

Joint Budget Committee



Staff Figure Setting FY 2025-26

Department of Education

(Programs other than School Finance and Categorical Programs)

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

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Appendix A – Numbers Pages

How to Use this Document: The Department Overview contains a table summarizing the staff recommended changes. Brief explanations of each change follow the table. Each division description includes a similar table but does not repeat the brief explanations. Sections following the Department Overview and the division summary tables provide more details about the changes.

To find decision items, look at the Decision Items Affecting Multiple Divisions or the most relevant division. This applies to both decision items requested by the department and recommended by the staff. Decision items appear in the requested priority order within sections.

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

Department Overview

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

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

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

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

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

Summary of Staff Recommendations

Department of Education						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$7,805,116,324	\$4,527,296,627	\$2,352,165,291	\$55,424,996	\$870,229,410	742.1
LBSupp S2 CSI Mill Levy Equalization	-797,847	0	-797,847	0	0	0.0
LBSupp S3 Healthy School Meals for All	916,188	0	916,188	0	0	0.0
LBSupp Career Advisor Training Program	-1,000,000	-1,000,000	0	0	0	0.0
Total FY 2024-25	\$7,804,234,665	\$4,526,296,627	\$2,352,283,632	\$55,424,996	\$870,229,410	742.1

Staff Working Document – Does Not Represent Committee Decision

Department of Education						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$7,804,234,665	\$4,526,296,627	\$2,352,283,632	\$55,424,996	\$870,229,410	742.1
R1/BA1 State share of total program	-186,017,541	150,000,000	-336,017,541	0	0	0.0
R2/BA7 Categorical programs increase	12,453,135	0	12,453,135	0	0	0.0
R3/BA3 CSI Mill Levy Equalization	6,169,430	0	6,169,430	0	0	0.0
R4 Supporting instructional coherence	0	0	0	0	0	0.0
R5 Student engagement	0	0	0	0	0	0.0
R6 READ Act training support	3,361,590	0	3,361,590	0	0	2.0
R7 CO Talking Book Library security	0	0	0	0	0	0.0
R8 National Student Clearinghouse	67,870	67,870	0	0	0	0.0
R9 Statewide student information system	160,000	160,000	0	0	0	0.0
R10 CSDB inflationary adjustment	65,958	65,958	0	0	0	0.0
R11 Career training and basic skills reduction	0	0	0	0	0	0.0
R12 Inactive cash funds sweep	0	0	0	0	0	0.0
BA2 Additional At risk funding	12,000,000	12,000,000	0	0	0	0.0
BA4 Healthy School Meals for All	12,400,000	49,541,914	-37,141,914	0	0	0.0
BA5 Eliminate grant programs	-792,889	-792,889	0	0	0	-0.5
BA6 Appropriated Sponsored Programs	5,000,000	0	5,000,000	0	0	1.5
NP Retain MTCF refinance	0	0	0	0	0	0.0
NP Impacts driven by other agencies	0	0	0	0	0	0.0
SI BEST cash grants	2,754,174	0	2,754,174	0	0	0.0
Centrally appropriated line items	2,579,925	805,807	562,713	289,121	922,284	0.0
SI Statewide Assessment Program	491,842	0	778,468	0	-286,626	0.0
SI Technical adjustments	5,460	90,911	7,458	-92,909	0	0.0
SI Informational funds adjustment	-66,839,529	0	0	0	-66,839,529	0.0
SI High Impact Tutoring Program	-4,994,564	-4,994,564	0	0	0	-1.2
Annualize prior year legislation	-4,862,802	-961,269	-4,285,433	0	485,300	0.8
SI Annualize K-5 Social Emotional pilot	-2,502,388	0	-2,502,388	0	0	-1.1
SI Charter school facilities	-859,579	0	-859,579	0	0	0.0
Annualize prior year budget action	-661,904	-660,250	-1,654	0	0	0.2
SI Computer Science Education Grants	-571,289	0	-571,289	0	0	-0.5
SI Annualize Innovative Learning Pilot	-354,156	-354,156	0	0	0	-0.6
SI Reduce FY 24-25 R4 HRIS	-103,000	-103,000	0	0	0	0.0
Total FY 2025-26	\$7,593,184,408	\$4,731,162,959	\$2,001,990,802	\$55,621,208	\$804,510,839	742.7
Changes from FY 2024-25	-\$211,050,257	\$204,866,332	-\$350,292,830	\$196,212	-\$65,718,571	0.6
Percentage Change	-2.7%	4.5%	-14.9%	0.4%	-7.6%	0.1%
FY 2025-26 Executive Request	\$7,655,614,954	\$4,687,924,188	\$2,041,451,107	\$55,120,326	\$871,119,333	750.4

Department of Education						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Staff Rec. Above/-Below Request	-\$62,430,546	\$43,238,771	-\$39,460,305	\$500,882	-\$66,608,494	-7.7

Description of Incremental Changes

LBSupp S2 CSI Mill Levy Equalization: The recommendation includes a Long Bill supplemental reduction of \$797,847 from the State Education Fund to true-up the CSI Mill Levy Equalization appropriation based on FY 2024-25 enrollment and district mill levy override revenue data. The final recommended appropriation is for \$48.4 million total funds, including \$27.2 million from the General Fund and \$21.2 million from the State Education Fund. The request was for an increase of \$2.7 million from the State Education Fund.

LBSupp S3 Healthy School Meals for All: The recommendation increases the appropriation for Healthy School Meals for All meal reimbursements by a net \$916,188, including an increase of \$13.0 million from the State Education Fund and a decrease of \$12.1 million from the Healthy School Meals for All Program Cash Fund. The recommended adjusted appropriation for the line item for FY 2024-25 is \$138.4 million, including \$35.2 million from the State Education Fund and \$103.2 million from the Healthy School Meals for All Program Cash Fund. The request was for an increase of \$8.3 million from the State Education Fund based on earlier estimates. The recommendation may be subject to further adjustment based on the March forecast.

LBSupp Career Advisor Training Program [Legislation recommended]: The recommendation is to eliminate a \$1.0 million General Fund appropriation for the Colorado Career Advisor Training Program in FY 2024-25. The Department requested a reduction of \$500,000 General Fund beginning in FY 2025-26 but has indicated that the FY 2024-25 appropriation has not been expended.

R1/BA1 State share of total program [Legislation required]: Most of the request for this item will be addressed in the School Finance briefing packet. However, the request includes a component that is relevant to public school capital construction assistance funding. Request R1 includes a proposal to cap BEST cash grants at \$129 million (the average of grants for the past five years) and direct any revenue greater than that to the State Public School Fund for school finance. The request estimates that this will provide \$58 million to the State Public School Fund for school finance in FY 2025-26, but this figure has been revised downward by OSPB to \$35 million in FY 2025-26 and approximately \$25 million in subsequent years.

Staff recommends legislation to cap total revenue to the Public School Capital Construction Assistance Fund at \$150.0 million beginning at the end of FY 2024-25. This is estimated to provide approximately \$51.0 million in revenue for the State Public School Fund (school finance) that would be available for FY 2025-26 and would reduce funding for BEST cash grants to approximately \$107.0 million in FY 2025-26. In future years, this change could provide approximately \$30 million per year for school finance but would reduce funding for BEST cash grants to \$50 to \$75 million, depending upon other uses of the Public School Capital Construction Assistance Fund.

R3/BA3 CSI Mill levy equalization: The request includes an increase of \$6.6 million cash funds from the State Education Fund increase for mill levy equalization for Charter School Institute (CSI) charter schools. This would bring support for equalization to \$55.8 million, including \$27.2 from the General Fund and \$28.6 million from the State Education Fund. Statute requires that “beginning in the 2024-25 budget year and each budget year thereafter, the general assembly shall appropriate from the general fund the amount necessary each budget year to fund full mill levy equalization for all institute charter schools for the applicable budget year.” This is intended to ensure that students enrolled at CSI schools receive per pupil funding equal to the district per pupil funding in each district where a CSI school is located.

The staff recommendation is for \$54.6 million, including \$27.2 million from the General Fund and \$27.4 million from the State Education Fund. This is an increase over the FY 2024-25 appropriation (as adjusted by a Long Bill supplemental) of \$6.2 million cash funds from the State Education Fund.

R4 Supporting instructional coherence: The request includes an increase of \$150,000 cash funds originating from the Early Literacy Fund for FY 2025-26, annualizing to \$100,000 in FY 2026-27 and ongoing, appropriated to the School Transformation Grant Program. The increase includes two components. First, it would enable the Department to contract with an external partner (EdReports) to develop an optional list of high quality instructional materials for English Language Arts in grades 4-12, filling out its existing lists of high quality instructional materials and ensuring better access to a list of materials across grades K-12 in both English language arts and math. Second, it would support 3-6 districts a year to join a cohort to engage in professional learning on instructional coherence, with an emphasis on high quality learning materials. Staff does not recommend the request.

R5 Student engagement: The Department requests \$354,261 General Fund and 2.0 FTE in FY 2025-26, annualizing to \$267,384 General Fund in FY 2026-27 and ongoing, to address chronic absenteeism in Colorado schools. The request includes the addition of 2.0 FTE (principal consultants) and \$75,000 in first-year materials costs. The request notes that chronic absenteeism, defined as a K-12 student missing 10.0 percent or more of school days for any reason, spiked during the pandemic and remained at 31.1 percent in FY 2022-23. Chronic absenteeism is significant across all grade levels, and the issue is particularly severe among certain groups such as multilingual learners (40.0 percent), students with individualized education plans (39.0 percent), and students qualifying for free/reduced priced lunch (43.0 percent). Student attendance has a significant relationship to student performance. Staff does not recommend the request.

R6 READ Act training support: The Department requests one-time spending authority of \$3,361,590 from the Early Literacy Cash Fund, with roll-forward through FY 2026-27, and 2.0 FTE (term-limited), to train regional cohorts of K-3rd grade teachers in evidence-based intensive reading interventions and add funding for early literacy grants. The request notes that the external evaluation of READ Act services and internal department analysis indicates that “while some positive outcomes are being achieved [from READ Act programs], students in the lowest score range on approved reading interim assessments, largely consisting of students with [individualized education plans/IEPs], student with or at-risk for dyslexia, and multilingual

learners, have persistent reading deficits. While not unique to Colorado, these gaps are stubborn and disturbing”. Staff recommends the request *to the extent that reserves are available in the Early Literacy Fund to support the proposal after reserves in the Fund are used to refinance Marijuana Tax Cash Fund appropriations for the Early Literacy Competitive Grant Program.*

R7 CO Talking Book Library security: The Department requests an increase of \$72,333 General Fund for FY 2025-26 and ongoing to provide a contract guard at the Colorado Talking Book Library and State Publications Library at 180 Sheridan. The November 1 request states that there has been an increase in unhoused people, drug use, and vandalism at the location that has put people and property at risk. The request would expand the Department’s current security provider contract to add a position at this location during business hours on Monday through Friday. The Department has more recently indicated that changes to the building’s physical infrastructure have eliminated the need for additional security, so staff does not recommend the request.

R8 National Student Clearinghouse: The Department requests an increase of \$67,870 General Fund for subscription fees to the National Student Clearinghouse that are paid from the line item for Longitudinal Analysis of Student Assessment Results. This funding is required to enable the Department to comply with Section 22-11-204 (4)(IV), C.R.S., which specifies that one of the state’s school performance measures is the percentage of students graduating from a public high school who, in the school year immediately following graduation, enroll in a career and technical education program, community college, or four-year institution of higher education. Staff recommends the request.

R9 Statewide Student Information System: The Department requests \$200,000 one-time General Fund in FY 2025-26 to fund consulting services to provide an updated analysis of the benefits and feasibility of implementing a statewide Student Information System (SIS). Student Information Systems are systems PowerSchool and Infinite Campus that are typically used by individual schools and districts to house information like grades, attendance, and schedules, and—in this instance—could be used as a way for districts to report local education provider data to the Department. Staff recommends \$160,000 one-time General Fund for this request.

R10 CSDB inflationary increase: The request includes \$377,809 General Fund based on a 2.5 percent inflation rate estimate for FY 2024-25. The Colorado School for the Deaf and the Blind also requests a statutory change to provide ongoing funding for the school at the higher rate of either inflation (Denver-Aurora-Lakewood CPI) for a given fiscal year or the statutorily required teacher salary increase from the surrounding D11 district. The goal of this new funding mechanism is to enhance budget autonomy for the school while minimizing the administrative burden across all involved offices. The request includes both funding for a teacher salary increase and additional operating costs and 2.26 FTE. Staff recommends an increase of \$65,958 General Fund to increase teacher salaries consistent with the most recent Colorado Springs District 11 increase. Staff does not recommend a statutory change.

R11 Career training and basic skills reduction [legislation required for one component]: The request is to reduce the Colorado Career Advisor Training appropriation by \$500,000 General Fund and eliminate the \$50,000 State Education Fund appropriation for Basic Skills Placement.

The staff recommendation is to eliminate all funding for the Career Advisor Training Program (\$1.0 million) and to do this in both FY 2024-25 (through a Long Bill supplemental) and FY 2025-26. Staff also recommends legislation to eliminate the Basic Skills Placement statutory requirements and funding.

R12 Inactive cash funds sweep [legislation required]: The Department’s budget team analyzed cash fund balances and line items with reversions from the prior year and identified funds that appear not to be in use but have residual balances. Approximately \$160,000 can be swept from the Rural Schools Cash Fund, as funding for rural schools is being addressed through a different mechanism. An additional approximate \$100,000 total can be swept from four other inactive funds: The High-cost Special Education Fund, Teacher Residency Expansion Program, Financial Reporting Fund, and Public Education Fund. Money remains available in these funds for various reasons including residual interest earnings and repealed statutes. Staff recommends legislation to be included in a larger JBC bill to transfer these funds and make related statutory changes.

BA4 Healthy School Meals for All [Legislation recommended]: The Department’s January 2, 2025 request is for an increase of \$21.8 million from the State Education Fund for Healthy School Meals for All Program meal reimbursement costs based on a total cost of \$137.2 million, including \$115.3 million from the Healthy School Meals for All Program Cash Fund and \$21.8 million from the State Education Fund and. The staff recommendation is for \$150.8 million total funds for meal reimbursements, including \$101.3 million from the Healthy School Meals for All Program Cash Fund and \$49.5 million from the General Fund based on updated data. Staff anticipates that fund sources will be further adjusted based on the March forecast and recommends that the Committee sponsor various pieces of related legislation, including legislation that would enable use of State Education Fund money in FY 2025-26 and thus allow the \$49.5 million in General Fund to be refinanced using the State Education Fund.

BA5 Eliminate grant programs [Legislation recommended]: The Department proposes eliminating two programs: The Colorado Opportunity Scholarship Initiative program (COSLI) and Accelerated College Opportunity Exam Fee Grant Program. COSLI is a 4-week summer program for high school students. Eliminating the program saves \$227,753 General Fund and 0.1 FTE for FY 2025-26 and ongoing. The Accelerated College Opportunity Exam Fee Grant program provides grants to school districts to offset the costs of AP and IB exams for low income students. Eliminating the program saves \$564,549 General Fund and 0.4 FTE. Staff recommends the request.

BA6 Appropriated Sponsored Programs: The Department requests, and staff recommends, adding \$5.0 million cash funds in the Appropriated Sponsored Programs line item related to funding for a youth vaping program. The funds are custodial and shown for informational purposes only.

NP3 Retain MTCF refinance: The Statewide R7 request for Marijuana Tax balancing includes a request to continue, for a third year, the refinance of a \$5,378,678 appropriation from the Marijuana Tax Cash Fund for the Early Literacy Competitive Grant Program using money from the Early Literacy Cash Fund. The request acknowledges that because two Department of Education requests also propose to draw on the fund balance of the Early Literacy Fund, “this refinance proposal may require an additional one-time transfer of State Education Fund dollars

of \$4.5 million above the ongoing \$34 million transfer the Early Literacy Fund receives from the State Education Fund”. Staff recommends the proposed refinancing but does not recommend additional transfers or appropriations from the State Education Fund to the Early Literacy Fund.

NP Impacts driven by other agencies: The request includes an adjustment that originates in the Department of Human Services (NP4 Communication services for persons with disabilities). The request includes a reduction of \$860,000 total funds including \$250,000 General Fund and \$610,000 reappropriated funds The recommendation does not include this adjustment because the adjustment requires a statutory change outside of the Long Bill.

SI BEST cash grants: The recommendation includes a staff-initiated adjustment to increase the cash funds appropriation for Building Excellent Schools Today (BEST) cash grants in the Long Bill by \$2.8 million cash funds, based on early estimates of funds available in the Public School Capital Construction Assistance Fund and current law.

Centrally appropriated line items: The request includes adjustments to centrally appropriated line items that are summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$1,659,158	\$649,333	\$251,468	\$182,709	\$575,648	0.0
Health, life, and dental	770,261	344,978	201,765	64,856	158,662	0.0
Step Plan	377,596	144,466	57,000	37,338	138,792	0.0
Capitol Complex leased space	235,037	66,985	42,778	21,388	103,886	0.0
Risk management & property	202,967	202,967	0	0	0	0.0
Statewide indirect cost common policy	200,427	0	80,544	37,965	81,918	0.0
ALJ services	41,811	0	41,811	0	0	0.0
DPA Paid family leave	15,884	16,408	3,337	439	-4,300	0.0
Payments to OIT	-603,726	-445,641	-121,664	-36,421	0	0.0
Legal services	-129,406	-79,973	-43,351	-6,082	0	0.0
Statewide IT common policy reduction	-54,773	-40,431	-14,342	0	0	0.0
BANP Short-term disability	-50,049	-20,353	-7,416	-5,323	-16,957	0.0
NPBA DPA Health Life Dental True-up	-29,381	-11,871	331	-7,149	-10,692	0.0
Workers’ compensation	-21,587	-10,372	-2,817	-729	-7,669	0.0
CORE adjustment	-12,527	-6,263	-4,853	-1,411	0	0.0
PERA direct distribution	-11,182	-5,671	2,860	-8,371	0	0.0
AED and SAED adjustment	-8,534	3,121	74,150	9,766	-95,571	0.0
Shift differential	-1,382	-1,382	0	0	0	0.0
Vehicle lease payments	-540	-540	0	0	0	0.0
Short-term disability	-129	46	1,112	146	-1,433	0.0
Total	\$2,579,925	\$805,807	\$562,713	\$289,121	\$922,284	0.0

SI Statewide Assessment Program [Legislation recommended]: The recommendation includes a staff initiated increase of \$491,842, including an increase of \$778,468 from the State Education Fund, and a decrease in federal funds, for the Statewide Assessment Program. The recommendation reflects updated estimates of the program’s cost for FY 2025-26. Staff also includes options and recommendations for legislation that could reduce the cost of the program.

SI Technical adjustments: The recommendation includes various technical adjustments to funding sources and amounts, including an increase of \$100,000 General Fund and a decrease of \$100,000 reappropriated funds based on the indirect cost revenue anticipated to be available to appropriate in lieu of General Fund.

SI Informational funds adjustment: The recommendation includes a \$66.8 million net reduction to federal funds shown for informational purposes in several department line items. The recommendation includes an increase to more accurately reflect federal funds currently provided for school nutrition programs and a decrease to reflect the roll-off of federal stimulus funds.

SI High Impact Tutoring Program: The recommendation includes a reduction of \$5.0 million General Fund and 1.2 FTE to end the High Impact Tutoring Program one year early. This is a grant program that supports some school district tutoring programs.

Annualize prior year legislation: The appropriation includes adjustments for the FY 2025-26 impact of prior year legislation.

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB23-219 Supports to students and facility schools	\$2,990,929	\$0	\$2,990,929	\$0	\$0	1.0
SB24-070 Remote testing and online ed prgrm	498,500	0	13,200	0	485,300	0.0
HB 24-1448 New public schl finance formula	486,660	-13,340	500,000	0	0	0.0
HB20-1032 Timing K-12 ed standards review	118,246	118,246	0	0	0	0.0
HB08-1384 Survey teaching & learning conditions	50,000	50,000	0	0	0	0.0
HB24-1216 Supports in juv justice system	25,729	25,729	0	0	0	0.7
SB24-069 Clarify IEP info	16,419	16,419	0	0	0	0.1
HB21-1087 Teaching & learning conditions survey	8,500	8,500	0	0	0	0.0
HB24-140 Higher Ed support homeless youth	577	577	0	0	0	0.0
Dept location SB24-162 Best practices prevent discrim	0	0	0	0	0	0.0
HB24-1331 Out-of-school time grant program	0	0	0	0	0	-0.1
Dept location HB 24-1216 Supports in juv justice sytem	0	0	0	0	0	0.0
HB24-1282 Ninth-grade success grant & performance reporting	0	0	0	0	0	0.0
HB22-1374 Foster care success	0	0	0	0	0	0.2
HB24-1390 Healthy School Meals for All	0	0	0	0	0	0.0
HB24-1290 Student educator stipend	-4,197,000	0	-4,197,000	0	0	0.0
HB24-1446 Prof dev science teachers	-3,000,000	0	-3,000,000	0	0	0.0
HB 24-1364 Education-based workforce readiness	-779,836	-800,005	20,169	0	0	-0.7
SB23-221 Healthy Schl Meals Program Fund	-400,000	0	-400,000	0	0	0.0
SB24-048 Substance use disorder recovery	-115,805	-115,805	0	0	0	-0.1
SB24-162 Best practices prevent discrimination in schls	-111,111	0	-111,111	0	0	0.0
SB 24-188 School finance	-101,620	0	-101,620	0	0	0.0
HB24-1063 Addressing abbreviated school days	-101,400	0	0	0	0	0.0
HB24-1164 Free menstrual products	-100,000	-100,000	0	0	0	0.0
SB23-296 Prevent harassment and discrimination schls	-64,500	-64,500	0	0	0	0.0
HB24-1393 ASCENT program modifications	-45,600	-45,600	0	0	0	0.0
HB24-1063 Addressing abbreviated schl days	-32,994	-32,994	0	0	0	-0.2
HB24-1136 Healthier social media use	-4,596	-4,596	0	0	0	-0.1

Annualize prior year legislation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB23-1231 Math in pre-k through 12th grade	-3,900	-3,900	0	0	0	0.0
Total	-\$4,862,802	-\$961,269	-\$4,285,433	\$0	\$485,300	0.8

SI Annualize K-5 Social Emotional pilot: The recommendation eliminates an appropriation of \$2.5 million from the Marijuana Tax Cash Fund and 1.1 FTE for the K-5 Social Emotional Pilot Program that ends based on current law. The program has operated for the four years for which it was authorized.

SI Charter school facilities: The recommendation reduces the cash funds appropriation for charter school facilities assistance by \$859,579 based on existing statutory formulas. This amount is subject to further adjustment based on the March forecast.

Annualize prior year budget actions: The request includes adjustments for the FY 2025-26 impact of prior year budget actions.

Annualize prior year budget action						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY24-25 R14 Payroll office support	\$12,147	\$12,147	0	0	0	0.1
FY24-25 R15 CDE facility needs	2,781	2,781	0	0	0	0.0
FY24-25 R4 Human resources capacity	2,229	2,229	0	0	0	0.1
FY 24-25 R17 Colfax security	404	404	0	0	0	0.0
FY24-25 R18 CSDB teacher salary	0	0	0	\$0	\$0	0.0
Annualize MTCF refinance	0	0	0	0	0	0.0
FY24-25 R6 ESSER staff closeout	-571,416	-571,416	0	0	0	0.0
FY 24-25 SI one-time operating increase	-100,000	-100,000	0	0	0	0.0
Prior year step pay	-4,272	-3,444	-828	0	0	0.0
Prior year salary survey	-3,777	-2,951	-826	0	0	0.0
Total	-\$661,904	-\$660,250	-\$1,654	\$0	\$0	0.2

SI Computer Science Education Grants [Legislation recommended]: The recommendation eliminates funding of \$571,289 from the State Education Fund and 0.5 FTE to remove funding for computer science education grants for teachers.

SI Annualize Innovative Learning Pilot: The recommendation eliminates funding for the Innovative Learning Pilot program as the program repeals July 1, 2025.

SI Reduce FY 2024-25 R4 HRIS: The recommendation reduces funding associated with a new Human Resources Information System (HRIS) approved in FY 2024-25. Updated information indicates that the total ongoing cost is \$103,000 General Fund below the \$208,000 estimate included in the original request.

Major Differences from the Request

- The recommendation increases funding for the Healthy School Meals for All Program (HSMA) for meal reimbursements by \$49.5 million General Fund in FY 2025-26 based on

total meal costs of \$150.8 million and \$101.3 million projected to be available from the Healthy School Meals for All Program Cash Fund in FY 2025-26. The recommendation reflects current law under which the HSMA program cannot use State Education Fund money in FY 2025-26, as well as updated revenue and expenditure projections. The recommendation also includes adjustments that require an additional \$13.0 million from the State Education Fund in FY 2024-25 based on updated revenue and expenditure projections. The request relied on older revenue and expenditure data and assumed that cash funds from the State Education Fund would also be used for the program in FY 2025-26. While a State Education Fund appropriation cannot be used in the Long Bill under current law, staff recommends the JBC sponsor legislation that would allow use of the State Education Fund for an additional year in FY 2025-26, among other provisions.

- The recommendation includes proposed legislation to cap revenue to Public School Capital Construction Assistance Fund (PSCAAF) at \$150.0 million, with revenue above this amount directed to the State Public School Fund to support school finance. For FY 2025-26, based on preliminary revenue data, this is expected to result in cash grants for the Building Excellent Schools Today (BEST) program of approximately \$107.0 million, with approximately \$51.0 million diverted to school finance. In subsequent years, it is anticipated to result in BEST cash grants of \$50.0 to \$75.0 million, with approximately \$30.0 million diverted to school finance. The Governor’s request was to cap cash grants for the BEST program at \$129.0 million, which OSPB originally estimated would result in \$58.0 million diverted for school finance in FY 2025-26 and approximately \$25.0 million diverted to school finance in subsequent years. OSPB has subsequently revised down its estimate of the additional revenue that would be derived from its proposal to approximately \$35 million in FY 2025-26.
- The recommendation includes a proposal for legislation to eliminate the ASCENT program, which would reduce appropriations by \$20.8 million from the State Education Fund in FY 2025-26 and ongoing if the entire reduction occurred in FY 2025-26. However, staff also recommends that at least a portion of the savings be set aside as a placeholder for a bill to modify the existing postsecondary workforce readiness funding in the K-12 system, following recommendations from reports about the system and ASCENT developed pursuant to H.B. 24-1364 and H.B. 24-1393.
- The staff recommendation includes budget adjustments and recommendations for legislation to cut additional grant programs, beyond those proposed in the request, including eliminating funding for some programs in FY 2024-25. This includes eliminating the Out-of-School-Time Grant Program (\$10.3 million General Fund over three years) and the Career Advisor Training Program (\$2.0 million General Fund across FY 2024-25 and FY 2025-26 and \$1.0 million General Fund ongoing), and the High Impact Tutoring Program (\$5.0 million General Fund in FY 2025-26). Only adjustments that do not require legislation are shown in the summary table.
- The staff recommendation includes a proposal for legislation to re-cap Charter School Institute (CSI) Mill Levy Equalization, which would result in savings of \$6.2 million from the State Education Fund or the General Fund in FY 2025-26 and larger reductions in future years if the cap were based on the FY 2024-25 recommended appropriation. The

- recommendation also includes alternative proposals (supported by CSI and the Governor’s Office) that would provide savings of \$1.0 million in FY 2025-26 and ongoing.
- The staff recommendation is to reject many of the requests for increases that were included in the budget as submitted and to pursue legislation that could result in other cost reductions, e.g., to the Statewide Assessment Program. The staff recommendation also includes various differences from the request related to the annualization of bills in FY 2025-26 and other costs for programs under current law.
 - The staff recommendation includes a net reduction of \$66.8 million to federal funds shown for informational purposes. This results in a notable difference in the total department budget recommended for the Long Bill but does not affect program operations.

Decision Items Affecting Multiple Divisions

→ R12 Inactive Cash Funds [Legislation recommended]

Request

The Department’s budget team analyzed cash fund balances and line items with reversions from the prior year and identified funds that appear not to be in use but have residual balances. Approximately \$160,000 can be swept from the Rural Schools Cash Fund, as funding for rural schools is being addressed through a different mechanism. An additional approximate \$100,000 total can be swept from four other inactive funds: The High-cost Special Education Fund, Teacher Residency Expansion Program, Financial Reporting Fund, and Public Education Fund. Money remains available in these funds for various reasons including residual interest earnings and repealed statutes.

Recommendation

Staff recommends the Department’s request to transfer the balance of several inactive cash funds to the General Fund as part of a larger transfer bill. Staff also recommends repealing these cash funds and related statutory provisions where appropriate.

Analysis

The Department provided staff with additional data on the inactive cash funds cited, shown in the table below. The data indicated that there had been no activity in the funds other than fees levied by the Treasurer’s Office since 2021 (or earlier), except for in the Rural Schools Cash Fund, which had no activity other than fees in FY 2023-24. As reflected in the notes, in many cases the relevant statutory provisions have repealed and/or fund balance were previously supposed to have been swept to another fund, and it is unclear why the funds still hold any balance.

