages 10-12, Questions 4-6 in the packet, Slide 12
- R6 ESSER Staff Closeout: Pages 13-14, Questions 7-8 in the packet, Slide 13
- R15 CDE Facility Needs/R19 Colfax Security, Pages 14-15, Question 9 in the packet, Slide 14
- R7 Facility Schools Baseline Model Inflation: Page 16, Question 10 in the packet
- R10 CDIP Enhancement: Page 16, Question 11 in the packet
- R12 Proactive Intervention Expansion: Pages 16-18, Question 12 in the packet
- R13 Ed Talent Mentorship Grant Program: Pages 18-19, Questions 13-17 in the packet, Slides 15-16

3:15-3:30 NUTRITION PROGRAMS

Main Presenters:

- Susana Córdova, Commissioner
- Wayne Peel, Budget Director

Supporting Presenters:

- Jennifer Okes, Chief School Operations Officer
- Brehan Riley, Director of School Nutrition Unit

Topics:

- Healthy School Meals for All: Pages 20-21, Questions 18-19 in the packet, Slides 17-18

3:30-3:40 PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE/BUILDING EXCELLENT SCHOOLS TODAY

Main Presenters:

- Susana Córdova, Commissioner
- Wayne Peel, Budget Director

Supporting Presenters:

- Jennifer Okes, Chief School Operations Officer
- Andy Stine, Director, Division of Capital Construction

Topics:

- Update on Program Operations: Pages 21-22, Question 20 in the packet, Slides 19-20

3:40-4:15 SCHOOL FINANCE

Main Presenters:

- Susana Córdova, Commissioner
- Wayne Peel, Budget Director

Supporting Presenters:

- Jennifer Okes, Chief School Operations Officer

Topics:

- R5 School Finance System Modernization: Pages 22-23, Question 21 in the packet
- R2 Categorical Programs Increase and Issue Brief: Pages 23-28, Questions 22-29 in the packet
- Other Questions: Pages 28-29, Questions 30-32 in the packet, Slides 21-23

4:15-4:30 STUDENT PATHWAYS

Main Presenters:

- Susana Córdova, Commissioner
- Wayne Peel, Budget Director

Supporting Presenters:

- Danielle Ongart, Executive Director of Student Pathways

Topics:

- H.B. 22-1215 Task Force to Support Postsecondary and Workforce Readiness: Page 29, Question 33 in the packet, Slides 24-25
- Accelerating Students Through Concurrent Enrollment (ASCENT): Page 30, Question 34 in the packet, Slide 26
- Concurrent Enrollment In Other States: Pages 30-32, Question 35 in the packet

4:30-4:45 THE COLORADO SCHOOL FOR THE DEAF AND THE BLIND

Main Presenters:

- Tera Spangler, Interim Superintendent
- Beth Oliver, Controller

Supporting Presenters:

- Jennifer Thompson, Interim Director of Curriculum, Instruction, and Assessment
- Kathy Emter, Director of Special Education

Topics:

- R18 CSDB Deans and R19 CSDB Preschool Program: Page 32, Question 36 in the packet

4:45-5:00 CHARTER SCHOOL INSTITUTE

Main Presenters:

- Dr. Terry Croy Lewis, Executive Director

Supporting Presenters:

- Andi Denton, Chief of Finance and Operations

Topics:

- CSI Mill Levy Equalization: Pages 32-33, Question 37 in the packet

DEPARTMENT OF EDUCATION
 FY 2024-25 JOINT BUDGET COMMITTEE HEARING

Tuesday, December 12, 2023

1:30 pm – 5:00 pm

COMMON QUESTIONS FOR DISCUSSION AT DEPARTMENT HEARINGS

- 1 a) Please describe one-time state and federal stimulus funds that have been allocated to the Department but are not expended as of September 30, 2023, by bill, budget action, executive action, or other source that allocated funds. The description should include but is not limited to funds that originate from one-time or term-limited General Fund or federal funds originating from the American Rescue Plan Act (ARPA)/State and Local Fiscal Recovery Funds/Revenue Loss Restoration Cash Fund. Please describe the Department’s plan to obligate or expend all allocated funds that originate from ARPA by December 2024.

One-time stimulus funds distributed to the Colorado Department of Education (CDE) through the American Rescue Plan Act (ARPA) provided a total allocation to CDE of \$1,283,692,720 as of October 31, 2023 for education-related recovery needs. These included a third round for the Elementary and Secondary School Emergency Relief fund (ESSER III), a second round of funding for Emergency Assistance to Non-Public Schools (EANS II), GEER funds from reverted ARP EANS funds, and funding for each of the following: Child Nutrition, Homeless Children and Youth, the Individuals with Disabilities Education Act (IDEA), and Library programs. CDE also received a portion of the Colorado allocation of State and Local Fiscal Recovery Funds (SLFRF).

A total of \$692,916,947 (54.0%) in ARPA education funds has been expended/distributed as of October 31, 2023, leaving \$590,775,773 (46.0%) left to be distributed prior to the final obligation date of September 30, 2024 (Table 1). It is important to note that, since these funds are distributed on a reimbursement basis, these figures do not necessarily reflect the actual spending or obligation of funds by districts and other grantees.

Allocation and Expenditure of One-Time ARPA Stimulus Funds Provided to CDE

Table 1
 Summary of All ARPA Funds Allocated to CDE

One-Time Stimulus Funding Source	Allocation to CDE	Awarded to Grantee / Allocated to Purpose	Percent Awarded to Grantee / Allocated to Purpose	Expended	Remaining to be Expended	Percent Expended
ESSER III	\$ 1,167,153,961	\$ 1,167,153,961	100%	\$ 630,233,763	\$ 536,920,198	54.0%
Individuals with Disabilities Education Act (IDEA)	\$ 41,260,993	\$ 41,260,993	100%	\$ 34,255,286	\$ 7,005,707	83.0%
EANS II	\$ 28,709,729	\$ 28,709,729	100%	\$ 4,884,083	\$ 23,825,646	17.0%
Emergency Child Nutrition	\$ 13,071,118	\$ 12,960,393	99.2%	\$ 11,827,386	\$ 1,243,732	90.5%

One-Time Stimulus Funding Source	Allocation to CDE	Awarded to Grantee / Allocated to Purpose	Percent Awarded to Grantee / Allocated to Purpose	Expended	Remaining to be Expended	Percent Expended
Homeless Children and Youth	\$ 7,643,776	\$ 7,643,776	100%	\$ 3,687,516	\$ 3,956,260	48.2%
Governor's Emergency Educational Recovery FundII	\$ 7,063,068	\$ 7,063,068	100%	\$ 0	\$ 7,063,068	0%
LSTA	\$ 3,265,421	\$ 3,265,421	100%	\$ 3,265,421	\$ 0	100%
State and Local Fiscal Recovery Funds	\$ 15,524,654	\$ 12,768,154	82.2%	\$ 4,763,492	\$ 10,761,162	30.7%
Total	\$ 1,283,692,720	\$ 1,280,825,495	99.8%	\$ 692,916,947	\$ 590,775,773	54.0%

“Allocated to CDE” refers to the total amount of pandemic relief funding the department received from the federal government for each specific program.
 “Awarded to Grantee/Allocated to Purpose” refers to the amount of funding that has been awarded to a grantee or has been allocated to a state-level purpose managed by CDE. These are planned expenditures that may not have been spent yet. Examples include CDE personnel costs or grants that have been awarded to districts but are reimbursement based).
 “Percent Awarded to Grantee / Allocated to Purpose” is the percentage of total funds allocated to CDE that has been awarded or allocated to a purpose.
 “Expended” refers to the amount of funding that has either already been reimbursed to grantees or spent directly by CDE.
 “Remaining to be Expended” refers to the amount of funding allocated to CDE less the amount that has been reimbursed to grantees or spent directly by CDE.
 “Percent Expended” refers to the percent of total funding allocated to CDE that has been reimbursed to grantees or spent directly by CDE.

ARPA ESSER

Colorado received \$1,167,153,961 in ARPA ESSER III funding. Of these ESSER funds, 90% (\$1,050,438,565) was distributed directly to LEAs through the allocation method determined in Part A of Title I of the Elementary and Secondary Education Act of 1965 (ESEA). All LEAs were required to submit and receive approval on their plans for using these funds. LEAs were also asked to publicly post their [plans for ARPA ESSER funds](https://www.cde.state.co.us/fedprograms/esser3-leapplans) (https://www.cde.state.co.us/fedprograms/esser3-leapplans).

Of the remaining 10% of ESSER III funds (\$116,715,396), 95% (\$110,879,627) were reserved by CDE to meet state-level needs. CDE continues to work with districts and other grantees to ensure that any underspent funds are reallocated according to the direction of the State Board of Education. The remaining 5% (\$5,835,769) was reserved for administrative costs associated with these funds (Table 2).

Table 2
 American Recovery Plan Act (ARPA) Elementary and Secondary School Emergency Relief (ESSER) Funds Allocated to CDE

One-Time Stimulus Funding Source	Program	Allocation to CDE	Awarded to Grantee / Allocated to Purpose	Percent Awarded to Grantee / Allocated to Purpose	Expended	Remaining to be Expended	Percent Expended
ARPA ESSER III 90%	Direct Allocation to LEAs (ESSER III 90%)	\$ 1,050,438,565	\$ 1,050,438,565	100%	\$ 592,860,981	\$ 457,577,584	56.4%
ARPA ESSER III State Reserve	Supplemental funding to LEAs and tribal nations receiving little/no ESSER funds from the	\$ 24,556,358	\$ 24,556,358	100%	\$ 11,368,794	\$ 13,187,564	46.3%

One-Time Stimulus Funding Source	Program	Allocation to CDE	Awarded to Grantee / Allocated to Purpose	Percent Awarded to Grantee / Allocated to Purpose	Expended	Remaining to be Expended	Percent Expended
	90% allocation, and support special education						
	Expanded Learning Opportunities	\$ 22,716,565	\$ 22,716,565	100%	\$ 7,583,476	\$ 15,133,089	33.4%
	Rural Coaction	\$ 21,648,534	\$ 21,648,534	100%	\$ 4,860,796	\$ 16,787,738	22.5%
	Peer-mentoring of early-service educators	\$ 12,421,652	\$ 12,421,652	100%	\$ 3,362,528	\$ 9,059,124	27.1%
	Purchase of updated high-quality ELA and mathematics curriculum	\$ 7,180,357	\$ 7,180,357	100%	\$ 4,746,423	\$ 2,433,934	66.1%
	Empowering Action for School Improvement (EASI) grants and supports	\$ 5,414,034	\$ 5,414,034	100%	\$ 2,439,618	\$ 2,974,416	45.1%
	Extending time for 21st Century Community Learning Center (CCLC) grantees	\$ 4,302,549	\$ 4,302,549	100%	\$ 0	\$ 4,302,549	0.0%
	Integration of CDE data systems	\$ 4,200,000	\$ 4,200,000	100%	\$ 68,771	\$ 4,131,229	1.6%
	AmeriCorps funding to support education workforce	\$ 1,500,000	\$ 1,500,000	100%	\$ 232,987	\$ 1,267,013	15.5%
	Transportation assistance for students to attend higher-performing schools	\$ 1,489,285	\$ 1,489,285	100%	\$ 5,488	\$ 1,483,797	0.4%
	High-impact tutoring	\$ 1,407,717	\$ 1,407,717	100%	\$ 0	\$ 1,407,717	0.0%
	Professional learning	\$ 1,150,893	\$ 1,150,893	100%	\$ 81,665	\$ 1,069,228	7.1%
	Statewide capacity building	\$ 975,683	\$ 975,683	100%	\$ 293,652	\$ 682,031	30.1%
	Technical assistance	\$ 866,000	\$ 866,000	100%	\$ 314,705	\$ 551,295	36.3%
	Pilot program for synchronous online learning	\$ 750,000	\$ 750,000	100%	\$ 0	\$ 750,000	0.0%
	Substitute teacher pool expansion program	\$ 300,000	\$ 300,000	100%	\$ 115,494	\$ 184,506	38.5%
	Administrative costs	\$ 5,835,769	\$ 5,835,769	100%	\$ 1,898,385	\$ 3,937,384	32.5%
Total		\$1,167,153,961	\$1,167,153,961	100%	\$630,233,763	\$536,920,198	54.0%

State and Local Fiscal Recovery Funds (SLFRF)

CDE was allocated an additional \$15,524,654 from the ARPA State and Local Fiscal Recovery fund from ARPA (Table 3). Of this, \$4,763,492 (30.7%) has been expended.

Table 3
State and Local Fiscal Recovery Funds Allocated to CDE

One-Time Stimulus Funding Source	Program (End Date)	Bill Number	Allocation to CDE	Awarded to Grantee / Allocated to Purpose	Percent Awarded to Grantee / Allocated to Purpose	Distributed	Remaining to be Expended / Reimbursed	Percent Expended
State and Local Fiscal Recovery Funds	School Health Professional Grant (12/31/24)	H.B. 22-1243; S.B. 22-147	\$ 7,000,000	\$ 5,944,666	84.9%	\$ 405,703	\$ 6,594,297	5.8%
	Adult Education and Literacy Grant Program (6/30/25)	H.B. 21-1264	\$ 5,000,000	\$ 3,301,218	66.0%	\$ 1,349,554	\$ 3,650,446	27.0%
	CDE State Board Room Renovation (6/30/25)	H.B. 22-1329	\$ 1,774,654	\$ 1,774,654	100%	\$ 1,576,208	\$ 198,446	88.8%
	Concurrent Enrollment Expansion and Innovation Grant Program (6/30/23)	S.B. 21-268	\$ 1,750,000	\$ 1,747,616	99.9%	\$ 1,432,027	\$ 317,973	81.8%
Total			\$ 15,524,654	\$ 12,768,154	82.2%	\$ 4,763,492	\$ 10,761,162	30.7%

Other ARPA One-Time Stimulus (Non-ESSER and Non-SLFRF) Allocated to CDE

Apart from ESSER and SLFRF, CDE has received a total allocation of (\$101,014,105) for education-related services from ARPA, including allocations to EANS, IDEA, Homeless Children and Youth, and Library Services. Of this allocation, \$57,919,692 (57.3%) has been expended (Table 4). Unspent funds may not be reallocated to any purpose other than the originally awarded purpose and so will revert to the awarding federal agency.

Table 4
Other ARPA One-Time Stimulus Funds Allocated to CDE

One-Time Stimulus Funding Source	Program	Allocation to CDE	Awarded to Grantee / Allocated to Purpose*	Percent Awarded to Grantee / Allocated to Purpose	Distributed	Remaining to be Expended / Reimbursed	Percent Expended
ARPA EANS II	Purchases on Behalf of Non-Public Schools	\$ 28,509,729	\$ 28,509,729	100%	\$ 4,684,083	\$ 23,825,646	16.4%
	Administrative Funds	\$ 200,000	\$ 200,000	100%	\$ 200,000	\$ 0	100%
ARPA IDEA	IDEA	\$ 41,260,993	\$ 41,260,933	100%	\$ 34,255,286	\$ 7,005,707	83.0%
GEER II	Math Accelerator (Zearn)	\$ 6,000,000	\$ 6,000,000	100%	\$ 0	\$ 6,000,000	0%

One-Time Stimulus Funding Source	Program	Allocation to CDE	Awarded to Grantee / Allocated to Purpose*	Percent Awarded to Grantee / Allocated to Purpose	Distributed	Remaining to be Expended / Reimbursed	Percent Expended
	Online Educational Resources (OER)	\$ 229,840	\$ 229,840	100%	\$ 0	\$ 229,840	0%
	OER - Administrative Funds	\$ 20,160	\$ 20,160	100%	\$ 0	\$ 20,160	0%
	Summer Pandemic-EBT - Administrative Funds	\$ 285,716	\$ 285,716	100%	\$ 0	\$ 285,716	0%
	Quality Teacher Recruitment	\$ 500,000	\$ 500,000	100%	\$ 0	\$ 500,000	0%
	Quality Teacher Recruitment - Administrative Funds	\$ 27,352	\$ 27,352	100%	\$ 0	\$ 27,352	0%
ARPA Emergency Child Nutrition	Emergency Costs for Child Nutrition	\$ 10,083,303	\$ 9,977,004	98.9%	\$ 9,977,004	\$ 106,299	98.9%
	Supplemental Nutrition Assistance Program (SNAP) Pandemic-EBT	\$ 894,785	\$ 891,017	99.6%	\$ 891,017	\$ 3,768	99.6%
	SNAP Pandemic-EBT Administrative Funds	\$ 623,337	\$ 623,337	100%	\$ 573,261	\$ 50,076	92.0%
	Farm to School State Formula Grant	\$ 1,049,935	\$ 1,049,935	100%	\$ 105,665	\$ 944,270	10.1%
	National School Lunch Program Equipment Grant	\$ 419,758	\$ 419,100	99.8%	\$ 280,439	\$ 139,319	66.8%
ARPA Homeless Children and Youth	Homeless Children and Youth (HCY) - Grant Distribution	\$ 7,224,076	\$ 7,224,076	100%	\$ 3,472,005	\$ 3,752,071	48.1%
	HCY Administrative Costs	\$ 419,700	\$ 419,700	100%	\$ 215,511	\$ 204,189	51.3%
ARPA Library Services Technology Act	Distribution	\$ 2,987,441	\$ 2,987,441	100%	\$ 2,987,441	\$ 0	100%
	Administrative Costs	\$ 277,980	\$ 277,980	100%	\$ 277,980	\$ 0	100%
Total		\$ 101,014,105	\$ 100,903,320	99.9%	\$ 57,919,692	\$ 43,094,413	57.3%
* All ARPA EANS funds not awarded to nonpublic schools are reverted to the Governor's office for any GEER allowable activity. The "Awarded to Grantee / Allocated to Purpose" includes all funds that have been reverted to the Governor as they are then outside of CDE control unless allocated back to CDE for a new/different program under GEER.							

ESSER

All ESSER funds have been either (1) awarded to LEAs and community-based organizations or (2) are currently allocated for state-level activities to accomplish the programs outlined above. CDE continues to offer technical assistance in the form of biweekly Office Hours, newsletters, program and fiscal monitoring, and one-on-one assistance for LEAs which received direct allocations to ensure funds are expended by the ARPA deadline of September 30, 2024. Additionally, CDE staff continue to monitor the spenddown of all ESSER state reserve funds, provide technical assistance to awardees in the timely expenditure of these funds, and support in the revision and reallocation of awards where grantees express an inability to fully expend funds by grant deadlines.

State and Local Fiscal Recovery Funds (SLFRF)

A discussion of the obligation and expenditure plans for each SLFRF program is below:

- School Health Professional Grants: The vast majority of these funds have been obligated through awards to eligible grantees earlier this year. The limited remaining funds are being used to provide technical assistance to grantees in alignment with the original State-funded program.
- Adult Education and Literacy Grant Program: CDE is in the process of finalizing the awards for the most recent round of grantees which will obligate funds through June of 2025.
- CDE State Board Room Renovation: CDE is working with the construction vendors to finalize the services in renovating the State Board of Education Room and anticipates obligating/expending by the end of the performance period. The State Board of Education has been using the space since April 2023. Substantial Completion for this project occurred in August 2023. CDE continues to work on a punch list and toward remedying some issues with the audio/visual system before final closeout with the general contractor and finalizing the use of funds set aside for the Art in Public Places program. CDE plans to have that completed before the end of the fiscal year.
- Concurrent Enrollment Expansion and Innovation Grant Program: The appropriation of these funds ended on June 30, 2023, and the remaining funds have been reverted back to the State.

ARPA One-Time Stimulus (Non-ESSER and Non-SLFRF) to CDE

CDE is actively monitoring the spenddown of non-ESSER and non-SLFRF funds and continues to provide ongoing support to grantees to expend funds and request reimbursement.

Please further describe any budget requests that replace one-time General Fund or ARPA funded programs with ongoing appropriations, including the following information:

- Original fund source (General Fund, ARPA, other), amount, and FTE;**
- Original program time frame;**
- Original authorization (budget decision, legislation, other);**
- Requested ongoing fund source, amount, and FTE; and**
- Requested time frame (one-time extension or ongoing).**

Teacher Mentorship Grant Program (R13)		
	“Original” Program	Requested Ongoing
Fund Source	Federal Funds (ESSER III)	General Fund
Amount	\$12,921,652 (two cohorts over multiple years)	\$3,132,271
FTE	1.0 FTE + ESSER Grants Admin FTE	1.2 FTE
Time Frame	Cohort 1: 2022-23 and 2023-24 school years Cohort 2: 2023-24 school year	Annual Grant Cycle, Ongoing Appropriation
Authorization	Other (State Board Approved Action)	

The Department of Education (CDE) requests \$3,132,271 General Fund and 1.2 FTE in FY 2024-25 and ongoing to sustain support for the Teacher Mentorship Grant Program. The Teacher Mentorship Grant Program is currently funded with Federal American Rescue Plan (ARPA)/Elementary and Secondary School Emergency Relief (ESSER) dollars, which is set to expire September 30, 2024.

Support for new-to-the-profession teachers is a critical aspect in the successful retention of educators in our Colorado schools. With the current teacher shortage across the state, providing a high-quality mentorship program is essential for early career teachers. Additionally, induction and mentoring is required for any new-to-the-profession teacher to obtain a professional teacher license.

The Mentor Teacher Grant Program would provide \$3 million in annual funding to school districts, BOCES or charter schools for induction and mentoring support for teachers in their first three years.

The additional \$132,271 will support continued technical assistance from the CDE staff person (1.0 FTE) currently managing the grant program, plus additional grants management support (.2 FTE) that is currently being funded out of the ESSER state set-aside.

Related Items raised in JBC Staff Budget Briefing

b) In your response, please specifically address:

- i) **The projected speed of expenditure and projected reversions for \$5.0 million in one-time ARPA funds appropriated for adult education and literacy in FY 2020-21. Only \$1,022,055 had been expended as of the end of FY 2022-23, although the Department reports that \$3,301,198 has been awarded.**

The Department awarded the first round of grants to eligible grantees during the 2021-22 fiscal year. These awards provided funding to grantees from both State and Federal (SLFRF) funds. A second, SLFRF-only grant competition took place in early 2022, and grants were awarded for 2022 - 2025. Beyond the amount awarded, the speed of expenditure is impacted by two considerations: these are funded on a reimbursement basis, which means that there is always a lag in reporting expenditures. Additionally, grantees have through the end of the 2024-25 fiscal year to spend funds.

CDE is in the process of awarding funds in a third round of grants at this time and those funds will be available to grantees through the end of the 2024-25 fiscal year. The Department continues to see annual requests for funds that far exceed the annual State appropriation – meaning that there will be a fiscal “cliff” where there is more demand for the program than there are resources when the ARPA dollars expire. Demand, however, does not quite yet exceed the combined state appropriation and the SLFRF appropriation so the Department could potentially fund at the current level of demand and revert unspent State funds in FY in FY23-24 and FY24-25, but then be well below demand once the SLFRF appropriation expires. To account for this and to soften the fiscal cliff for adult education grantees, the Department is working on a potential path forward that would prioritize immediate spending of the SLFRF funds and request a multi-year roll-forward of a portion of the State funds, which the Department believes is warranted given 1) the Joint Budget Committee’s commitment to prioritize ongoing State funding for the program, and 2) the unique nature of a four-year grant program.

- ii) **The projected speed of expenditure and projected reversions (if any) for \$7.0 million ARPA Funds appropriated in FY 2022-23 for the Behavioral Health Care Professional Matching Grant Program. The Governor’s Office indicates that most of these funds have been encumbered, but relatively little has been expended thus far.**

After receiving the appropriation for these funds on July 1 of 2022, CDE launched a new round of the School Health Professional Grant program to award these grants. These were awarded earlier this year with a grant performance period beginning in January 2023. Grantees received their Grant Award Letters in May 2023. As outlined in statute, grantees may continue to spend these funds through December 30, 2024. With awards not being made until spring of 2023, grantees have had little time in a school year to spend and request reimbursement. We anticipate a significant drawdown of funds over the next six months.

The Department will continue to provide technical assistance through webinars, weekly emails and other meetings to help grantees understand the grant requirements and problem solve around barriers.

- iii) **The reason some one-time General Fund and one-time federal ARPA funds appropriations were not expended and thus reverted, including a portion of the General Fund appropriation in H.B. 21-1104 to subsidize educator licensure operations and a portion of the federal ARPA funds appropriation in S.B. 21-268 for concurrent enrollment expansion and innovation.**

The Department used the one-time General Fund appropriation allocated to the Office of Professional Services to offset the anticipated revenue shortfall caused by the 2-year teacher license extension. However, the shortfall was less severe than initially anticipated and the department only used the portion of the fund required to cover the actual loss in revenue. For example, during the pandemic, there was an increase in substitute teacher license issuance that was not expected when the fiscal note was created. This generated additional revenue that negated some of the backfill need and, as such, allowed the Department to revert some of the appropriation as not all of the backfill was required. In summary, there was an overall decrease in revenue that required some backfill of dollars but the decrease was not as large as anticipated, allowing for some of the appropriation to be reverted back to the General Fund.

The ARPA appropriation for concurrent enrollment was fully awarded but not all awardees fully spent their awards, which created a \$ 317,973 reversion back to the ARPA fund. The Concurrent Enrollment Expansion and Innovation grant funding is most often used to pay for teachers to take courses that help them to become qualified concurrent enrollment instructors. Coming out of the COVID-19 pandemic, teachers who indicated they were enrolled in graduate coursework, withdrew from those courses because the burden of teaching and going back to school in-person felt overwhelming

- 2 **Please provide a description, calculation, and the assumptions for the fiscal impact of implementing compensation provisions of the Partnership Agreement, as well as a qualitative description of any changes to paid annual, medical, holiday or family leave as a result of the Agreement. Please describe any compensation and leave changes for employees exempt from the Agreement if applicable.**

The Department of Education has 104 classified/covered employees and 470 non-classified employees, resulting in approximately 18% covered by the Agreement. Several years ago, CDE went through a process to ensure employees were appropriately defined as classified or non-classified. In accordance with 22-2-104, C.R.S., 22 employees were in positions that were identified as non-classified but were better defined as classified. These employees were given the option to choose to stay non-classified or move to classified. The majority of these employees chose to remain non-classified (thus, these employees are still in the non-classified group).

The financial impact of the compensation provisions of the Partnership Agreement for FY 2024-25 are currently calculated to be \$4,331,406. This includes funds for the across the board increase, as well as the step increase for covered employees and step-like increases for the non-covered employees. The compensation for non-covered/non-classified employees are included in this total, as the amounts for non-covered employees are based on the partnership agreement. Details of these amounts are included in the total compensation request in the annual budget submission.

The fiscal impact of the leave changes will not have an immediate budgetary impact on the Department. To the extent the employees take additional leave, workload will have to be managed by other staff members or through additional work hours given that a majority of CDE employees are exempt from overtime. In some other departments, there is a need to staff a duty post in a specific manner throughout the year and an increase in leave time will increase the 'relief factor' and FTE needed to staff these positions. CDE does not have duty posts and therefore, will not have a need for increased FTE in a similar manner as those departments.

With that being said, as employees separate from state service, there will be an increase in the funding needed to cover higher leave payouts due to a higher maximum accrual amount. Historical data showed that approximately 11% of the Department's classified (covered) staff are at or near the leave maximum. The maximum accrual amount will increase by approximately 14.3%. Assuming the increase of 14.3% in the maximum accrual amount and classified staff leave payouts in FY 2022-23 were \$35,748, the department could expect an increase of approximately \$1,375 on average each year (based on one employee being at the accrual maximum). It is more likely that the increase will be between \$0 and \$11,257, depending on how many of those departing are in the 10% of employees that are at or near the maximum. At present, there has been no change to the accrual rates for non-classified staff within the department, thus the cost is limited to the covered employees.

Further, there will be additional costs to the Department related to expanded recruitment efforts associated with Article 10.4 of the Partnership Agreement. It is unclear at present if these costs can be absorbed within current budgets. If they cannot, CDE will request funds through the normal budget process in a future decision item.

Section 32.2 requires pay differentials for translation services. The Department has a number of staff that perform these duties and the Department is currently hiring a staff member dedicated to this work (as funded within by the JBC in the previous budget cycle).