Staff Working Document – Does Not Represent Committee Decision

Name	FY 2023-24 EOY Balance	Statutory Reference	Additional information
Dropout Prevention Activity Grant Fund	\$265	CRS 22-27.5-105	No activity since the inception of CORE accounting system. This fund is not used; statute authorizes a grant program to provide additional funding for schools to sponsor before- and after-school programs in visual arts and performing arts and in career and technical education subjects. It is not funded, and JBC staff believes it could be repealed. Dropout prevention activities still exist but rely on 22-14-101 et. seq
Kindergarten Facility Capital Const. Fund	2,989	CRS 22-43.7-201	No activity since FY 2020-21. Reason for balance unknown, since 22-43.7-201 (4)(c) stated balance should transfer to the SEF on July 1, 2020. Portions of the statute are obsolete
Public Education Fund	16,174	CRS 39-22-4203	Statute repealed. Reason for balance unknown
Financial Reporting Fund	26,689	CRS 22-44-105 (6) (a)	No longer used for financial reporting website. While most of the statute is relevant, the portion specifically related to the fund (subsection 6) could potentially be repealed.
Teacher Residency Expansion Program	11,630	CRS 22-60.3-106	Statute Repealed. Reason for fund balance unknown.
High Cost Special Education Fund	59,849	CRS 22-20-114.7	Section 22-20-114.7 (2)(g) says the balance was to transfer to the State Public School Fund on July 1, 2020. Reason for remaining balance unclear
Rural Schools Cash Fund	160,414	CRS 22-54-142	This program is no longer active and statutory provisions are repealed. This is done through per pupil funding now. Reason for balance unclear.
Total	\$278,009		

➔ Indirect Costs

Request

The Department did not request an update to indirect cost adjustment projection from its submission in November, as their agreement with federal authorities is unchanged. These collections are shown below.

Department Indirect Cost Assessment Request				
Division	Total	CF	RF	FF
Management and Administration	\$967,042	\$591,523	\$0	\$375,519
Assistance to Public Schools	\$3,967,960	\$25,000	\$128,142	\$3,814,818
Library Programs	\$55,327	\$0	\$0	\$55,327
Total FY 2025-26 Recommendation	\$4,990,329	\$616,523	\$128,142	\$4,245,664
Management and Administration	\$886,498	\$510,979	\$0	\$375,519
Assistance to Public Schools	\$3,848,077	\$25,000	\$90,177	\$3,732,900
Library Programs	\$55,327	\$0	\$0	\$55,327
Total FY 2024-25 Appropriation	\$4,789,902	\$535,979	\$90,177	\$4,163,746
Increase (Decrease) FY2024-25 to FY2025-26	\$200,427	\$80,544	\$37,965	\$81,918

Recommendation

The staff recommendation includes:

- The request for indirect cost collections of \$4,990,329 total funds in FY 2025-26 to be collected in the divisions outlined above;
- Anticipated appropriations of just under \$510,000 from the Department’s Indirect Cost Excess Recovery Fund and thus total appropriations, including new collections and use of reserves, of \$5,500,329 from indirect costs and the Department’s Indirect Cost Excess Recoveries fund.

The recommendation is consistent with the approach staff has used in recent years that involves spending down reserves in the Indirect Costs Excess Recovery Fund over time. *Based on JBC action on operating common policies and the request for those common policy items where the JBC has not yet taken action, staff has included an adjustment that increases General Fund by \$100,000 and decreases appropriations from indirect cost collections by \$100,000 to align with the \$5.5 million.* As the JBC finalizes decisions on common policy line items, staff will continue to make fund split adjustments to target the \$5.5 million total.

Analysis

The Department's indirect cost plan is negotiated with the federal Department of Education. State cash funds are generally treated in a manner consistent with the federal plan. The details of the plan are included in an appendix to this document and so are not repeated here. Similar to action last year, staff is recommending use of approximately \$500,000 from reserves that have accumulated in the Indirect Costs Excess Recoveries Fund to offset General Fund otherwise required.

The Indirect Cost Excess Recoveries Fund holds the difference between the amount of indirect cost recoveries received and expended each year. It covers shortfalls when annual revenues fall below projections and receives excess funds when revenues exceed expenditures. As of the end of FY 2021-22, the Department’s Fund held a balance of \$1,855,130. Based on growth that was evident two years ago, JBC Staff and the Department agreed that a spend-down of approximately \$500,000 a year would be appropriate and help avoid a steep “cliff effect” in which General Fund would be required to backfill the difference once indirect cost recoveries in the fund were exhausted. This process began in FY 2022-23. The table below shows the targeted and actual spend down since this process began. As shown, the actual spend-down has been slower than anticipated. However, total reserves are declining, and, staff expects they will be down to a reasonable level by the end of FY 2025-26, barring large-scale federally-imposed changes which cannot be forecast at this time.

	End of year fund balance	Actual/proj Fund Balance Change	Targeted spend-down
FY 2021-22	\$1,855,130	n/a	n/a
FY 2022-23	1,425,199	-429,931	-500,000
FY 2023-24	1,252,100	-173,099	-500,000

	End of year fund balance	Actual/proj Fund Balance Change	Targeted spend-down
FY 2024-25 (proj)	718,997	-533,103	-600,000

→ BA6 Appropriated Sponsored Programs and Staff- initiated Informational Funds Adjustments

Request

The Department did not include any proposed changes to informational funds in the Long Bill in its request, but it responded to staff questions about anticipated federal receipts for various programs.

As part of its January 2 submission, the Department submitted requests for a \$4.0 million cash funds spending authority increase for FY 2024-25 and a \$5.0 million cash funds spending authority increase for FY 2025-26 for in the Appropriated Sponsored Programs line item to enable the Department to spend funds received from the Department of Law related to administration of a youth vaping program. It subsequently indicated that a supplemental was not required, because the Controller’s Office could provide the necessary spending authority for these custodial funds, so no supplemental was adopted.

Recommendation

Solely for informational purposes, staff recommends:

- **Reflecting an increase of \$5,000,000 informational cash funds** in the Appropriated Sponsored Programs line item, based on the BA6 request.
- **Reducing the amount shown in the Appropriated Sponsored Programs line item by \$248,169,529 federal funds to reflect the roll-off of one-time federal COVID relief funding (primarily ESSER funds), leaving a total of \$253,000,000 in the line item** as an estimate of ongoing federal support. Colorado received \$1.8 billion in federal Elementary and Secondary Education Relief Funds, among other stimulus funds. These funds were spent over multiple years but are expected to be exhausted by the end of FY 2024-25.
- **Increasing the federal funds amount shown for federal nutrition programs by \$181,330,000 resulting in a total federal funds appropriation in the line item of \$338,111,639** based on the most recent forecast of the federal share for the Healthy School Meals for all program. Given the potential for upcoming federal changes, having a more accurate figure in the Long Bill may be helpful.

The Committee may also want to consider a “true up” related to **special education funding**, which the Department reports is currently at about \$200.0 million, and thus considerably larger than the \$157.0 million presently reflected in the Long Bill. However, staff will defer to the analyst for the School Finance section of the budget on the recommended figure.

Analysis

Federal Funds

As the JBC is aware, the State receives large amounts of funds, particularly from federal sources, that are considered “custodial” and therefore not subject to appropriation. Some of these funds—although not all—are reflected in the Long Bill as way to provide additional context for legislators, staff, and members of the public who wish to understand the entire state budget. Since the General Assembly does not control these funds, figures in the Long Bill are often inaccurate; however, when the funds are included in the Long Bill, the budget request will typically include actual spending information which otherwise is not provided on a routine basis.

In general, staff recommends adding or adjusting informational federal funds amounts when there are large swings in these figures and, particularly, when this information may be relevant to current policy decisions. The tables below reflect recent Department estimates of federal funds to be received in FY 2024-25 and FY 2025-26. These figures are often significantly different from the informational amounts in the FY 2024-25 Long Bill, but staff is only recommending making adjustments for FY 2025-26 and is only recommending such adjustments for a few line items where the scale and policy implications are large.

Particularly given ongoing changes at the federal level, all of these figures are subject to change.

- FY 24-25 Updated Figures

Federal Funds Estimates by Long Bill Line Item	\$
State Assessment	\$6,465,984
Special Education	\$200,426,786
English Lang. Proficiency (Title III)	\$11,172,632
Appropriated Sponsored Programs	\$530,191,744
Federal Nutrition	\$272,099,110
Accountability and Improvement Planning	\$1,393,000
School Transformation	\$976,000
Schools of Choice	\$11,372,375
Adult Education	\$8,814,117
Federal Library Funding	\$3,554,206

- FY 25-26 Estimates

Federal Funds Estimates by Long Bill Line Item	\$
State Assessment	\$6,494,136
Special Education	\$202,249,343
English Lang. Proficiency (Title III)	\$11,737,296
Appropriated Sponsored Programs	\$252,970,020
Federal Nutrition	\$338,000,000
Accountability and Improvement Planning	\$1,393,000

Federal Funds Estimates by Long Bill Line Item	\$
School Transformation	\$976,000
Schools of Choice	\$10,154,162
Adult Education	\$8,814,117

Cash Funds

The cash funds increase is due to a nationwide settlement with e-cigarette maker JUUL. For additional information, see the following links.

[Colorado to receive \\$31.7 million from nationwide settlement with e-cigarette manufacturer Juul - Colorado Attorney General | Colorado Attorney General](#)

[Vaping Prevention Education Grant](#)

(1) Management and Administration

This section includes funding for the State Board of Education, the Commissioner of Education, and general department administrative responsibilities including human resources, budgeting, accounting, and information technology management.

Management and Administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$46,856,281	\$23,432,136	\$9,129,395	\$6,202,586	\$8,092,164	87.5
Total FY 2024-25	\$46,856,281	\$23,432,136	\$9,129,395	\$6,202,586	\$8,092,164	87.5
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$46,856,281	\$23,432,136	\$9,129,395	\$6,202,586	\$8,092,164	87.5
R9 Statewide student information system	160,000	160,000	0	0	0	0.0
R12 Inactive cash funds sweep	0	0	0	0	0	0.0
BA5 Eliminate grant programs	-230,637	-230,637	0	0	0	-0.1
NP Impacts driven by other agencies	6,478	0	6,478	0	0	0.0
Centrally appropriated line items	2,461,964	807,729	562,713	251,156	840,366	0.0
SI Technical adjustments	0	100,000	0	-100,000	0	0.0
SI High Impact Tutoring Program	-3,110	-3,110	0	0	0	0.0
Annualize prior year legislation	-454,577	-187,285	-165,892	0	0	-0.8
SI Annualize K-5 Social Emotional pilot	-8,472	0	-8,472	0	0	-0.1
Annualize prior year budget action	-3,424,606	-1,184,308	-643,336	-43,743	-1,553,219	0.2
SI Computer Science Education Grants	-11,806	0	-11,806	0	0	-0.1
SI Annualize Innovative Learning Pilot	-5,573	-5,573	0	0	0	0.0
SI Reduce FY 24-25 R4 HRIS	-103,000	-103,000	0	0	0	0.0
Total FY 2025-26	\$45,242,942	\$22,785,952	\$8,869,080	\$6,309,999	\$7,379,311	86.6

Management and Administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Changes from FY 2024-25	-\$1,613,339	-\$646,184	-\$260,315	\$107,413	-\$712,853	-0.9
Percentage Change	-3.4%	-2.8%	-2.9%	1.7%	-8.8%	-1.0%
FY 2025-26 Executive Request	\$45,589,888	\$22,855,176	\$8,961,554	\$6,426,208	\$7,346,950	86.6
Staff Rec. Above/-Below Request	-\$346,946	-\$69,224	-\$92,474	-\$116,209	\$32,361	0.0

Decision Items

→ R9 Statewide Student Information System

Request

The Department requests \$200,000 one-time General Fund in FY 2025-26 to fund consulting services to provide an updated analysis of the benefits and feasibility of implementing a statewide Student Information System (SIS).

Recommendation

Staff recommends \$160,000 General Fund one-time support for this request. The Department believes this is the lowest amount that will yield a useful result. The Department has indicated that the results of this request could yield solutions that are financially viable for the State and districts and that have a real impact on annual costs and workload for both the State and some districts. While the results of the investment are uncertain, this one-time investment appears a reasonable risk given the central role of data collection and analysis for both the Department and school districts and the estimated costs for a system that could result from this initiative, which the Department estimates at \$2 million to \$8 million, including costs borne by school districts.

Analysis

Student Information Systems are systems PowerSchool and Infinite Campus that are typically used by individual schools and districts to house information like grades, attendance, and schedules. The Department indicates that such a system could also be a way for districts to report local education provider data to the Department to comply with statewide monitoring requirements. According to the Department, across Colorado, approximately 10 different SIS platforms are currently in use. These systems enable districts to store, secure, and manage student data (e.g., October Count) and fulfill state and federal reporting requirements by extracting data for submission to the Colorado Department of Education (CDE) via the Data Pipeline.

An in-depth analysis from 2019 considered if purchasing such a system on a statewide basis would be beneficial. The results of this earlier analysis were mixed, as districts supported a

statewide SIS that they could use on an optional basis, but they were skeptical of the price. In light of this, as well as more pressing needs related to the pandemic, work in this area stopped.

Due to the development of new technologies, as well as ever-increasing demands on districts for data-reporting, the Department believes a statewide SIS should be reconsidered.

The Department states that an optional Statewide Student Information System would streamline and standardize this process by functioning similarly to district-level systems but with added capabilities for CDE access. Key features could include:

- *Centralized Data Access:* Districts would store, secure, and manage their data within the statewide system while controlling which datasets are authorized for CDE access.
- *Streamlined Reporting and Improved Data Quality:* The system could eliminate the need for districts to extract data from their local SIS and upload it into the Data Pipeline, as CDE could directly pull authorized data for state and federal reporting. This automated exchange of data could improve data quality by eliminating a manual step in the process.
- *Increased Efficiency:* By removing redundant steps and ensuring consistency in data formats, the goal of a statewide SIS would be to reduce administrative burdens for districts and improve the accuracy and timeliness of reporting.

The request notes that there is currently a great deal of variance in how individual local education providers manage data they submit to the State, which drives significant workload to correct errors. A statewide SIS could improve statewide data collection that is currently submitted through the “Data Pipeline”, facilitate Department assistance in quality management, and greatly ease transcript/transfer process for students among districts.

The State indicates that it currently spends about \$1.7 million per year managing the state’s “data pipeline”. Staff does not have information on current district expenditures on their Student Information Systems, but these are large, expensive systems that are deeply integrated into daily school district functions. Changing from one student information to another is not a minor task.

The Department proposes engaging department staff and consulting services to: review the conclusions of the 2019 study; evaluate whether a statewide SIS would ease the burden of required statewide data collections; evaluate the ability of a statewide SIS to save districts money by increasing economies of scale; engage in broad-based stakeholder engagement; and use this process to better understand the specific requirements that would be needed by districts to eliminate the need for other systems.

In response to staff questions, the Department provided its estimate for the hours required and indicated that it estimates costs of \$200 per hour for a consultant for a cost of **\$160,000 without adjustments related to existing staff time. As reflected in the table below, the cost components included are to support the development of an RFP for a statewide SIS.**

Task No / Description		Hours
1.0	Review and organize artifacts from original value assessment	40
2.0	Obtain and analyze new national SIS information	80
3.0	District engagement and feedback	200

Task No / Description		Hours
4.0	Finalize core product requirements	160
5.0	Develop detailed cost estimate for core product	80
6.0	Share out results of project with stakeholders	40
7.0	Develop Request for Proposal (RFP) and supporting process including but not limited to options/models for cost-sharing with districts	200
Total Hours		800

The Department notes as follows:

“While this sounds like a significant amount of time, the assessment is reflective of the enormity of the project/task. Currently, there are the 85 federal data collections and 45 state collections that would be part of the analysis, along with stakeholder engagement across 178 districts each of which have their own data governance policies which cannot be overlooked.”

If the end product is an RFP for a statewide SIS, \$160,000 may not be unreasonable. Staff does not have a good basis for comparison. Staff’s primary concern has been whether that is the correct end-point, since there would be little point in developing an RFP in the absence of sufficient district interest, and any interest from districts may hinge in large part on how much the State is able to contribute. Staff explored with the Department whether funding for just the first three components of the request would be a reasonable first step to determine the level of district interest, but the Department responded that it did not anticipate that this would yield sufficiently useful results. However, the Department also provided additional information on the potential cost of a system that might result from this analysis. Based on this information, staff has recommended moving forward with a \$160,000 one-time appropriation. According to the Department:

“There are a wide range of outcomes possible from this analysis. Based on limited information, a statewide SIS could cost in the **\$7 to \$8 million range** (though final costs could depend on the level of buy in from districts). Annual and ongoing state costs could depend on the model used for funding it. Other potential options that could come from this project include **an intermediary standards-based reporting solution that could be as low as \$2 million**. There are options that could be in the middle of these two where there is an optional system that is not used by all districts. Additional research from this project is anticipated to get better cost estimates for the various options.” [emphasis added]

➔ **BA5 Eliminate Grant Programs [COSLI component; legislation option]**

Request

The Department proposes that as a budget balancing measure the State eliminates funding for the Colorado Opportunity Scholarship Initiative program (COSLI), a 4-week summer program for

high school students. Eliminating this funding would save \$227,753 General Fund and 0.1 FTE for FY 2025-26. Staff would also expect some FY 2024-25 reversion, though the amount is uncertain.

Recommendation

Staff recommends the proposal to eliminate the program. Staff has also suggested to the program seeking private grant support and restructuring the program so that the State provides financial aid for students with financial need. The program has not thus far responded. If the Committee wishes to keep open the option of reviving the program in the future, it could leave existing statute on the books, as the program is subject to available appropriation; alternatively, the Committee could sponsor legislation to repeal the statute in the expectation that, if the program is revived, it would be recreated in new legislation.

Key considerations for staff: The program offers benefits to a small number of talented students, but only half must be students who are first in their families to attend college or low income. Although statute requires a report by the host institute (thus far, the University of Colorado at Denver) on the enrollment and progress of institute alumni in postsecondary educational programs, the 2024 report does not appear to have been submitted, and the program has not been able to respond to staff requests for recent data on program participation and outcomes.

New students participate each year, with acceptances distributed in March or April. Thus, funding could be reduced or eliminated without affecting students currently enrolled. Further, the Department's agreement with the University of Colorado Denver expired September 30, 2024, so there are no grantees at this time. Consistent with the JBC's directive to agencies to delay new contracts to the extent feasible until after figure setting, a new Request for Applications has not been released yet.

The program has suggested that it could skip funding for one year in return for future funding, but that would not assist with the state's structural budget deficit.

Analysis

Background: The Colorado Student Leaders Institute, created in Section 22-106-101 through 105, C.R.S., is a competitive residential summer academic program for students who are entering tenth or eleventh grade in the coming fall semester. As reflected in the legislative declaration for the program, the program follows a model from other states where such programs have:

- “(I) Successfully developed a civic voice among the states’ best students so that they graduate from high school as civic participants;
- (II) Prepared motivated students to participate in a competitive workforce;
- (III) Helped to create young leaders who are energized to find solutions for the pressing issues facing their states; and

(IV) Motivated students to remain in their home states for their postsecondary education and careers; and

(d) A high percentage of the students who have participated in the summer residential education programs have subsequently enrolled in postsecondary education in their home states and earned a baccalaureate degree in four years.”

The institute has thus far operated at the University of Colorado at Denver for four weeks each summer during which time participating students attend college level classes and enrichment activities. The program indicates that its target size is 75 students, although the program has been funded to serve up to 100. Statute requires that at least 50 percent of students selected must be eligible for free or reduced priced lunch or would be first in their immediate families to attend college; but all participants are required to pay or find other sponsorship of \$400 to assist the program in achieving a required non-state match of \$40,000.

The program was created as a pilot in the Lieutenant Governor’s Office in 2015 and moved to the Department of Higher Education in FY 2017-18. The program was reauthorized during the 2019 session through S.B. 19-137 and the appropriation structure modified to provide a direct General Fund appropriation. Senate Bill 23-086 moved the program from the Department of Higher Education to the Department of Education, effective FY 2023-24.

Staff has received outreach from a student who participated in the program who described it enthusiastically: “Attending COSLI fundamentally changed the way that I interact with my peers and the way I view policy.” Staff does not question whether the program is valuable to the students who participate, but staff is also aware that many higher education institutions sponsor summer programs for high school students to assist with recruitment and sometimes to generate revenue. While the program may have considerable value, staff concurs with the Department that sponsoring this program is not a *critical* function of state government.

➔ Staff initiated: Annualize prior year R4 Increase Based on Cost of New Human Resources Information System

Recommendation

Staff recommends changing the annualization for the Department’s FY 2024-25 R4 increase, which added funding for a new HR system. The recommendation is to reduce funding by \$103,000 General Fund for FY 2025-26 and ongoing based on the final cost of a new Human Resources Information System. This recommendation does not change the adjustment for staff salary in the second year.

Analysis

FY 2024-25 Request R4: During the 2024 legislative session, the JBC and General Assembly approved an FY 2024-25 increase of \$280,446 General Fund and 0.9 FTE, increasing to \$286,274 General Fund and 1.0 FTE in FY 2025-26, to hire an additional human resources position in the Department and to implement a cloud-based Human Resource Information System (HRIS). The

Department indicated that it was operating without an HRIS and was relying primarily on spreadsheets and other ad hoc tools to manage human resources information for over 500 staff. A new system was to address employee data management, record keeping, data reporting and metrics, performance management, and onboarding.

November 1, 2024 RFI Response: Of the total in the FY 2024-25 request, \$208,000 was for the new HRIS. However, because the costs of the new cloud-based system were uncertain, the Committee also included a Request for Information about the final cost.

6 Department of Education, Management and Administration, Administration and Centrally-Appropriated Line Items; and Governor-Lieutenant Governor-Office of State Planning and Budgeting, Governor’s Office of Information Technology – As part of its November 1, 2024 budget submission, the Department of Education is requested to include information on the start-up and ongoing costs for implementing a Human Resources Information System, funded in response to FY 2024-25 Department Request R4, based on the results of its procurement process. In addition, the Department of Education is requested to collaborate with the Governor’s Office of Information Technology to explore whether the Human Resource Information System tool selected by the Department of Education could be scaled to meet the needs of other state departments.

The response was as follows: “The Department of Education awarded the Request For Proposals to NeoGov for its Human Resource Information System in October 2024. While the RFP was awarded, the vendor and CDE purchasing have just begun negotiations and potential costs are thus not final. **The pricing sheet in the RFP indicates that vendor specific start-up costs for the selected modules are \$57,582 with ongoing annual maintenance costs in the first year of \$104,556**”. [The response also noted that NeoGov system would be scalable in a linear fashion for other departments if they chose to utilize this vendor and that, because CDE ran an approved cooperative solicitation pursuant to CRS 24-110-201, other departments could utilize the CDE award to avoid doing another RFP.]

Based on the updated annual operating costs, staff recommends reducing the \$208,000 appropriation for the HRIS by \$103,000 to a total of \$105,000 for FY 2025-26 and future years.

→ Staff initiated: Eliminate Reprinting Education Laws
[Legislation Required]

Recommendation

Statute currently requires the Department of Education to reprint and distribute laws concerning education using money from the State Public School Fund. The appropriation for this is \$35,480, which, pursuant to statute, must be appropriated from the State Public School Fund. Staff recommends that this statutory requirement, and the appropriation, be eliminated through a statutory change.

Analysis

Section 22-2-112 (1)(i), C.R.S., requires the Department to "cause to be reprinted annually laws enacted by the general assembly concerning education...and to furnish copies thereof to interested persons." By statute, the State Public School Fund supports all publishing costs.

- Prior to FY 2010-11, this appropriation identified the source of funding as rental income earned on state education trust lands that is credited to the State Public School Fund.
- Pursuant to H.B. 10-1369, the revenue source was changed to interest and investment income earned on the Public School ("Permanent") Fund that is credited to the State Public School Fund.
- House Bill 24-1448 (New School Finance Formula) diverts the interest and investment income earned on the Permanent Fund that previously went to the State Public School Fund to the BEST program and charter school capital construction funding. Because of this, the statutory funding source for printing laws must be modified, e.g., to the State Education Fund.

In lieu of changing the funding source for this program in statute, staff instead suggests that the statutory requirement be eliminated. Given that statutes may now be easily accessed by the public on-line, requiring education laws to be separately printed each year seems unnecessary. In FY 2021-22, the Department proposed eliminating this line item, which would have required a statutory change. The General Assembly did not proceed with this proposal at the time.

Staff notes that there will need to be some other minor technical changes associated with the H.B. 24-1448 diversion of permanent fund interest, though the bigger issue from a budget perspective is that the diversion of \$21.0 million drives the need for additional General Fund or State Education Fund money for public school finance and other department costs.¹

¹ Of the \$21.0 million in Permanent Fund interest, H.B. 24-1448 diverts \$10.0 million to BEST/charter school construction in FY 2024-25, increasing to the full \$21.0 million by FY 2028-29 (all of it).

Some uses of the State Public School Fund are not mandated in statute, but some are. Section 22-54-114(4) specifies that the State Public School Fund money must be used per the following subsections: (4) (b) Educational services to juveniles pursuant to 22-32-141 from money appropriated for said purpose; (4) (c) At-risk supplemental aid pursuant to section 22-30.5-112.2 and 22-30.5-513 up to \$3,839,627 dollars; and (5) All publishing costs associated with the annual printing of laws...concerning education. Each of these references could be modified to omit the specific reference to the State Public School Fund.

State Public School Fund money is also used for the National School Lunch Program (\$2.5 million) and At risk supplemental Appropriation (\$7.0 million), but statute does not mandate the State Public School Fund funding source.

Line Item Detail

(A) Administration and Centrally-Appropriated Line Items

State Board of Education

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

Statutory Authority: Section 22-2-107, C.R.S.

Request: The Department requests \$591,597 General Fund and 2.5 FTE, including annualization of prior year step pay and salary survey.

Recommendation: Staff recommends the request, which is consistent with common policy.

General Department and Program Administration

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

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

Request: The Department requests an appropriation of \$7,233,010 and 46.2 FTE, including annualization of FY 2024-25 R4, R14, R15, and R17, and annualization of H.B. 24-1364 (Education-based Workforce Readiness), and prior year salary survey and step pay.

Recommendation: The staff recommendation is shown in the table below. The difference between the request and recommendation is the staff recommendation to further reduce funding for FY 2024-25 R4 due to the actual cost of the new HRIS system (previously discussed) and a fund-split adjustment that increases General Fund \$100,000 and reduces reappropriated funds from indirect cost recoveries based on the indirect cost recovery amount anticipated to be available. Staff requests permission to work with Department staff to calculate the allocation

of indirect cost recoveries in this line item and the associated centrally appropriated line items based on Committee common policies that are pending.²

Management and Administration, Administration and Centrally-Appropriated Line Items, General Department and Program Administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$6,568,790	\$3,240,580	\$188,595	\$3,139,615	\$0	46.0
Total FY 2024-25	\$6,568,790	\$3,240,580	\$188,595	\$3,139,615	\$0	46.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$6,568,790	\$3,240,580	\$188,595	\$3,139,615	\$0	46.0
Annualize prior year budget action	685,920	282,793	983	402,144	0	0.2
R12 Inactive cash funds sweep	0	0	0	0	0	0.0
SI Technical adjustments	0	100,000	0	-100,000	0	0.0
SI Reduce FY 24-25 R4 HRIS	-103,000	-103,000	0	0	0	0.0
Annualize prior year legislation	-21,700	-21,700	0	0	0	0.0
Total FY 2025-26	\$7,130,010	\$3,498,673	\$189,578	\$3,441,759	\$0	46.2
Changes from FY 2024-25	\$561,220	\$258,093	\$983	\$302,144	\$0	0.2
Percentage Change	8.5%	8.0%	0.5%	9.6%	n/a	0.4%
FY 2025-26 Executive Request	\$7,233,010	\$3,501,673	\$189,578	\$3,541,759	\$0	46.2
Staff Rec. Above/-Below Request	-\$103,000	-\$3,000	\$0	-\$100,000	\$0	0.0

Grants Administration

This line item was created in FY 2024-25 as part of net \$0 reorganization of funding in this department. Funding for staff associated with administration of multiple grant programs that were previously funded in 30 other line items, as well as staff associated with three new programs created in FY 2024-25, were consolidated in this line item to limit the administrative burden on the department of charging costs associated with grants administration staff to multiple line items.

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

Request: The Department requests \$624,861 total funds and 0.7 FTE, including annualization of S.B. 24-048 (Substance Use Disorder) and H.B. 24-1331 (Out-of-school time grants).

Recommendation: The staff recommendation is reflected in the table below and includes additional reductions consistent with staff recommendations discussed later in the packet to

² These centrally appropriated line items include the following: Health, Life, and Dental; Short-term Disability; AED; SAED; Salary Survey; Workers’ Compensation; Payment to Risk Management and Property Funds; and Capitol Complex Leased Space.

eliminate funding for certain grant programs. The recommendation for adjustments in the Long Bill is only for changes that can be made under current law. The amounts shown will be adjusted as required based on Committee action on grants program reductions.