Section 32.5 requires employees to have the choice to be paid on a biweekly cycle. Bi-weekly payroll results in more workload than monthly payroll. Additionally, fiscal rule requires that all staff hired after July 1, 2023, are placed on a biweekly pay cycle as well. The Department is looking to implement Kronos to automate some of the manual payroll functions that could help as staff move to bi-weekly payroll. However, as staff eventually transition to biweekly pay cycles

through either choice or attrition, the number of paychecks will eventually double. These additional costs are reflected in the payroll staff decision item.

3 Provide a prioritized list of budget reductions the Department would propose if 10.0 percent General Fund appropriation reductions were required of every Department.

The Department is unique from other agencies, in that prior to submitting the proposed budget to both OSPB and JBC, the Department submits a proposed budget to the 9-person, independently elected State Board of Education who then reviews and votes to approve the Department's budget request. Any prioritized list of budget reductions would need to go through a similar process of being reviewed and approved by the State Board of Education.

While the Department's initial budget proposal did not include any proposed reductions, it was included as part of the Governor's overall budget, which included decision items that were both increases and reductions. Additionally, the Governor's proposed budget, including the budget requests submitted by the Department as approved by the State Board of Education, is balanced, maintains a reserve of 15%, and does not require a 10.0 percent reduction in the General Fund to balance at this time.

As a reminder, should this request involve the direct funds to local education agencies (LEAs) and other external entities (representing over 98% of CDE's General Fund budget), additional engagement would be needed given the impacts on districts and the interactions with constitutional requirements.

While we are unable to provide specific reductions at this time, we expect that CDE would use a common set of principles determined by the State Board of Education similar to what was used when identifying reductions for the 2021-22 budget cycle. These included: prioritizing funding for key strategy areas (e.g., early literacy), understanding student performance through state assessments, supporting our highest need students, sustaining core services to Colorado districts, and ensuring we are able to meet state and federal requirements. Should we need to provide proposed reductions, we would again work with the SBE to develop criteria to meet the request.

BUDGET REQUESTS FOR PROGRAMS MANAGED WITHIN THE DEPARTMENT OF EDUCATION

R4 HUMAN RESOURCES CAPACITY

4 *[Rep. Sirota/Sen. Bridges/Sen. Kirkmeyer]* Provide more information about why this human resources position is needed. It seems like a new IT system should streamline the process and make it more efficient. Why does adding efficiency require more people?

In response to increasing pressures on and complexities in the workforce, the Department has conducted work to examine its current HR capacity over the last year, and is in the process of modifying its current practices and structures to be more responsive to the changing environment in workforce recruitment and retention (e.g., innovating in recruitment efforts, shifting staffing structures; establishing new streamlined processes and forms for hiring managers, etc.). As part of that process, the Department has identified two enhancements that are needed to be able to adequately respond to the increased workload on the human resource team.

The Human Resources Capacity request is made up of two related – but different – requests. The first is for a human resources information system (HRIS) and the second is additional human resources personnel to increase the capacity for the Department’s human resources team.

Human Resource Information System (HRIS)

The acquisition and implementation of an HRIS is intended to consolidate personnel data, position data, and performance management into one centralized and secure system – which, in turn, will also provide the Department access to enhanced features to better analyze, report, and respond to the ongoing changes across the industry and the workforce as whole. Currently employee data – such as hiring paperwork, employee start/end data, position descriptions, performance management planning and evaluations, and employee training completion (such as cybersecurity training, HR training, etc.) – are housed in a variety of sources including Google docs, Moodle, Smartsheet, Excel spreadsheets, and an internal Web system. The HRIS will consolidate these data in a more secure environment, strengthen the utility of these data for basic personnel management functions, improve the Department’s ability to respond to personnel-related reporting requests (e.g., vacancy reporting, time in classification) and provide supervisors with timely access to necessary and consistent information. The critical human resource functions that will be improved by this HRIS include, but are not limited to, the following:

- Creating, monitoring, tracking, and reporting on employee performance management;
- Initiating, approving, tracking, and reporting on all personnel actions;
- Generating critical HR Metrics such as turnover (by division, units, offices, etc.), Equal Pay for Equal Work Act compliance, EDI/Demographic Reporting, and succession planning data;
- Providing visibility for supervisors into their staff’s information such as wages, performance, education, etc.
- Tracking and reporting employee education and certifications;
- Providing, tracking, and reporting on required employee training;

While the HRIS is a data collection and storage tool that helps track, organize, and report on essential data about employees; it does not replace the need for humans in the HR function. The power of an HRIS is the single source of accurate data about everyone across the organization, which is then used by HR staff and supervisors to perform their work. An HRIS allows us to redirect our focus to providing necessary supports to the workforce.

Additional HR Capacity

The request for an additional human resource staff member is designed to improve the Department’s capacity in carrying out essential human resource functions such as talent management (recruitment and retention), change management, organizational and performance management, training and development, and compensation analysis all while ensuring that the Department remains compliant with the evolving federal and State personnel laws and State rules.

In evaluating the Department’s current HR capacity and function, the Department reviewed best practices from across various state agencies and the private section. For comparison, the Society for Human Resource Management (SHRM) has identified that the [median ratio of human resource staffing per 100 employees](https://shrm.org/ResourcesAndTools/business-solutions/PublishingImages/Pages/benchmarking/Human%20Capital%20Report-TOTAL.pdf?_ga=2.91079066.1800108413.1671036479-77) (https://shrm.org/ResourcesAndTools/business-solutions/PublishingImages/Pages/benchmarking/Human%20Capital%20Report-TOTAL.pdf?_ga=2.91079066.1800108413.1671036479-77)

0580511.1669856665) is 1.11. CDE currently has 574 staff Department-wide supported by 4 human resource FTE resulting in a ratio of 0.70 human resource staff per 100 employees. The increase in human resource staff by 1.0 FTE would put CDE closer in alignment to the SHRM standard (at a ratio 0.87).

- 5 ***[Rep. Taggart]*** (a) Do other state departments have human resources data systems? Do they all use the same one or different ones, while the Department of Education doesn't have one at all? What is centralized and what is not in this particular space? (b) Even if the Department of Education is allowed under current law to operate outside of OIT/with a separate system, what makes the Department of Education's need for human resources data different from other departments across the state? If we are trying to centralize services and functions then why allow departments to have their own systems?

There is not, currently, a statewide human resources information system (HRIS). The State continues to use severely outdated systems for critical processes such as payroll, and has never had a centralized HRIS. As a result, many state agencies have created their own system to manage the hiring process and track employee data. CDE currently does not have any such system. The Department is requesting funds to purchase an HRIS that will allow CDE to have the type of system other agencies have implemented.

It is important to note that the State has a payroll modernization project in the works; however, this statewide effort currently does not include any module for personnel management and there are no imminent plans to create a centralized HRIS for the State.

Historically, the closest thing to a statewide HR data system has been the State's Central Payroll Processing System (CPPS); however, it was never designed for nor can it function as an HRIS. Every agency has a different method of recording and tracking personnel data based on the resources/funding they have available. Data included in the CPPS system is very limited to its intended payroll function and does not provide the consolidated approach necessary for effective human resource data management (e.g., longitudinal position and employee data, performance management).

- 6 ***[Sen. Kirkmeyer]*** Is the Department identifying this item as evidence-based pursuant to S.B. 21-284 (e.g., "theory informed")?

This request was determined as "Not Applicable" with respect to the definitions of outcome related evidence-based set forth in S.B. 21-284 (CRS 2-3-210(2)(b)). This is consistent with prior determinations for administrative or non-programmatic requests.

However, the request for a centralized HRIS is consistent with both human resources best practices and cybersecurity industry standard practices regarding the retention and protection of sensitive, employee-level data, and the HR capacity request is aligned with HR industry best practices. Both requests are consistent with several other state agency HR unit staffing levels and use of IT systems for employee-related data. Consequently, using this information, the request could be classified as Theory Informed, or Step 2, as it is measured by internal operational goals and is widely accepted to impact the overall support of business needs of the Department to facilitate programmatic objectives.

R6 ESSER STAFF CLOSEOUT

7 [Rep. Bird] What exactly does this “closeout” mean? Why do you need more people in order to close out these expenditures? Why this level of expense?

CDE is using the term “ESSER Closeout” to refer to several critical grant management and federal compliance functions including, but not limited to:

- providing technical assistance to districts and other grantees in finalizing their last requests for reimbursement,
- processing the requests for reimbursement for districts and other grantees,
- drawing down funds from the U.S. Department of Education, and
- reporting on the final uses of funds.

Based on the current reporting templates proposed for ESSER funds going forward, the Department is anticipating a minimum of two more years of reports to the U.S. Department of Education, which will require the processing, reviewing, validating, and submitting of over 809 data elements per year in late spring 2025 (for activities that occurred between July 1, 2022-June 30, 2023) and again in spring of 2026 (for activities that occurred between July 1, 2023 through June 30, 2024). It is not clear yet, whether there will be a final year of reports for activities that occurred between July 1, 2024 through September 30, 2024 (end of ARP ESSER III grants) or if those will be folded into the prior year’s reports. If those activities are kept as a separate report, there will be a final report that will be due May of 2027.

It is important to note that the Department is not requesting additional or new staff above and beyond what the Department previously had during the grant period. Rather, the Department is requesting funding to continue for only a limited number of staffing resources critical to ensuring the State remains in compliance with federal requirements throughout the close-out period to temporarily support the Department’s Federal Programs and Supports Unit, Grant Program Administration Office, Grants Fiscal Management Unit, and Strategic Recovery Office (the last of which will disband at the end of this funding).

To reduce this request, CDE has limited this to only the staff necessary to carry out the required functions and reporting. Currently, CDE has more than 30 ESSER-funded staff, and this request only provides temporary funding to maintain 5.03 FTE through the closeout period.

The additional resources for the closeout period are critical to ensure accurate accounting, reporting and compliance with federal requirements. Failure to properly do so may result in findings in future audits, which could result in corrective actions such as reimbursing the federal government a portion of the funds.

8 [Sen. Kirkmeyer] Why can’t you close out expenditures by the September 2024 end date for funding? If there are costs beyond September 2024, why can’t you cover the closeout costs with funds from other programs/sources within the Department’s internal resources?

The Department understands the disconnect with needing to ask for these funds, and is only doing so 1) because of the potential risks to future federal funds for both the Department and districts if the close out is done incorrectly, and 2) as a last resort after exhausting other avenues and alternatives.

Unfortunately, the way the federal funds were structured by federal statute and the U.S. Department of Education, CDE is prohibited from expending funds for personnel past September 30, 2024. However, schools, districts, BOCES, and other grantees have until September 30, 2024, to finalize their expenditures and CDE has through January of 2025 to process requests for reimbursements and finalize draw down funds for expenses appropriately obligated by September 30, 2024. Additionally, CDE is required to report on the complete use of these funds by June 30, 2025. Final data for this report, however, will not be available until early in 2025.

CDE has proactively worked with the U.S. Department of Education, the National Governors Association, the Governor's office, and the Council of Chief State School Officers to advocate for additional opportunities (e.g., no-cost extensions, flexibility in the incurring of personnel expenses after September 30, 2024) to avoid this request. However, all communications with the U.S. Department of Education have indicated that these flexibilities are unavailable and extending the timelines would require an act of Congress.

Federal funds are strictly limited to only the appropriated purpose and CDE is prohibited from reallocating funds from other federal sources to support these efforts. Based on Statutory requirements, CDE does not think the legislature has granted authority intended for state funds appropriated for other purposes to be used for the purposes of federal grant administration. Even if such authority did exist, using funds from other state programs and sources would mean that the state requirements funded with those resources would not be completed while the federal work was done.

R15 CDE FACILITY NEEDS AND R19 COLFAX SECURITY

- 9 ***[Sen. Kirkmeyer]*** **The Department has had many requests in recent years related to safety and security, including requests for bullet proof windows and adding contracted security staff. Please summarize all your security-related requests for this year, including any requests for capital construction funding, and identify what we've funded in the last two years.**

The request for CDE facility supports (R-15) is designed to provide dedicated support to the Department in managing the facility-related needs across all three CDE locations. As mentioned during the recent briefing, CDE has already reduced its footprint by one location and will, by the end of this fiscal year, have eliminated a second location leaving CDE staff being housed in only the State Office Building (201 E. Colfax), the State Services Building (1525 Sherman), and the Colorado Talking Book Library (180 Sheridan).

However, operating in historic and aging buildings requires significant attention to the ongoing needs for safe operation of the building. This has required CDE to divert staff from their primary functions to address needs such as: emergency maintenance needs (including but not limited to those issued caused by a severely leaking roof), liaising with Capitol Complex (DPA), addressing on a nearly daily basis routine and ongoing maintenance of the building, coordinating and managing capital projects the Department, working with the Colorado State Patrol on security-related issues (a recent example is a malfunction in the automatic locking mechanism of the front doors), and contract management for building operations and security vendors.

Adding this single position will allow multiple roles to be reallocated back to their original intent and improve the Department's ability to meet our goals while also ensuring that our

facilities are managed in a continuous, strategic, and ongoing fashion to avoid further and ongoing maintenance concerns

The request for Colfax Security (R-17), on the other hand, focuses purely on safety and security of the facility located at 201 E. Colfax in the Capitol Complex. This request would bring the Department in line with other state agencies within the Capitol Complex by providing a weapons detection system and an additional security staff member that would allow the front doors to be covered at all times if the other security staff member needs to perform a security check of the building, or during breaks or while eating a meal.

Current FY 2024-25 Controlled Maintenance requests related to safety and security:

- Approximately \$70,000 for Colorado Talking Book Library to replace windows damaged by bullet holes and to add bullet resistant film (Total request \$1,060,597).