Management and Administration, Administration and Centrally-Appropriated Line Items, Grants Administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$659,376	\$484,437	\$174,939	\$0	\$0	1.0
Total FY 2024-25	\$659,376	\$484,437	\$174,939	\$0	\$0	1.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$659,376	\$484,437	\$174,939	\$0	\$0	1.0
Annualize prior year legislation	-34,515	-34,515	0	0	0	-0.3
SI Computer Science Education Grants	-11,806	0	-11,806	0	0	-0.1
SI Annualize K-5 Social Emotional pilot	-8,472	0	-8,472	0	0	-0.1
SI Annualize Innovative Learning Pilot	-5,573	-5,573	0	0	0	0.0
SI High Impact Tutoring Program	-3,110	-3,110	0	0	0	0.0
BA5 Eliminate grant programs	-2,884	-2,884	0	0	0	0.0
Total FY 2025-26	\$593,016	\$438,355	\$154,661	\$0	\$0	0.5
Changes from FY 2024-25	-\$66,360	-\$46,082	-\$20,278	\$0	\$0	-0.5
Percentage Change	-10.1%	-9.5%	-11.6%	n/a	n/a	-50.0%
FY 2025-26 Executive Request	\$624,861	\$449,922	\$174,939	\$0	\$0	0.7
Staff Rec. Above/-Below Request	-\$31,845	-\$11,567	-\$20,278	\$0	\$0	-0.2

Health, Life, and Dental

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

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

Request: The Department requests \$10,427,647 total funds, including \$4,358,510 General Fund, reflecting an increase of \$740,880 for Executive Branch common policy adjustments.

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

Short-term Disability

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

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

Request: The Department requests \$43,788 total funds, including a reduction of \$50,178, based on the Executive Branch common policy request.

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

Paid Family Medical Leave Insurance

Colorado Proposition 118, Paid Family Medical Leave Initiative, was approved by voters in November 2020 and created a paid family and medical leave insurance program for all Colorado employees administered by the Colorado Department of Labor and Employment. This requires employers and employees in Colorado to pay a payroll premium (.90 percent with a minimum of half paid by the employer) to finance paid family and medical leave insurance benefits beginning January 1, 2023. It finances up to 12 weeks of paid family and medical leave to eligible employees beginning January 1, 2024.

Statutory Authority: Section 8-13.3-516, C.R.S.

Request: The Department requests an appropriation of \$281,513 total funds, including an increase of \$15,884, based on the Executive Branch common policy request.

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

Unfunded Liability Amortization Equalization Disbursement Payments

This line item provides funding for amortization and supplemental amortization payments to increase the funded status of the Public Employees' Retirement Association (PERA). It combines the funding obligations that were included in the S.B. 04-257 Amortization Equalization Disbursement and S.B. 06-235 Supplemental Amortization Equalization Disbursement line items through FY 2023-24.

Statutory Authority: Section 24-51-411, C.R.S.

Request: The Department requests \$6,255,840 total funds, including a reduction of \$8,534, based on the Executive Branch common policy request.

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

Salary Survey

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

Statutory Authority: Section 24-50-104, C.R.S.

Request: The Department requests \$1,659,158, including \$649,333 General Fund, based on the Executive Branch common policy request.

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

Step Pay

This line item provides detail on the amount of funding appropriated to each department as a result of the step pay plan. The step pay plan took effect in FY 2024-25 and is a result of negotiations between the State of Colorado and Colorado Workers for Innovative and New Solutions (COWINS).

Statutory Authority: Section 24-50-1101, C.R.S., et seq.

Request: The Department requests \$377,596 total funds, including \$144,466 General Fund, based on the Executive Branch common policy request.

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

PERA Direct Distribution

The General Assembly added this line item to the FY 2019-20 Long Bill to provide a common policy allocation payment for the state portion of the PERA Direct Distribution created in Section 24-51-414, C.R.S., enacted in S.B. 18-200. House Bill 20-1379 (Suspend Direct Distribution to PERA for FY 2020-21) suspended the direct distribution payments for FY 2020-21. However, these appropriations returned in FY 2021-22. Amounts shown in this line item provide the PERA direct distribution directly associated with Department of Education staff and not the education system as a whole.

Statutory Authority: Section 24-51-414, C.R.S.

Request: The Department requests an appropriation of \$1,293,177, including \$957,714 General Fund, based on the Executive Branch common policy request.

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

Temporary Employees Related to Authorized Leave

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

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

Recommendation: Staff recommends a continuation of \$29,961 General Fund, consistent with Committee common policy.

Workers' Compensation

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

Statutory Authority: Section 24-30-1510.7, C.R.S.

Request: The Department requests \$312,990, consistent with OSPB's common policies.

Recommendation: The staff recommendation is shown in the table below and reflects Committee common policy.

Management and Administration, Administration and Centrally-Appropriated Line Items, Workers' Compensation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$334,121	\$160,533	\$43,601	\$11,291	\$118,696	0.0
Total FY 2024-25	\$334,121	\$160,533	\$43,601	\$11,291	\$118,696	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$334,121	\$160,533	\$43,601	\$11,291	\$118,696	0.0
Centrally appropriated line items	-21,587	-10,372	-2,817	-729	-7,669	0.0
Total FY 2025-26	\$312,534	\$150,161	\$40,784	\$10,562	\$111,027	0.0
Changes from FY 2024-25	-\$21,587	-\$10,372	-\$2,817	-\$729	-\$7,669	0.0
Percentage Change	-6.5%	-6.5%	-6.5%	-6.5%	-6.5%	n/a
FY 2025-26 Executive Request	\$312,990	\$150,379	\$40,720	\$10,702	\$111,189	0.0
Staff Rec. Above/-Below Request	-\$456	-\$218	\$64	-\$140	-\$162	0.0

Legal Services

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

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

Request: The Department requests \$1,194,782, including \$738,375 based on Committee common policy.

Recommendation: The staff recommendation for the dollar amount for this line item is **pending** a Committee's common policy decision regarding legal services.

Administrative Law Judge Services

This line item provides funding for the Department to purchase services from the Department of Personnel and Administration, Administrative Hearings Division. The appropriations for this line item consist of cash funds from the Educator Licensure Cash Fund.

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

Request: The Department requests \$251,621 cash funds, based on OSPB common policy for administrative law judge services.

Recommendation: The staff recommendation is shown in the table below and reflects Committee common policy.

Management and Administration, Administration and Centrally-Appropriated Line Items, Administrative Law Judge Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$209,603	\$0	\$209,603	\$0	\$0	0.0
Total FY 2024-25	\$209,603	\$0	\$209,603	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$209,603	\$0	\$209,603	\$0	\$0	0.0
Centrally appropriated line items	41,811	0	41,811	0	0	0.0
NP Impacts driven by other agencies	0	0	0	0	0	0.0
Total FY 2025-26	\$251,414	\$0	\$251,414	\$0	\$0	0.0
Changes from FY 2024-25	\$41,811	\$0	\$41,811	\$0	\$0	0.0
Percentage Change	19.9%	n/a	19.9%	n/a	n/a	n/a
FY 2025-26 Executive Request	\$251,621	\$0	\$251,621	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$207	\$0	-\$207	\$0	\$0	0.0

Payment to Risk Management and Property Funds

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

Statutory Authority: Sections 24-30-1510 and 24-30-1510.5, C.R.S.

Request: The Department requests \$862,621 General Fund for this line item, based on OSPB's common policies.

Recommendation: The staff recommendation is shown in the table below and reflects Committee common policy.

Management and Administration, Administration and Centrally-Appropriated Line Items, Payment to Risk Management and Property Funds

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$821,832	\$821,832	\$0	\$0	\$0	0.0
Total FY 2024-25	\$821,832	\$821,832	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$821,832	\$821,832	\$0	\$0	\$0	0.0
Centrally appropriated line items	202,967	202,967	0	0	0	0.0
Total FY 2025-26	\$1,024,799	\$1,024,799	\$0	\$0	\$0	0.0
Changes from FY 2024-25	\$202,967	\$202,967	\$0	\$0	\$0	0.0
Percentage Change	24.7%	24.7%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request	\$862,621	\$862,621	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$162,178	\$162,178	\$0	\$0	\$0	0.0

Capitol Complex Leased Space

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

Statutory Authority: Section 24-30-1104, C.R.S.

Request: The Department requests \$1,215,168 total funds, including \$346,322 General Fund, based on OSPB’s common policies.

Recommendation: The staff recommendation is shown in the table below and reflects Committee common policy.

Management and Administration, Administration and Centrally-Appropriated Line Items, Capitol Complex Leased Space

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$1,053,714	\$300,308	\$191,776	\$95,888	\$465,742	0.0
Total FY 2024-25	\$1,053,714	\$300,308	\$191,776	\$95,888	\$465,742	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,053,714	\$300,308	\$191,776	\$95,888	\$465,742	0.0
Centrally appropriated line items	235,037	66,985	42,778	21,388	103,886	0.0
Total FY 2025-26	\$1,288,751	\$367,293	\$234,554	\$117,276	\$569,628	0.0
Changes from FY 2024-25	\$235,037	\$66,985	\$42,778	\$21,388	\$103,886	0.0
Percentage Change	22.3%	22.3%	22.3%	22.3%	22.3%	n/a

FY 2025-26 Executive Request	\$1,215,168	\$346,322	\$221,161	\$110,580	\$537,105	0.0
Staff Rec. Above/-Below Request	\$73,583	\$20,971	\$13,393	\$6,696	\$32,523	0.0

CORE Operations

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

Statutory Authority: Section 24-30-209, C.R.S.

Request: The Department requests \$192,054, including \$96,017 General Fund, based on OSPB’s common policies.

Recommendation: The staff recommendation is shown in the table below and reflects Committee common policy.

Management and Administration, Administration and Centrally-Appropriated Line Items, CORE Operations						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$66,377	\$33,185	\$25,715	\$7,477	\$0	0.0
Total FY 2024-25	\$66,377	\$33,185	\$25,715	\$7,477	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$66,377	\$33,185	\$25,715	\$7,477	\$0	0.0
Centrally appropriated line items	-12,527	-6,263	-4,853	-1,411	0	0.0
Total FY 2025-26	\$53,850	\$26,922	\$20,862	\$6,066	\$0	0.0
Changes from FY 2024-25	-\$12,527	-\$6,263	-\$4,853	-\$1,411	\$0	0.0
Percentage Change	-18.9%	-18.9%	-18.9%	-18.9%	n/a	n/a
FY 2025-26 Executive Request						
FY 2025-26 Executive Request	\$192,054	\$96,017	\$74,403	\$21,634	\$0	0.0
Staff Rec. Above/-Below Request	-\$138,204	-\$69,095	-\$53,541	-\$15,568	\$0	0.0

(B) Information Technology

Information Technology Services

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

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

Statutory Authority: Section 22-2-112, C.R.S.

Request: The Department requests \$6,307,088, including \$5,548,203 General Fund, and 36.2 FTE. The request includes annualization of the following FY 2042-25 bills: HB 24-1364 Education-based workforce readiness; SB24-048 Substance use disorder recovery; HB24-1331 Out-of-school time grant program; HB24-1063 Addressing abbreviated school days; HB24-1282 Ninth-grade success grant & performance reporting; SB23-296 Prevent harassment and discrimination in schools; as well as prior year salary survey and step pay. It also includes \$200,000 General Fund for request R9 Statewide Student Information System.

Recommendation: The staff recommendation is summarized in the table below. The difference between the request and recommendation is the previously-discussed staff recommendation for R9.

Management and Administration, Information Technology, Information Technology Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$6,087,851	\$5,274,185	\$277,942	\$535,724	\$0	36.9
Total FY 2024-25	\$6,087,851	\$5,274,185	\$277,942	\$535,724	\$0	36.9
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$6,087,851	\$5,274,185	\$277,942	\$535,724	\$0	36.9
Annualize prior year budget action	205,088	205,088	0	0	0	0.0
R9 Statewide student information system	160,000	160,000	0	0	0	0.0
Annualize prior year legislation	-287,251	-131,070	-54,781	0	0	-0.5
Total FY 2025-26	\$6,165,688	\$5,508,203	\$223,161	\$535,724	\$0	36.4
Changes from FY 2024-25	\$77,837	\$234,018	-\$54,781	\$0	\$0	-0.5
Percentage Change	1.3%	4.4%	-19.7%	0.0%	n/a	-1.4%
FY 2025-26 Executive Request	\$6,307,088	\$5,548,203	\$223,161	\$535,724	\$0	36.2
Staff Rec. Above/-Below Request	-\$141,400	-\$40,000	\$0	\$0	\$0	0.2

Payments to OIT

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

Statutory Authority: Section 24-27.5-104, C.R.S.

Request: The Department requests \$1,095,452, including \$808,613 General Fund, based on OSPB’s common policy.

Recommendation: The staff recommendation for this line item is reflected below and is based on Committee common policy, which includes a 5.0 percent reduction, in addition to other common policy changes.

Management and Administration, Information Technology, Payments to OIT						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$1,579,878	\$1,166,192	\$318,377	\$95,309	\$0	0.0
Total FY 2024-25	\$1,579,878	\$1,166,192	\$318,377	\$95,309	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,579,878	\$1,166,192	\$318,377	\$95,309	\$0	0.0
Centrally appropriated line items	-658,499	-486,072	-136,006	-36,421	0	0.0
Total FY 2025-26	\$921,379	\$680,120	\$182,371	\$58,888	\$0	0.0
Changes from FY 2024-25	-\$658,499	-\$486,072	-\$136,006	-\$36,421	\$0	0.0
Percentage Change	-41.7%	-41.7%	-42.7%	-38.2%	n/a	n/a
FY 2025-26 Executive Request	\$1,095,452	\$808,613	\$220,754	\$66,085	\$0	0.0
Staff Rec. Above/-Below Request	-\$174,073	-\$128,493	-\$38,383	-\$7,197	\$0	0.0

Information Technology Asset Maintenance

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

Statutory Authority: Section 22-2-112, C.R.S.

Request: The Department requests \$969,147 General Fund for FY 2025-26, with no change from the FY 2024-25 appropriation.

Recommendation: Staff recommends approving the request, consistent with common policy.

Disaster Recovery

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

Statutory Authority: Section 22-2-112, C.R.S.

Request: The Department requests a continuation appropriation of \$19,722 General Fund, with no change from the FY 2024-25 appropriation.

Recommendation: Staff recommends approving the request.

(C) Special Purpose

BOCES Funding per Section 22-5-122, C.R.S.

The General Assembly created this program with an initial appropriation of \$1.3 million cash funds from the State Education Fund in H.B. 12-1345 to assist BOCES in working with partner districts to implement and meet the state’s educational priorities. With the enactment of H.B. 14-1298 (School Finance), the General Assembly increased the appropriation by \$2.0 million (to a total of \$3.3 million) in FY 2014-15 and has maintained that level in subsequent years.

Statutory Authority: Section 25-2-122, C.R.S.

Request: The Department requests 3,327,275 cash funds from the State Education Fund and 1.0 FTE for FY 2025-26, with no change from the FY 2024-25 appropriation.

Recommendation: Staff recommends the request for an appropriation of \$3,327,275 cash funds from the State Education Fund and 1.0 FTE for FY 2025-26. The calculation is consistent with Committee common policy.

Interstate Compact on Educational Opportunity for Military Children

Through H.B. 08-1317 [see Sections 22-90-101 and 24-60-3401, C.R.S.], the General Assembly approved and ratified and authorized the Governor to enter into the Interstate Compact on Educational Opportunity for Military Children on behalf of the State. This compact was developed by the Council of State Governments. The Military Interstate Children’s Compact Commission (MIC3) is a separate, non-profit entity based in Lexington, Kentucky. All 50 states have now adopted the Compact. Member states agree, as part of the Compact, to pay an annual assessment to cover the cost of the operations and activities of the Commission.

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

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

Statutory Authority: Sections 22-90-101 and 24-60-3401, C.R.S.

Request: The Department requests a continuation appropriation of \$21,298 cash funds from the State Education Fund for FY 2025-26, with no change from the FY 2024-25 appropriation.

Recommendation: Staff recommends the request for continuation funding, consistent with Committee common policy.

Reprinting and Distributing Laws Concerning Education

Section 22-2-112 (1)(i), C.R.S., requires the Department to "cause to be reprinted annually laws enacted by the general assembly concerning education...and to furnish copies thereof to interested persons." By statute, the State Public School Fund supports all publishing costs. Prior to FY 2010-11, this appropriation identified the source of funding as rental income earned on state education trust lands that is credited to the State Public School Fund. Pursuant to H.B. 10-1369, the revenue source is now interest and investment income earned on the Public School ("Permanent") Fund that is credited to the State Public School Fund. H.B. 24-1448 included changes that will ultimately make this fund source unavailable.

Statutory Authority: Section 22-2-112 (1)(i), C.R.S.

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

Recommendation: Staff recommends the request for continuation funding of \$35,480 cash funds from the State Public School Fund based on current law. However, as discussed elsewhere in this packet, staff also recommends a statutory change to eliminate the funding requirement and the appropriation.

Colorado Student Leaders Institute

The Colorado Student Leaders Institute is a competitive residential summer academic program for students who are entering tenth or eleventh grade in the coming fall semester. The institute operates at the University of Colorado at Denver for four weeks each summer during which time participating students attend college level classes and enrichment activities. The program was created as a pilot in the Lieutenant Governor's Office in 2015 and moved to the Department of Higher Education in FY 2017-18. The program was reauthorized during the 2019 session through S.B. 19-137 and the appropriation structure modified to provide a direct General Fund appropriation. Senate Bill 23-086 moved the program from the Department of Higher Education to the Department of Education, effective FY 2023-24.

Statutory Authority: Section 22-106-101 through 105, C.R.S.

Request: The Department requests that the FY 2024-25 appropriation of \$227,753 General Fund and 0.1 FTE be eliminated, pursuant to request BA5.

Recommendation: As discussed previously, staff recommends the Department's request to eliminate funding for this program.

(D) Indirect Cost Assessment

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

Statutory Authority: Sections 24-31-101 and 102, C.R.S.

Request: The Department requests \$967,042 total funds (including \$591,523 cash funds and \$375,519 federal funds) for FY 2025-26. The request includes an increase of \$80,544 statewide indirect cost adjustment (SWICAP).

Recommendation: Staff recommends approving the request, as reflected in the table below.

Management and Administration, Indirect Cost Assessment, Indirect Cost Assessment						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$886,498	\$0	\$510,979	\$0	\$375,519	0.0
Total FY 2024-25	\$886,498	\$0	\$510,979	\$0	\$375,519	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$886,498	\$0	\$510,979	\$0	\$375,519	0.0
Centrally appropriated line items	80,544	0	80,544	0	0	0.0
Total FY 2025-26	\$967,042	\$0	\$591,523	\$0	\$375,519	0.0
Changes from FY 2024-25	\$80,544	\$0	\$80,544	\$0	\$0	0.0
Percentage Change	9.1%	n/a	15.8%	n/a	0.0%	n/a
FY 2025-26 Executive Request	\$967,042	\$0	\$591,523	\$0	\$375,519	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Line Items from Prior Years

The line items below are included in the numbers pages due to appropriations in FY 2022-23 or FY 2023-24. The Department does not request, and staff does not recommend, appropriations for these line items for FY 2025-26.

S.B. 04-257 Amortization Equalization Disbursement

Pursuant to S.B. 04-257, this line item provides additional funding to increase the state contribution to the Public Employees' Retirement Association (PERA). It was consolidated into a new line item in FY 2024-25.

Statutory Authority: Section 24-51-411, C.R.S.

S.B. 06-235 Supplemental Amortization Equalization Disbursement

Pursuant to S.B. 06-235, this line item provides additional funding to increase the state contribution for PERA. It was consolidated into a new line item in FY 2024-25.

Statutory Authority: Section 24-51-411, C.R.S.

Leased Space

The General Assembly added this line item to the FY 2015-16 Long Bill to support all of the Department's appropriations for the purchase of leased space outside of the Capitol Complex. The Department ceased leasing commercial space beginning in FY 2024-25.

Statutory Authority: Section 22-2-112, C.R.S.

IT Accessibility

This line item was funded in FY 2023-24 as part of a statewide OIT request for accessibility testing and remediation, pursuant to the requirements of H.B. 21-1110 (Colorado Laws for Persons with Disabilities).

Secondary School Student Substance Use Committee

House Bill 23-1009 created the Secondary School Student Substance Use Committee to identify practices that identify substance abuse in secondary schools and connect students to resources. The bill included a one-time appropriation of \$49,950 General Fund for FY 2023-24. Statutory provisions repeal July 1, 2025.

(2) Statewide Assessment Program

This division consists of a single line item that includes all funding for the statewide assessment program. This includes content coordination and purchase of the statewide exams delivered to Colorado students in elementary, middle, and high school.

Statewide Assessment Program						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$32,239,823	\$0	\$24,737,797	\$0	\$7,502,026	19.9
Total FY 2024-25	\$32,239,823	\$0	\$24,737,797	\$0	\$7,502,026	19.9
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$32,239,823	\$0	\$24,737,797	\$0	\$7,502,026	19.9
SI Statewide Assessment Program	491,842	0	778,468	0	-286,626	0.0
Annualize prior year legislation	498,500	0	13,200	0	485,300	0.0
Annualize prior year budget action	217,055	0	105,673	0	111,382	0.0
Total FY 2025-26	\$33,447,220		\$25,635,138	\$0	\$7,812,082	19.9
Changes from FY 2024-25	\$1,207,397	\$0	\$897,341	\$0	\$310,056	0.0
Percentage Change	3.7%	0.0%	3.6%	0.0%	4.1%	0.0%
FY 2025-26 Executive Request	\$32,470,078	\$0	\$24,856,670	\$0	\$7,613,408	19.9
Staff Rec. Above/-Below Request	\$977,142		\$778,468	\$0	\$198,674	0.0

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

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

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

- Establish definitions for school readiness and postsecondary and workforce readiness (PWR).

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

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

Development of Current Suite of Assessments: The adoption of new standards required the development of new assessments to measure students' knowledge relative to the new standards. Section 22-7-1006 (1) (a), C.R.S., required the State Board to adopt a new systems of assessments "on or before December 15, 2010, or as soon thereafter as fiscally practicable." After an extensive public participation process, the State Board adopted a framework of assessment attributes in December 2010. Because the Colorado Student Assessment Program (CSAP) was aligned to the former statewide standards, the Department discontinued use of the CSAP, and used a temporary assessment (Temporary Colorado Assessment Program, or TCAP) for reading, writing, and mathematics in spring 2012, 2013, and 2014.

Colorado then moved forward with a new set of assessments, titled the Colorado Measures of Academic Success (CMAS). Between FY 2013-14 and FY 2016-17, Colorado rolled out new exams. Colorado started administering new state-specific science and social studies assessments. Science assessments are now mandated once in elementary school and once in middle school, while social studies are administered on a sample basis only (once in elementary school and once in middle school). For mathematics and English language arts, Colorado first worked as a governing member of the Partnership for Assessment of Readiness for College and Careers (PARCC), and then transitioned to more Colorado-specific exams. In subsequent years, CMAS exams in mathematics and English Language Arts for 9th, 10th and 11th graders were replaced by college entrance preparation exams for 9th and 10th graders and a college entrance exam for 11th graders.

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

Testing Regimen for FY 2021-22 through FY 2025-26: The usual testing regimen was reinstated beginning in FY 2021-22. The following table shows the planned assessments for FY 2025-26 by grade level based on current law, as well as the current federal requirements under the *Every Student Succeeds Act*.

During the 2024 session, the General Assembly adopted S.B. 24-070 (Remote Testing and Online Education Programs) changes the testing system for students in online schools. Beginning in FY 2025-26, the bill allows an online school or program to administer state assessment remotely to students in their regular setting of instruction. Online students must take the assessment at a specific time, attend a synchronous session with other online students, and be video monitored by an assessment proctor of the online school.

Anticipated FY 2025-26 Statewide Assessment Schedule		
Grade	Colorado State Assessment Requirements	Every Student Succeeds Act Federal Requirements
3	English language arts, including Spanish language arts math	reading/language arts math
4	English language arts, including Spanish language arts math social studies (sampled once in elementary)	reading/language arts math
5	English language arts math science	reading/language arts math science (in grades 3, 4, or 5)
6	English language arts math	reading/language arts math
7	English language arts math social studies (sampled once in middle school)	reading/language arts math
8	English language arts math science	reading/language arts math science (6, 7, 8, or 9)
9	reading: aligned to CAS and grade 10 math: aligned to CAS and grade 10	
10	reading: aligned to CAS and college entrance math: aligned to CAS and college entrance	
11	College entrance: reading/writing College entrance: math science	reading/language arts (9, 10, 11, or 12) math (9, 10, 11, or 12) science (10, 11, or 12)
K-12	English Language Proficiency	English Language Proficiency

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

Decision Items

→ Staff Initiated Cost Adjustment for Statewide Assessment Program

Request

The Department did not submit a formal request for a funding change, but updated data provided by the Department indicates that funding for this program should be adjusted.

Recommendation

The total recommendation for the Statewide Assessment Program line item is \$33,311,154 total funds and 19.9 FTE, including \$25,587,515 cash funds from the State Education Fund and the balance from federal fund. As reflected in the more detailed table below, the total appropriation recommended for FY 2025-26 includes an increase \$1,071,331 over the FY 2024-25 appropriation. However, much of that amount is due to annualization of prior year actions, including the changes in S.B. 24-070, which changed the online testing system.

The staff recommendation includes an additional adjustment of \$491,842 excluding annualization of prior year actions. This total includes an *increase* of \$778,468 cash funds from the State Education Fund and a *decrease* of \$286,626 in anticipated federal funds.

Staff notes that one *option* would be to **eliminate the new online testing regimen added in S.B. 24-070** and again require online students to return to a centralized testing center. **This change is anticipated to save \$938,500 on an ongoing basis. This savings would be from the State Education Fund.** According to the Department, its federal funds are fixed and the addition of the online testing regimen does not result in additional federal support. Staff notes that the fiscal note for this bill estimated that federal funds would cover close to half the related costs, but that is not accurate if federal funds are fixed.

In response to staff questions, the Department has noted that the rationale for the changes in S.B. 24-070 was that students in online programs opt out of statewide standardized testing at a high rate. Because the new remote testing regimen has not yet been implemented, there is no information available yet on whether the new online testing regiment results in additional test participation among online students. Thus staff believes the JBC could consider *either*:

- Sponsor legislation to eliminate the online testing option in FY 2025-26, thus stopping implementation before students and families become used to it; or
- Allow the program to go forward in FY 2025-26 and, based on whether it makes a significant impact on test participation, choose whether to eliminate it effective FY 2026-27.

FY 2025-26 Statewide Assessment Program Line Item Change Components			
	Total	Cash Funds - State Ed fund	Federal Funds
FY 2025-26 Change to Statewide Assessment Program Line Item	\$1,207,397	\$897,341	\$310,056
Less - Annualization salary survey/step pay	217,055	105,673	111,382
Less - Annualization S.B. 24-070	498,500	13,200	485,300
Net Additional Adjustment	\$491,842	\$778,468	-\$286,626

Summary of FY 2025-26 Recommendation for Statewide Assessment Program Line Item				
Description	FY 2024-25 Appropriation	FY 2025-26 Request	Annual Change	Annual Change
Amounts in Long Bill				
I. CMAS: Contract for developing, scoring, and reporting CMAS (not including alternate assessments) - math and English	12,520,989	12,890,058	369,069	2.9%
Cash Funds - State Education Fund	10,708,841	10,956,549	247,709	2.3%
Federal Funds	1,812,148	1,933,509	121,360	6.7%
II. Alternate Math and English Assessments: Contract for developing, scoring, and reporting Colorado alternate assessments	950,000	950,000	0	0.0%
Federal Funds	950,000	950,000	0	0.0%
III. Science and Social Studies: Contract for developing, scoring, and reporting science and social studies assessments	5,812,500	6,346,376	533,876	9.2%
Cash Funds - State Education Fund	5,521,875	6,029,057	507,182	9.2%
Federal Funds	290,625	317,319	26,694	9.2%
IV. Alternate Science and Social Studies: Contract to develop, score, and report Alternate assessments for science and social studies	1,652,305	1,778,855	126,550	7.7%
Cash Funds - State Education Fund	991,383	\$1,067,313	75,930	7.7%
Federal Funds	660,922	\$711,542	50,620	7.7%
V. English Language Proficiency: Contract for developing, scoring, and reporting the Colorado English language proficiency assessment	3,124,135	3,124,135	0	0.0%
Cash Funds - State Education Fund	1,093,447	1,093,447	0	0.0%
Federal Funds	2,030,688	2,030,688	0	0.0%
VI. College Entrance Suite: SAT for 11th grade students and PSAT for 9th and 10th grade students - Cash Funds (State Education Fund)	4,137,798	4,050,864	-86,934	-2.1%
VII. Spanish Language Arts:	1,691,884	1,739,665	47,781	2.8%
Cash Funds - State Education Fund	1,691,884	1,739,665	47,781	2.8%
Federal Funds	0	0	0	0.0%
VIII. Administration: Staff and operating expenses*	2,350,212	2,567,267	217,055	9.2%
FTE	<u>19.9</u>	<u>19.9</u>	<u>0.0</u>	0.0%

Summary of FY 2025-26 Recommendation for Statewide Assessment Program Line Item				
Description	FY 2024-25 Appropriation	FY 2025-26 Request	Annual Change	Annual Change
Cash Funds - State Education Fund	592,569	698,242	105,673	17.8%
Federal Funds	1,757,643	1,869,025	111,382	6.3%
Final FY 2024-25 v FY 2025-26	\$32,239,823	\$33,447,220	1,207,397	3.7%
FTE	19.9	19.9	0.0	0.0%
Cash Funds - State Education Fund	24,737,797	25,635,138	897,341	3.6%
Federal Funds	7,502,026	7,812,082	310,056	4.1%

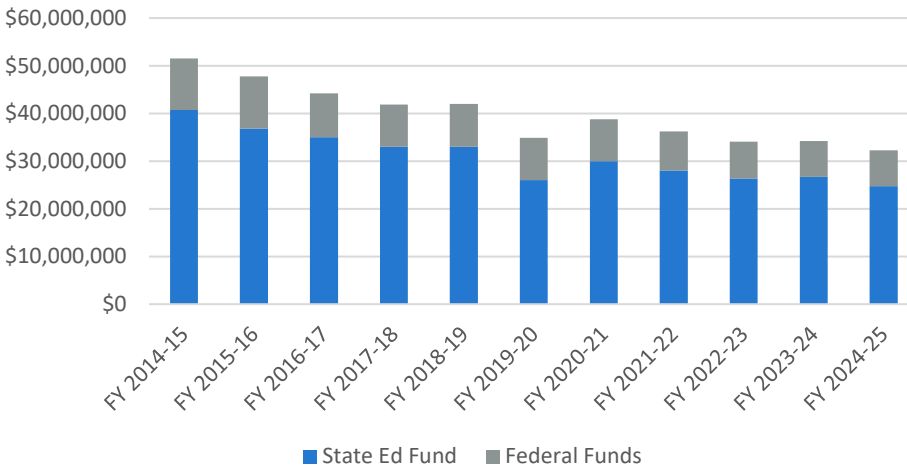
*Increases for administration are due solely to annualization of prior year salary and step pay.

Analysis

Staff would normally resist such increases in a challenging budget year, but staff notes that this division has been forthright about *decreasing* costs in recent years, including a reduction of \$1.1 million in FY 2024-25, even after accounting for the impact of S.B. 24-070 (discussed below).

The chart below shows appropriations for the State Assessment Program and the FY 2025-26 recommendation after adjusting for inflation. A comparison of FY 2021-22 to FY 2024-25 is particularly relevant, as the testing regimen has not changed significantly since that time.

Assessment Appropriations (constant \$)



In response to staff questions about the FY 2025-26 increase, the Department responded as follows.

“The addition of [a] **family reporting portal** accounts for some of the increased assessment costs this year (distributed across ELA/Math, Science/Social Studies, Alt Science/Social Studies, and SLA). The availability of a family portal is critical to ensuring parents have timely access to the results that will provide information to help support their students during the summer. Districts and schools have

struggled with distribution historically and parents often do not receive their students' results.

The biggest addition for this cycle is the virtually proctored administration that was introduced as a result of **SB24-070** which will allow students in fully online programs to take the CMAS assessments virtually starting in spring '26. The virtually proctored administration adds about \$1 million annually to state assessment costs, distributed across ELA/Math and Science/Social Studies. *[JBC Staff note: Department data indicates that 3.5 percent of K-12 students in Colorado (31,839 students) are enrolled in online schools.]*

Additionally, there are **increases in science/social studies (general and alternate)** connected to the revised social studies standards/assessments. Revised CMAS and CoAlt social studies assessments aligned to the updated Colorado Academic Standards will be administered this spring for the first time. When an assessment is given for the first time, additional educator meetings, psychometric analyses, and studies are needed, such as standard settings to set cut scores and establish performance levels. These are reflected in the FY25-26 costs.”

→ Staff Initiated Eliminate Social Studies Assessment [Legislation required]

Request

The State Board of Education recommended eliminating the Social Studies Assessment, but the Governor elected not to include this option in his request. Eliminating the Social Studies Assessment is projected to provide annual savings of approximately \$830,000 from the State Education Fund.

Recommendation

Staff recommends that the Committee consider sponsoring legislation to eliminate the social studies assessment, consistent with the recommendation of the State Board of Education.

Staff is aware that this is a potentially contentious policy choice, but, given the potential cost savings, as well as the weaknesses in the current sample assessment structure, staff believes this option is worth considering.

Analysis

The social studies assessment was briefly paused during the pandemic and is set to begin again during the 2024 - 2025 school year. The assessment – which is not federally required nor used in the state performance framework calculations – is only administered in elementary and middle schools on a sample basis and offers little insight into performance. The General Assembly has considered legislation to eliminate the social studies assessment in the recent

past. Senate Bill 23-061 passed the Senate but was laid over daily on the House floor until the General Assembly adjourned.

Based on data from 2018, Colorado is one of very few states that have statewide social studies assessments. Only about half of states have any statewide social studies assessments, and the majority of those that do focus solely on U.S. civics and history.³

The state previously required that all students take a state exam in social studies in elementary, middle and high school. This was scaled back in 2015 so that only a sample of schools test students in elementary, middle and high school in social studies. *The state uses a staggered schedule, dividing schools into three groups with each group facilitating social studies state testing once every three years. In 2020, the high school exam was eliminated.*

Those who feel the test should be retained note that the State has social studies standards and ask whether those standards will continue to be meaningful if the State does not have any statewide assessment that relates to those standards. Those who feel the tests should be abandoned emphasize that the current testing scheme:

- Does not provide useful data. Different schools are sampled each year, making it impossible to know whether school/student performance is improving or not.
- Costs approximately \$830,000 per year from the State Education Fund; and
- Students, teachers, and families often object to the amount of time students spend on assessments, rather than learning new material.

Line Item Detail

Statewide Assessment Program

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

Statutory Authority: Section 22-7-1006.3, C.R.S.

Request: The Department requested an appropriation of \$32,470,078 total funds, including \$24,856,670 from the State Education Fund. This included increases of \$100,167 total funds (\$41,655 State Education Fund cash funds) to annualize prior year salary survey, \$116,888 total funds (\$64,018 State Education Fund cash funds) to annualize prior year step pay, and \$13,200 State Education Fund cash funds to annualize S.B. 24-070 (Remote testing and online education program).

Recommendation: The staff recommendation reflects new information provided by the Department in February 2025, and a technical adjustment to the annualization of S.B. 24-070

³ <https://reports.ecs.org/comparisons/state-summative-assessments-2018-04>

from the submission to incorporate federal funds. The recommendation is reflected in the table below.

Statewide Assessment Program, Statewide Assessment Program						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$32,239,823	\$0	\$24,737,797	\$0	\$7,502,026	19.9
Total FY 2024-25	\$32,239,823	\$0	\$24,737,797	\$0	\$7,502,026	19.9
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$32,239,823	\$0	\$24,737,797	\$0	\$7,502,026	19.9
Annualize prior year legislation	498,500	0	13,200	0	485,300	0.0
SI Statewide Assessment Program	491,842	0	778,468	0	-286,626	0.0
Annualize prior year budget action	217,055	0	105,673	0	111,382	0.0
Total FY 2025-26	\$33,447,220	\$0	\$25,635,138	\$0	\$7,812,082	19.9
Changes from FY 2024-25	\$1,207,397	\$0	\$897,341	\$0	\$310,056	0.0
Percentage Change	3.7%	n/a	3.6%	n/a	4.1%	0.0%
FY 2025-26 Executive Request	\$32,470,078	\$0	\$24,856,670	\$0	\$7,613,408	19.9
Staff Rec. Above/-Below Request	\$977,142	\$0	\$778,468	\$0	\$198,674	0.0

Components of Line Item Recommendation

This division is funded through a single line item, which provides the Department the flexibility to make adjustments to costs for specific testing components. An overview table included under the description of the *Staff Initiated Cost Adjustment for Statewide Assessment Program* summarizes the components of the line item recommendation. The sections below provide additional detail for each component shown in the overview.

English Language Arts and Mathematics

The largest component of this line item is a contract to develop, maintain, manufacture, score, and report the assessments in mathematics and English language arts. The costs for FY 2025-26 reflect the Department’s estimates of costs for the CMAS. The following table details the basis for the recommendation. *As shown, this includes an increase of \$703,277 for virtually proctored administration required under S.B. 24-070.*

Math and English Language Arts Test Administration Costs				
Description	FY 2024-25 Appropriation	FY 2025-26 Estimate*	Annual Change	Percent Cost Change
Content Development	\$2,889,911	\$2,889,666	(\$245)	0.0%
Ancillary Development	\$32,460	\$32,363	(\$97)	-0.3%
Program Management	\$1,257,227	\$1,277,296	\$20,069	1.6%
Information Technology (test management, test admin and reporting systems)	\$164,309	\$159,380	(\$4,929)	-3.0%
Psychometrics	\$663,223	\$676,487	\$13,264	2.0%
Quality Assurance/Customer Service	\$165,761	\$162,448	(\$3,313)	-2.0%
Product_Mg._Dist	\$892,193	\$896,654	\$4,461	0.5%

Math and English Language Arts Test Administration Costs				
Description	FY 2024-25 Appropriation	FY 2025-26 Estimate*	Annual Change	Percent Cost Change
Receiving/Scanning/Editing	\$795,264	\$737,264	(\$58,000)	-7.3%
Reporting*	\$1,548,671	\$1,682,757	\$134,086	8.7%
Scoring	\$3,191,875	\$3,207,834	\$15,959	0.5%
Travel and Meetings	\$480,095	\$464,632	(\$15,463)	-3.2%
Virtually Proctored Administration**	\$440,000	\$703,277	\$263,277	
Total Assessments	\$12,520,989	\$12,890,058	\$369,069	2.9%
Cash funds - State Education Fund (~85%)	10,708,841	10,956,549	\$247,709	2.3%
Federal Funds (Assessment & IDEA Part B - ~15%)	1,812,148	1,933,509	\$121,360	6.7%

*2025-26 costs include the addition of a family reporting portal so parents can independently access timely results.

**SB24-070 added a remote testing option for fully online programs

Alternate English Language Arts and Mathematics

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

Summary of Costs for Alternate English Language Arts and Math			
Description	FY 2024-25 Appropriation	FY 2025-26 Staff Recommendation	Annual Change
Totals Alternate Assessments	\$950,000	\$950,000	\$0
Federal Funds (Assessment & IDEA B)	950,000	950,000	0

Science and Social Studies

This component supports a contract for the ongoing development and administration of the Colorado-specific science and social studies assessments. The Department is contracting with Pearson for the administration of these assessments. The following table summarizes current estimates for this component. As shown, the FY 2025-26 amount includes the addition of \$293,032 for virtually proctored test administration pursuant to S.B. 24-070.

Summary of Costs Associated with Pearson Contract for Science and Social Studies				
Description	FY 2024-25 <u>Long Bill</u> Appropriation	FY 2025-26 Estimate*	Annual Change	Percent Cost Change
Content Development	\$1,715,188	\$1,796,178	\$80,990	4.72%
Ancillary Development	\$39,464	\$39,075	(\$389)	-0.99%
Program Management	\$734,221	\$748,905	\$14,684	2.00%
Information Technology (test management, test admin and reporting systems)	\$189,357	\$183,676	(\$5,681)	-3.00%
Psychometrics	\$277,171	\$291,030	\$13,859	5.00%
Quality Assurance/Customer Service	\$117,686	\$115,333	(\$2,353)	-2.00%
Product_Mg._Dist	\$169,284	\$170,130	\$846	0.50%
Receiving/Scanning/Editing	\$415,415	\$420,360	\$4,945	1.19%
Reporting*	\$877,318	\$1,002,706	\$125,388	14.29%

Summary of Costs Associated with Pearson Contract for Science and Social Studies

Description	FY 2024-25 Long Bill Appropriation	FY 2025-26 Estimate*	Annual Change	Percent Cost Change
Scoring	\$1,052,215	\$1,057,476	\$5,261	0.50%
Travel and Meetings	\$225,181	\$228,475	\$3,294	1.46%
Virtually Proctored Administration**	\$0	\$293,032	\$293,032	
Total Assessments	\$5,812,500	\$6,346,376	\$533,876	9.18%
Cash funds - State Education Fund (~95%)	\$5,521,875	\$6,029,057	\$507,182	9.18%
Federal Funds (Assessment & IDEA B)	\$290,625	\$317,319	\$26,694	9.18%

*2025-26 costs include the addition of a family reporting portal so parent can access timely results.

**SB24-070 added a remote testing option for fully online programs

Alternate Science and Social Studies

This component supports a contract for alternate science and social studies assessments for students with significant cognitive disabilities. The Department is also contracting with Pearson for the alternate assessments. The following table summarizes current estimates for this component.

Summary of Costs Associated with Pearson Contract for Alternate Science and Social Studies

Description	FY 2024-25 Appropriation	FY 2025-26 Estimate*	Annual Change	Percent Cost Change
Content Development	\$301,812	\$310,920	\$9,108	3.02%
Ancillary Development	\$1,162	\$1,169	\$7	0.60%
Program Management	\$280,441	\$286,050	\$5,609	2.00%
Information Technology	\$39,194	\$38,018	(\$1,176)	-3.00%
Psychometrics	\$181,163	\$190,221	\$9,058	5.00%
Quality Assurance/Customer Service	\$6,424	\$6,298	(\$126)	-1.96%
Product_Mg._Dist	\$27,575	\$27,713	\$138	0.50%
Receiving/Scanning/Editing	\$58,674	\$58,644	(\$30)	-0.05%
Reporting*	\$531,286	\$627,602	\$96,316	18.13%
Travel and Meetings	\$224,574	\$232,220	\$7,646	3.40%
Totals Alternate Assessments	\$1,652,305	\$1,778,855	\$126,550	7.66%
Cash funds - State Education Fund (~60%)	\$991,383	\$1,067,313	\$75,930	7.66%
Federal Funds (Assessment & IDEA B)	\$660,922	\$711,542	\$50,620	7.66%

*2025-26 costs include the addition of a family reporting portal so parent can access timely results.

English Language Proficiency (ACCESS)

The above contracts with Pearson do not include funding for the Colorado English Proficiency Assessment (ACCESS). Federal law requires Colorado to administer a single, statewide assessment to determine the English language proficiency level of English language learners, including an assessment in the areas of listening, speaking, reading, and writing, and the assessment is to be based on Colorado English language development standards for particular grade configurations. Previously, school districts utilized one of three assessments for this

purpose. None of these assessments were aligned with Colorado English language development standards.

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

The following table details the basis for the staff recommendation for FY 2025-26. For the past several years, the State has contracted with the University of Wisconsin to administer the ACCESS assessments. This version includes both a paper-based form and an on-line form. The following table shows the FY 2024-25 appropriation and the FY 2025-26 recommendation for this component.

Summary of Costs Associated with English Language Proficiency (ACCESS for ELLs)				
Description	FY 2024-25 Appropriation	FY 2025-26 Estimate	Annual Change	Percent Cost Change
Online Price per Student	\$28.75	\$28.75	0	0.0%
Paper Price per Student	\$30.75	\$30.75	0	0.0%
Alternate Price per Student	\$141.25	\$141.25	0	0.0%
Total Population Estimate	<u>105,000</u>	<u>105,000</u>	0	0.0%
<i>Online Population Estimate (grades 1-12)</i>	93,450	93,450	0	0.0%
<i>Paper Population Estimate (kindergarten)</i>	10,500	10,500	0	0.0%
Alternate Population Estimate	1,050	1,050	0	0.0%
Online Cost Estimate	2,686,688	2,686,688	0	0.0%
Paper Cost Estimate	322,875	322,875	0	0.0%
Alternate Cost Estimate	148,313	148,313	0	0.0%
Additional Cost for Students Requiring Braille	2,260	2,260	0	0.0%
Discount	-36,000	-36,000	0	0.0%
Totals	\$3,124,135	\$3,124,135	0	0.0%
				0.0%
Total	\$3,124,135	\$3,124,135	0	0.0%
Cash funds - State Education Fund	\$1,093,447	\$1,093,447	0	0.0%
Federal Funds	\$2,030,688	\$1,942,245	-\$88,443	-4.4%

College Entrance Suite

Section 22-7-1006.3 (2), C.R.S., as enacted in H.B. 15-1323, requires the Department of Education to pay for and administer a college entrance examination to all 11th grade students that is administered throughout the United States and relied upon by institutions of higher education. The statute also now requires the Department to pay for and administer a college entrance *preparation* exam to all 9th and 10th graders that is aligned with the college entrance

exam to be administered to those students as 11th graders. In FY 2016-17 the Department transitioned from the ACT suite to the College Board entrance exam (SAT) and preparation exam (PSAT). The SAT and PSAT were again chosen for the statewide test when the Department went through a new procurement in FY 2024-25.

The following table details the basis for the existing FY 2024-25 appropriation and staff's recommendation for FY 2025-26 for the college entrance suite of tests. The costs of these tests are borne solely by the State Education Fund.

Summary of Costs Associated with College Entrance Suite				
Description	FY 2024-25 Appropriation	FY 2025-26 Estimate	Annual Change	Percent Cost Change
College Entrance Test 22-7-1006.3 (2)(b) -- Required				
<i>Estimated # of students</i>	62,217	61,540	-677	0.00%
Price per student	\$42.00	\$42.00	0.00	0.00%
Subtotal:	\$2,613,114	\$2,584,680	-28,434	-1.09%
College Entrance Test 22-7-1006.3 (2)(b) -- Student Request				
<i>Estimated # of Students</i>	1,000	1,000	0	0.00%
Price per student	\$6.00	\$6.00	0.00	0.00%
Subtotal:	\$6,000	\$6,000	0	0.00%
10th Grade Test -- 22-7-1006.3(2)(a.5)*				
<i>Estimated # of students</i>	63,481	61,052	-2,429	-3.83%
Price per student	\$12.00	\$12.00	0.00	0.00%
Subtotal:	\$761,772	\$732,624	-29,148	-3.83%
9th Grade Test -- 22-7-1006.3(2)(a)*				
<i>Estimated # of students</i>	63,076	60,630	-2,446	-3.88%
Price per student	\$12.00	\$12.00	0.00	0.00%
Subtotal:	\$756,912	\$727,560	-29,352	-3.88%
CO-Specific Analyses	\$350,000	\$0	-350,000	-100.00%
Cash Funds - State Education Funds	\$4,137,798	\$4,050,864	-86,934	-2.10%

Spanish Language Arts

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

assessments to eligible third and fourth graders.⁴ For eligible students, the Spanish reading and writing assessments substitute for the CMAS English language arts assessments. The following table shows the FY 2024-25 appropriation and FY 2025-26 staff recommendation for this component.

Summary of Costs Associated with Spanish Language Arts (reading and writing grades 3 and 4)				
	FY 2024-25 Appropriation	FY 2025-26 Estimate*	Annual Change	Percent Cost Change
Administration of Assessment - CF - State Education Fund	\$1,691,884	\$1,739,665	\$47,781	2.8%
Federal funds	\$0	\$0	\$0	0.0%
Total - Cash Funds – State Education Fund	\$1,691,884	\$1,739,665	\$47,781	2.8%

*2025-26 costs include the addition of a family reporting portal so parent can access timely results.

Administration

The following table displays the personal services and operating expenses components of the Department’s administration of the statewide assessment program, including the FY 2024-25 appropriation and the FY 2025-26 staff recommendation. The amounts for FY 2025-26 include annualization of FY 2025-26 salary survey and step pay.

Summary of Costs Administration Portion of State Assessment Line Item					
Description	FY 2024-25 Approp.	Base Building (Sal Survey and Steps)	FY 2025-26 Estimate	Annual Change	Percent Cost Change
Subtotal Personal Services	\$2,262,064	\$217,055	\$2,479,119	\$217,055	9.60%
FTE - Total	19.9		19.9	0	0.00%
Cash funds - State Education Fund	\$550,489	105,673	656,162	\$105,673	19.20%
Federal Funds	\$1,711,575	111,382	1,822,957	\$111,382	6.51%
Subtotal: Operating Expenses	\$88,148	\$0	\$88,148	\$0	0.00%
Cash funds - State Education Fund	\$42,080	0	42,080	0	0.00%
Federal Funds	\$46,068	0	46,068	0	0.00%
Total Administration Costs	\$2,350,212	\$217,055	\$2,567,267	\$217,055	9.24%
FTE	19.9		19.9	0.0	0.00%
Cash funds - State Education Fund	\$592,569	105,673	698,242	105,673	17.83%
Federal Funds	\$1,757,643	111,382	1,869,025	111,382	6.34%

(3) School District Operations

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

⁴ According to the Department, eligible students: (1) must be in grade 3 or 4; (2) must have had instruction in an English language proficiency program three years or less; and must have had instruction and assessments in their native language in reading and writing in the current or previous school year.

This presentation addresses solely the following subdivisions:

- Federal and Other Direct Support
- Nutrition
- Capital Construction
- Indirect Cost Assessment

Only the highlighted items are addressed in this packet. The Committee has not yet reviewed recommendations for School Finance and Categorical Programs. Because of the scale of the school finance component of this division, staff has included subdivision tables for those subdivisions addressed in this packet below the primary table for School District Operations.

School District Operations						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$7,401,038,778	\$4,405,458,667	\$2,165,454,506	\$319,432	\$829,806,173	226.7
LBSupp S3 Healthy School Meals for All	\$916,188	\$0	\$916,188	\$0	\$0	0.0
Total FY 2024-25	\$7,401,954,966	\$4,405,458,667	\$2,166,370,694	\$319,432	\$829,806,173	226.7
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$7,401,954,966	\$4,405,458,667	\$2,166,370,694	\$319,432	\$829,806,173	226.7
R1/BA1 State share of total program	-186,017,541	150,000,000	-336,017,541	0	0	0.0
R2/BA7 Categorical programs increase	12,453,135	0	12,453,135	0	0	0.0
BA2 Additional At risk funding	12,000,000	12,000,000	0	0	0	0.0
BA4 Healthy School Meals for All	12,400,000	49,541,914	-37,141,914	0	0	0.0
BA6 Appropriated Sponsored Programs	5,000,000	0	5,000,000	0	0	1.5
SI BEST cash grants	2,754,174	0	2,754,174	0	0	0.0
Centrally appropriated line items	119,883	0	0	37,965	81,918	0.0
SI Technical adjustments	0	0	0	0	0	0.0
SI Informational funds adjustment	-66,839,529	0	0	0	-66,839,529	0.0
Annualize prior year legislation	-25,860	-24,240	-1,620	0	0	0.0
SI Charter school facilities	-859,579	0	-859,579	0	0	0.0
Annualize prior year budget action	1,095,902	-436,479	216,327	0	1,316,054	0.0
Total FY 2025-26	\$7,194,035,551	\$4,616,539,862	\$1,812,773,676	\$357,397	\$764,364,616	228.2
Changes from FY 2024-25	-\$207,919,415	\$211,081,195	-\$353,597,018	\$37,965	-\$65,441,557	1.5
Percentage Change	-2.8%	4.8%	-16.3%	11.9%	-7.9%	0.7%
FY 2025-26 Executive Request	\$7,245,348,071	\$4,566,997,948	\$1,846,788,581	\$357,397	\$831,204,145	228.2
Staff Rec. Above/-Below Request	-\$51,312,520	\$49,541,914	-\$34,014,905	\$0	-\$66,839,529	0.0

Staff Working Document – Does Not Represent Committee Decision

Federal and Other Direct Support						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$503,659,517	\$571,416	\$2,501,087	\$0	\$500,587,014	59.8
Total FY 2024-25	\$503,659,517	\$571,416	\$2,501,087	\$0	\$500,587,014	59.8
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$503,659,517	\$571,416	\$2,501,087	\$0	\$500,587,014	59.8
BA6 Appropriated Sponsored Programs	5,000,000	0	5,000,000	0	0	1.5
Annualize prior year budget action	13,314	-571,416	2,215	0	582,515	0.0
SI Informational funds adjustment	-248,169,529	0	0	0	-248,169,529	0.0
Total FY 2025-26	\$260,503,302	\$0	\$7,503,302	\$0	\$253,000,000	61.3
Increase/-Decrease from FY 2025-26	-\$243,156,215	-\$571,416	\$5,002,215	\$0	-\$247,587,014	1.5
Percentage Change	-48.3%	-100.0%	200.0%	n/a	-49.5%	2.5%
FY 2025-26 Executive Request	\$508,672,831	\$0	\$7,503,302	\$0	\$501,169,529	61.3
Staff Rec. Above/-Below Request	-\$248,169,529	\$0	\$0	\$0	-\$248,169,529	0.0

Nutrition						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$299,785,123	\$328,908	\$142,561,953	\$0	\$156,894,262	22.3
LBSupp S3 Healthy School Meals for All	916,188	0	916,188	0	0	0.0
Total FY 2024-25	\$300,701,311	\$328,908	\$143,478,141	\$0	\$156,894,262	22.3
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$300,701,311	\$328,908	\$143,478,141	\$0	\$156,894,262	22.3
SI Informational funds adjustment	181,330,000	0	0	0	181,330,000	0.0
BA4 Healthy School Meals for All	12,400,000	49,541,914	-37,141,914	0	0	0.0
Annualize prior year budget action	117,431	6,087	0	0	111,344	0.0
Annualize prior year legislation	-400,000	0	-400,000	0	0	0.0
Total FY 2025-26	\$494,148,742	\$49,876,909	\$105,936,227	\$0	\$338,335,606	22.3
Increase/-Decrease from FY 2025-26	\$193,447,431	\$49,548,001	-\$37,541,914	\$0	\$181,441,344	0.0
Percentage Change	64.3%	15,064.4%	-26.2%	n/a	115.6%	0.0%
FY 2025-26 Executive Request	\$299,186,328	\$334,995	\$141,845,727	\$0	\$157,005,606	22.3
Staff Rec. Above/-Below Request	\$194,962,414	\$49,541,914	-\$35,909,500	\$0	\$181,330,000	0.0

Staff Working Document – Does Not Represent Committee Decision

Capital Construction						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$326,401,525	\$0	\$326,401,525	\$0	\$0	16.0
Total FY 2024-25	\$326,401,525	\$0	\$326,401,525	\$0	\$0	16.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$326,401,525	\$0	\$326,401,525	\$0	\$0	16.0
SI BEST cash grants	2,754,174	0	2,754,174	0	0	0.0
Annualize prior year legislation	500,000	0	500,000	0	0	0.0
Annualize prior year budget action	162,939	0	162,939	0	0	0.0
SI Technical adjustments	0	0	0	0	0	0.0
SI Charter school facilities	-859,579	0	-859,579	0	0	0.0
Total FY 2025-26	\$328,959,059	\$0	\$328,959,059	\$0	\$0	16.0
Increase/-Decrease from FY 2025-26	\$2,557,534	\$0	\$2,557,534	\$0	\$0	0.0
Percentage Change	0.8%	n/a	0.8%	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$327,064,464	\$0	\$327,064,464	\$0	\$0	16.0
Staff Rec. Above/-Below Request	\$1,894,595		\$1,894,595	\$0	\$0	0.0

Indirect Cost Assessment						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$3,848,077	\$0	\$25,000	\$90,177	\$3,732,900	0.0
Total FY 2024-25	\$3,848,077	\$0	\$25,000	\$90,177	\$3,732,900	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$3,848,077	\$0	\$25,000	\$90,177	\$3,732,900	0.0
Centrally appropriated line items	119,883	0	0	37,965	81,918	0.0
Total FY 2025-26	\$3,967,960	\$0	\$25,000	\$128,142	\$3,814,818	0.0
Increase/-Decrease from FY 2025-26	\$119,883	\$0	\$0	\$37,965	\$81,918	0.0
Percentage Change	3.1%	n/a	0.0%	42.1%	2.2%	n/a
FY 2025-26 Executive Request	\$3,967,960	\$0	\$25,000	\$128,142	\$3,814,818	0.0
Staff Rec. Above/-Below Request	\$0		\$0	\$0	\$0	0.0

Decision Items

Nutrition

→ S3 and BA4 Increased Spending Authority Healthy School Meals for All [Legislation Recommendations/Updates]

FY 2024-25: In a January 2, 2025 submission, the Department requested an additional \$8.3 million appropriation from the State Education Fund for FY 2024-25 for the Healthy School Meals for All (HSMA) Program meal reimbursements. The request reflected the combined impact of (1) The need to reserve funds pending a popular vote on whether the General Assembly may retain the difference between the 2022 blue book estimate of the first full year of revenue for the program; (2) the December 2024 forecast of HSMA revenue; and (3) early projections of FY 2024-25 expenditures, based on the work of the HSMA Technical Advisory Group in the summer.

FY 2025-26: In its January 2, submission, the Department also requested an increase of \$21,830,000 from the State Education Fund for FY 2025-26, proposing total funding for meal reimbursements of \$137,167,586, including \$21.83 million from the State Education Fund and \$115.3 million from the HSMA Cash Fund, also based on early forecasting.

The JBC has not yet taken action on either request, pending additional data, which has now been submitted.