Below is a summarization of all safety and security related requests in the last two fiscal years:

FISCAL YEAR	TYPE	LOCATION	DESCRIPTION	AMOUNT
FY 2023-24	CONTROLLED MAINTENANCE	TALKING BOOK LIBRARY	SAFETY, SECURITY, ELECTRICAL UPGRADES	\$1,647,715
FY 2023-24	CONTROLLED MAINTENANCE	201 E. COLFAX	AWARDED TO DPA - DESIGN, PROCURE AND INSTALL BULLET RESISTANT GLAZING AND/OR INTERIOR STORM WINDOWS ON THE FIRST AND SECOND FLOOR WINDOWS FOLLOWING A SHOOTING THAT OCCURRED OUTSIDE THE DEPARTMENT FORCING STAFF TO SHELTER IN PLACE (SIMILAR TO WHAT WAS INSTALLED AT THE CAPITOL BUILDING)	\$1,352,313
FY 2023-24	DECISION ITEM R-04	201 E. COLFAX	INFLATIONARY INCREASE FOR FRONT DESK SECURITY GUARD	\$22,125
FY 2022-23	CAPITAL	STATE BOARD OF EDUCATION	BULLETPROOF GLASS FOR BOARD ROOM RENOVATION	\$123,786
FY 2022-23	DECISION ITEM R-03	STATE BOARD OF EDUCATION	CSP ON SITE DURING STATE BOARD OF EDUCATION MEETINGS	\$39,960

R7 FACILITY SCHOOL BASELINE MODEL INFLATION

- 10 ***[Reps. Bird/Sirota]* Discuss the adjustment to the projected cost of S.B. 22-219 for FY 2024-25 (lower than the original). It is unusual to address annualization of a bill this way. Why has the projected cost changed?**

In consultation with JBC staff, CDE included the annualization in this manner due to the more unique setup of the legislation and the desire to reflect more accurately the current expectations for the Facility School enrollment for FY 2024-25. For example, the legislation requires that the Baseline funding model be adjusted for inflation each year to ensure that the costs included within the model accurately reflect the costs faced by the schools. In addition, the total cost will be impacted based on the number of new schools opening and capacity adjustments at the current schools. The decision item was an attempt to reflect the best information available for these factors as well.

The cost in this request was somewhat lower than the original fiscal note estimated, as the overall capacity of Facility Schools (new schools and growth at current ones) was lower in FY 2023-24 than originally estimated. It is assumed that the limited time between the passage of SB 23-219 and the start of the new school year did not allow sufficient time for schools to react but it is also assumed that the anticipated growth will occur in FY 2024-25 and beyond.

Ultimately, the Department envisions a process where the most accurate information can be incorporated in figure setting to adjust the appropriation based on the new schools planning to open, capacity adjustments at current schools and the final inflation numbers from the prior calendar year

R10 CDIP ENHANCEMENT

- 11 ***[Sen. Kirkmeyer]* Is this truly a prioritized request for the Department (if it is a Governor request)? Please explain whether the SBE/Department has prioritized the request.**

This request originated with the Governor. The Governor's Office shared the request with the State Board of Education on October 11, 2023. During that presentation, the Governor's Office shared that this one-time request for additional funds (R10) was designed as a stop-gap measure while awaiting potential changes to the overall funding model as recommended by the 1215 Task Force. They shared that they hoped the one-time funding would support districts in getting closer to the full Tier 1 reimbursement amount (which is \$1,000).

In previous years, demand for the program has grown so significantly that the reimbursement rate has varied anywhere from between \$369.96 to \$956.89, and that program has rarely funded Tier 2 or Tier 3 requests. In the 2022-23 school year, the Department received nearly 20,300 reimbursement requests, but was only able to fund a little over half of the requests (10,791).

On November 8, 2023, the State Board of Education voted unanimously to support this request. Thus, R10 is a joint request from the Governor and the State Board of Education/CDE.

CDIP program data is available on the CDIP webpage: <https://www.cde.state.co.us/postsecondary/hb18-1266>

R12 PROACTIVE INTERVENTION EXPANSION

12 [Rep. Bird] Discuss the efficacy of the Department’s School Transformation Grant Program and whatever data and studies are available about the program’s impacts.

The Governor’s Office shared this request with the State Board of Education on October 11, 2023 and on November 8, 2023, the State Board of Education voted unanimously to support this request.

The Department’s School Transformation Grants are grounded in evidence-based strategies, and include continued evidence-based evaluation, continuous improvement implementation, and ongoing innovation. Unlike most grants, however, CDE’s School Transformation Grant Program provides high levels of individualized technical assistance, partnership and support for schools. Beyond just providing funding for districts, the model includes a CDE staff transformation manager that works on-site with the school, providing feedback and support through implementation challenges and the Department provides professional learning for participating districts and schools across the state. Recently, CDE’s supports for districts and schools have been evaluated in two separate, but related, ways as described below.

The School Transformation Grant includes an annual allocation for CDE to partner with an external evaluator for ongoing evaluation of the programs’ effectiveness. This allows CDE support programs to continue to innovate, be evidence-based, and improve support for schools and districts across the state. Beginning in 2020, CDE partnered with the Center for Assessment, Research, Design, and Evaluation (CADRE) at CU Boulder to engage in a multi-part evaluation of support programs funded via the School Transformation Grant.

The first phase of the evaluation was a descriptive, quantitative analysis. The final report was completed in February 2021 and titled “Evaluation of Colorado School Turnaround Network and School Turnaround Leadership Development [Programs]: Descriptive Analysis of 2015-2020 Cohorts”. In this report, CADRE found “...the patterns show that schools eligible to participate in CDE support programs tended to serve higher proportions of students from historically disadvantaged groups relative to the statewide population of schools” (page 16). Additionally, the external evaluation “...found trends in student achievement consistent with small positive effects for each cohort of [CDE support program] schools for years during and after participating in the programs; these small positive changes are consistent with the average magnitude of positive effects found in other recent studies of school turnaround interventions” (page 3).

The second phase of the evaluation was a multi-phase case study of schools that participated in CDE’s support programs, which culminated in a report titled “Learnings from a Multi-site Case Study of Former Turnaround Schools”, and completed in July 2022.. The case study included schools that sustained student achievement gains after exiting turnaround status, and was designed to identify and replicate the evidence-based practices in those sites used to achieve outstanding results. CADRE conducted an intensive analysis that included site visits, interviews with school and district leader interviews, focus groups with staff, classroom observations, , and an extensive review of documents such as classroom observation protocols, diagnostic review reports and progress monitoring reports. CADRE found that were several component were critical to sustaining school turnaround success., including:

- CDE’s support of short-cycle improvement planning (such as the technical assistance and district supports funded through the School Transformation Grants)
- performance management, and
- collaboration between state, district, and school, and distributed leadership within schools

CDE is using these findings to continuously improve the support programs offered through the School Transformation Grant.

Additionally, in the “Evaluation of Colorado’s K-12 Education Accountability System prepared for the Office of the State Auditor” that was completed in November 2022, the external evaluator HumRRO studied the impacts of CDE’s School Transformation Grants on student outcomes. Across a sample of 212 Priority Improvement or Turnaround schools that participated in the grant program, HumRRO found that “participating schools generally experienced more gains or fewer losses in academic achievement, academic growth, and graduation rates than non-participating schools”, and that “participating [high] schools had higher graduation rates than non-participating [high] schools”

R13 ED TALENT MENTORSHIP GRANT PROGRAM

13 *[Rep. Bird]* The request references national studies about mentorship. Do we have any Colorado data/studies about mentorship programs?

CDE conducted reporting from the Mentor Teacher Grant program by administering surveys to mentors and mentees and progress reports asking grantees to report successes and challenges. The survey from the first year grantees focused on the following measures: school connectedness; school leadership support; intentions to stay in education; and teacher efficacy. Key survey findings include:

- 97% of Mentor Grant survey respondents reported they intended to remain in education at the conclusion of the 2022-23 school year.
- 96% of mentor survey respondents felt confident in their ability to meet the needs of their new teachers.
- 91% of new teacher survey respondents felt confident in their mentor’s abilities to meet their needs.

A few examples from grantees of the impacts the Mentor Grant has had include:

- One grantee’s science teacher attrition rate dropped from 32% in 2021-22 to 12.5% in 2022-23 in the grantee district.
- Another grantee’s overall teacher turnover rate decreased from 24.21% in 2021-22 to 16.73% in 2022-23 in the grantee district.
- For another grantee, 91% of teachers in the mentoring program remained in their teaching positions for the following academic school year.

14 *[Rep. Bird]* Please discuss how the current ESSER-funded/proposed State-funded mentorship program would operate. The request discusses 20 to 30 districts receiving grants. Would grant funding shift to different districts over time? Is the idea to provide time-limited funding? Ongoing funding?

Grants would be distributed on an annual basis through an open competitive grant process. New school districts, charter schools or BOCES would be awarded a grant each year as an opportunity for districts to build, enhance and strengthen mentoring programs. The funds allow for building capacity for local level systems for district, BOCES, and charter schools beyond the

annual need to support and compensate mentors and mentees. Training mentor teachers on how to support and coach new to the profession teachers builds ongoing capacity while also providing career growth opportunities for veteran teachers.

- 15 ***[Sen. Zenzinger]: Does CDE have existing statutory authority to operate a mentorship grant program? Why does this require legislation?***

CDE does not currently have the statutory authority to create a state-funded grant program and distribute state mentoring grant funding to district, charter schools or BOCES. The existing mentoring grant was funded under ESSER and therefore, since it was federally funded, it did not require State statutory authority.

- 16 ***[Sen. Zenzinger/Staff] Clarify the differences between the CDE ESSER-funded mentorship grant program and the DHE mentorship grant program. Would it make sense to consolidate mentorship grant programs in one department, even if the two programs are different?***

In the simplest of terms, the major difference between CDE's ESSER-funded mentorship grant program and CDHE's mentorship grant program is the recipients of the grants. CDHE's grant program provides money directly to the Institutes of Higher Education (IHEs) and is focused on training and compensating mentors. CDE's grant program funds local providers (district, charter schools, and BOCES) and is focused on training and compensating mentors as well as building a comprehensive mentoring system at the local level to support new to the field educators. From a statutory perspective, LEAs are required to have mentor programs for new educators. IHE's are not required to have programs for induction.

CDE team would be open to continuing to align CDE's and CDHE's resources for educators, school districts and educator preparation programs.

- 17 ***[Rep Taggart] This request is for the State to take over funding for a program that was funded with one-time federal funds. Why does the Department/Governor's Office believe this is appropriate?***

With the ongoing teacher shortage in Colorado, new teacher retention is a critical issue. In FY23, more than 19% of educators turned over. This means that educators left the classroom they were in and moved either to a new classroom, out of the state of Colorado, or possibly out of the field of teaching. Prior to FY23, the turnover rate ranged from 14-16%. Educator retention, especially for those new to the workforce, continues to be a growing concern. Ongoing mentor grant funds would provide crucial supports to those new teachers and a career ladder for high-quality, veteran teachers, improving both retention and instruction across the state, ultimately impacting student learning.

Although induction and mentoring is required by state statute for new-to-the-profession teachers, there is no State-level funding available for district, BOCES and charter schools to implement the work of ensuring strong induction and mentoring programs. To support the immediate need of new teachers in the classroom, particularly during a critical and ongoing teacher shortage, the Colorado Department of Education utilized ESSER funding to support induction. These funds were awarded to 51 induction programs and cost \$12.65 million.

At the end of the 2023-24 school year, ESSER funds expire leaving no ongoing funds to support any local education agency in building and implementing induction and mentoring. ESSER funds were used to meet a need in the field and proved to be highly valuable to new educators and to retain veteran teachers. The demand is great with requests for funding and support coming from districts across the state in amounts that surpassed the available ESSER dollars, and they have made a difference in retaining educators after their first year.

NUTRITION PROGRAMS

HEALTHY SCHOOL MEALS FOR ALL

- 18 Does the Department agree with JBC Staff that a FY 2023-24 supplemental appropriation, including a General Fund subsidy as well as an increase in spending authority from the Healthy School Meals for All General Fund Exempt Account, is likely to be required? Does the Department have a preliminary FY 2024-25 projection for program costs yet?**

Based on data from August and September meal claims, a preliminary analysis showcases a need for an increase in spending authority to ensure adequate appropriations for reimbursements are available for FY 23-24. Given the preliminary nature of the data, the Department will provide updated claims data to the JBC staff as these become available. The Department will have a projection for FY 2024-25 when new eligibility data is available from districts in January 2024.

While the Department agrees with JBC staff that a supplemental appropriation will be required for FY 2023-24, updated revenue projections from the Office of State Planning and Budgeting indicate that a General Fund subsidy will not be required in FY 2023-24 as revenues from FY 2022-23 and FY 2023-24 are projected to be sufficient to cover claims from districts in the current year.

- 19 Should the General Assembly consider delaying implementation of the grant and stipend programs that are scheduled to begin in FY 2024-25, given uncertainty about the costs of providing free meals for FY 2024-25?**

Given the increase in direct certification of students as eligible for free meals in FY 2024-25 and the increased forecast for Prop FF revenues, it is unclear if there will be insufficient funds available for these grant programs in FY 2024-25. In the event that there is a shortfall, one of JBC staff's recommendations includes delaying implementation of three grant and stipend programs, that equate to \$22,138,235 in FY 24-25:

- ~\$7.6 million for wage increase or stipends for kitchen employees – Districts have shown significant interest in wages and stipends funding and have been planning on how to utilize this funding over the past year to help them in hiring and retaining food service staff. Delaying implementation of this funding would have the largest impact on the districts as every district in the state offering the Healthy School Meals for All Program are eligible for these funds (183 districts total) and the current workforce challenges.
- ~\$9.5 million for the local food purchasing grant – CDE administers two similar local food program grants that are federally and state funded. Based on previous utilization and demand for the federal program, it's possible that there will be less demand than the almost \$9.5 million that is currently allocated (in the most recent federal grant cycle only 65% of federal funding

was utilized). Between federal and state funding, almost \$1.4 million dollars were spent on local food purchases last school year. We anticipate districts will use more than that next school year due to training and outreach that has been conducted across the state, but most likely not near the \$9.5 million that would be available to them through this new program. Based on participation in past state and federal local purchasing grants, delaying implementation of this grant funding would potentially impact more than 50 districts, which includes at least 37 small districts, 8 rural districts and 8 small rural districts. Small and rural districts generally don't have extra funding available to purchase local foods so this funding does allow them that option.

- ~\$5 million for the local school food purchasing technical assistance and education grant program – The remaining \$5 million will be for a non-profit organization CDE will identify through a grant competition process that is scheduled to start March 2024 and award a non-profit by July 2024. This impact is harder to quantify as this is supportive in nature. The non-profit organization that will be awarded the grant will be tasked with training, technical assistance, and mini-grants to districts, associations, or organizations to support purchasing local foods. If reductions are required based on revenue shortfalls, this program may be easiest to delay as the impact on districts will be less direct than the other two programs (wages and food purchases).

PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE/BUILDING EXCELLENT SCHOOLS TODAY

- 20 ***[Rep. Bird]* Provide an update on program operations including: (1) implementation of S.B. 23-220 (Public School Capital Construction Assistance Grants) and other projects awarded in FY 23; (2) funds anticipated to be available for FY 2024-25; and (3) statewide needs analysis and prioritization.**

(1) SB23-220 allocated \$49,705,220 for two rounds of Supplemental Grants in FY24 related to COVID inflationary issues. Round one BEST Supplemental Grants were awarded on May 17, 2023, with the second round awarded on August 7, 2023. Eleven projects in total received Supplemental Grants for a total award of just over \$39 million from BEST which was matched by just over \$6.5 million in funds from grantees.

FY2023-2024 Supplemental Round 2 (August 2023)					
County	Applicant Name	Project Title	BEST Request Amount	Applicant Contribution	Total Request & Matching Contribution
Las Animas	TRINIDAD 1	Supplemental FY22 Trinidad HS Health, Safety & Ventilation Upgrades	\$ 3,640,175.80	\$ 191,588.20	\$ 3,831,764.00
Baca	Vilas RE-5	Supplemental FY22 Vilas System/Safety Upgrades (2)	\$ 845,095.66	\$ 44,478.72	\$ 889,574.38
Pueblo	PUEBLO CITY 60	Supplemental FY21 Sunset ES Replacement (2)	\$ 84,840.00	\$ 16,160.00	\$ 101,000.00
Huerfano	HUERFANO RE-1	Supplemental FY21-22 John Mall High School Replacement	\$ 534,783.00	\$ 207,971.16	\$ 742,754.16
Pueblo	PUEBLO CITY 60	Supplemental FY21 Franklin ES Replacement (2)	\$ 83,160.00	\$ 15,840.00	\$ 99,000.00
Total Recommended BEST Grants			\$ 5,188,054.46	\$ 476,038.08	\$ 5,664,092.54

Per statute, the remaining \$10.3 million from SB23-220 that was not needed for supplemental projects reverted to the traditional BEST grant process. The BEST regular cash grants process had approximately \$8.6 million remaining from the traditional FY24 appropriation, for a total of \$18.9 million. Per statute, any funding remaining in the traditional BEST appropriation goes to the next highest prioritized project (commonly known as a “back up project”), which was Norwood School District. The project was dependent on voter approval of a bond, which ultimately failed. As a result, Salida Montessori School, which was the next highest prioritized project, has accepted \$13 million of the \$18.9 million surplus. The Department is currently

waiting to hear back from McClave School District regarding the remaining \$5.9 million. If McClave does not accept the award, staff will continue down the list of prioritized projects and does not anticipate there being an issue with the funding going unused as there are 28 additional back up projects that total more than \$266 million.

(2) Preliminary numbers indicate about \$133 million available in the Capital Construction Assistance Fund for FY25 grants. Final amounts will be adjusted as revenue numbers are finalized in the coming months.

(3) The deadline for Notice of Intent to Apply for an FY25 BEST Grant was November 30. While some projects that submit intent may not ultimately apply and the program does allow applications from grantees who did not submit intent, this gives a sense of the statewide need for next fiscal year. Here is a summary of what was received through the Intents to Apply:

- 73 Notices of Intent from 51 districts, 20 charter schools, 1 BOCES and the Colorado School for the Deaf and Blind;
- 19 projects under \$1 million;
- 28 projects between \$1 million and \$10 million;
- 8 projects over \$10 million;
- 8 projects between \$10 million and \$25 million;
- 10 projects over \$25 million; and
- The Statewide Facility Assessments currently identifies \$17.2 billion in capital construction needs.

SCHOOL FINANCE

RJ SCHOOL FINANCE SYSTEM MODERNIZATION

21

Rep. Bird/Sen. Zenzinger: Noting that \$200,000 seems like a lot of money to estimate the feasibility of implementing a system – please discuss the Department’s plans for the system modernization, including more information on the goals of the modernization and an explanation of the estimated cost. In addition, please discuss the potential pros and cons that could come with the Department utilizing the Legislative Council Staff School Finance model.

The current system utilized by the Department is very old, and in need of modernization. It is unable to adapt to recent legislation and accurately calculate payments to districts and subsequent audit adjustments without manual calculations. The Department is requesting the \$200,000 not just for an evaluation of the current system but to also create the needed plan for remediating or replacing it. In other words, the funds will assist in the first phase of requirements gathering necessary for the RFP that is expected to be required.

In addition to the evaluation and creation of the plan and high-level requirements gathering, the Department intends to investigate how much of the effort put into the modeling system developed for Legislative Counsel could be leveraged. While the Department agrees with JBC staff comments during the Briefing that having two separate systems can provide an important double check on policy models and system calculations, that does not necessarily mean that system components or approaches cannot be leveraged in some fashion to reduce costs and/or

enhance eventual functionality. The request for the \$200,000 is intended to accomplish these goals while setting in motion the next phase of the project.

R2 CATEGORICAL PROGRAMS INCREASE AND ISSUE BRIEF

- 22 Rep. Bird/Staff Recommendation: Please discuss the potential magnitude of the increase required to fully fund special education for children with disabilities based on statutory changes and the intent of S.B. 22-127 and S.B. 23-099.**

The Exceptional Children's Education Act (ECEA) funding is distributed based upon prior year students counts: FY 2023-24 distributions will be based upon the Special Education December Count data collection from December 2022. Based upon these counts, the Department estimates that an additional \$9,427,446 is needed in FY 2023-24 to fully fund ECEA. This is based upon an assumption that \$4,000,000 will be set aside for High Cost Special Education funding pursuant to Section 22-20-114(2)(a)(II)(A), C.R.S. and \$500,000 will be set aside for Ed Orphan funding pursuant to Section 22-20-114(1)(a)(I)(A) and (B), C.R.S.. In the last few years, any excess not needed for Ed Orphan was reallocated into the ECEA as a supplement to the Tier B calculation. Thus, the estimated cost may be somewhat lower. Tier A student counts result in funding of \$197,037,750, leaving \$138,820,554 for Tier B students. Based upon the Tier B Count from December 2022 of 24,708, this results in \$5,618,45 per Tier B students. The \$381.55 shortfall per student multiplied by the Tier B students equates to \$9,427,446.

It is difficult to accurately estimate the funding needed to fully fund ECEA for FY 24-25 as the December Count data collection will not be finalized until the Spring of 2024. Assuming a one percent increase in both Tier A and Tier B student counts. Based upon this assumption and corresponding estimated student counts, as well as the requirements of S.B.22-127 and S.B. 23-099, the total need to fully fund special education for children with disabilities in FY 2024-25 is an additional \$23,267,348. This includes increasing the Tier A amount to \$1,837.5 based on an assumed 5% inflation rate.

- 23 Rep. Taggart: Please provide some background on how Tier A and Tier B funding works for context.**

Funding under the Exceptional Children's Education Act (ECEA) is allocated using a tiered methodology. All students with disabilities eligible for special education services are considered Tier A. Tier B funding is allocated for students who generally, but not always, will have more significant needs due to the severity of the disability. Tier B consists of students identified with one or more of the following disabilities: visual impairment, including blindness; hearing impairment, including deafness; deaf-blindness; serious emotional disability; autism spectrum disorders; traumatic brain injury; multiple disabilities; and intellectual disability.

Tier A Funding

- Each Administrative Unit (AU) receives \$1,250 for each student identified for special education services from the prior-year Special Education December Count.

This amount has remained unchanged from 2006; no adjustment has been made for inflation until the current year.

- A total of 106,299 students identified for special education services were served in the 2020-21 school year and representing 12.03 percent of the total public school student population in Colorado.
- In 2018-19 the total number of students identified as eligible for special education services was 104,569. In 2021-22 the total number of students eligible for special education services was 108,305. This increase of 3,736 students marks a 3.57 percent increase in total students served over a four-year period.
- The number of students eligible for special education services increased by 1.9 percent in 2021-22 from 2020-21, while the total student population of Colorado increased by 0.38 percent.
- When there is an increase in the number of special education students in an AU from one year to the next, the AU provides services with no additional revenue to support increased numbers for a full year.
- Funding of Tier A students increased proportionately, consistent with the total number of students with disabilities, but there was no per pupil increase in funding until FY 2023-24. SB22-127 initiated an inflationary adjustment to Tier A starting in FY 2024-25.

Tier B Funding

- Statute allows up to \$6,000 per pupil for a limited percentage of eligible Tier B students based on appropriated funding.
- During the 2020-21 school year, Tier B funding was \$2,637 per student. In the spring of 2021, an additional \$10 million was added for the 2021-22 school year. This increased the funding to \$3,387 per student and reflects a 28.4 percent increase in Tier B funding overall, with a 12.5 percent increase toward the current statutory maximum of \$6,000.
- Students funded in Tier B represent approximately 2.70 percent of the total Colorado student population and 22.07 percent of all special education students based on the December 1, 2021 count.
- In the school year 2018-19, AUs served a total of 22,891 students identified as Tier B. In school year 2021-22, a total of 23,898 students were identified as Tier B. This increase of 1,007 students marks a 4.40 percent increase in total students identified as Tier B and served over a four-year period. 2021-22 Annual Report: SEFAC.
- In 2021-22, Tier B funding was \$3,387 per eligible student, which is 56.45 percent of the \$6,000 per pupil maximum for Tier B students.

- 24 **Sen. Kirkmeyer:** Noticing that Special Education increase in the request is only 4.4 percent which is less than the inflationary increase that they would expect. Is the inflationary increase to the Tier A per pupil amount built in for FY 2024-25 (in the request)? Please specify.

The categorical programs budget request in the November 1 submission implemented the standardized model to calculate inflationary increases to categorical programs, however, it included an oversight related to statutory changes provided for in SB22-127, which requires special education funding to increase by inflation. Using the standardized inflationary model, the request only included a 4.4% increase to special education categorical funding instead of the 5.0% required from SB22-127. This error will be addressed in the upcoming January budget amendment process.

- 25 **Sen. Zenzinger:** Why does the request reflect a negative percentage change for the Expelled and At-risk Student Services Grant Program (the decrease of \$8,711).

The Expelled and At-risk Student Services Grant Program line was negative because the data from districts indicated that it was technically over funded based on actual reported expenditures. The data reported on page 5 of the request is a direct comparison of funded level vs. actual reported expenditures within the districts (reported expenditures were \$465,482 lower than what was funded). Thus, when applying the formula to distribute the inflationary increase, this received a reduction due to the data indicating it is over funded.

- 26 **New At-risk Factor Rep. Bird/Staff Recommendation:** Please provide any recent updates on implementation of the at-risk measure that staff didn't cover in the issue brief.

The work group that was created via HB22-1202 to develop a new mechanism to both identify and fund at-risk students had limited access to the data that was necessary to review, evaluate and recommend a final mechanism to identify and fund the new measure. As a result, the December 2022 final report included nine combined Identified Student Percentage (ISP) and Socio-Economic Status (SES) indexes and three different ways to calculate the index SES.

In the 2023 School Finance Act (SB23-287) the General Assembly directed CDE to create a pilot program to test the collection and evaluate the potential implementation challenges with utilizing both an ISP metric and an SES index.

The pilot includes several components, such as:

- Testing the submission and validity of census block code data from districts
- A quantitative analysis that compares actuals of student-level SES data collected through the pilot program to the updated SES modeled data based upon 5 to 17 year olds in the district boundaries.
- A qualitative analysis based on survey data and feedback from districts participating in the pilot regarding considerations of the data collection for the new measure.

Nine districts volunteered to participate in the pilot, which launched once districts completed the Student October Count in early December. The pilot isn't scheduled to be completed until January, so it is too early to provide a comprehensive review of the potential challenges. Additionally, it is important to note that since the pilot only includes nine districts, initial results

might not adequately reflect the implications of rolling the measure out statewide. Beyond that, initial results combined with observations from the 1202 work group report indicate there might be a series of complications in implementing a new measure, including but not limited to:

- *Reporting of the at-risk measure may be labor and time intensive for school districts.*
 - A majority of districts – including larger districts, do not have information management tools in place that include geographic information system (GIS) tools that automatically translate a student's address to its corresponding census block.
 - As a result, most districts will have to do a separate data lookup and/or manual process to identify and report a student's census block while simultaneously completing the October Student Count, which is the largest data report they provide to CDE.
- *Anomalies in the calculations might lead to “compression” – resulting in districts with traditionally lower FRL counts experiencing an increase under the new at-risk measure, while districts with traditionally higher FRL counts experience a decrease under the new measure.*
 - Unlike the current formula, which funds a static amount for students once they are identified as free or reduced lunch, the proposed measure also provides a weight for students on a spectrum of need.
- *There may be some unintended consequences of using direct certification and census block data*
 - Census block data for rural communities is more widely dispersed than it is in urban areas and may not fully represent the socioeconomic conditions of very small districts.
 - Initial review suggested that there could be around twenty districts that had a lower at-risk count under the new measure compared to the district's previous FRL counts. The 1202 work group speculated this could be caused by the inclusion of data from direct certification programs, which undocumented students are typically not eligible for.
 - Application of census block data may not be consistent across the state – for example a lower income and highly mobile census block in a more urban district might look very different in a university community, however for the sake of the formula they could be calculated the same.
 - Districts may not have addresses for some students – such as housing insecure students or those who have protected/confidential status for their safety.

The Department understands the General Assembly needs additional information data to make final decisions regarding how the new at-risk measure is calculated and is diligently working to complete the pilot, analyze the outcomes, and summarize the findings. Due to various pressures on providing JBC with final school finance data (such as local districts setting mill levy rates later than usual) the Department anticipates this information will be available by the end of January, which for transparency is later than initially planned.