Recommendation

Budget Changes Under Current Law

The Staff recommendations for funding to be provided under current law (in the Long Bill/a Long Bill supplemental) are shown in the tables below and are based on the Department's forecast for meal expenditures and the Legislative Council Staff forecast for the amount of revenue available from the Healthy School Meals for All Program Cash Fund. *Staff requests permission to adjust funding splits based on the March 2025 revenue forecast for HSMA revenue that is selected by the JBC.*

FY 2024-25 supplemental appropriation: The revised cost estimate for FY 2024-25 school meal reimbursements is similar to the total cost estimate in the FY 2024-25 Long Bill. However, because the HSMA revenue forecast has fallen, *an additional \$13.0 million is required from the State Education Fund, for a total use of \$35.2 million from the State Education Fund in FY 2024-25.*

FY 2024-25 Supplemental – HSMA Meal Reimbursements			
Department HSMA Revised Forecast	FY 2024-25 Long Bill	FY 2024-25 Revised	Change
School Meal Reimbursements	\$137,483,812	\$138,400,000	\$916,188
General Fund	0	0	0
HSMA Cash Fund	115,337,586	103,237,586	-12,100,000
State Education Fund	22,146,226	35,162,414	13,016,188

FY 2025-26 Long Bill appropriation for school meal reimbursements: Current data indicates that nearly \$50.0 million is required beyond the \$101.3 million anticipated to be available from HSMA revenue. Because currently law only allows use of the State Education Fund through FY 2024-25, the Long Bill will need to include an appropriation of \$49.5 million General Fund. However, this can be modified in separate legislation to allow use of the State Education Fund through FY 2025-26 (and potentially beyond).

FY 2025-26 Appropriation – HSMA Meal Reimbursements			
Department HSMA Revised Forecast	FY 2024-25 Revised Appropriation	FY 2025-26 Long Bill	Changed from Revised FY 2024-25
School Meal Reimbursements	138,400,000	\$150,800,000	12,400,000
General Fund	0	49,541,914	49,541,914
HSMA Cash Fund	103,237,586	101,258,086	-1,979,500
State Education Fund	35,162,414	0	-35,162,414

Staff notes that both the revenue fund source and expenditure estimates for FY 2025-26 are subject to change based on pending actions at the federal level, as well as potential state-level action. These issues are discussed further in this analysis section.

FY 2025-26 Grant Funding: Staff recommends that, as in FY 2024-25, the JBC should *not* appropriate funds for HSMA grants or stipend programs in FY 2025-26, given the lack of program revenue. All funding for these programs is currently subject to appropriation.

The Department has requested, and staff has included, continued funding of \$675,729 from the State Education Fund for *Local School Food Purchasing Programs*, a legacy program which provides grants and technical assistance to support school districts in purchasing Colorado grown food. This program was revived by the JBC for FY 2024-25 when HSMA grant and stipend programs were delayed; however, maintaining funding is at the JBC’s discretion.

Consulting Funding: The FY 2024-25 Long Bill included resources to assist the Department in maximizing federal revenue and forecasting HSMA expenses. Staff anticipates that some additional funding will continue to be required to address the complex forecasting related to this program. Staff will return with a specific estimate.

Recommended Statutory Changes

The JBC previously authorized staff to prepare bill drafts related to the Healthy School Meals for All program. [House Bill 25-1274](#) (Healthy School Meals for All Program) by Representative Lorena Garcia and Senator Michaelson Jenet was recently introduced and includes provisions to

refer two measures to voters in 2025 (a retain revenue measure and an increase revenue measure), as well as numerous other statutory changes. There may ultimately be only one bill adopted by the General Assembly to modify the Healthy School Meals for All Program. However, staff continues to recommend that the JBC have a bill drafted that includes those components the Committee considers most important. Staff anticipates that this will help inform other members of the JBC's interests, even if this bill is never introduced or is narrowed to eliminate components that are duplicated in other legislation.

The staff recommendation now includes:

- A recommendation to allow use of the State Education Fund to support the HSMA program at least through FY 2025-26, since any new measures to increase revenue cannot be adopted by voters before November 2025.
- A revision to the previous recommendation on a referred measure to allow the retention of revenue that exceeded the 2022 blue book estimate. Funds must be set aside pending a popular vote on retaining revenue in excess of the 2022 blue book estimate. *The amount to be included in the retention measure has fallen from earlier estimates: **staff anticipates that the amount required will be \$12,430,388***, based on \$11,300,353 plus interest. There are sufficient reserves already in the HSMA cash fund (about \$15.0 million) to cover a refund of this amount if voters do not approve a retain measure.
- The Committee has reviewed, but not yet voted to adopt, a measure that would require that ballot information books reflect a maximum revenue estimate when projecting revenue from new tax measures. Staff continues to recommend this legislation and is seeking a Committee vote to introduce it as soon as the Committee is ready.

Other Items and Options:

- *Staff is **withdrawing** a* previous recommendation for a bill attempting to insulate the program from changes in federal tax law. Staff has concluded that this option, which was recommended by the HSMA Technical Advisory Group, is not workable.
- Because of the scale of fiscal risk now facing the State related to this program, **staff would also like to explore some options for triggers that would automatically scale back the program** based on either: (1) voter denial of measures to be considered in November 2025 to increase revenue for the program; and/or (2) federal actions that reduce federal support for the program. If the Committee is interested in such options, staff will explore some alternatives with the Department and bring these back to the Committee at a later date.

Analysis

Background and Overview

- Proposition FF, adopted by voters in 2022, created the Healthy School Meals for All Program to provide reimbursement to participating school food authorities for offering meals without charge to all public school students, beginning in FY 2023-24. The measure

provided for new revenue to support the benefit based on an “add back” of deductions to taxable income for taxpayers with incomes over \$300,000. The measure also included provisions that were expected to add local food purchasing and technical assistance grants, as well as additional funding for food service worker wages/stipends, effective FY 2024-25.

- Demand for the program has been far greater than originally projected, requiring large supplemental funding adjustments for FY 2023-24 and leading the JBC to sponsor H.B. 24-1390 (School Food Programs) to delay implementation of grant and stipend provisions, implement other cost-containment measures, allow temporary use of the State Education Fund to support the program, and create a Technical Advisory Group to provide options to ensure the program’s financial sustainability.
- With the program now in its second year, the gap between expenses and the dedicated revenue stream created by Proposition FF has grown.

For additional background on the history of this program and links to relevant reports see the staff budget briefing document dated December 3, 2024.⁵

Revenue

In early December 2024, OSPB reported that HSMA tax revenue received for the program during the first full tax year of operation (2023) had come in at \$109.2 million, which was slightly more than the estimate included in the 2022 blue book of \$100.7 million but was well below forecast figures used during the 2024 legislative session. Declines shown in the table reflect the expiration of certain federal Tax Cuts and Jobs Act provisions. If these provisions are extended revenue will remain over \$100 million per year, even without state tax changes.

Healthy School Meals for All Program Revenue from Dedicated Tax Provisions		
	LCS December forecast	OSPB December forecast
FY 2024-25	\$104,100,000	\$105,700,000
FY 2025-26	102,100,000	108,200,000
FY 2026-27	77,100,000	84,410,000

Expenses

Changes to state law and policy have helped maximize federal revenue for the program and contain costs, but continued growth in demand for meals among students has driven state costs far above original program estimates.

Estimates in the Prop FF blue book anticipated that annual state program costs for meals alone would be between \$48.5 million and \$78.5 million when the program was fully implemented. Current estimates are that meal costs paid by the State will be \$150.8 million

⁵ https://leg.colorado.gov/sites/default/files/fy2025-26_edubr1.pdf

in FY 2025-26 and are likely to grow further, even without changes to federal support for school nutrition programs.

The figures below show the assumptions being used in the Department’s current model for program participation and funding sources. As shown, estimated state costs of \$150.8 million for FY 2025-26 are tied to federal support estimated at \$338.0 million

Adjust the assumptions below to change forecast estimates

Average Daily Meals Utilization Growth Assumptions			STATE & FEDERAL COMBINED				FEDERAL ONLY		
	FREE	REDUCED	PAID	Breakfast	Lunch	Total	Y/Y Change	Total	Y/Y Change
SY 2024-25	See 24-25 Utilization Growth Tab			\$93.7	\$354.8	\$448.4	17.3%	\$310.1	41.0%
SY 2025-26	4.0%	0.0%	4.0%	\$101.7	\$387.1	\$488.8	9.0%	\$338.0	9.0%
SY 2026-27	3.0%	0.0%	3.0%	\$108.5	\$415.7	\$524.2	7.2%	\$362.5	7.3%
				STATE ONLY					
SY 2024-25				\$18.2	\$120.2	\$138.4	-14.9%		
SY 2025-26				\$19.8	\$131.0	\$150.8	9.0%		
SY 2026-27				\$21.3	\$140.4	\$161.7	7.2%		

Forecast Risks

Staff notes that both the revenue fund source and expenditure estimates for FY 2025-26 are subject to change based on pending actions at the federal level, as well as potential state-level action. These are, in essence, “risks to the forecast” that go in both directions.

“Typical” Uncertainty

As for any program with costs driven by caseload and revenue driven by taxes, there are risks.

- How much will demand for meals grow? The current forecast assumes ongoing growth of 3.0 to 4.0 percent a year, but growth could be greater.
- Will we have a recession? If the economy takes a dive, revenue for this program is also likely to fall, while demand could increase.

Atypical Uncertainty

- *Changes to federal nutrition programs.* This could include changes to the federal Community Eligibility Provision that would *reduce* federal funding for meals and thus require an *increase* in state support. Current federal policy, established by rule, specifies that schools and groups of schools may participate in this program if 25.0 percent of the population qualifies for federal need-based benefits, such as Medicaid. This could be changed by federal rule to the earlier 40.0 percent threshold, the figure in federal law. The Department estimates that this would increase total state costs by about \$7.0 million.
- Congress is also considering increasing the CEP threshold to 60 percent in a reconciliation measure. If adopted, this could drastically reduce available federal revenue and make this program hard to sustain.
- Other potential changes to federal nutrition programs could also reduce federal program revenue, e.g., changes that make it harder to obtain various federal benefits or to have that eligibility counted toward eligibility for nutrition programs.

- *Changes to federal tax law:* Extension of the federal Tax Cuts and Jobs Act provisions could *increase* HSMA cash fund revenue and thus *reduce* State Education Fund required, but state economists cannot forecast the impact until Congress takes action.
- *Colorado voters:* (1) Potential adoption of a “retain” measure by the voters would free up \$12.4 million of HSMA revenue that could be used to offset FY 2025-26 State Education Fund obligations. (2) Adoption of a revenue-raising measure in FY 2025-26 could eliminate the need to use any State Education Fund revenue to support meal reimbursements, depending upon the content of the measure as well as the impact of potential changes at the federal level. However, it is difficult to know how much revenue is needed given uncertainty at the federal level.

Next Steps for the General Assembly?

Public and stakeholder input collected for the Technical Advisory Group created by H.B. 24-1390 supported revenue solutions to sustain the program, rather than program cuts. School district leaders, including the Colorado Associate of School Executives (CASE), have expressed support for pursuing a revenue solution to maintain free meals, rather than restricting the program.

Nonetheless, following the requirements of H.B. 24-1390, the HSMA Technical Advisory Group report also provided options for reducing the scope of the program. Of the options available, the one that appeared most viable was to limit the program to districts with high enrollment in assistance programs (CEP eligible) or a large percentage of free and reduced-price lunch students. These options could provide savings ranging from \$52.7 million (limiting the program to CEP-eligible districts with no changes to federal CEP policies) to \$121.5 million (limiting the program to CEP-eligible districts but assuming federal changes to tighten CEP eligibility to schools at which 40 percent of students qualify based on Medicaid eligibility and similar factors). These types of restrictions would eliminate 25.0 percent to 60.0 percent of Colorado students from the program, depending upon the option chosen and related federal policies.

Staff recognizes that any number of changes may make it difficult if not impossible to maintain the system of universal free school meals authorized by Proposition FF. However, staff also believes the program offers real and important benefits to the young people of the state and their families.

JBC staff recommends providing the program with a “lifeline” of support for student meals through FY 2025-26, anticipating that federal and voter action in 2025 will direct whether and how the program can continue in future years. *Even a temporary “lifeline” will require the General Assembly to appropriate approximately \$50.0 million from the State Education Fund in FY 2025-26 without a guarantee that these funds can be recouped.* And even \$50.0 million may be insufficient if there are significant federal changes. Because of the large amount of funds at stake, the General Assembly may want to consider triggers that will modify the program if the federal government adopts changes that make the program not viable and/or if voters reject measures needed to adequately fund the program.

Capital Construction

→ R1 BEST component [Legislation recommended]

Request

Among other components, Department Request R1 includes a proposal to cap BEST cash grants at \$129 million (the average of grants for the past five years) and direct any revenue greater than that to the State Public School Fund for school finance. The Governor’s November request estimates that this will provide \$58 million to the State Public School Fund for school finance in FY 2025-26.

In recent communication, the Governor’s Office has revised the available revenue from this mechanism downwards and is currently projecting that this proposal would provide \$35.0 million in additional revenue for school finance in FY 2025-26 and approximately \$25.0 million in future years.

Recommendation

Staff recommends the Executive Request in concept, but with adjustments.

- **Staff recommends specifying in statute that *total annual revenue to the BEST program will be capped* (as opposed to cash grants). Any revenue received above a specified figure by the end of a fiscal year would be diverted to the State Public School Fund. **For purposes of discussion, staff is using a \$150.0 million figure for the cap in order to generate \$50.0 million for public school operating expenses, but this is one of several levers that could be adjusted, based on how much money the General Assembly wishes to direct to public school operating versus capital construction.****
- The rationale for the approach recommended—as opposed to the one requested—is to avoid favoring funding categories other than cash grants, such as Certificates of Participation. BEST funds address multiple needs, including cash grants, certificates of participation, and charter school assistance. Any restrictions the General Assembly wishes to apply should apply to all categories, leaving the BEST board and General Assembly flexibility in determining the balance.⁶

Ultimately, the question facing the General Assembly is a policy question about the amount of funds to direct to public school capital construction versus public school operating costs, taking into consideration that the BEST revenue stream is unpredictable.

If legislation goes into effect before the end of FY 2024-25 to cap BEST revenue at \$150.0 million:

⁶ Any legislation that caps BEST revenue should reiterate that the first \$40.0 million of marijuana excise tax revenue will be provided for the program, pursuant to Section 16(5)(d) of Article VIII of the state constitution.

- Staff estimates that approximately **\$107.0** million will be available for BEST cash grants in FY 2025-26 (*less than the \$129.0 million estimated in the request*).
- Staff anticipates that approximately **\$51.0** million in additional revenue will be available to support school finance in FY 2025-26 from an FY 2024-25 cap (*less than the \$58.0 million estimated in the request, but higher than OSPB's more recent estimate*); with a \$150.0 million cap, **staff would expect a \$30.0 million diversion to occur in future years.**
- Staff further estimates that, **with a \$150 million cap, over the long term, the total available for cash grants will range from \$50.0 million to \$75.0 million**—substantially less than the \$129 million per year average available in the last five years. If the General Assembly wishes to maintain cash grants at closer to the \$100 million level, it could divert a smaller amount to public school operating expenses.

Depending on its policy goals, **the General Assembly could instead apply an overall BEST cap of \$172.0 million**, which would increase cash grants to the requested \$129.0 million but also reduce the diversion to school finance by the same amount, to approximately \$29.0 million, based on current data. In future years there might be little or no diversion at all to public school operating costs at this level of cap.

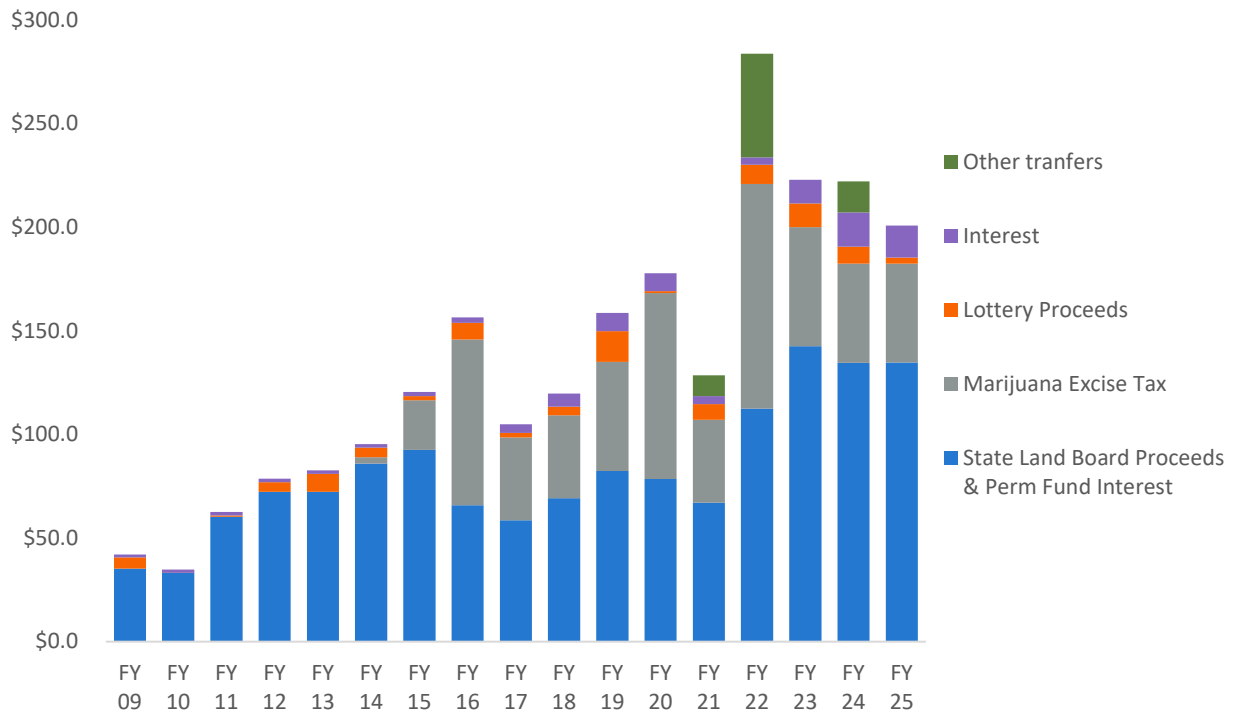
Analysis

Background: The Public School Capital Construction Assistance Fund (PSCCAF), which supports the Building Excellent Schools Today (BEST) program, receives funding from multiple sources. The scale of funding from these sources varies substantially from year to year, since the Fund receives percentages of revenue from income streams that are themselves highly variable. Fund sources include:

- 50 percent of the gross amount of revenues from income and mineral royalties derived from state public school lands, with a guarantee of \$40.0 million per year (even if that is more than 50.0 percent of revenues);
 - all recreational marijuana excise tax funds based on current law, with a guarantee of the first \$40.0 million raised from the recreational marijuana excise tax, pursuant to Section 16(5)(d) of Article VIII of the state constitution;
 - interest earnings on the Permanent Fund – until FY 2023-24, up to \$20.0 million of interest “spillover” after allocations to the State Public School Fund, but this is modified in H.B. 24-1448 so that by FY 2026-27 it includes the first \$41.0 million of interest earnings on the Permanent Fund;
 - lottery “spillover” proceeds that would otherwise be transferred to the General Fund;
 - interest and investment income earned on the Public School Capital Construction Fund;
- and

- other one-time transfers and investments from the General Assembly. This has included transfers from the Marijuana Tax Cash Fund and the State Education Fund, among other sources.⁷

Public School Capital Construction Assistance Fund Revenue:
Reliance on State Land Board Proceeds and Marijuana Excise Tax
 (\$ Millions)



Public School Capital Construction Assistance Fund Uses: The FY 2024-25 appropriations from the Public School Capital Construction Assistance Fund and the related Charter School Facilities Assistance Account include the following components (excluding funds that originate from local sources).

FY 2024-25 PSCCAF and PSCCAF Charter School Account Appropriations	
Administration	\$1,714,569
Centrally appropriated	654,600
Lease Purchase Payments (COPs)	62,500,000
Cash Grants	155,245,826
Capital Construction Priority Assessment Tool	150,000
Charter School Facilities Assistance Account (diversion from the PSCCAF)	20,355,662
Total	\$240,620,657

⁷ An additional source of revenue to the fund is matching dollars provided by school districts for payments on COPs; however, to provide a clearer picture, this additional revenue is not included in the figures shown.

- The cash grants amount has been most variable from year-to-year, based on available revenue. The cash grants amount is unusually high based on recent State Land Board receipts.
- The lease purchase payments amount is expected to increase to as much as \$75.0 million.
- The Charter School Facilities Assistance amount is expected to increase to \$25.3 million by FY 2028-29 before declining to \$9.7 million in FY 2029-30.

Recent changes in H.B. 24-1448 (New School Finance Formula): Changes included in H.B. 24-1448 increased funding for public school capital construction. These included:

- Made \$21.0 million *less* available for public school operating expenses by FY 2026-27 in order to support public school capital construction.
- Increased the cap on BEST annual COP payments from state funds from \$62.5 million to \$75.0 million, which will obligate the state to a floor of this amount plus funding for administration once such COPs are issued (unless the General Assembly chooses to scale this back).
- Diverted increasing amounts of revenue to charter school capital construction, adding \$16.0 million by FY 2028-29. Although the increase ends in FY 2028-29 and reverts to base funding amounts, staff anticipates that the General Assembly will be under pressure to maintain a higher level of charter school capital construction support.

Staff observations: *Staff agrees that some course-correction is needed to the balance between capital and operating support for public schools, given that increases for public school operating will also need to be scaled back to balance the budget. However, determining the appropriate balance between two significant state needs—public school operating versus public school capital construction—is a policy choice for which there is no clear “right” answer.*

- **Capital Construction Needs:** Statewide facility assessments indicate that nearly **\$20.0 billion** will be required by 2030 to address the public school capital construction needs in the State.⁸ Annual BEST revenue of \$150.0 to \$250.0 million, even with local matching funds, can do little to address a problem of this scale. Local bond measures will need to continue to bear primary responsibility for school capital costs and will likely continue to be inadequate in many districts. BEST funds make it possible in select areas (particularly rural areas) to address needs that a locality otherwise cannot address, but the impact will be barely discernable statewide.
- **Operating Budget Needs:** **Two new school finance adequacy studies estimate that \$3.6 to \$4.1 billion in additional public school operating revenue is required each year.**⁹

⁸ <https://api.vfafacility.com/CDOEDashboard/stateLevel/state.jsp>

⁹ <https://www.cde.state.co.us/cdedepcom/requiredreports> - See School Finance Input Adequacy Study Report and School Finance Cost-Modeling Adequacy Study Report.

The key levers for the JBC’s consideration are as follows:

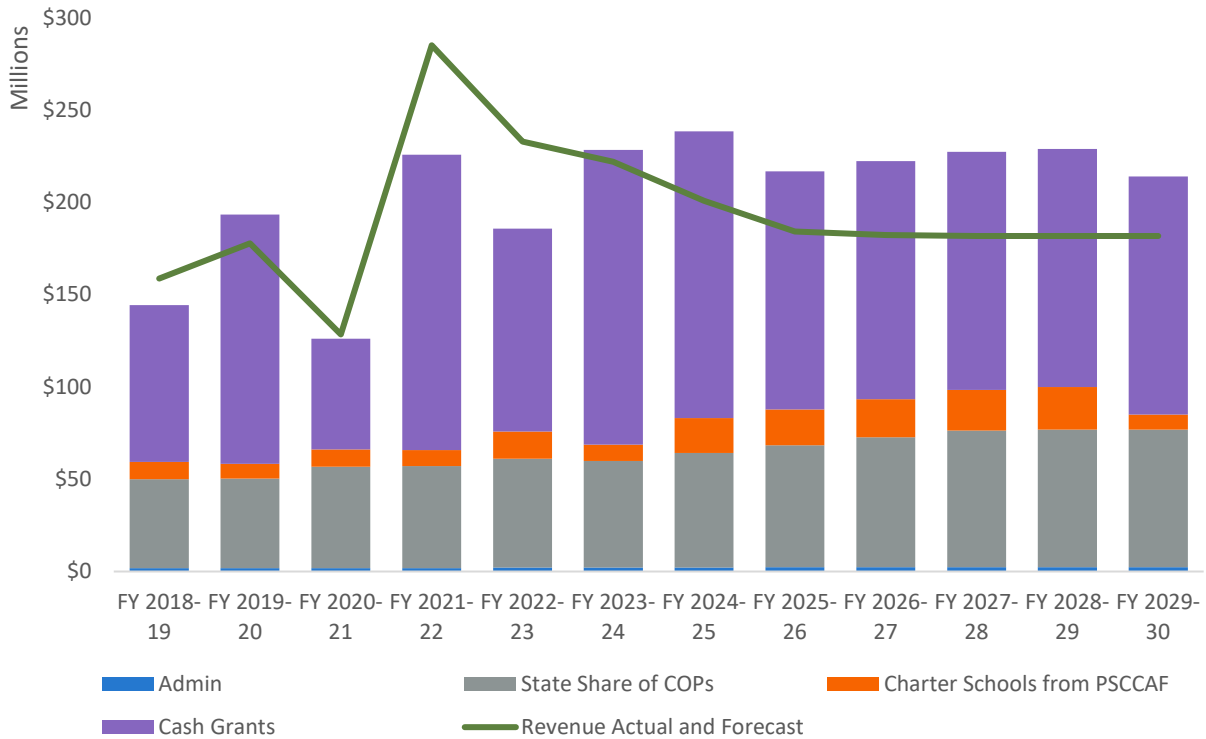
- Out of any funds received, how much to public school operations versus capital construction? Recent year revenue has exceeded \$200 million, but it is not clear whether that will continue.
- Of the amount allocated for public school capital construction, how much should be allocated to COP payments, versus charter school facility assistance, versus cash grants? Staff recognizes that each of these components is important but does not wish to create an incentive for additional COP issuances, which could be an unintended consequence of the proposed policy, as framed by the Governor’s Office.

Governor’s Proposal v. Long Term Revenue Forecast: The November 1, 2024 request estimated that \$58.0 million would be generated by the proposal to cap cash grants at \$129.0 million. *The Governor’s Office has now revised its estimate to be \$35.0 million available from a \$129.0 million cash funds cap for FY 2025-26, with approximately \$25.0 million per year available in subsequent years.*

Based on updated data, the proposal from the Governor’s Office seems likely to provide some revenue diversion in the near term but may not yield much, if any, additional revenue for public school operating over the longer term.

The chart below summarizes recent history, current law, and the Executive Request for BEST cash grants at \$129.0 million. Staff has combined uses (the bars) these with a relatively conservative staff forecast of revenue (the line). Because of unexpectedly high revenue in the last few years, the BEST program has substantial funds in reserve, which allow for a higher level of appropriations. However, *as reflected in the chart, over the longer term it is uncertain that cash grants can be sustained at \$129 million or that this initiative as proposed will yield any revenue for the State Public School Fund under the Governor’s proposal.*

Uses of Public School Capital Construction Assistance Fund:
Actual, Current Law, Executive Request v. Revenue Projection



Impact of Staff-proposed Revenue Cap on Cash Grants & Public School Operating Revenue:

Staff proposes a slightly different approach which focuses on total revenue to the PSCCAF and diverts more revenue for public school operating. Beyond this, *staff is also suggesting a more aggressive diversion of revenue than the Executive Request to assist with budget balancing.*

The table below is based on applying a \$150.0 million cap on annual new revenue to the PSCCAF and diverting the difference to the State Public School Fund. As shown, staff anticipates that this would generate about \$50.0 million in additional revenue for school finance and would limit cash grants to \$100.0-\$110.0 million, depending on funding needs for COPs. This figure could increase—or decrease—based on updated forecasts.

Estimated Funding Available for BEST in FY 2025-26 with \$150M Revenue Cap	
<i>FY 2024-25 revenue estimate</i>	
State Land Board	\$104,648,087
Permanent Fund Interest	30,000,000
Lottery	3,000,000
MJ Excise	47,700,000
Interest	15,500,000
Total Baseline New Revenue to PSCCAF	\$200,848,087

Estimated Funding Available for BEST in FY 2025-26 with \$150M Revenue Cap	
New Diversion to State Public School Fund	\$50,848,087
<i>Revenue for BEST Program</i>	
Remaining FY 25 new revenue (capped)	150,000,000
Available reserve (cash fund balance less prior year obligations)	44,674,444
Total available revenue for BEST	\$194,674,444
<i>BEST Expenses – FY 2025-26 Calculation</i>	
Administration	2,284,408
MJ excise to charters	19,345,800
COPs (if assume new issuances moving toward new \$75.0M cap)	66,123,990
Balance available for cash grants, including reserves	\$106,920,246

If a \$150.0 million cap is maintained, COPs increase to \$75.0 million, and diversions for charter schools are implemented consistent with current law, total funds available for cash grants are likely to decline further, as unobligated reserves are spent down. The chart below shows a simplified estimate of FY 2028-29 funds available, based on rough estimates of future revenue. As shown, under this scenario, cash grants could fall to as little as \$50.0 million per year.

Future: Cash grants if no reserve balance FY 2028-29 Estimate	
<i>FY 2027-28 revenue estimate</i>	
State Land Board	\$85,612,620
Permanent Fund Interest	33,729,587
Lottery	3,000,000
MJ Excise	53,000,000
Interest	6,500,000
Total	\$181,842,207
Diversion to State Public School Fund	31,842,207
New FY 25 BEST revenue (capped)	\$150,000,000
<i>BEST Expenses</i>	
Administration	2,500,000
Max MJ excise to charters (FY 29)	23,162,000
COPs	75,000,000
Balance for BEST cash grants	\$49,338,000

→ Staff-initiated Long Bill Adjustments for BEST Cash Grants

Request

The Department requested a continuation level of \$155,245,826 cash funds spending authority for the Public School Capital Construction Assistance Board - Cash Grants line item as part of the November 1, 2024 request.

Recommendation

The final recommendation for this line item will be further adjusted based on data that will be presented in March. However, based on current law and the most recent forecast data available, staff is reflecting a relatively small adjustment, which would bring the cash grants in this line item to **\$158,000,000**, an increase of \$2.5 million. *Note that this is the current law estimate that is used for the Long Bill.*

The staff recommendation for the Long Bill begins with the amount that staff would expect to be available for the program based on *current law*, current revenue projections for FY 2024-25 from Marijuana Excise Tax and State Land Board receipts, and the methodology the Committee previously adopted for setting this line item.

This figure will be adjusted:

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

In the most recent two years, the figures presented in March have differed significantly from earlier estimates. Furthermore, the final revenue received for the fiscal year has been significantly different from March estimates, leading to accumulation of reserves that can be appropriated in the next year. Staff thus emphasizes that the figure proposed is *preliminary*.

If the JBC introduces a bill that includes staff's R1 recommendation, described above, the bill will reduce the cash grants amount by approximately \$51.0 million, which would be diverted to State Public School Fund.

Analysis

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

Both COP payment and cash grants amounts are subject to annual appropriation by the General Assembly. The COP payment amount is capped by the total COP payments authorized by the

General Assembly (\$150 million total funds, including a maximum of \$75.0 million from state funds).

Current Law Calculation - Methodology Adopted Starting FY 2022-23: Beginning with FY 2022-23, the Department proposed, staff recommended, and the JBC supported a new, consistent methodology for setting for the Public School Capital Construction Assistance -- Cash Grants line item. **The approach relies on estimated revenue in the year when figure setting occurs (FY 2024-25 for the FY 2025-26 budget).** The calculation presented in Department spreadsheets is as follows:

- Calculate the projected end of year uncommitted fund balance for the current fiscal year (FY 2024-25). By February 2025, some of the revenue for the year is already known. Current year (FY 2024-25) appropriations for cash grants and COP obligations are also known.
- Reduce by required statutory reserves (1 year COP payment reserve required by statute) and \$1.0 million Genreal Fund also required by statute.
- Reduce by projected administrative and transfer obligations to charter schools for the coming fiscal year (FY 2025-26)
- Remaining balance = Recommended Cash Grants appropriation.

Note that, in this calculation, the COP obligation for FY 2025-26 is assumed to be paid from FY 2025-26 revenue, rather than FY 2024-25 revenue. However: (1) the recommended calculation includes a full one-year of reserves for the COP amount; and (2) current law and Constitutional provisions make it unlikely that program revenue will fall below \$80.0 million, including \$40.0 million from marijuana excise taxes and \$40.0 million from the State Land Board. So long as the COP cap does not increase without a corresponding increase in reliable revenue, this approach does not seem particularly risky.

FY 2025-26 Current Law Calculation

FY 2025-26 Current Law BEST Cash Grants - Preliminary	
FY 2023-24 EOY Cash Balance	\$484,110,562
FY 25 Revenue	
Lottery	\$3,000,000
MJ Funds	\$47,700,000
Interest	\$15,500,000
State Land Board	\$134,648,087
FY25 Expenditures/Obligations	
Admin	\$2,228,381
Cash Grants	\$155,245,826
State Debt Service	\$61,962,219
District Debt Service	
MJ Excise to Charter Schools	\$18,957,234

FY 2025-26 Current Law BEST Cash Grants - Preliminary	
Prior year obligations	\$200,042,458
EOY Balance/Avail for FY26	\$246,522,531
Available for FY26	
State Debt Service Reserve	\$66,123,990
MJ Excise to Charter Schools	\$19,345,800
Administration	\$2,284,408
Min State Reserve	\$1,000,000
Cash Grants	\$157,768,333

→ Staff initiated Adjustments to State Aid for Charter School Facilities

Request

The Department requested \$44,791,130 cash funds for this line item in the November 1, 2024 request, including \$23,935,468 from the State Education Fund and \$20,855,662 from the Charter School Facilities Assistance Account (a diversion from the Public School Capital Construction Assistance Fund). The request includes an annualization (an increase of \$500,000 for provisions of H.B. 24-1448 (New public school finance formula)).

Recommendation

The preliminary staff recommendation for this line item is \$43,931,551 based on the statutory formulas established in H.B. 19-1055 and H.B.24-1448 and updated data from the Department. This figure includes \$24,287,687 from the State Education Fund, \$7,643,864 from marijuana excise tax revenue, and \$12,000,000 from interest on the Permanent Fund. The latter two figures are amounts deposited in the Charter School Facilities Assistance Account of the Public School Capital Construction Assistance Fund..

Staff requests permission to adjust these amounts based on the March 2025 Revenue Forecast.

Analysis

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

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

House Bill 24-1448 provided additional increases for charter school facility assistance. It provided \$11,500,000 for this program in FY 2024-25 as an additional diversion from the Public School Capital Construction Assistance Fund. The diversion increases annually, reaching \$15,000,000 in FY 2028-29, before ending entirely in FY 2029-30. This additional revenue matches federal grant funds that have been awarded to Colorado.

The following table shows a history of per pupil funding amounts for this line item from FY 2006-07 through the FY 2026-26 preliminary recommendation and out-year forecast.

State Funding for Charter School Capital Construction Grant Program (with projections for fiscal years through 2028-29)						
Fiscal Year	State Education Fund	Excise Tax Funding	One-Time Funding	State Legislated Funding for SFIG	Total Funding	Growth from Base year
FY01-02	\$ 6,471,051.60				\$ 6,471,051.60	
FY02-03	\$ 7,813,943.00				\$ 7,813,943.00	
FY03-04	\$ 5,000,000.00				\$ 5,000,000.00	
FY04-05	\$ 5,000,000.00				\$ 5,000,000.00	
FY05-06	\$ 5,000,000.00				\$ 5,000,000.00	
FY06-07	\$ 7,800,000.00				\$ 7,800,000.00	
FY07-08	\$ 5,000,000.00				\$ 5,000,000.00	
FY08-09	\$ 5,000,000.00				\$ 5,000,000.00	
FY09-10	\$ 5,000,000.00				\$ 5,000,000.00	
FY10-11	\$ 5,000,000.00				\$ 5,000,000.00	
FY11-12	\$ 5,000,000.00				\$ 5,000,000.00	
FY12-13	\$ 6,000,000.00				\$ 6,000,000.00	
FY13-14	\$ 7,000,000.00				\$ 7,000,000.00	
FY14-15	\$ 13,500,000.00				\$ 13,500,000.00	
FY15-16	\$ 20,000,000.00	\$ 2,000,000.00			\$ 22,000,000.00	
FY16-17	\$ 20,000,000.00	\$ 5,000,000.00			\$ 25,000,000.00	
FY17-18	\$ 20,000,000.00	\$ 5,000,000.00			\$ 25,000,000.00	
FY18-19	\$ 20,000,000.00	\$ 9,250,000.00			\$ 29,250,000.00	
FY19-20	\$ 20,656,559.00	\$ 7,951,358.00			\$ 28,607,917.00	
FY20-21	\$ 22,430,131.00	\$ 9,390,631.00			\$ 31,820,762.00	
FY21-22	\$ 22,829,962.00	\$ 8,696,085.00			\$ 31,526,047.00	
FY22-23	\$ 23,939,892.74	\$ 14,669,782.59			\$ 38,609,675.33	SFIG Base Year
FY23-24	\$ 24,379,016.00	\$ 8,855,662.60	\$ 10,000,000.00		\$ 43,234,678.60	
Total	\$ 282,820,555.34	\$ 70,813,519.19	\$ 10,000,000.00		\$ 363,634,074.53	
FY24-25	\$ 23,935,468.00	\$ 7,457,233.96		\$ 11,500,000.00	\$ 42,892,701.96	\$ 4,283,026.63
FY25-26	\$ 24,287,686.51	\$ 7,643,864.37		\$ 12,000,000.00	\$ 43,931,550.88	\$ 5,321,875.55
FY26-27	\$ 24,641,675.07	\$ 8,491,264.33		\$ 13,000,000.00	\$ 46,132,939.40	\$ 7,523,264.07
FY27-28	\$ 24,995,663.64	\$ 9,063,803.42		\$ 14,000,000.00	\$ 48,059,467.06	\$ 9,449,791.73
FY28-29	\$ 25,349,652.21	\$ 9,666,187.54		\$ 15,000,000.00	\$ 50,015,839.75	\$ 11,406,164.42

The table below shows the funding from the federal grant received for charter school capital construction.

Federal Grant for Charter Construction	Project Year 1	Project Year 2	Project Year 3	Project Year 4	Project Year 5	Total
	2024-25	2025-26	2026-27	2027-28	2028-29	
Federal Funds Available for Awards	\$11,025,000	\$9,800,000	\$7,350,000	\$4,900,000	\$2,450,000	\$35,525,000
Federal funds for Admin	347,375	354,162	363,535	373,195	383,148	1,821,414
Total Federal Award	\$11,372,375	\$10,154,162	\$7,713,535	\$5,273,195	\$2,833,148	\$37,346,414

i: Staff initiated Increase Long Bill Fund Source Detail for Appropriation for Public School Capital Construction Assistance Board – Lease Payments

The Joint Budget Committee does not typically take votes on cash fund source detail in the Long Bill. However, for the record staff is noting a recommended change in the line item used to pay for Certificates of Participation for the BEST program. Specifically, staff intends to modify the fund source detail to more clearly indicate that half of the appropriation in the line item used to pay for BEST COPs originates from local sources, so that the appropriations from the Public School Capital Construction Assistance Fund state sources are easier to track.

At present, the line item includes an \$125.0 million appropriation from the Public School Capital Construction Assistance Fund. Pursuant to statute, half of this amount is assumed to be from local match contributions for COP payments, so the commitment of state funds reflected in the current appropriation is \$62.5 million. House Bill 24-1448 (New School Finance Formula) increased the statutory limit on BEST COPs to a total of \$150.0 million, including \$75.0 million from state funds. The Department has not thus far asked to increase this appropriation to align with the statutory change, and staff is waiting for additional information on Department plans before increasing the appropriation. In the meantime, staff would like to ensure that the components of any appropriation in this line item are more clear.

Line Item Detail

(C) Federal and Other Direct Support

Appropriated Sponsored Programs

This line item reflects federal funding anticipated to be received by the Department. This section also provides cash funds spending authority for the Department to receive fees related to conferences, some grant funds, and transfers from other agencies. The vast majority of funds reflected in this section are distributed directly to local school districts, and the balance is utilized by the Department to fund state-wide efforts, to provide technical assistance to school districts, and to cover Department administrative costs. Matching requirements for the federal funds, where required, are generally met by using other Department funds, school district

funds, and other “non-state” funds. Thus, no General Fund appropriation is included in this line item.

Statutory Authority: Sections 22-2-117 and 22-30.5-101, C.R.S. Various federal statutes.

Request/Recommendation: The recommendation and comparison with the request is shown in the table below. The difference between the two is the staff initiated recommendation to reduce federal funds shown for informational purposes that is discussed earlier in this packet.

School District Operations, Federal and Other Direct Support, Appropriated Sponsored Programs						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$503,659,517	\$571,416	\$2,501,087	\$0	\$500,587,014	59.8
Total FY 2024-25	\$503,659,517	\$571,416	\$2,501,087	\$0	\$500,587,014	59.8
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$503,659,517	\$571,416	\$2,501,087	\$0	\$500,587,014	59.8
BA6 Appropriated Sponsored Programs	5,000,000	0	5,000,000	0	0	1.5
Annualize prior year budget action	13,314	-571,416	2,215	0	582,515	0.0
SI Informational funds adjustment	-248,169,529	0	0	0	-248,169,529	0.0
Total FY 2025-26	\$260,503,302	\$0	\$7,503,302	\$0	\$253,000,000	61.3
Changes from FY 2024-25	-\$243,156,215	-\$571,416	\$5,002,215	\$0	-\$247,587,014	1.5
Percentage Change	-48.3%	-100.0%	200.0%	n/a	-49.5%	2.5%
FY 2025-26 Executive Request	\$508,672,831	\$0	\$7,503,302	\$0	\$501,169,529	61.3
Staff Rec. Above/-Below Request	-\$248,169,529	\$0	\$0	\$0	-\$248,169,529	0.0

(D) Nutrition

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

In Colorado, the Department of Education administers a multitude of school nutrition programs, the largest being the federal National School Lunch and Breakfast Program, followed by the State Healthy School Meals for All Program. The Department operates the programs through agreements with local school food authorities (usually school districts).

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

requirements, and they must offer free or reduced price meals to eligible children based on the following eligibility criteria:

Free meals: Families with incomes below 130% of the federal poverty level are eligible.

Reduced price meals: Families with incomes between 130% and 185% of the federal poverty guidelines are eligible.

Federal per meal reimbursements differ depending on whether the meal was served to a child who is eligible for free, reduced, or "full price" meals. In schools that are participating in the federal Community Eligibility Provision, funding is based on the percentage of students in the school or group of schools whose families receive public benefits (the "identified student percentage" or ISP) multiplied by 1.6. Reimbursement at these schools is based on the free meal rate. Currently, the majority of schools are participating in the Community Eligibility Provision following direction from the Colorado Department of Education on how to maximize federal reimbursements. In schools that are not part of the Community Eligibility Provision, families are asked to complete a meal application to determine eligibility for free or reduced price meals.

Under the legacy Colorado Start Smart Nutrition Program and Child Nutrition School Lunch Protection Programs, the State reimburses school districts for the difference between federal reimbursements for free meals versus reduced price meals, so that students who qualify for reduced price meals are not required to pay for them. However, such reimbursement has become a small component of state support due to the Healthy School Meals for All Program.

In response to the Coronavirus pandemic, the federal government substantially increased access to free meals. This increased the number of students accessing free meals and eliminated the need for Colorado to provide additional subsidies to make meals free for students who qualify for reduced price breakfast or lunch. In FY 2022-23, federal nutrition programs returned to pre-pandemic operations. However, based on voter action in November 2022, Colorado transitioned to providing meals free to all students in FY 2023-24, greatly reducing use of the legacy state nutrition programs.

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

As originally approved by voters, the program included free meals for all public school students and several other programs: a local food purchasing grant program, an employee wage/stipend program to provide additional funding for school food service workers, and a technical assistance and education grant program. However, the demand for meals and resulting costs have far outstripped available revenue from the tax measure adopted by voters. As a result, funding for the grant and wage stipend programs has been suspended in the absence of

additional revenue and the State has subsidized the program with money from the State Education Fund, reflecting changes adopted in H.B. 24-1390.

(I) Healthy School Meals for All

Program Administration

This line item includes the administrative costs for the Healthy School Meals for All Program. This includes personal services and operating expenses and bi-annual audit costs. Statute as adopted by voters in 2022 Proposition FF limits administrative costs to 1.5 percent of Healthy School Meals for All Program appropriations.

Statutory Authority: Sections 22-82.9-201 through 210, C.R.S.

Request/Recommendation: The staff recommendation and Department request reflect annualizing (eliminating) \$400,000 that is being used in FY 2024-25 to support consulting resources related to the Healthy School Meals for All Program. *Staff expects to recommend additional consulting support in FY 2025-26, but the amount required is pending.*

School District Operations, Nutrition, Program Administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$791,824	\$0	\$791,824	\$0	\$0	3.2
Total FY 2024-25	\$791,824	\$0	\$791,824	\$0	\$0	3.2
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$791,824	\$0	\$791,824	\$0	\$0	3.2
Annualize prior year legislation	-400,000	0	-400,000	0	0	0.0
Total FY 2025-26	\$391,824	\$0	\$391,824	\$0	\$0	3.2
Changes from FY 2024-25	-\$400,000	\$0	-\$400,000	\$0	\$0	0.0
Percentage Change	-50.5%	n/a	-50.5%	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$391,824	\$0	\$391,824	\$0	\$0	3.2
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

School Meal Reimbursements

This line item funds monthly meal reimbursements to school food authorities from the Healthy School Meals for All program. Funding is from the Healthy School Meals for All Program Cash Fund but appropriations and expenditures may also be from the General Fund, to the extent money in the Account is insufficient. For FY 2023-24 and FY 2024-25 funding from the State Education Fund is also authorized. This is an entitlement program, and the Department has authority to over-expend the appropriation if required. In the event of an over-expenditure, the next year's appropriation is restricted until the General Assembly lifts the restriction by providing a supplemental appropriation in the amount of the over-expenditure.

Statutory Authority: Sections 22-82.9-204, 209, and 210, C.R.S.

Request/Recommendation: The staff recommendation is shown below and compared to the request. Differences have been previously discussed for both the FY 2024-25 appropriation and the FY 2025-26 appropriation.

School District Operations, Nutrition, School Meal Reimbursements						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$137,483,812	\$0	\$137,483,812	\$0	\$0	0.0
LBSupp S3 Healthy School Meals for All	\$916,188	\$0	\$916,188	\$0	\$0	0.0
Total FY 2024-25	\$138,400,000	\$0	\$138,400,000	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$138,400,000	\$0	\$138,400,000	\$0	\$0	0.0
BA4 Healthy School Meals for All	12,400,000	49,541,914	-37,141,914	0	0	0.0
Annualize prior year legislation	0	0	0	0	0	0.0
Total FY 2025-26	\$150,800,000	\$49,541,914	\$101,258,086	\$0	\$0	0.0
Changes from FY 2024-25	\$12,400,000	\$49,541,914	-\$37,141,914	\$0	\$0	0.0
Percentage Change	9.0%	n/a	-26.8%	n/a	n/a	n/a
FY 2025-26 Executive Request	\$137,167,586	\$0	\$137,167,586	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$13,632,414	\$49,541,914	-\$35,909,500	\$0	\$0	0.0

Local Food Purchasing Grant

Subject to available appropriation, participating school food authorities that establish a parent and student school food advisory committee may receive a grant to purchase Colorado grown, raised, or processed products.

Statutory Authority: Sections 22-82.9-205, C.R.S.

Request/Recommendation: The Department does not request, and staff does not recommend, funding for grants due to lack of revenue deposited to the Healthy School Meals for All Program Cash Fund.

Local Food Technical Assistance Grant

Subject to available appropriation, the Department may issue a grant to a statewide nonprofit to assist with the promotion of Colorado products to participating school food authorities and to assist them with preparing meals using basic ingredients with minimal reliance on processed products. Grants may be used for training, technical assistance, physical infrastructure for school food authorities, growers associations, and other organizations that aggregate products for producers, as well as for education, outreach, and promotion for schools and growers to

engage with school communities. A minimum of \$5.0 million must be appropriated for the program.

Statutory Authority: Sections 22-82.9-207, C.R.S.

Request/Recommendation: The Department does not request, and staff does not recommend, funding for grants due to lack of revenue deposited to the Healthy School Meals for All Program Cash Fund.

Wage Distributions

Subject to available appropriation, participating school food authorities may receive the greater of \$3,000 or \$0.12 per school lunch, to be used to increase wages or provide stipends for employees who prepare and serve school meals.

Statutory Authority: Sections 22-82.9-206, C.R.S.

Request/Recommendation: The Department does not request, and staff does not recommend, funding for wage distributions due to lack of revenue deposited to the Healthy School Meals for All Program Cash Fund.

(II) Other Nutrition Programs

Federal Nutrition Programs

This line item reflects (for informational purposes) all federal funding that is available for nutrition programs. The federal funds and a small amount of General Fund included in this line item support 9.0 FTE who administer the various state and federal nutrition programs. The state funding in this line item is used to comply with a federal maintenance of effort requirement associated with these federal funds.

Statutory Authority: Federal nutrition program statutes.

Request/Recommendation: The request and recommendation are summarized in the table below. The difference between the two is the staff recommendation to adjust the federal funds shown for informational purposes that has been previously discussed.

School District Operations, Nutrition, Federal Nutrition Programs						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$156,775,300	\$104,973	\$0	\$0	\$156,670,327	17.0
Total FY 2024-25	\$156,775,300	\$104,973	\$0	\$0	\$156,670,327	17.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$156,775,300	\$104,973	\$0	\$0	\$156,670,327	17.0
SI Informational funds adjustment	181,330,000	0	0	0	181,330,000	0.0
Annualize prior year budget action	117,399	6,087	0	0	111,312	0.0
Total FY 2025-26	\$338,222,699	\$111,060	\$0	\$0	\$338,111,639	17.0

School District Operations, Nutrition, Federal Nutrition Programs						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Changes from FY 2024-25	\$181,447,399	\$6,087	\$0	\$0	\$181,441,312	0.0
Percentage Change	115.7%	5.8%	n/a	n/a	115.8%	0.0%
FY 2025-26 Executive Request	\$156,892,699	\$111,060	\$0	\$0	\$156,781,639	17.0
Staff Rec. Above/-Below Request	\$181,330,000	\$0	\$0	\$0	\$181,330,000	0.0

State Match for Federal School Lunch Program

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

Pursuant to S.B. 01-129, statute requires the General Assembly to appropriate by separate line item an amount to comply with the MOE requirement for National School Lunch Program [see Section 22-54-123, C.R.S.]. The state matching funds are allocated by the Department among participating school districts. Senate Bill 01-129 included an appropriation of \$2,472,644 from the State Public School Fund for FY 2001-02, and the General Assembly has appropriated the same amount annually in subsequent fiscal years. Subsequently, the federal government has indicated that states are required to meet the MOE requirement each school year as a condition of the state's receipt of federal "general cash assistance" funds, and the intent of this requirement is that a minimum amount of state revenues be provided to supplement the federal funds provided to schools to support the overall aim of the National School Lunch Program (which is to provide lunches to children in school). The Department has indicated that funding for the Healthy School Meals for All Program could probably substitute for this maintenance of effort funding, but this would reduce funding that is used to help support local school food authorities.

Statutory Authority: Section 22-54-123, C.R.S.

Request: The Department requests continuation funding of \$2,472,644 cash funds from the State Public School Fund for FY 2025-26, unchanged from the FY 2024-25 appropriation.

Recommendation: Staff recommends approving the Department’s request. Pursuant to federal law [Title 42, Chapter 13, Section 1756, Subsection (1) (a), U.S. Code] and the associated federal regulations [Title 7, Chapter II, Part 210, Subpart D, Section 210.17, Subsection (d), U.S. Code of Federal Regulations], in order to comply with the state revenue matching requirement, state money must be appropriated or used specifically for National School Lunch Program purposes (excluding state-level administrative expenses). The staff recommendation reflects this appropriation as cash funds -- interest and investment income earned on the Public School (Permanent) Fund that is credited to the State Public School Fund. However, *staff anticipates that this funding source will need to be changed to the State Education Fund or General Fund in FY 2026-27 based on changes in the use of Permanent Fund interest included in H.B. 24-1448.*

Child Nutrition School Lunch Protection Program

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

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

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

As amended by H.B. 19-1171, the act requires the General Assembly to make an annual appropriation in the Long Bill to “allow school food authorities to provide lunches at no charge for children in state-subsidized early childhood education programs administered by public schools or in kindergarten through twelfth grade, participating in the school lunch program, who would otherwise be required to pay a reduced price for lunch” (see Sec. 22-82.9-105 (1), C.R.S.). Participation and expenditures decreased during the COVID-19 pandemic due to school closures and federal policy changes that increased student access to free meals.

Demand for the program has fallen further as a result of the launch of the Healthy School Meals for All Program in FY 2023-24, and the appropriation was reduced in FY 2024-25.

Statutory Authority: Section 22-82.9-101 et seq., C.R.S.

Request: The Department requests continuation funding of \$841,460 from the State Education Fund for FY 2025-26.

Recommendation: Staff recommends the request for continuation funding.

Start Smart Nutrition Program Fund and Start Smart Nutrition Program

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

breakfasts served to children eligible for reduce price meals. The cost of the Program is driven by three factors:

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

Participation and expenditures declined dramatically in FY 2020-21 and FY 2021-22 as a result of the COVID-19 pandemic and associated changes in federal policy. Federal programs returned to their pre-pandemic policies for FY 2022-23.

Due to the launch of the Healthy School Meals for All Program in FY 2023-24, as well as changes in federal policy, use of the program has declined dramatically, and the appropriation was reduced in FY 2024-25.

Statutory Authority: Section 22-82.7-101 et seq., C.R.S.

Request: The Department requests a continuing level of appropriation of \$296,484 from the Start Smart Nutrition Program Fund.

Recommendation: Staff recommends the request for a continuation level of funding.

Local School Food Purchasing Programs

This line item supports the following two grant programs created in H.B. 19-1132 (School Incentives to Use Colorado Food and Producers). H.B. 20-1418 (School Finance) modified statute to delay implementation of the programs until FY 2021-22 as a budget balancing action. Both programs sunsetted in FY 2023-24 but were re-created by H.B. 24-1390, based on the lack of available funding for the Healthy School Meals for All local school food purchasing grant and technical assistance programs.

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

Statutory Authority: Section 22-100-101 et. seq., C.R.S.

Request/Recommendation: The Department requests, and staff recommendation, continuation of the FY 2024-25 appropriation of \$675,729 from the State Education Fund and 0.4 FTE for this line item.

Summer Electronic Benefits Transfer for Children Program

Senate Bill 23B-002 (Summer Electronic Benefits Transfer Program) creates the summer electronic benefits transfer program in the Department of Human Services to provide food benefits to students in low-income households for the summer months when students are not in school pursuant to federal law. The Department of Education is designated as a partner agency. Department of Education responsibilities include developing an outreach plan to local education providers and school food authorities, providing technical assistance to school food authorities, developing protocols for sharing of data necessary to administer the program, streamlining data collection, and developing and providing an opt-out process for parents, guardians, and emancipated student to the extent allowable by federal law.

Statutory Authority: Section 22-2-149, C.R.S.

Request/Recommendation: The Department requests \$447,902 total funds, including \$223,935 General Fund and \$223,967 federal funds, and 1.7 FTE for this line item, including the annualization of prior year salary survey and step pay. Staff recommends the request.

(E) Capital Construction

Background Information - Building Excellent Schools Today (B.E.S.T.) Program. House Bill 08-1335 replaced the capital construction financial assistance programs that were established in response to the *Giardino* lawsuit with the B.E.S.T. program. The B.E.S.T. program was designed to increase the amount of state financial assistance provided and allow projects to be completed more quickly. Rather than relying on annual General Fund appropriations, the B.E.S.T. program is supported by royalty and rental income earned on state trust lands, interest earned on the Public School Fund, lottery proceeds, and recreational marijuana excise tax revenues. Current law annually credits the following funds to the Public School Capital Construction Assistance (PSCCA) Fund:

- 50 percent of the gross amount of revenues from income and mineral royalties derived from state public school lands, with a guarantee of \$40.0 million per year (even if that is more than 50.0 percent of revenues);
- all recreational marijuana excise tax funds based on current law, with a guarantee of the first \$40.0 million raised from the recreational marijuana excise tax, pursuant to Section 16(5)(d) of Article VIII of the state constitution;
- interest earnings on the Permanent Fund – until FY 2023-24, up to \$20.0 million of interest “spillover” after allocations to the State Public School Fund, but this is modified in H.B. 24-1448 so that by FY 2026-27 it includes the first \$41.0 million of interest earnings on the Permanent Fund;
- lottery “spillover” proceeds that would otherwise be transferred to the General Fund;
- interest and investment income earned on the Public School Capital Construction Fund; and
- other one-time transfers and investments from the General Assembly. This has included transfers from the Marijuana Tax Cash Fund and the State Education Fund, among other sources.

Money in the PSCCA Fund is subject to appropriation for: (a) direct and indirect administrative costs incurred by the PSCCA Division and Board (including the financial assistance priority assessment); (b) lease payments required for lease-purchase agreements; and (c) cash grants to support construction projects. Prior to FY 2014-15, money supporting cash grants was continuously appropriated to the Department.

House Bill 08-1335 created a PSCCA Board and Division within the Department of Education to administer the grant program. The PSCCA Board is required to:

- (a) establish public school facility construction guidelines for use in assessing and prioritizing public school capital construction needs;
- (b) conduct or contract for a financial assistance priority assessment of public school facilities throughout the state (originally published in 2010 and currently being updated);
- (c) prioritize financial assistance applications for eligible public school facility capital construction projects based on specified criteria; and
- (d) annually submit a prioritized list of projects recommended for financial assistance to the State Board.

Subject to State Board authorization, the PSCCA Board may provide financial assistance to applicants as matching grants or by instructing the State Treasurer to enter into lease-purchase agreements on behalf of the State to finance public school facility capital construction. The act limits the total amount of annual lease payments payable by the State in any fiscal year, and requires payments above specified limits to be made only from applicant matching moneys. The PSCCA Board awards financial assistance based on specified statutory criteria, as well as the results of the statewide assessment of public school facilities. The assessment covers building conditions and space requirements in all 178 school districts, charter schools, State Charter School Institute schools, boards of cooperative services, and the Colorado School for the Deaf and Blind.

In FY 2015-16, the General Assembly added significant funding and FTE to the Division of Public School Capital Construction Assistance to support the B.E.S.T. program. The increases included \$2.7 million cash funds in one-time funding to support a contract to update the program's priority assessment database and train program staff in facility assessment and \$509,311 cash funds and 6.0 FTE to add an in-house assessment team to continually update and maintain the program priority assessment database.