27 ***Sen. Gonzales: If an at-risk student is living in a gentrified census block group, how would that be captured in the model?***

Based on HB22-1202, the new model is calculated by combining two pieces of information:

1. Direct certification data for a student¹; and
2. A socio-economic status index based on a student's address.

The 1202 work group recommended the students' socio-economic status index should be determined using seven data points for the census block as a whole:

- Share of those in the same residence as of last year;
- Share of adults aged 25 or older with a bachelor's degree or higher;
- Share of children under 18 who are adopted, foster, or living with relatives that are not their biological parents;
- Median household income;
- Share of occupied housing units with more than 0.5 occupants per room;
- Average ratio of income to rent/ownership costs; and
- Share of children aged 5 to 17 who speak non-English language at home.

An analysis hasn't been done to evaluate the impact changing neighborhood demographics would have on the model overtime. However, since the SES indicator is a composite of the seven data points above for the entire census block, the result in a gentrified neighborhood where wealthier residents may be displacing residents with lower incomes would be a combination of the overall/combined neighborhood demographics – meaning it would likely result in an at-risk student being identified in a census block index that is higher/more affluent and not as reflective of their overall need.

28 ***Sen. Zenzinger: What does the General Assembly do this year if it is still not ready for implementation? What would the Department recommend if the General Assembly needs to move forward without the new factor in place? Has the Department been contemplating any kind of backup plan?***

Currently, the Department's highest priority is to complete the pilot report and identify any additional research that the General Assembly might need to determine a course of action.

The Department is also in the process of conducting a thorough review and analysis of FRL counts over time to determine the cumulative effect of changes over the last few years. It is important to clarify that FRL forms/status is still being collected and used by districts. Students that are eligible for direct certification and categorical eligibility are automatically verified as Free lunch eligible students. Additionally, districts still have families submit FRL applications as other federal partners like the US Department of Agriculture still require districts to collect them for

¹ Direct certification – also know as an Identified student percentage (ISP) – includes whether whether a student is enrolled in Medicaid, Temporary Assistance for Needy Families [TANF], the Supplemental Nutrition Assistance Program [SNAP] and Categorically Eligible students (such as those in Foster Care, the Migrant Education Program, and those Experiencing Homelessness)

nutrition programs such as the Summer EBT program, state statute requires districts to collect them in order to maximize federal reimbursements for school nutrition programs, CDE still requires them for October Student Count for demographic purposes, and districts are using them to reduce fees or provide other benefits to families.

The preliminary Student October Count Data for the 2023-2024 school year shows an estimated 6% increase² in the overall number of Free Lunch eligible students across the state. While this is encouraging from a data collection standpoint, further data validation and additional research is still needed to fully understand the overall impact.

Ultimately, the General Assembly may want to consider an additional delay and process to reviewing, evaluating and deciding on a final calculation. CDE is working diligently to provide the General Assembly with additional data, however the initial results from the pilot might not adequately reflect the implications of rolling the measure out statewide for a few reasons:

- The sample size of participating districts is so small, and is necessarily reflective of varying demographic differences across the state
- Even within a district's boundaries, there will likely be a gap between census block data that accounts for all 5 to 17 year olds that reside within the census block, versus district data which will only include enrolled students and will not account for student choice or children enrolled in private schools or homeschooled. Rather than comparing apples-to-apples, these gaps could make comparing modeled census block data to actual student data from districts more like comparing apples-to-oranges.
- The earliest actual census block level data from October Student Counts could be available in January of 2025, which means implementing the at-risk measure during the 2024-25 school year would require budgeting based on modeled data versus actual data. The Department does not have a high degree of certainty that using the modeled data will produce a stable budget figure.
- Beyond the implications to the overall state budget, districts do not yet have a sense of how their modeled data would compare to their actual data, and without that information, their 2024-25 budget could be a "moving target" – they could stay the same or have significant increases or decreases in their total funded at-risk numbers.

29 Sen. Kirkmeyer: Who will make the final determination on what the weightings will be?

The Department would suggest that once the General Assembly determines the final calculation, that it should be set in statute to provide clear guidance and direction – which is consistent with other aspects of the School Finance formula.

² The 6% increase is still preliminary and is still subject to final data validation from the Department.

OTHER

- 30 ***Sen. Kirkmeyer: Will anyone at the Department or LCS be tracking whether school districts are reducing mill levies in light of increasing assessed values? (In reference to the Governor's letter urging mill levy reductions.)***

The Department does not plan to specifically track reductions to mill levies reduced in response to the Governor's letter. This would require additional workload for districts to respond to a new data collection. Additionally, it would require additional resources for the department, which would take away from other activities. The Department will collect mill levy information through the annual process, and can compare changes from the prior year. In some cases, the mills will decrease automatically as Assessed Values increase. This information would be available in January 2025.

- 31 ***Sen. Kirkmeyer/Rep. Bird: How should districts be dealing with the influx of migrant students, especially ones who arrive after the October pupil count? Question applies to both rural and urban districts.***

CDE has alerted the Governor's Office to the issue that has been raised by a variety of school districts, and the Governor's Office in turn is reviewing what operational or potential legislative action may be warranted.

Additionally, CDE is organizing opportunities for districts to collaborate to share resources about ways to support newcomer students. These professional learning opportunities are focused on sharing best practices in language development, social-emotional learning, and supporting teachers with instructional strategies. CDE has established learning opportunities for metro-area districts as well as rural districts that launched this month and will extend into the spring. These also include hosting visits to various types of newcomer programs for districts to learn from each other about different models to support students and families.

Newcomer status is not collected in Student October Count so quantifying new enrollment is a challenge.

- 32 ***Rep. Bird: Please discuss the Department's plans to deal with grant applications for programs that utilize free and reduced lunch data (that will no longer be available).***

As outlined in the response to question 28, the Department will continue to have Free and Reduced-Priced Lunch (FRL) eligibility data which can be used for grant applications.

STUDENT PATHWAYS

H.B. 22-1215 TASK FORCE TO SUPPORT POSTSECONDARY AND WORKFORCE READINESS

- 33 ***[JBC Staff]*** Does the Department have a position on how to proceed with the recommendations of the H.B. 22-1215 Task Force? Does the Department believe it would be helpful to have the JBC sponsor legislation to address some of the Task Force recommendations, as proposed by JBC Staff?

Now that the [H.B. 22-1215 Task Force Final Report](#) is complete (December 1, 2023), CDE staff are presenting the recommendations to the State Board of Education on December 13 to share the findings and receive any preliminary direction from the board. All of the recommendations in the report will require adjustments to statute, new legislation to implement, and/or financial resources. If the JBC is interested in sponsoring legislation, the Department is available to provide technical assistance on how to structure legislation to implement the recommendations.

ACCELERATING STUDENTS THROUGH CONCURRENT ENROLLMENT (ASCENT)

- 34 ***[Sen. Bridges/JBC Staff]*** (a) Does the Department have additional information available on which students participate in ASCENT (e.g., how many are undocumented)? (b) Does the Department have any additional information or analysis on the differential between what the State is paying for ASCENT versus what school districts are paying for students enrolled in the program to take classes at postsecondary institutions? (c) Does the Department have additional information on how school districts use any differential between the amount they pay for postsecondary classes and the revenue they receive for ASCENT?

(a) CDE has the following information on students who participate in ASCENT, [available here for 2018 - 2023](#) (and displayed in the Departments JBC slide deck):

- total count;
- gender;
- free/reduced lunch eligibility;
- multilingual learner;
- students with an individualized education plan (IEP);
- students with a 504 plan; and
- race/ethnicity.

CDE does not collect any information about whether a student or their family are documented or undocumented.

(b) In terms of the differential between what the State is paying for ASCENT versus what school districts are paying for students enrolled in the program to take classes at postsecondary institutions, the Local Education Provider (LEP) receives District Extended High School Per Pupil Enrollment Funding that it uses to pay college tuition at the resident community college rate. In 2022-23, the state paid \$9017 per student participating in ASCENT.

The State Board for Community College and Occupational Education (SBCCOE) sets the community college tuition rates annually. In FY 2022-23, the resident tuition rate was \$156.40/credit hour (this amount takes into account the College Opportunity Fund (COF) amount that year of \$104/credit hour which all ASCENT students are required to apply for in order to participate). Based upon this rate, the tuition cost for a full-time student enrolled in 12

credit hours would be \$1,876.80 per semester, or \$3,753.60 if the student was enrolled in 12 credit hours in both the fall and spring semesters. Therefore, there is a differential of \$5,263.40 between the Per Pupil Revenue that districts received and the tuition costs for a student enrolled in 12 credit hours for the school year. This differential may be larger if districts were able to negotiate a tuition discount which is lower than the resident tuition rate.

Students may enroll in more credit hours (e.g. 15 credit hours); 12 credit hours was used for this calculation as students must be enrolled in a minimum of 12 credit hours in order to qualify for full-time funding. Students enrolled in between 3 and 11 credit hours are eligible for part-time funding.

(c) Some LEPs do provide additional funds to the ASCENT student beyond paying their tuition bill, such as covering their books, fees, transportation, etc. (this has increased among LEPs though we do not have exact numbers). Some LEPs do not cover more than tuition. There are administrative costs to managing the program especially for larger districts, such as FTE, promotional materials, translation services, etc. Statute only requires that an LEP cover the tuition.

CONCURRENT ENROLLMENT IN OTHER STATES

35 [Sen. Bridges] JBC Staff have highlighted Indiana, Delaware, and Washington as states that have interesting innovations and successes in concurrent enrollment and career and technical education. Are there examples from these states or others that the Department believes are worth exploring further?

- Colorado is participating in the [Launch: Equitable Pathways for All Initiative](#), a national community of practice focused on providing student access to high-quality pathways, including concurrent enrollment (CE). Indiana and Washington are participating states, so the Department would like an opportunity to further confer with the states included in the Concurrent Enrollment briefing, as well as the Initiative technical assistance providers, to gather more details on additional effective concurrent enrollment policies and practices. This can be accomplished by Jan. 2024.
- In the meantime, the Education Commission of the States has a helpful summary of dual/concurrent enrollment practices by state, available at <https://www.ecs.org/50-state-comparison-dual-concurrent-enrollment-policies/>. A few of the points highlighted in the concurrent enrollment briefing issue are outlined in the chart below.

	Indiana	Delaware	Washington	Colorado
CE Offering Requirements	Minimum two CE classes offered in every high school	Not required	Not required	All LEPs have to offer the opportunity to enroll in CE
Funding	All technical and priority liberal arts dual credit courses are offered at no cost to qualifying low	No specified cost; state regulation says "No student shall be denied access to dual	No specified cost; students may need to pay the costs; some	There is no tuition cost to the qualified student or the qualified student's parent or legal guardian,

	Indiana	Delaware	Washington	Colorado
	income students; all other students are offered the courses at a maximum rate of \$25 per credit hour. The state of Indiana funds dual credits at \$50 dollars per credit hour.	enrollment courses because of the student's or family's inability to pay."	grant programs are available to off-set costs.	even if the qualified student fails or does not complete a CE course.
Teacher Certification	Previously concurrent enrollment teachers were required to have a master's degree in the subject they were teaching or at least 18 graduate credits in that subject. Now the requirements are determined by the colleges themselves. Free classes for teachers to meet certification standards.	Instructors must meet the requirements of a faculty member or adjunct faculty member at the accredited postsecondary institution.	Not set in state policy	The requirements are determined by the partnering colleges themselves and may vary by institution.
Student Eligibility	Eligibility not set in state policy	All high school students are eligible for pathways programs.	Under 21 years of age; in grades 11-12; eligible to enroll in the school district; has not earned a high school diploma.	Per statute, "Qualified student" means a person who is less than twenty-one years of age and is enrolled in the ninth grade or a higher grade level in a local education provider.

COLORADO SCHOOL FOR THE DEAF AND THE BLIND

R18 CSDB DEANS AND R19 CSDB PRESCHOOL PROGRAM

- 36 *[Rep Taggart]* These requests are for the State to take over funding for staff added with one-time federal ESSER funds. (a) The State does not have the fiscal resources to take over the many programs statewide that were developed or expanded with one-time federal funds. Why should we do this for these particular requests? (a) Did you hire ongoing staff with one-time funding? If so, what will you do if these requests are not approved?

a) The need for these positions were identified prior to COVID, and were greatly increased during and after COVID. The CSDB understands that these were one-time funds and were able to feel a pre and post COVID impact. The CSDB also understands that funding for these positions were not guaranteed after the grant expired. The impact of these positions has been

significant and not only aligns with areas of concern during the pandemic, which included pre-school students and an early education focus, as well as support for students in the areas of Social-Emotional Learning and Mental Health. In addition, these requests also support the identified needs in the Independent Program Review.

b) These positions were filled with transparency and staff that were hired were informed that they were grant funded and not fully funded beyond FY 24. If these positions are not funded, the CSDB will need to re-evaluate other positions and potentially close some positions to cover this. This would result in decreased support in other areas.

CHARTER SCHOOL INSTITUTE

CSI MILL LEVY EQUALIZATION

- 37 *[Sen. Zenzinger/JBC Staff]* JBC Staff have recommended that current law to fully fund CSI Mill Levy Equalization be operationalized by: (1) Adding funding in the Long Bill for the full cost of equalization using the appropriation format required pursuant to current law; and (2) Doing true-ups as needed the School Finance Act.

Staff have also suggested applying a change in the school finance act to eliminate the current Long Bill double count (reappropriated funds), e.g., by eliminating the Mill Levy Equalization Fund and replacing this with a direct General Fund appropriation.

(a) Does CSI have feedback on these proposals?

CSI's priority is to ensure students attending CSI schools receive MLO funding parity in line with the commitment in S.B. 23-287. We defer to the Joint Budget Committee on the funding mechanics to achieve this.

(b) Are there other legislative changes CSI would like the General Assembly to consider related to CSI Mill Levy Equalization?

CSI currently has the authority to distribute interest so long as no student is receiving a greater level of funding than district peers. Regardless of the mechanism determined, we would want to ensure access to interest to use or return based on small shifts in enrollment.

Colorado Department of Education

JBC Hearing

December 12, 2023



COLORADO
Department of Education



Welcome CDE Overview

PRESENTERS

Rebecca McClellan

Chair - State Board of Education

Susana Córdova

Commissioner

Wayne Peel

Budget Director



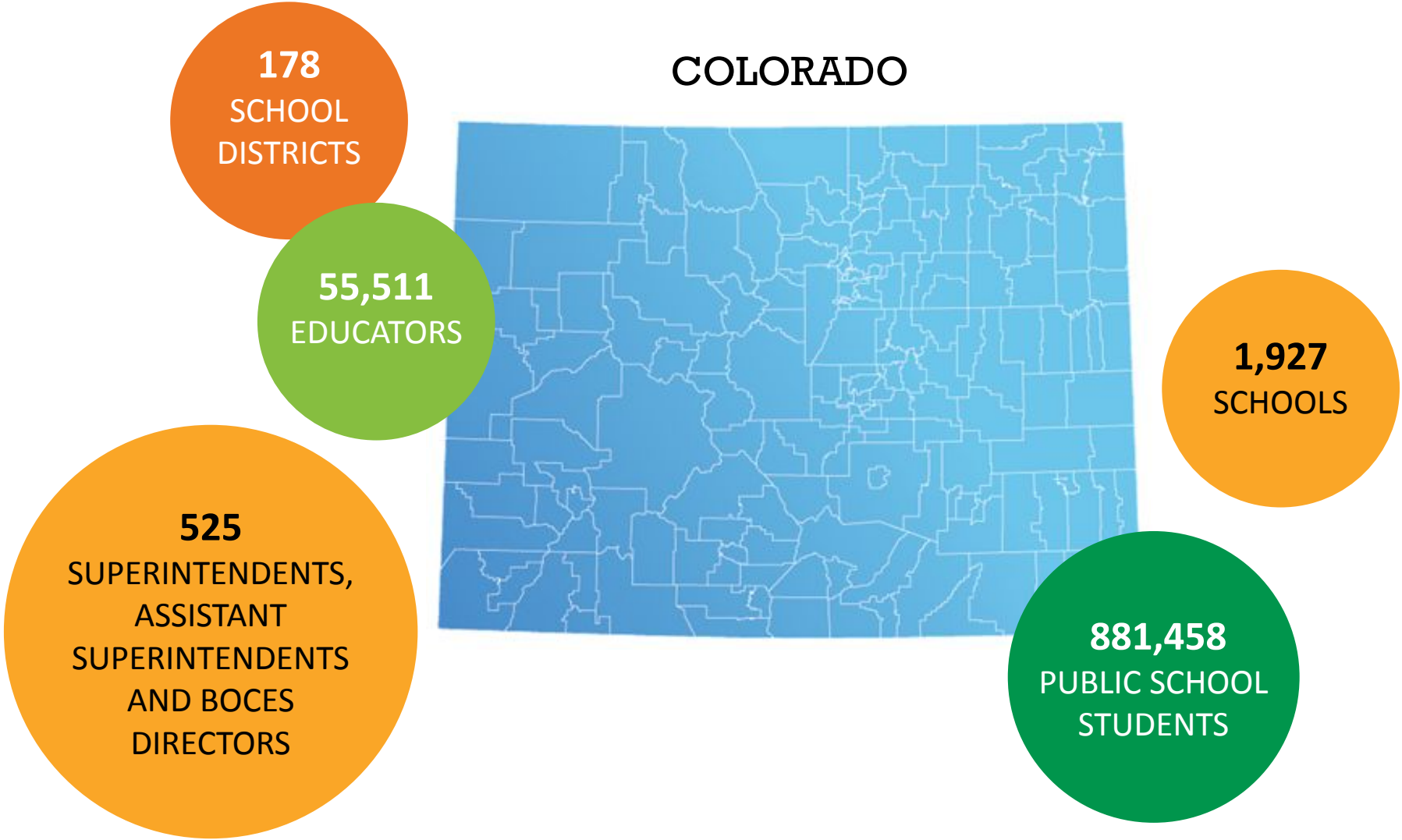
PURPOSE

To respond to the Joint Budget Committee's questions and areas of interest.

AGENDA

- Welcome and CDE Overview
- Common Questions
- Decision Item Questions
- Nutrition/Healthy School Meals for All Questions
- School Capital Construction Assistance (BEST)
- School Finance
- 1215 TaskForce / ASCENT Questions

Colorado Education By the Numbers



Ongoing Post-Pandemic Challenges

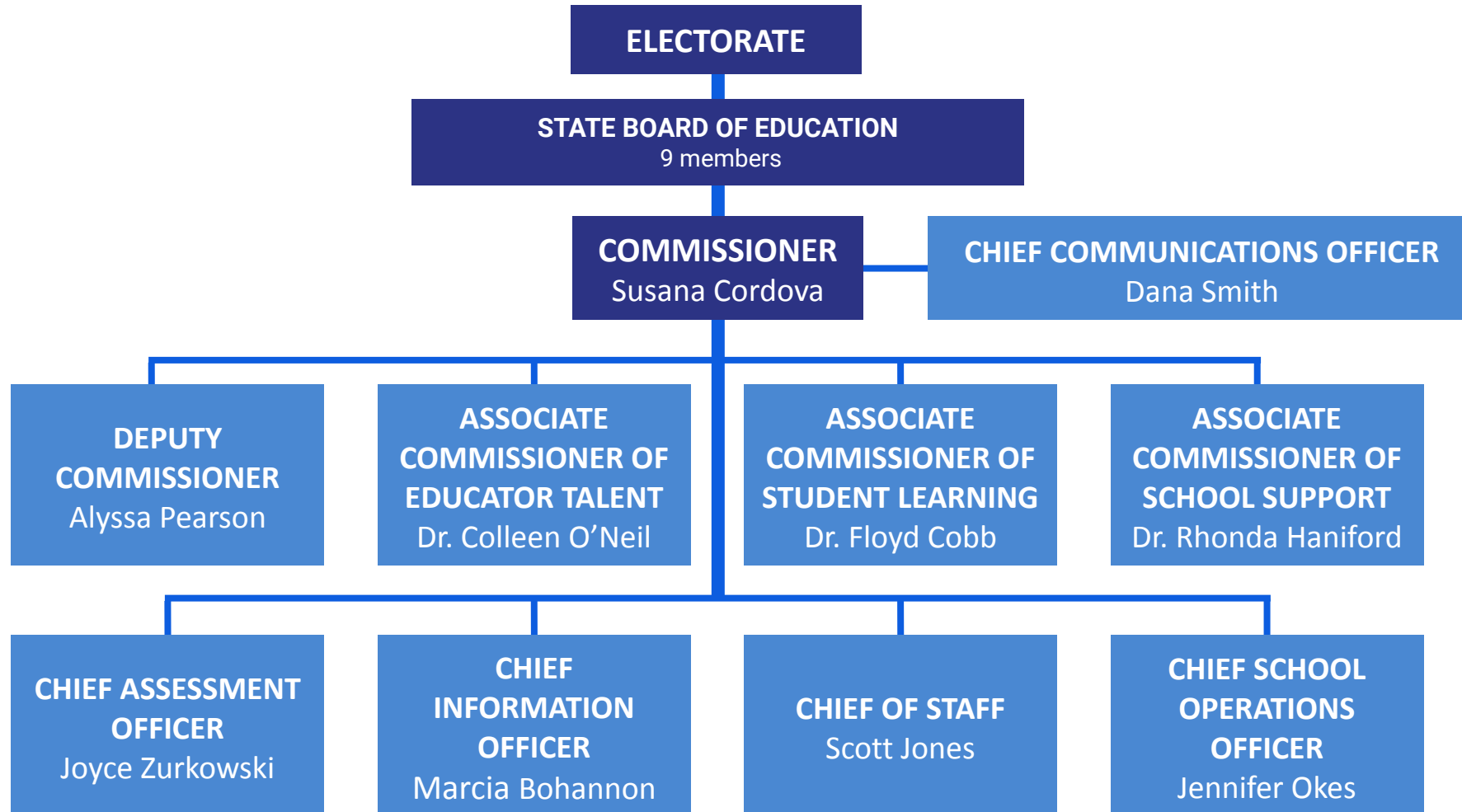
**Slow Post-Pandemic
Achievement and Growth**

Chronic Absenteeism

**Educator
Recruitment & Retention**



Organizational Chart





Common Questions

QUESTIONS 1-3

PRESENTERS

Susana Córdova
Commissioner

Wayne Peel
Budget Director

SUPPORTING PRESENTERS

Scott D. Jones
Chief of Staff



Common Question #1 – ARPA Fund Summary



Summary of All ARPA Funds Allocated to CDE

One-time Stimulus Funding Source	Allocation to CDE	Awarded to Grantee/Allocated to Purpose	Percent Awarded to Grantee/Allocated to Purpose	Expended	Remaining to Be Expended	Percent Expended
ESSER III	\$1,167,153,961	\$1,167,153,961	100%	\$630,233,763	\$536,920,198	54.0%
Individuals with Disabilities Education Act (IDEA)	\$41,260,993	\$41,260,993	100%	\$34,225,286	\$7,035,707	82.9%
EANS II	\$28,709,729	\$28,709,729	100%	\$4,884,083	\$23,825,646	17.0%
Emergency Child Nutrition	\$13,071,118	\$12,960,393	99.2%	\$11,827,386	\$1,243,732	90.5%
Homeless Children & Youth	\$7,643,776	\$7,643,776	100%	\$3,687,516	\$3,956,260	48.2%
GEER II	\$7,063,068	\$7,063,068	100%	\$0	\$7,643,068	0%
LSTA	\$3,265,421	\$3,265,421	100%	\$3,265,421	\$0	100%
State & Local Fiscal Recovery Funds	\$15,524,654	\$12,768,154	82.2%	\$4,532,532	\$10,986,122	29.2%
Total	\$1,283,692,720	\$1,280,825,495	99.8%	\$692,661,987	\$591,030,733	54.0%

Common Question #1 – Ongoing Requests



Teacher Mentorship Grant Program (R13)

	"Original" Program	Requested Ongoing
Fund Source	Federal Funds (ESSER III)	General Fund
Amount	\$12,921,652	\$3,132,271
FTE	1.0 FTE + ESSER Grants Admin FTE	1.2 FTE
Time Frame	March 2021 - September 2024	Ongoing
Authorization	Other (State Board Approved Action)	Ongoing

Decision Items

QUESTIONS 4-17

PRESENTERS

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Commissioner

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Budget Director

SUPPORTING PRESENTERS

Scott D. Jones
Chief of Staff

Dr. Colleen O'Neil
Associate
Commissioner
of Educator Talent

Dr. Rhonda Haniford
Associate
Commissioner
of School Support

Lindsey Jaeckel
Executive Director
of School and District
Transformation



R4 - Human Resource Capacity



One request - two items included

Item 1:

Human Resource Information System RIS = \$208,735 | Implementation and initial licenses

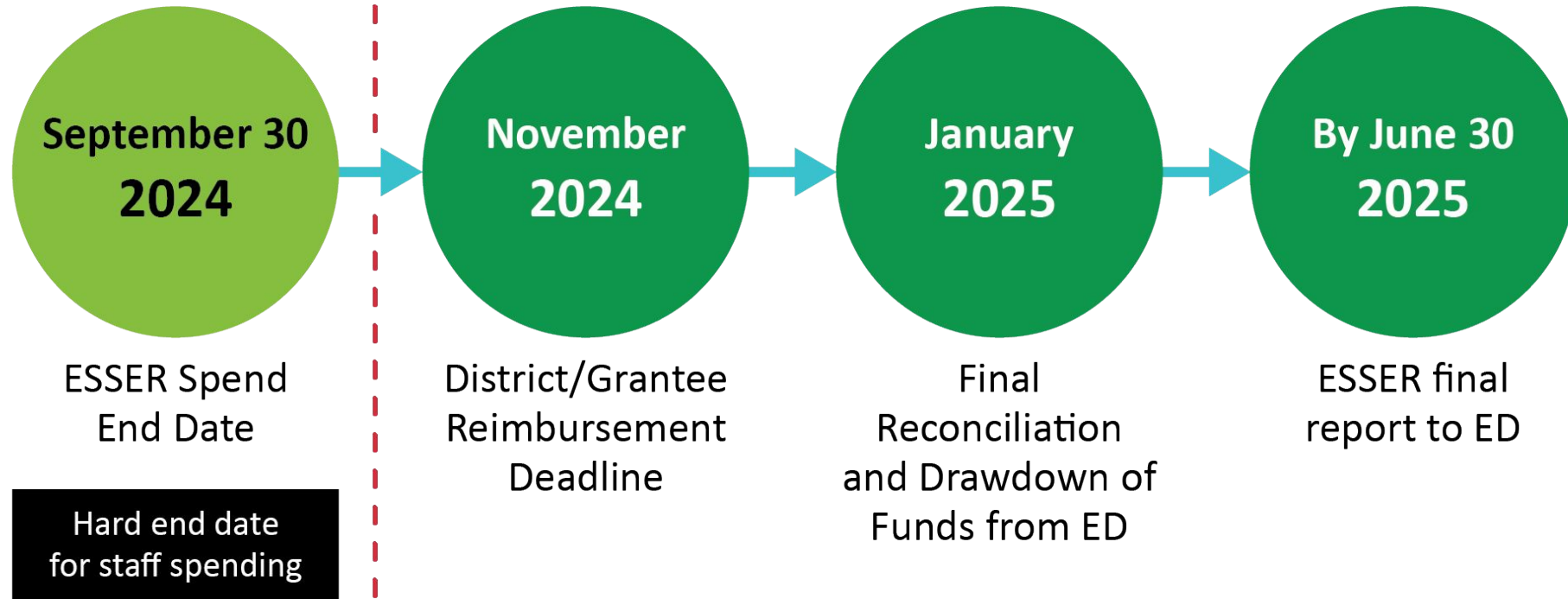
Item 2:

Full-Time Employee = \$89,927 | Includes benefits

Industry Standard*	Current CDE Ratio	CDE Ratio with Requested FTE
1.11 HR Staff per 100 employees	0.70 HR Staff per 100 employees	0.87 HR Staff per 100 employees



R6 - ESSER Staff Close Out



R15 - Facilities

Dedicated – rather than piecemealed – staff resources to:

- Facilitate space consolidation
- Manage emergency maintenance
- Coordinate routine maintenance
- Liaise with Capital Complex (DPA)
- Oversee capital projects



Photo of 201 E Colfax taken sometime between 1921-1925.

\$3,132,271 and 1.2 FTE annual grant cycle request

Teacher Mentorship Grant

- New teacher retention is a critical issue.
 - Mentoring for new teachers improves retention of both a mentor teacher and new educator.
 - ESSER funds were used to support the program as turnover needs intensified
- Induction and mentoring is statutorily required in Colorado.
 - Funds allow for capacity building for districts, BOCES, and charter schools.
 - Training mentor teachers builds ongoing capacity and provides career growth.