Recent legislative action includes the following:

- As part of budget balancing in 2020 related to the then-projected declines in state revenue, the School Finance Act (H.B. 20-1418) transferred \$100.0 million from the Public School Capital Construction Assistance Fund to the State Public School Fund effective July 1, 2020.
- With statewide revenues improving in 2021, the JBC sponsored S.B. 21-207 (Public School Capital Construction Assistance Fund), which required the transfer of \$100.0 million from the Marijuana Tax Cash Fund on June 1, 2022 to the Public School Capital Construction Fund, effectively repaying the marijuana tax revenues transferred out of the BEST program in 2020.

The bill also added a related one-time \$100.0 million appropriation for the BEST program for FY 2021-22. However, due to declines in forecasted Marijuana Tax Cash Fund revenue, the JBC sponsored H.B. 22-1341 (Marijuana Tax Cash Fund), which reduced the transfer on June 1, 2022 to \$50.0 million and provided for additional transfers of \$30.0 million on June 1, 2023 and \$20.0 million on June 1, 2024.

- H.B. 20-1418 (Public School Finance) raised the cap on certificate of participation annual payments to \$125,000,000. Since half of this is expected to be covered through matching funds from school districts, the effective cap on annual payment of *state funds* is \$62,500,000.
- S.B. 21-207 added a \$10.0 million General Fund transfer for public school air quality improvement grants.
- S.B. 23-220 replaced the requirement for a \$30.0 million transfer from the MTCF in FY 2022-23 with other transfers and adjustments totaling \$29.7 million (\$15.0 million from the State Education Fund, \$10.0 million redirected from State Land Board Revenues, and \$4.7 million redirected from the S.B. 21-207 Air Quality Improvement Grants). The bill also required that \$49.7 million of the total be directed to supplemental grants.
- H.B. 24-1448 added an additional diversion of \$21.0 million (increased to this figure over several years) from interest on the Permanent Fund for deposit to the Public School Capital Construction Assistance Fund. As this amount had previously been deposited to the State Public School Fund to support public school operating costs, this reduces funding available for school finance and other public school operating appropriations. H.B. 24-1448 also requires additional diversions (growing to \$16.0 million) from the Public School Capital Construction Assistance Fund for charter school facilities assistance, with the total increasing from FY 2024-25 to FY 2028-29. Finally, the bill also increased the cap on certificate of participation annual payments for the program, increasing the cap on the state share from \$62.5 million to \$75.0 million.

Division of Public School Capital Construction Assistance

This line item supports the PSCCA Board and the Division of PSCA staff, including the staff added in FY 2015-16 to update and maintain the priority assessment and database.

Statutory Authority: Section 22-43.7-105, C.R.S.

Request/Recommendation: The Department requests \$1,877,508 cash funds from the Public School Capital Construction Assistance Fund and 16.0 FTE for FY 2025-26. The request includes an increase to annualize prior year salary survey and step pay. Staff recommends the request.

Public School Capital Construction Assistance Board – Lease Payments

This line item provides spending authority to make payments as required by lease-purchase agreements. The General Assembly has repeatedly increased the authorized amounts of lease purchase payments for the program.

- Prior to FY 2016-17, statute capped annual total lease payments (including state and local revenues) at \$80.0 million and limited the State's share to no more than \$40 million.

- Senate Bill 16-072 increased the cap on total lease payments to \$90.0 million (up to \$45 million state share) in FY 2016-17 and \$100.0 million (up to \$50 million state share) in FY 2017-18.
- House Bill 19-1055 (Public School Capital Construction Financial Assistance) further increased the cap to \$105.0 million in FY 2019-20 and \$110.0 million (\$55.0 million state share) in subsequent years.
- House Bill 20-1418 (School Finance) increased the cap by \$15.0 million, to a total of \$125.0 million (\$62.5 million state share) in FY 2020-21 and subsequent years.
- House Bill 24-1448 (New School Finance Formula) increases the cap by \$25.0 million, to a total of \$150.0 million.

Pursuant to Section 22-43.7-104 (3), C.R.S., the use of any PSCCA Fund moneys to make lease payments required by lease-purchase agreements is subject to annual appropriation by the General Assembly.

Statutory Authority: Section 22-43.7-104 (3), C.R.S.

Request: The Department requests a continuation appropriation \$125.0 million cash funds from the Public School Capital Construction Assistance Fund to support B.E.S.T. COP payments in FY 2025-26, with no change from the FY 2024-25 appropriation. The request does not include an adjustment for H.B. 24-1448.

Recommendation: Staff recommends approving the request and making a technical adjustment to identify in the appropriation the portion of the total that originates from local funds versus state funds deposited in the Public School Capital Construction Assistance Fund.

Public School Capital Construction Assistance Board – Cash Grants

The General Assembly added this line item to the FY 2014-15 Long Bill to appropriate funds to support the B.E.S.T. Program's cash grants. As discussed above, prior to FY 2014-15, moneys for B.E.S.T. cash grants were continuously appropriated to the Department. However, the enactment of S.B. 14-112 made the program's cash grants subject to annual appropriation by the General Assembly.

The FY 2019-20 Long Bill included an appropriation of \$85.0 million cash funds from the PSCCA Fund for cash grants. Amounts available in subsequent years have been dependent upon the money available in the fund.

Funding was reduced when \$100.0 million in marijuana excise tax revenue was diverted to help balance the state budget for FY 2020-21. With an improving revenue picture, S.B. 21-207 (Public School Capital Construction Assistance Fund), required the transfer of \$100.0 million from the Marijuana Tax Cash Fund to the PSCCA on June 1, 2022 and provided a related appropriation. However, in response to declining Marijuana Tax Cash Fund projections, House Bill 22-1341 (Marijuana Tax Cash Fund) staged the transfers to instead require \$50.0 million on June 1, 2022; \$30.0 million on June 1, 2023; and \$20.0 million on June 1, 2024. Senate Bill 23-220 then replaced the \$30.0 million 2023 transfer with transfers from the State Education Fund (\$15.0 million), State Land Board revenue (\$10.0 million), and repurposing of air quality improvement

grants (\$4.7 million). The final \$20.0 million transfer was delayed in H.B. 24-1395 to June 1, 2026.

Since FY 2022-23, the appropriation in this line item has been based on a calculation of revenue to the PSCCAF anticipated in the current year (e.g., FY 2024-25 for FY 2025-26 appropriations) less existing commitments from the fund for administration, certificate of participation obligations, and administration. Appropriations may therefore vary significantly based on revenue anticipated from marijuana excise taxes and state land board revenues, as well policy decisions of the General Assembly.

Statutory Authority: Section 22-43.7-104, C.R.S.

Request/Recommendation: The Department requested a continuation appropriation, and the Governor’s Office has proposed legislation that would modify funding. The staff recommendation, shown below, is based on current law. Staff’s recommendations for statutory changes are discussed earlier in this packet. Staff anticipates recommending adjustments to the current law figure based on updated March 2025 revenue projections.

School District Operations, Capital Construction, Public School Capital Construction Assistance Board - Cash Grants						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$155,245,826	\$0	\$155,245,826	\$0	\$0	0.0
Total FY 2024-25	\$155,245,826	\$0	\$155,245,826	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$155,245,826	\$0	\$155,245,826	\$0	\$0	0.0
SI BEST cash grants	2,754,174	0	2,754,174	0	0	0.0
Total FY 2025-26	\$158,000,000	\$0	\$158,000,000	\$0	\$0	0.0
Changes from FY 2024-25	\$2,754,174	\$0	\$2,754,174	\$0	\$0	0.0
Percentage Change	1.8%	n/a	1.8%	n/a	n/a	n/a
FY 2025-26 Executive Request	\$155,245,826	\$0	\$155,245,826	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$2,754,174	\$0	\$2,754,174	\$0	\$0	0.0

Financial Assistance Priority Assessment

This line item provides the funding necessary to conduct the financial assistance priority assessment of public school facilities throughout the state as required by Section 22-43.7-108, C.R.S. Pursuant to Section 22-43.7-104 (3), C.R.S., subject to annual appropriation, the Department may expend moneys in the PSCCA Fund to pay the costs of contracting for the financial assistance priority assessment. The Department contracted with Parsons (an assessment, design, and construction consultant) for the original assessment. In FY 2015-16, the General Assembly provided an additional \$2.7 million in one-time funding to: (1)

reconfigure and adjust the priority assessment database; and (2) train the new assessment staff added to the Division of Public School Capital Construction Assistance through FY 2015-16 R7.

Statutory Authority: Section 22-43.7-108, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$150,000 cash funds from the Public School Capital Construction Assistance Fund. Staff notes that the Department is simultaneously pursuing an IT Capital request that is required for re-procurement of this tool. Operating funding required may increase in future years based on the re-procurement.

State Aid for Charter School Facilities

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

Subsequently, the General Assembly modified this program in significant ways. First, eligibility for funding was modified. As currently enacted, the program allocates annual appropriations among charter schools on a per pupil basis, except that a qualified charter school does not include one that does not have capital construction costs, is operating in a district school facility that does not have capital construction costs, or is operating in a state facility and is not obligated to make lease payments.

Second, the amount appropriated for the program was modified. With the enactment of H.B. 14-1292 (Student Success Act), the General Assembly made the following changes to funding for the program:

- Increased the appropriation from the State Education Fund from \$7.0 million in FY 2013-14 to \$13.5 million in FY 2014-15 and required an increase to \$20.0 million in FY 2015-16 and subsequent years.
- Authorized additional funding for charter school capital construction from marijuana excise tax revenues. Beginning July 1, 2014, the bill directs the State Treasurer to deposit 12.5 percent of marijuana excise tax moneys deposited into the Public School Capital Construction Assistance Fund (PSCCAF) into the Charter School Facilities Assistance Account within the PSCCAF. Moneys in the account are subject to annual appropriation by the General Assembly. Consistent with the Committee's policy to spend prior year marijuana revenues, the Department spends money deposited into the Charter School Facilities Assistance Account in the year *after* the money is collected.

In the 2019 Session, H.B. 19-1055 again changed the amounts available for this line item. The bill annually adjusts the amount available from each fund source based on statewide student enrollment in charter schools.

- For the State Education Fund, the bill adjusts the previous base (\$20.0 million per year) based on a comparison of charter school enrollment (as a percentage of statewide pupil enrollment) in the preceding budget year to the percentage of students that were enrolled in charter schools in the 2017-18 school year.
- For marijuana excise tax revenues, the bill continues to deposit a percentage of total marijuana excise tax revenues into the Charter School Facilities Assistance Account. However, the transfer is now based on the percentage of statewide student enrollment that was enrolled in charter schools in the previous school year.

The formula above continues to provide the basic statutory funding structure for this program, but there have been temporary adjustments. H.B. 20-1418, which changed the allocation of marijuana excise taxes for FY 2020-21. Senate Bill S.B. 23-287 (School Finance) provided a one year increase of \$10.0 million from the State Education Fund.

House Bill 24-1448 (New School Finance Formula) increases funding from the Public School Capital Construction Assistance Fund to the Charter School Facilities Assistance Account by \$11.5 million in FY 2024-25, increasing to \$15.0 million in FY 2028-29, in addition to the existing formula distributions. Funding under current law reverts to solely the existing formula distributions in FY 2029-30.

Statutory Authority: Sections 22-54-124(3)(a)(IV)(C) and 22-43.7-104(2)(d).

Request/Recommendation: The request and recommendation are summarized below. The difference between the two is the preliminary staff recommendation to adjust funding based on existing statutory formulas and is subject to further adjustment based on the March forecast.

School District Operations, Capital Construction, State Aid for Charter School Facilities						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$44,291,130	\$0	\$44,291,130	\$0	\$0	0.0
Total FY 2024-25	\$44,291,130	\$0	\$44,291,130	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$44,291,130	\$0	\$44,291,130	\$0	\$0	0.0
Annualize prior year legislation	500,000	0	500,000	0	0	0.0
SI Charter school facilities	-859,579	0	-859,579	0	0	0.0
Total FY 2025-26	\$43,931,551	\$0	\$43,931,551	\$0	\$0	0.0
Changes from FY 2024-25	-\$359,579	\$0	-\$359,579	\$0	\$0	0.0
Percentage Change	-0.8%	n/a	-0.8%	n/a	n/a	n/a
FY 2025-26 Executive Request	\$44,791,130	\$0	\$44,791,130	\$0	\$0	0.0

School District Operations, Capital Construction, State Aid for Charter School Facilities						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Staff Rec. Above/-Below Request	-\$859,579	\$0	-\$859,579	\$0	\$0	0.0

Staff requests permission to adjust that allocation from the Charter School Facilities Assistance Account based on the March 2025 Revenue Forecast.

(F) Indirect Cost Assessment

Indirect Cost Assessment

This line item reflects indirect cost assessments for the various subdivisions and line items in the Assistance to Public Schools division. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management and Administration division for General Department and Program Administration and a variety of centrally appropriated line items.

Statutory Authority: Section 24-31-101 and 102, C.R.S.

Request/Recommendation: The request and recommendation are summarized below and discussed earlier in this packet.

School District Operations, Indirect Cost Assessment, Indirect Cost Assessment						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$3,848,077	\$0	\$25,000	\$90,177	\$3,732,900	0.0
Total FY 2024-25	\$3,848,077	\$0	\$25,000	\$90,177	\$3,732,900	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$3,848,077	\$0	\$25,000	\$90,177	\$3,732,900	0.0
Centrally appropriated line items	119,883	0	0	37,965	81,918	0.0
Total FY 2025-26	\$3,967,960	\$0	\$25,000	\$128,142	\$3,814,818	0.0
Changes from FY 2024-25	\$119,883	\$0	\$0	\$37,965	\$81,918	0.0
Percentage Change	3.1%	n/a	0.0%	42.1%	2.2%	n/a
FY 2025-26 Executive Request	\$3,967,960	\$0	\$25,000	\$128,142	\$3,814,818	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Old Line Items

Distributions to School Districts for Projects to Replace Prohibited American Indian Mascots as Required by Section 22-1-133, C.R.S.

Request/Recommendation: The FY 2023-24 School Finance Act included an appropriation of \$300,000 from the State Education Fund to assist school districts in renovations to replace prohibited American Indian mascots. This was a one-time appropriation. The Department does not request, and staff does not recommend ongoing funding in FY 2024-25.

(4) Educator Talent

This section includes funding that is associated with a variety of programs related to educator licensure, educator effectiveness, training, recruitment, and retention efforts.

Educator Talent						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$19,697,954	\$12,514,231	\$7,183,723	\$0	\$0	47.6
Total FY 2024-25	\$19,697,954	\$12,514,231	\$7,183,723	\$0	\$0	47.6
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$19,697,954	\$12,514,231	\$7,183,723	\$0	\$0	47.6
Annualize prior year legislation	-4,197,000	0	-4,197,000	0	0	0.0
Annualize prior year budget action	198,142	128,256	69,886	0	0	0.0
Total FY 2025-26	\$15,699,096	\$12,642,487	\$3,056,609	\$0	\$0	47.6
Changes from FY 2024-25	-\$3,998,858	\$128,256	-\$4,127,114	\$0	\$0	0.0
Percentage Change	-20.3%	1.0%	-57.5%	0.0%	0.0%	0.0%
FY 2025-26 Executive Request	\$15,705,491	\$12,648,882	\$3,056,609	\$0	\$0	47.6
Staff Rec. Above/-Below Request	-\$6,395	-\$6,395	\$0	\$0	\$0	0.0

Decision Items

None.

Line Item Detail

Office of Professional Services

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

Prior to FY 2011-12, funding for the Office of Professional Services was subject to annual appropriation. However, Section 22-60.5-112 (1) (b) (I), C.R.S. (as modified by H.B. 18-1100 (Educator Licensure Cash Fund), S.B. 21-206 (Educator Licensure Cash Fund), and H.B. 24-1391 continuously appropriates funds in the Educator Licensure Cash Fund to the Department from FY 2011-12 through FY 2029-30. H.B. 24-1391 added a provision requiring the Department to

provide a report regarding the fund and whether the continuous appropriation authority should be maintained, by November 1, 2029.

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

Statutory Authority: Sections 22-60.5-101, 22-2-109, and 22-9-101, C.R.S.

Request/Recommendation: The request and recommendation are summarized below and include annualization of prior year salary survey and step pay.

Educator Talent, Office of Professional Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$3,621,295	\$778,174	\$2,843,121	\$0	\$0	27.2
Total FY 2024-25	\$3,621,295	\$778,174	\$2,843,121	\$0	\$0	27.2
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$3,621,295	\$778,174	\$2,843,121	\$0	\$0	27.2
Annualize prior year budget action	85,150	25,973	59,177	0	0	0.0
Total FY 2025-26	\$3,706,445	\$804,147	\$2,902,298	\$0	\$0	27.2
Changes from FY 2024-25	\$85,150	\$25,973	\$59,177	\$0	\$0	0.0
Percentage Change	2.4%	3.3%	2.1%	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$3,706,445	\$804,147	\$2,902,298	\$0	\$0	27.2
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Educator Effectiveness Unit Administration

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

Statutory Authority: Section 22-9-104, C.R.S.

Request/Recommendation: The request and recommendation are summarized below and include annualization of prior year salary survey and step pay.

Educator Talent, Educator Effectiveness Unit Administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$3,525,710	\$3,382,108	\$143,602	\$0	\$0	18.2
Total FY 2024-25	\$3,525,710	\$3,382,108	\$143,602	\$0	\$0	18.2
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$3,525,710	\$3,382,108	\$143,602	\$0	\$0	18.2
Annualize prior year budget action	112,992	102,283	10,709	0	0	0.0
Total FY 2025-26	\$3,638,702	\$3,484,391	\$154,311	\$0	\$0	18.2
Changes from FY 2024-25	\$112,992	\$102,283	\$10,709	\$0	\$0	0.0
Percentage Change	3.2%	3.0%	7.5%	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$3,638,702	\$3,484,391	\$154,311	\$0	\$0	18.2
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Quality Teacher Recruitment Program

The General Assembly added this line item to the FY 2014-15 Long Bill to support appropriations for the Quality Teacher Recruitment Program created in S.B. 13-260 (School Finance). Section 22-94-102, C.R.S., directs the Department to contract with organizations working with school districts and boards of cooperative educational services (BOCES) to recruit, select, train, and retain highly qualified teachers in areas that have historically had difficulty attracting and retaining such teachers.

In December 2013, the Department selected the Public Education Business Coalition (PEBC) and Teach for America (TFA-Colorado) as grant recipients, with each program receiving half of the annual grant funds (\$1,470,000 per year). The programs divided the State geographically, with each program placing teachers in specific districts, with PEBC largely serving rural districts and TFA Colorado’s efforts focused in Denver, Harrison, and Pueblo City.

The TFA-Colorado program places most teachers as the “teacher of record” in the first year of the program and requires a two-year commitment from recruits. In contrast, PEBC has placed the majority of recruits as “residents” in mentor teacher classrooms for the first year. The PEBC participants become teachers of record in the second year and have made a three year commitment to the program (including the residency year). The PEBC also makes a five-year commitment to provide supports to program participants.

Beginning in the 4th grant period (FY 2018-19) Fort Lewis College became an additional grantee.

Section 22-94-103, C.R.S., requires the vendors conducting the program to submit annual reports to the Department and requires the Department to contract with a third party to conduct annual evaluations of the program. The Department has contracted with OMNI Research to evaluate the program, and OMNI. Program materials, including evaluations, are available on the Department's website: <https://www.cde.state.co.us/educatortalent/qtrp>.

An evaluation report¹⁰ posted (2020 to 2022 funding cycle) indicates that in school year 2021-22, the program served 502 teachers (incorporating five cohorts) and 34,000 students in 40 school districts and the CSI system. *Staff notes that at a cost of \$3.0 million per year, the cost to the State per teacher involved in the program is \$5,976 per year.* As reflected in the chart below, teacher retention in the school district where they were initially placed is 40 percent for the PEBC program and only 15 percent for the TFA program. However, the report also notes that many program participants remain in the teaching program even after departing the district where initially placed.

Table 1.2. Cohort 4 Teachers (Initially Placed in 2017-18) in Grant-partner Districts in 2021-22

	PTR	TFA CO
Initially placed in a grant-partner district in 2017-18	100	81
Completed 1 st in a grant-partner district (2017-18)	89 (89%)	74 (91%)
Completed 2 nd year in a grant-partner district (2018-19)	63 (63%)	62 (77%)
Completed 3 rd year in a grant-partner district (2019-20)	58 (58%)	41 (51%)
Completed 4 th year in a grant-partner district (2020-21)	47 (47%)	25 (31%)
Left profession/teaching position over the summer of 2021	0	-6
Transferred to a non-grant partner district	-2	-4
*Unknown status	-5	0
Completed 5 th year in a grant-partner district (2021-22)	40 (40%)	15 (19%)

Note: *We use a conservative approach to teacher retention. When teachers had an unknown status, we treated them as not retained in a grant-partner district.

The General Assembly appropriated \$3.0 million per to support the program from FY 2014-15 through FY 2018-19. The FY 2019-20 Long Bill also included \$3.0 million to support the program. However, facing the revenue shortfalls associated with the COVID-19 pandemic, the General Assembly eliminated the FY 2019-20 *state* funding for the program through mid-year adjustments during the 2020 Session (leaving \$40,000 to support the contract for the program evaluation). Instead, the Governor’s office used federal COVID-19 funds in lieu of the state support of the program. The General Assembly did not appropriate any funds for the program in FY 2020-21, but the Governor's Office directed GEER funds of \$3,211,800 to the previous grantees for FY 2020-21.

Beginning in FY 2021-22, funding for the program was restored in S.B. 21-185 (Supporting Educator Workforce in Colorado). This bill also modified the statute to specify that contractors must supply "licensed" teachers, rather than "highly qualified" teachers. Grantees for the two-year cycle that began in FY 2021-22 were the same as in recent years: PEBC, TFA-Colorado, and Fort Lewis College.

¹⁰ <https://www.cde.state.co.us/cdedepcom/qualityteacherrecruitmentyear2report>

Statutory Authority: Section 22-94-102, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, continuation funding of \$3,000,000 General Fund for the program.

Educator Recruitment and Retention Program - Financial Assistance

Senate Bill 21-185 (Supporting Educator Workforce in Colorado) creates the Educator Recruitment and Retention Program. The program is designed to: support the transition of members of the armed forces into a second career to serve as educators; support nonmilitary-affiliated educator candidates preparing to serve as educators; match members of the armed forces and nonmilitary-affiliated educator candidates with high need schools, including in rural districts; and fill teaching positions in subject areas affected by the educator workforce.

The program provides:

- Educator recruitment support through one-on-one counseling, career and teacher job fairs, substitute teacher boot camps; job placement platforms for educators and local education providers; candidate coaching for job placement opportunities; professional development through the first three years of service as an educator; and retention counseling for local education providers.
- Financial assistance of up to \$10,000 for the tuition costs of an educator preparation program in which a qualified applicant is enrolled if the applicant agrees to teach for a period of three years in a rural or small rural district. Funding is subject to repayment if the applicant does not fulfill the service condition.

The program is open to:

- Members of the armed forces and those honorably discharged, with financial assistance available only for those who apply within three years after military retirement or separation;
- Individuals who have a baccalaureate or higher degree;
- Individuals employed as paraprofessionals and working toward a baccalaureate degree to pursue teacher licensure; and
- Individuals who meet state career and technical education requirements or have 18 semester hours of postsecondary enrollment and six years of military experience a career or technical field.

Senate Bill 21-185 included an appropriation of \$5,000,000 General Fund for the financial assistance portion of the program, and the fiscal note reflected this amount as ongoing.

The administrative costs related to this program, as well as \$575,000 General Fund for educator recruitment and support services, is included in the Educator Effectiveness Unit Administration line item.

Statutory Authority: Sections 22-60.3-201 through 205, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$5,000,000 General Fund for the Educator Recruitment and Retention Program – Financial Assistance line item.

School Leadership Pilot Program

The General Assembly added this line item to the FY 2020-21 Long Bill to support the School Leadership Pilot Program created in H.B. 19-1002 (Leadership Professional Development for School Principals) to provide training for school principals. The bill requires the program to identify a cohort of high quality school principals and allow other school principals (statewide) to observe and interact with the high-performing cohort and to receive professional development in school leadership.

The bill required the Department of Education to design the program in FY 2019-20 and to implement the program no later than July 2020. The Department may contract with an external entity to assist with program design and implementation. The bill required the program design to include: (1) a method to identify and select high-quality principals to participate; (2) learning objectives and goals of the program; (3) methods to achieve those objectives and goals; and (4) a method to evaluate the program's success. For FY 2020-21 and FY 2021-22, the bill required the State Board of Education to award a grant to the local education provider that employs each school principal selected to participate, either as a member of the highly-qualified cohort or as a participant receiving professional development.

By January 15, 2022, the Department was required to report to the General Assembly, including detailing actual participation, an evaluation of the program's impact, and recommendations.

For FY 2019-20, the bill appropriated \$272,929 General Fund and 0.9 FTE to the Department of Education to support program design. The Final Legislative Council Staff Fiscal Note for the bill anticipated an appropriation of \$751,615 General Fund per year in FY 2020-21 and FY 2021-22. The General Assembly reduced the appropriation by \$375,807 General Fund (50.0 percent) for FY 2020-21 as a budget balancing measure. The FY 2021-22 Long Bill continued funding at this level, but the balance was fully restored for FY 2021-22 through S.B. 21-268 (Public School Finance).

House Bill 22-1248 (Extend School Leadership Pilot Program) struck the previous July 1, 2022 repeal date for the program and modified statute to specify that the General Assembly "shall annually appropriate up to two hundred fifty thousand dollars to the department for the implementation of [the program], including money to pay the costs of designing and implementing the program..."

Statutory Authority: Section 22-13-201 through 205, C.R.S.

Request: The Department requests \$256,395 General Fund for FY 2025-26 and 1.2 FTE, including annualization of prior year salary survey and step pay.

Recommendation: **Staff recommends \$250,000 General Fund** for the program and 1.2 FTE. Staff has not included the annualization of prior year salary survey given statutory language restricting the appropriation to \$250,000.

Teacher Degree Apprenticeship Program

As an alternative route to teacher licensure, S.B. 23-087 creates a teacher degree apprenticeship program. The program builds on elements of existing alternative teacher

licensure programs, including a bachelor’s degree requirement, training programs approved by the Department, and structured on-the-job training. The program is run collaboratively with the U.S. Department of Labor Office of Apprenticeship and the state apprenticeship office.

Statutory Authority: Section 22-60.5-111 and 111.5, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$103,949 General Fund for this program, which was created in S.B. 23-087.

Transfer to Department of Higher Education for Student Educator Stipend Program

House Bill 24-1290 (Student Educator Stipend Program) provided a one-time appropriation of \$4,197,000 cash funds from the State Education Fund for student educator stipends. The amount was for transfer to the Department of Higher Education, which administers the program.

Request/Recommendation: The funding provided in H.B. 24-1290 was for one year only. The Department does not request, and staff does not recommend, funding in FY 2025-26.

(5) Student Learning

This section includes: (1) funding and oversight for facility schools that serve students in specialized out-of-district placements and related programs to improve services for students with exceptionally severe or specialized needs; (2) funding and technical assistance to school districts to improve early literacy services; and (3) other programs to enhance educational learning supports, interventions, and planning.

Student Learning					
Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2024-25 Appropriation					
FY 2024-25 Appropriation	\$89,455,555	\$7,594,777	\$81,860,778	\$0	44.9
Total FY 2024-25	\$89,455,555	\$7,594,777	\$81,860,778	\$0	44.9
FY 2025-26 Recommended Appropriation					
FY 2024-25 Appropriation	\$89,455,555	\$7,594,777	\$81,860,778	\$0	44.9
R6 READ Act training support	3,361,590	0	3,361,590	0	2.0
NP Retain MTCF refinance	0	0	0	0	0.0
SI High Impact Tutoring Program	-4,991,454	-4,991,454	0	0	-1.2
Annualize prior year legislation	84,104	93,175	-9,071	0	0.8
Annualize prior year budget action	218,458	47,551	170,907	0	0.0
SI Computer Science Education Grants	-559,483	0	-559,483	0	-0.4
Total FY 2025-26	\$87,568,770	\$2,744,049	\$84,824,721	\$0	46.1
Changes from FY 2024-25	-\$1,886,785	-\$4,850,728	\$2,963,943	\$0	1.2
Percentage Change	-2.1%	-63.9%	3.6%	0.0%	2.7%
FY 2025-26 Executive Request					
FY 2025-26 Executive Request	\$94,798,799	\$7,634,103	\$87,164,696	\$0	47.9
Staff Rec. Above/-Below Request	-\$7,230,029	-\$4,890,054	-\$2,339,975	\$0	-1.8

Decision Items

➔ R6 READ Act training and support

Request

The Department requests one-time spending authority of \$3,361,590 from the Early Literacy Cash Fund, with roll-forward through FY 2026-27, and 2.0 FTE (term-limited), to train regional cohorts of K-3rd grade teachers in evidence-based intensive reading interventions and add funding for early literacy grants.