Program Highlights

- Annual competitive grant program to support districts, BOCES and charters schools in developing strong induction and mentoring programs.
- Examples of how funds are used:
 - new teacher and mentor stipends,
 - release time for observation and
 - coaching, training for mentors in coaching skills.
- Key survey findings from first year participants in the ESSER funded program, include:
 - 97% of respondents reported they intended to remain in education in the 2022-23 school year
 - 96% of mentor survey respondents felt confident in their ability to meet the needs of their new teachers.
 - 91% of new teacher survey respondents felt confident in their mentor's abilities to meet their needs.

Healthy School Meals for All

QUESTIONS 18-19

PRESENTERS

Susana Córdova
Commissioner

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Budget Director

SUPPORTING PRESENTERS

Jennifer Okes
Chief School
Operations Officer

Brehan Riley
Executive Director
School Nutrition Unit



Voters passed Prop FF in November 2022

Initial Fiscal Estimate for Prop FF:

- 25% Increase in Participation
- Revenue:
FY 22-23 \$50.4 million;
FY 23-24 \$100.7 million
- Expenses: \$115,336,007

Modified in 2023 to include:

- SB 23-221 Healthy School Meals for All Program Fund

Program started in schools in August 2023

Initial Data for Aug. & Sept. Indicates:

- Participation (normally paying students)
 - Breakfast: 97% increase
 - Lunch: 58% increase
- Revenue Projected:
FY 22-23 - \$42,700,986
FY 23-24 - \$102,910,971
- Expenses Projected:
\$145,336,007

School Capital Construction Assistance

QUESTION 20

PRESENTERS

Susana Córdova
Commissioner

Wayne Peel
Budget Director

SUPPORTING PRESENTERS

Jennifer Okes
Chief School
Operations Officer

Andy Stine
Director, Division
of Capital Construction



School Capital Construction Assistance



Preliminary numbers indicate about \$133 million available in the Capital Construction Assistance Fund for FY25 grants. Final amounts will be adjusted as revenues are finalized in the coming months.

The deadline for Notice of Intent to Apply for a FY25 BEST Grant was November 30. While some projects that submit intent, may not ultimately apply and the program does allow applications from grantees who did not submit a notice of intent, this gives a sense of the statewide need for next fiscal year.

- 73 Notices of Intent from 51 districts, 20 charter schools, 1 BOCES and the Colorado School for the Deaf and Blind
- 19 projects under \$1 million
- 28 projects between \$1 million and \$10 million
- 8 projects over \$10 million
- 8 projects between \$10 million and \$25 million
- 10 projects over \$25 million
- The Statewide Facility Assessments currently identifies \$17.2 billion in capital construction needs.

School Finance

QUESTIONS 21-32

PRESENTERS

Susana Córdova
Commissioner

Wayne Peel
Budget Director

SUPPORTING PRESENTER

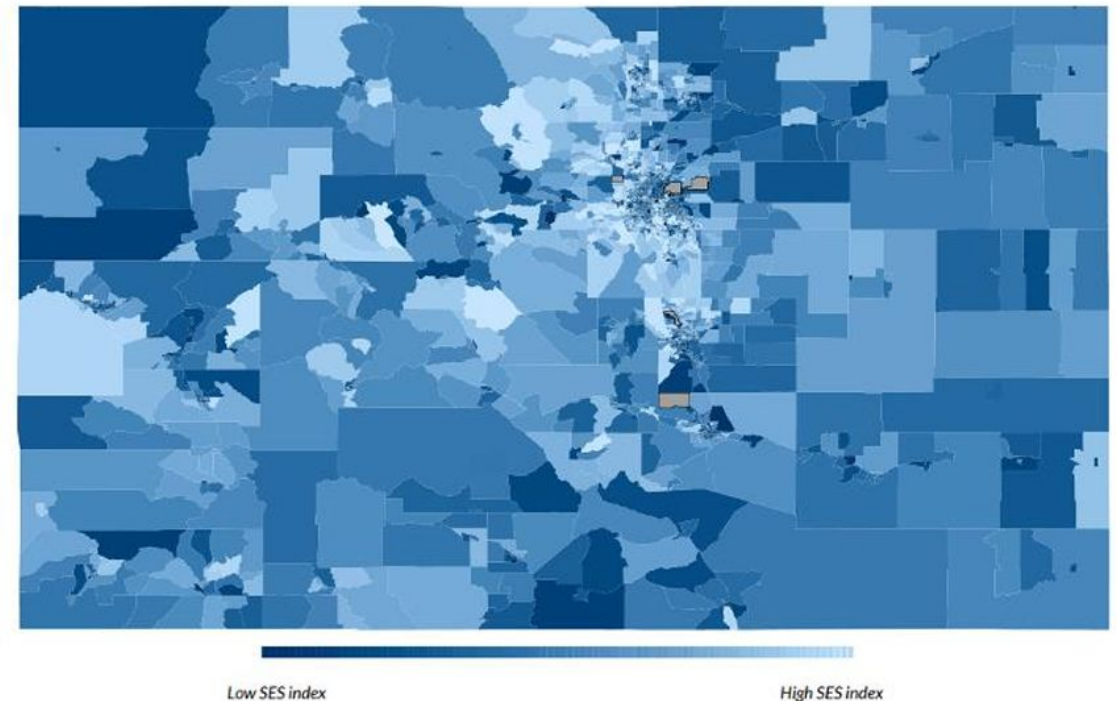
Jennifer Okes
Chief School
Operations Officer



Pilot Goals

- Test the submission and validity of using census block code data
- Provide a quantitative analysis that compares actuals of student-level SES data collected through the pilot program to the updated SES modeled data based upon 5 to 17 year olds in the district boundaries.
- Provide a qualitative analysis based on survey data and feedback from districts participating in the pilot regarding considerations of the data collection for the new measure.

Figure 1: Census Block Groups and Estimated SES Index Values



School Finance - At-Risk Challenges

- Anomalies in the calculations might lead to “compression” – resulting in districts with traditionally lower FRL counts experiencing an increase under the new at-risk measure, while districts with traditionally higher FRL counts experience a decrease under the new measure.
- There may be some unintended consequences of using direct certification and census block data:
 - Census block data for rural communities is more widely dispersed than it is in urban areas
 - Initial review suggested that there could be around twenty districts that had a lower at-risk count under the new measure compared to the district’s previous FRL counts.
 - There are varying demographics across the state
 - Districts may not have addresses for some students
- The earliest actual student data could be available is January 2025, so budgeting for the 2024-25 school year would rely on modeled data.
- Reporting of the at-risk measure may be labor and time intensive for school districts.

1215 Task Force/ ASCENT

QUESTIONS 33-35

PRESENTERS

Susana Córdova
Commissioner

Wayne Peel
Budget Director

SUPPORTING PRESENTER

Danielle Ongart
Executive Director
of Student Pathways





Recommendations Aligned to Four Categories:

PROGRAM MODERNIZATION

- Umbrella of programs
- Reporting and metrics
- State Longitudinal Data System
- Accountability

ACCESS & AWARENESS

- Single Source Online Platform
- Communication Strategy
- Career Coaching and Development
- Technology for Advising

SUSTAINABLE FUNDING

- Consistent and reliable Funding Mechanism
- Innovation Fund to Build Capacity

PARTNERSHIPS

- Regional Intermediaries
- Invest in Sector Partnerships
- Support Employer Engagement



Demographics

School Year	ASCENT Student Count	Female	Male	FRL Not Eligible	Free Lunch	Reduced Lunch	Multilingual Learners	Individualized Education Plan	504 Plan	American Indian/Alaska Native	Asian	Black or African American	Hispanic/Latino	White	Native Hawaiian	Two or More Races
2018-2019	556	304	252	476	70	10	36	23	23	4	12	20	230	277	0	13
2019-2020	554	295	259	436	91	27	44	19	21	2	18	17	212	281	2	22
2020-2021	580	337	243	421	129	30	43	22	21	2	17	23	215	304	4	15
2021-2022	549	314	235	433	95	21	33	18	26	0	23	16	203	294	1	12
2022-2023	736	424	312	508	193	35	47	14	43	5	29	30	267	370	1	34

Thank You





CSI MLO Equalization Budget Request

December 12, 2023



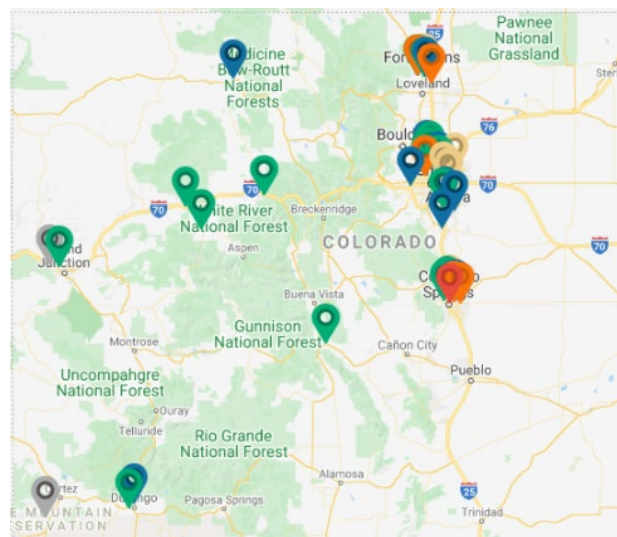
CSI Overview

CSI's mission is to foster **high-quality** school **choices** that serve **all** students.



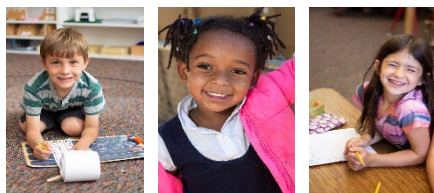
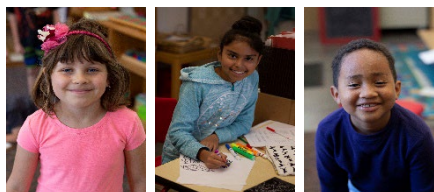


Our portfolio of schools is diverse.



21K

students



43

schools

16

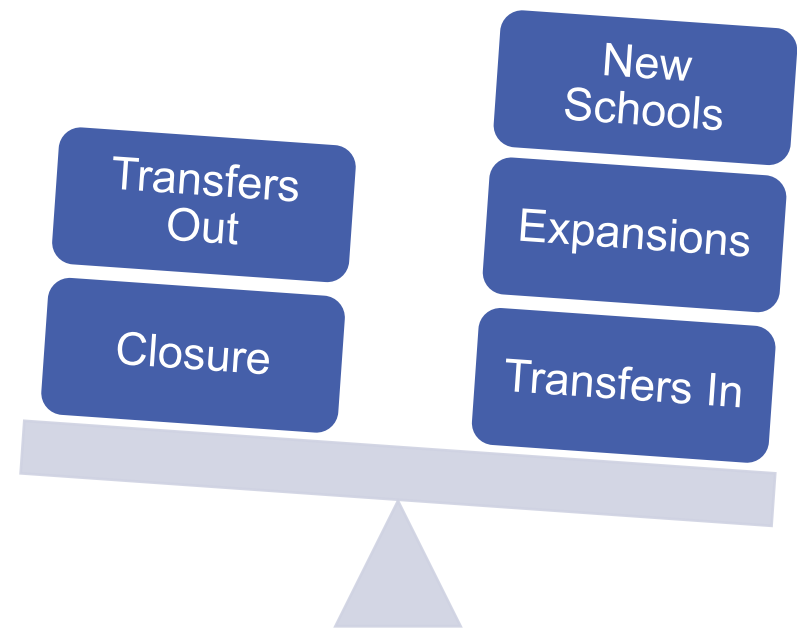
models



Our portfolio is dynamic, yet enrollment has remained steady.

CSI's portfolio has and continues to see:

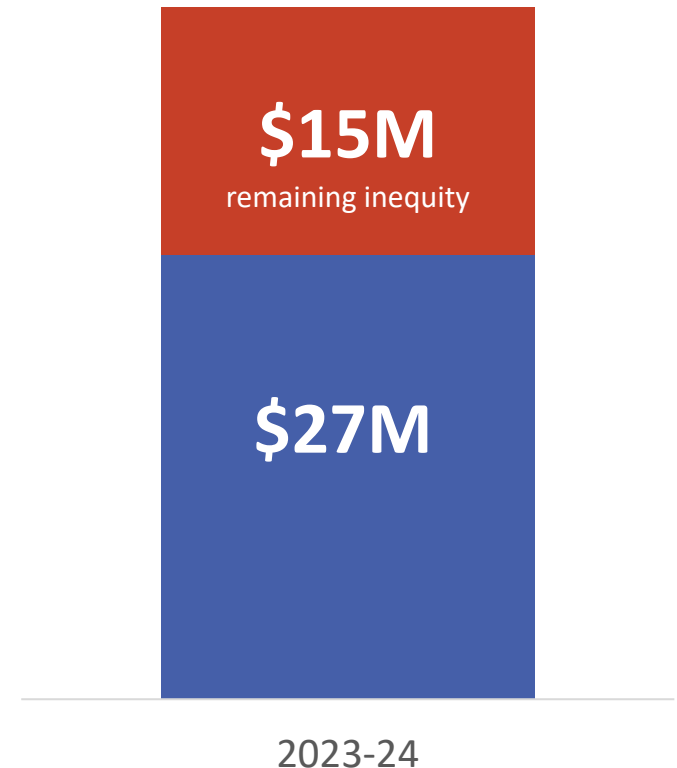
- Closures
- New schools
- Expansions of existing schools
- Transfers to district





Budget Request

- School Finance Act (S.B. 23-287) committed to full CSI mill levy equalization beginning 24-25
- Accordingly, CSI requests \$15M to be allocated for FY25





Full funding would help address schools' greatest needs.



Staff Salaries

CSI school teachers and principals **earn over \$10k less than district peers.**



Staff Attrition

The **teacher turnover rate of CSI charters is nearly double the state average,** likely due to lower compensation.



Staff Shortages

Roughly **80% of CSI schools had vacant positions** at the start of the 2021-22 school year.