Recommendation

Staff recommends the request with the following adjustments:

- Staff recommends that funding associated with this proposal be provided in a separate line item, as the request is for term-limited support using funds that have reverted to the Early Literacy Fund. *Note: the numbers pages and line item description do not yet reflect this change; staff requests to make the adjustment in the Long Bill.*
- Staff anticipates that the Department will only be able to spend funds at this level if there are sufficient amounts reverted to the Early Literacy Cash Fund *after* refinancing all Marijuana Tax Cash Fund appropriations of \$5,378,678 with money from the Early Literacy Cash Fund. If funding in the Early Literacy Cash Fund is not sufficient to support this level of expenditure, the Department will need to spend less than this amount.

Analysis

Background

House Bill 12-1238 (READ Act) eliminated the Read-to-Achieve Program and replaced it with the Early Literacy Program. The program has been modified multiple times in recent years to help ensure that districts implement early literacy programs that are based on the most recent evidence on the science of reading, as required in S.B. 19-199 (READ Act Implementation Measures). The program provides formula distributions to districts (\$26.3 million), competitive grants (\$7.5 million), a shared contract for an early literacy assessment tool available to districts (\$3.0 million), an annual external program evaluation (\$0.75 million). It also includes funding for training for teachers and administrators, which is mandated under state law.

The program has been supported from three sources in recent years:

- \$34.0 million per year transferred from the State Education Fund to the Early Literacy Fund;
- \$5.4 million appropriated directly from the Marijuana Tax Cash Fund (when funds are available); and
- \$3.0 million from the State Education Fund for the Early Literacy Assessment Tool.

However, in FY 2023-24 and FY 2024-25, and as requested for FY 2025-26, the \$5.4 million from the MTCF has been refinanced by reserves in the Early Literacy Fund due to underexpenditure of the money in the fund.

Rationale for Request

The request notes that the external evaluation of READ Act services and internal department analysis indicates that *“while some positive outcomes are being achieved [from READ Act programs], students in the lowest score range on approved reading interim assessments, largely consisting of students with [individualized education plans/IEPs], student with or at-risk for dyslexia, and multilingual learners, have persistent reading deficits. While not unique to Colorado, these gaps are stubborn and disturbing.”*

The most recent external evaluation of the program (October 2024) identifies bright spots, including that districts are providing evidence-based reading instruction focused on the skills emphasized in the READ Act; the number of students being *newly* identified with an SRD has been decreasing since the pandemic (now at 4.7 percent); and proficiency rates on the

Colorado Measures of Academic Success (CMAS) reached an all-time high in FY 2022-23 overall. The training provided by the State for teachers and district leaders on evidence-based reading instruction has received strong reviews from district teachers and administrators. However, CMAS data indicate that the number of students scoring proficient remains extraordinarily low for any student who has been identified with an SRD at any point between kindergarten and third grade (5.1 percent), and rates are even lower for students with an SRD who were also English language learners or had an IEP. The Department has been engaged specifically on related supports for students with dyslexia since passage of H.B. 19-1134 (Dyslexia Working Group).

To address the reading needs of key student subgroups, CDE proposes to develop and deliver training for elementary educators in intensive reading interventions for students who are multilingual, have IEPs, or are at-risk for/identified with dyslexia. Once developed, the content will be made available in a hybrid, online, and in-person format. The request also proposes to add funding for early literacy grants. Cost components are shown in the table below.

	FY 2025-26 Request; roll-forward to FY 2026-27
Training Program content development for units for multilingual learners, students with IEPs, and students with dyslexia	\$801,000
Training Program content hosting	305,000
Program training materials	6,000
Term-limited FTE (2.0 FTE)	249,590
Early literacy grant program funds	2,000,000
Total	\$3,361,590

JBC Staff Observations

- The General Assembly has been working for many years to more effectively address early literacy needs. The recent READ Act external evaluation indicates that the state’s involvement in this area is making a difference. However, as described in the request, the approach being used simply is not working for some students. As described in the Additional Budget Briefing Issue concerning English Language Learner Funding and Performance on December 3, 2024:

“Since the implementation of requirements to instruct students in the science of reading, English Learners have been continually over-identified as having a significant reading deficiency. Various analyses by education researchers suggest that this gap may be a result of a deepened focus on phonetics that fails to emphasize meaning for students whose first language is not English. *While most of the strategies encompassed in the science of reading do support reading development in ELLs, they lack a focus on comprehension, particularly at younger ages when English Learners might need more explicit instruction on basic vocabulary and syntax that would not be emphasized in a reading lesson for native English speakers (e.g. explicitly identifying the multiple meanings of “run” in an English sentence outside of the phonetic pronunciation of the word).* These findings suggest a need to emphasize increased training on strategies to support ELLs alongside their English speaking peers. This observation is mirrored in

Recommendation 2 from the Independent Evaluation of the Colorado READ ACT Year 3 Summary Report.”¹¹

- Staff believes the General Assembly’s focus on the early literacy is well-founded and that this focus must extend to all students, including English Language Learners, students with dyslexia, and other students with disabilities. Services for these students must be addressed. Staff would like to see whether the Department’s current proposal can address this program before the General Assembly considers other program changes.
- Staff believes that there were “crossed wires” between the Department and OSPB with respect to this program. As discussed further below, OSPB anticipated that MTCF money could again be refinanced with money in the Early Literacy Fund for FY 2025-26. However, the Department was simultaneously working on an initiative to spend money in the reserve in the hope of making the program more effective.
- There is currently some uncertainty about how much money will be available for this initiative. As noted above, the request proposes to refinance \$5.4 million from the MTCF with money in the Early Literacy Cash Fund. Staff’s earlier analysis indicated that there was not sufficient money in the fund for both this initiative and the MTCF refinance. *The Department has subsequently indicated that it believes it may be able to spend additional custodial federal funds (ESSER funds) to support early literacy program expenses in FY 2024-25, driving reversions to the Early Literacy Fund and potentially the ability to both refinance MTCF amounts and fund this proposal.* Staff will bring a comeback if the amount of funds that will be available becomes more clear. Regardless, staff notes that an appropriation is a ceiling and not a floor and the Department cannot spend more than the available funds.
- **Staff supports the proposed initiative to the extent reserves exist AFTER the MTCF refinance.** Staff believes this is a sufficiently important effort that it is an appropriate use of the \$34.0 million in State Education Fund money the General Assembly annually dedicates for early literacy. Staff does not, however, recommend appropriating any additional money from the State Education Fund and does not believe that Marijuana Tax Cash Fund money should be appropriated for the early literacy program in FY 2025-26.

→ NP3 Retain MTCF Refinance

Request

The Statewide R7 request for Marijuana Tax balancing includes a request to continue, for a third year, the refinance of a \$5,378,678 appropriation from the Marijuana Tax Cash Fund for the Early Literacy Competitive Grant Program using money from the Early Literacy Cash Fund.

¹¹ https://leg.colorado.gov/sites/default/files/fy2025-26_edubrf1.pdf

Recommendation

Staff recommends the request, given the lack of available revenue from the Marijuana Tax Cash Fund. The staff recommendation does not include transferring or appropriating additional funds from the State Education Fund to support this proposed refinance.

Analysis

In previous years, the appropriation for the Early Literacy Competitive Grant Program included \$5.4 million from the Marijuana Tax Cash Fund and \$2.1 million from the Early Literacy Fund, for a total of \$7.5 million. In FY 2023-24 and FY 2024-25, staff recommended and the JBC approved refinancing the \$5.4 million from the MTCF with accumulated reserves in the early literacy fund.

As described above, staff believes that there were “crossed wires” between the Department and OSPB: OSPB anticipated that MTCF money for the Early Literacy Competitive Grant Program could again be refinanced with money in the Early Literacy Fund for FY 2025-26. However, the Department was simultaneously working on an initiative to spend money in the reserve in the hope of making the program more effective.

The request acknowledges that because two Department of Education requests also propose to draw on the fund balance of the Early Literacy Fund, “this refinance proposal may require an additional one-time transfer of State Education Fund dollars of \$4.5 million above the ongoing \$34 million transfer the Early Literacy Fund receives from the State Education Fund.”

As described above, the Department currently believes it may have a mechanism for generating additional reserves in the Early Literacy Program Fund through use of some federal funds in FY 2024-25. If this proves to be the case, staff anticipates that funds may be sufficient to support both this refinance and the proposed request for additional expenditures. If funds are not sufficient, staff anticipates that the proposed new initiative described above will be curtailed.

Given the State’s fiscal situation and demands on the Marijuana Tax Cash Fund:

- Staff recommends proceeding with the refinance as proposed.
- Staff does not recommend either an additional transfer or an additional appropriation from the State Education Fund to the Early Literacy Fund to support this refinance. As detailed above, if there is not sufficient money in reserve to support both the refinance and the new initiative described above, staff anticipates that the Department will spend less for the new initiative.¹²

¹² If the JBC wishes to substitute State Education Fund money for Marijuana Tax Cash Fund money, instead of using money from the Early Literacy Fund, staff believes this could be done as a direct appropriation from the State Education Fund, i.e., money would not need to be transferred into the Early Literacy Fund. However, staff is not recommending such an appropriation.

Depending upon the MTCF revenue situation next year, it may be difficult to fully restore the \$5.4 million from the MTCF that has been appropriated for this program in the past. Staff anticipates that this problem will be addressed in next year's budget as necessary.

→ Staff initiated: Eliminate funding for High Impact Tutoring Program

Recommendation

Staff recommends eliminating the High Impact Tutoring program one year early, providing \$4,994,564 in one-time General Fund savings to be directed elsewhere. The Department did not request this reduction but staff understands it has delayed the application process for the last year of the program pending JBC action.

Analysis

Key Considerations: This is a competitive grant program that is only able to support a limited number of districts, schools, and students. It is already scheduled to end after FY 2025-26, and no applications have been requested or accepted yet for the final year of funding. No change to statute is required.

Additional Background: House Bill 21-1234 (Supplemental Education High-impact Tutoring Programs) created the Colorado High-impact Tutoring Program to provide grant funding to local education providers to create high-impact tutoring programs to address learning loss and unfinished learning related to the COVID-19 pandemic (Sections 22-104-101 through 107, C.R.S.) The bill authorized local education providers to apply for grants and specified required components of applicants' program plans as well as criteria that the Department must use in awarding grants. In any year in which grants are provided, the bill requires participating local education providers to report certain information to the Department and requires the Department to report to the education committees of the General Assembly. The FY 2024-25 appropriation includes \$5.0 million General Fund and 1.2 FTE. The program repeals July 1, 2026.

The first two grant rounds were two years each. The last one (FY 2025-26) will be for one year. In the first years of the program, the Department added federal ESSER funding to amounts allocated by the State.

An evaluation of the program for FY 2023-24 indicates that there were 43 grantees that provided tutoring to over 11,215 students in 183 schools. The performance data indicates that students participating in the program had, on average, better performance and growth on standardized tests by a few percentage points.

The tutoring provided has offered benefits for participating students, and CMAS performance for most grades is not back to pre-pandemic levels. However, this program is only able to support a small share of the student population whose districts/schools apply for and receive the grant funding.

Statute for the program makes clear that it is subject to appropriation and that the Department is not required to implement the program in the absence of funding.

In response to staff questions, the Department notes that the grants for the FY 2025-26 final year of grants have not yet been opened; the Department anticipated that the request for application would open in January or February 2025. Staff understands that the Department has delayed opening the application pending a JBC decision.

→ Staff initiated: Eliminate funding for Computer Science Education Grants for Teachers [Legislation Recommended]

Recommendation

Staff recommends eliminating funding for Computer Science Grants, providing annual savings of \$571,289 from the State Education Fund and 0.5 FTE appropriated for the Computer Science Education Grants for Teachers Program. The Department did not request this reduction, but it has not raised major objections. The program is subject to available appropriation so funding may be eliminated in the Long Bill; however, staff would also recommend eliminating the statutory provisions (Sections 22-97-101 through 103, C.R.S.).

Analysis

Key Considerations: This is a competitive grant program that appears to have been under-utilized for the last two actual years: \$103,366 reverted or was rolled forward in FY 2022-23 and \$68,389 was reverted in FY 2023-24. Although the program is supposed to prioritize rural, high free-and-reduced (FRL) lunch percentage, and high minority percentage districts, not all districts funded have met that prioritization, based on the FY 2022-23 grant report (e.g., FY 2022-23 grantees included Douglas County and Cherry Creek, in addition to small rural districts and BOCES).

Additional Background: The General Assembly added the Computer Science Education Grants for Teachers line item to the FY 2018-19 Long Bill to support a grant program created in S.B. 17-296 (School Finance; Section 22-97-101 to 103, C.R.S.). The program supports teacher professional development either by providers selected by districts or by covering teacher university tuition. The goal is to provide training for teachers in order to them to provide computer science education to K-12 students.

Originally funded with \$500,000 cash funds from the State Education Fund and 0.4 FTE, the General Assembly increased funds to \$1.0 million in FY 2019-20, but funding was then reduced to the current level in FY 2020-21. Funding is subject to available appropriation and has been retained at that level since that time.

According to the FY 2022-23 program report, out of 17 grantees in that year, nine were rural districts, six had a large FRL population and 6 had a large minority population. Because of COVID-19 disruptions, all districts in that year were awarded extensions to use the funds through FY 2023-24. Grantees receive \$30,000 or less each.

→ Facility School Baseline Model Inflation (annualization for S.B. 23-219)

Request

The Department requests an increase of \$4,771,421 from the State Education Fund and 1.0 FTE in FY 2025-26 to annualize the impact of S.B. 23-219, addressing projected inflation and expansion in the use of facility schools.

Recommendation

- The Staff recommendation is for an increase of \$3,029,754 from the State Education Fund in the facility school line item (for a total of \$33,343,020 in the line item). This is based on the model adopted in FY 2023-24, adjusted for additional schools that have opened (or closed) and the inflationary increases that have occurred since the model was adopted. The model was increased by 5.2 percent in FY 2024-25, based on CY 2023 inflation, and staff recommends a further increase to all model components of 2.3 percent based on CY 2024 inflation. Staff notes that the total amount is still \$2.5 million lower than the costs estimated in the fiscal note for S.B. 23-219 based on the speed at which new placements have come on line.
- Staff also recommends the annualization component of the request that is based on the original fiscal note for S.B. 23-219. This includes a *reduction* of \$38,825 cash funds from the State Education Fund while adding 1.0 additional FTE to the FTE notation figure. This annualization component eliminates one-time funding for a data system upgrade (\$129,450 provided for FY 2024-25 only) and adds the costs related to 1.0 additional FTE (\$90,625) for the full implementation of the technical assistance center specified in S.B. 23-219. This additional FTE is intended to ensure that rural areas of the state that may not have direct access to facility school placements for students with exceptionally severe or specialized needs can access some support through the CDE facility school office.

Analysis

Background – S.B. 21-274 and S.B. 23-219 (Supports for Students and Facility Schools)

The facility school system was authorized by the General Assembly to ensure that students receiving publicly-funded educational services in various types of specialized institutions such as hospitals and therapeutic residential and day treatment facilities receive appropriate educational services. Due in part to a national movement away from residential placements for youth (many of whom were in the child welfare system), Colorado experienced a decline from 61 schools serving 1,882 students in 2010 to just 30 schools serving 769 students in 2022. Facing a decline of this magnitude, school districts struggled to find appropriate placements for their most difficult-to-serve youth.

In response, the Joint Budget Committee sponsored S.B. 21-274 (Sustainable Model to Serve Facility Students), which created a work group to study the problem. The report and recommendations of the group were developed into a JBC bill, S.B. 23-219 (Supports for Students and Facility Schools), which significantly increased funding for these types of schools using a new baseline funding model and launched various initiatives to improve oversight of the system through accreditation of the schools, create a new pathway to develop day school programs for students with exceptionally severe or specialized needs, create a new shared operational services grant program to support more efficient back-end services for schools, and create a new technical assistance office, among other efforts. (See the description in the Facility School subdivision for additional detail.)

The intent of these initiatives was to reverse the decline in available placements for students with the most serious placement needs and support expansion of these needed services. This is expected to be a long-term project, since it takes time to develop and launch a new school.

Baseline Funding Model

The baseline funding model established in S.B. 23-219 outlined the costs and structure for the new funding model. Consistent with prior law and practice, facility schools continue to be supported by a combination of state and other funding sources. Funding sources include special education payments from school districts and, for hospital based schools, insurance and other hospital revenues. *The bill identified specific amounts built into the model for FY 2023-24 and specified that inflationary and other adjustments in future years would be established through the annual budget process.*

As specified in the bill, for FY 2023-24, the state was paying:

- Up to \$50,149 per school per month less the offset for special education payments (\$55 per student day) or hospital revenue (\$75 per student per day) for schools with up to *eight students*.
- Up to \$59,697 per school per month, less the same offsets, for schools with up to *sixteen students*.
- No more than \$2,549 per month *per student for student enrollment counts over 16* (less the same offsets). The per student (SFTE) amount decreases based on student enrollment thresholds. (These thresholds are for up to 32 students, up to 44 students, and more than 44 students in FY 2023-24.)

Baseline Funding - Existing Schools – FY 2023-24			
	Baseline Funding Estimate	Enrollment Estimate	Funding per SFTE per year
Total Baseline Funding Required	\$30,883,093	832	\$37,119
Tuition offset - school districts	(5,688,452)	709	8,023
Hospital offset - insurance/other	<u>(1,623,600)</u>	123	13,200
Balance - state payment*	\$23,571,041	832	\$28,330

*Includes base amounts in the Long Bill, as well as new appropriations in this bill.

FY 2024-25 and FY 2025-26 Adjustments

For FY 2024-25, the baseline funding model was increased by 5.2 percent, based on CY 2023 inflation. For FY 2025-26, staff recommends that the model be increased by a further 2.3 percent, based on CY 2024 inflation.

In a change from the FY 2024-25 adjustment, staff has included an inflationary adjustment to the offsets in the model that are expected to be paid by school districts and insurance companies (now \$59.19 per day for base school district tuition and \$80.71 per day for medical reimbursements). Funding is from the State Education Fund, and if the appropriation is too high, funds that are not needed in the model will revert to the State Education Fund.

The FY 2024-25 estimate is based on serving 1,118 students in 28 schools. While the number of schools has continued to decline, total placements are significantly greater than the 832 students used for FY 2023-24 calculations and some new schools have opened. Thus, the additional funding from the model appears to be working as intended. An evaluation will be available next year.

i: State School Costs in Facility School Section

Previously, funding for private facility schools and state schools for students with specialized needs, including the Colorado School for the Deaf and the Blind and the school at the Mental Health Institute at Pueblo, were funded through the same mechanism. Senate Bill 23-219 separated out the funding for the private institutions, which are now funded using a baseline funding model. The state-funded institutions are, however, funded in the same manner as in the past. Notably, this funding represents only a small portion of the total support received by these state facilities, which also receive direct General Fund subsidies for their operations. However, it is a component of their funding that is variable and adjusts for enrollment.

Request/Recommendation: The Department’s FY 2025-26 budget request includes no change in funding for the state schools, which are appropriated at \$1,925,110. In response to staff questions, the Department indicates that based on the increase in base per pupil funding, the total required should be \$1,775,600, which is still less than the current appropriation.

Pupil count: The Department is estimating approximately 4.0 student FTE at CMHI Pueblo and 121 student FTE eligible for payment at the Colorado School for the Deaf and the Blind.

Per pupil funding amount: State school per pupil funding is calculated as the statewide base per pupil amount times 1.73. The Colorado Constitution requires the statewide base per pupil funding amount to increase by the rate of inflation each year. Base per pupil funding is \$8,692 for FY 2025-26.

State School Funding		
	FY 24-25 Projection	FY 25-26 Projection
CDE: CSDB	\$1,785,677	\$1,826,787
CDHS: MHI (Pueblo only)	61,699	63,120
Appropriation (Current/Recommendation)	1,925,110	1,925,110

State School Funding		
	FY 24-25 Projection	FY 25-26 Projection
Statewide Base Per Pupil x 1.73	\$14,699	\$15,037

Line Item Detail

(A) Learning Supports, Intervention and Planning

Preschool to Postsecondary Education Alignment

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

Statutory Authority: Section 22-7-1001, C.R.S.

Request/Recommendation: The request and recommendation are reflected in the table below and include annualization of prior year salary survey and step pay.

Student Learning, Learning Supports, Intervention, and Planning, Preschool to Postsecondary Education Alignment

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$739,254	\$38,331	\$700,923	\$0	\$0	4.0
Total FY 2024-25	\$739,254	\$38,331	\$700,923	\$0	\$0	4.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$739,254	\$38,331	\$700,923	\$0	\$0	4.0
Annualize prior year budget action	39,834	694	39,140	0	0	0.0
Total FY 2025-26	\$779,088	\$39,025	\$740,063	\$0	\$0	4.0
Changes from FY 2024-25	\$39,834	\$694	\$39,140	\$0	\$0	0.0
Percentage Change	5.4%	1.8%	5.6%	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$779,088	\$39,025	\$740,063	\$0	\$0	4.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Computer Science Education Grants

The General Assembly added the Computer Science Education Grants for Teachers line item to the FY 2018-19 Long Bill to support appropriations for a grant program created in S.B. 17-296 (School Finance). The program provides grants for eligible teachers who wish to pursue additional postsecondary education and training in order to then provide computer science

education to K-12 students. Originally funded with \$500,000 cash funds from the State Education Fund and 0.4 FTE, the General Assembly added approximately \$500,000 in the Long Bill appropriation for FY 2019-20 (for a total appropriation of \$1,048,600 and 0.4 FTE in the FY 2019-20 Long Bill), but the FY 2020-21 Long Bill reduced the appropriation by \$500,000. Funding has been retained at that level.

House Bill 19-1277 (Computer Science Grant Program) created a second grant program, the Computer Science Education Grant Program, to provide grants to public schools to increase the participation of traditionally underrepresented students in computer science education. This program was not funded in FY 2023-24 and repealed July 1, 2024.

Statutory Authority: Section 22-97-101 through 103, C.R.S.

Request: The Department requests an appropriation of \$552,815 cash funds from the State Education Fund, including annualization of prior year salary survey and step pay, and 0.4 FTE.

Recommendation: As discussed previously in this packet, staff recommends eliminating funding (which can be done in the Long Bill) and repealing the program.

Colorado High Impact Tutoring Program

House Bill 21-1234 (Supplemental Education High-impact Tutoring Programs) created the Colorado High-impact Tutoring Program to provide grant funding to local education providers to create high-impact tutoring programs to address learning loss and unfinished learning related to the COVID-19 pandemic. The bill authorized local education providers to apply for grants and specified required components of applicants' program plans as well as criteria that the Department must use in awarding grants. In any year in which grants are provided, the bill requires participating local education providers to report certain information to the Department and requires the Department to report to the education committees of the General Assembly. For FY 2021-22, the bill appropriated \$4,981,720 General Fund and 1.1 FTE to the Department of Education. The program repeals July 1, 2026.

Statutory Authority: Sections 22-104-101 through 107, C.R.S.

Request: The Department requests \$4,991,454 General Fund and 1.2 FTE. This includes an to annualize prior year salary survey and step pay.

Recommendation: As discussed previously in this packet staff recommends eliminating funding for this program in FY 2025-26, one year before it repeals.

Content Specialists

This line item provides funding to support five "content specialists" to provide leadership, guidance, and support for schools and school districts in specific content areas to positively impact student achievement: (1) mathematics; (2) science; (3) social studies (history, geography, civics, and economics); (4) arts (visual arts and music); and (5) achievement gaps.

During the 2020 Session, H.B. 20-1032 (Timing K-12 Education Standards Review) adjusted the statutory timeline for the Department’s review of statewide academic content standards. Rather than reviewing all of the content standards at one time (previous statute would have required the next review by July 2024), the bill requires the Department to review one third of the standards by July 1, 2022, one third by July 1, 2024, and the final set by July 1, 2026. This modified the timing for additional appropriations required to support the content review.

Statutory Authority: Section 22-7-1005, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below and include an increase for FY 2025-26 due to the timing of content standards reviews, as well as annualization of prior year salary survey and step pay.

Student Learning, Learning Supports, Intervention, and Planning, Content Specialists						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$597,354	\$30,998	\$566,356	\$0	\$0	5.3
Total FY 2024-25	\$597,354	\$30,998	\$566,356	\$0	\$0	5.3
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$597,354	\$30,998	\$566,356	\$0	\$0	5.3
Annualize prior year legislation	113,650	113,650	0	0	0	-0.1
Annualize prior year budget action	3,257	0	3,257	0	0	0.0
Total FY 2025-26	\$714,261	\$144,648	\$569,613	\$0	\$0	5.2
Changes from FY 2024-25	\$116,907	\$113,650	\$3,257	\$0	\$0	-0.1
Percentage Change	19.6%	366.6%	0.6%	n/a	n/a	-1.9%
FY 2025-26 Executive Request	\$714,261	\$144,648	\$569,613	\$0	\$0	5.2
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

School Bullying Prevention and Education Cash Fund

The General Assembly created this line item in the FY 2016-17 Long Bill to support the School Bullying Prevention and Education Grant Program originally created in H.B. 11-1254 (Bullying in Schools). House Bill 11-1254 authorized the receipt of gifts, grants, and donations to support the program but did not provide state funding, and the program did not receive any state funding prior to FY 2015-16.

House Bill 15-1367 (Retail Marijuana Taxes) included a contingent appropriation of \$2.0 million General Fund (from the Proposition AA Refund Account) into the School Bullying Prevention and Education Cash fund for FY 2015-16. The General Assembly continued to support the program in FY 2016-17 with an appropriation of \$900,000 cash funds from the Marijuana Tax Cash Fund into the School Bullying Prevention and Education Cash Fund; the appropriation included a one-time reduction (of \$1.1 million) from the \$2.0 million provided in FY 2015-16 to balance appropriations from the Marijuana Tax Cash Fund. Because the School Bullying

Prevention and Education Cash Fund is continuously appropriated to the Department, a second appropriation out of the cash fund is not necessary.

Subject to available appropriation, statute requires the Department to provide grants to public schools and facility schools to support the implementation of evidence-based practices and policies to reduce the incidence of bullying. It also requires the Department to collaborate with the School Safety Resource Center, school districts, and others to research best practices and evidence-based practices to reduce bullying activity and to provide best practices and other resources on the Department's website.¹³

After the passage of Proposition BB in 2015, which approved the distribution of funds to the Bullying Prevention and Education Grant Program, the State Board of Education approved rules for the administration of the program in May 2016 establishing criteria for the review of applications. The Department limited grants to no more than \$40,000 per school per year for the first cohort of recipients and \$25,000 per school per year for the second cohort.

The program, operating on a three-year grant cycle, made the first grants in FY 2016-17.

- In the first year (FY 2016-17), 23 entities submitted applications for bullying prevention grants. The Department approved 17 applications, representing 14 school districts (including the Charter School Institute and the South Central BOCES) and 71 separate schools.
- The Department saw increased interest for the second cohort (beginning in FY 2019-20), receiving 29 applications representing 154 schools, with requests totaling \$10.8 million over the three-year grant cycle (relative to \$5.7 million projected to be available). The Department approved 22 applications, representing 20 local education agencies (LEAs) and 109 schools for the second cohort.

Under the program rules, grant recipients must use the funds to support evidence-based programs to reduce bullying activity and must report to the Department each year regarding the practices implemented, the number and grade levels of students served, the fidelity of implementation, and the grantees progress in achieving the goals of the grant.

In response to the revenue challenges associated with the COVID-19 pandemic, the General Assembly reduced the appropriation to the School Bullying Prevention Cash Fund to \$1.0 million from the Marijuana Tax Cash Fund for FY 2020-21, a reduction of \$1.0 million below the FY 2019-20 appropriation. Based on a FY 2021-22 Long Bill floor amendment and action by the conference committee on the Long Bill, funding was restored to \$2.0 million in FY 2021-22, including \$1.0 million from the General Fund and \$1.0 million cash funds from the Marijuana Tax Cash Fund.

Statutory Authority: Sections 22-93-101 through 106, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$2,000,000, including \$1,000,000 cash funds from the Marijuana Tax Cash

¹³ The Department's resources are available at: <http://www.cde.state.co.us/mtss/bullying/bestpractices>

Fund and \$1,000,000 General Fund to the School Bullying Prevention and Education Cash Fund for FY 2025-26.

Working Group for Identification of and Educational Support for Students with Dyslexia

The General Assembly added this line item to the FY 2020-21 Long Bill to support the Working Group for Identification of and Educational Support for Students with Dyslexia created in H.B. 19-1134 (Identification and Interventions for Students with Dyslexia). The bill requires the Department of Education to convene an eleven-member group to study the identification of and support for dyslexic students. The bill provided appropriations for the working group to meet ten times in FY 2019-20, and the fiscal note was based on four meetings in FY 2020-21. The bill included appropriations to support travel and expenses for both working group participants and Department staff, as well as contracted facilitation and resources to support substitute teachers to allow teacher members of the working group to meet during the school year.

The bill required the working group to submit a progress report to the Commissioner of Education by December 1, 2019, and a report of its recommendations no later than July 1, 2020 (and by each July 1 thereafter). The bill required the Commissioner to submit the group's report and any recommendations for legislation to the State Board of Education and the Education Committees of the General Assembly no later than February 1, 2021. The working group repeals September 1, 2029.

The group has submitted several reports thus far and continues to meet regularly.¹⁴

Statutory Authority: Sections 22-20.5-103, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$40,616 General Fund to support the working group's activities in FY 2025-26.

English Language Learners Technical Assistance

The General Assembly added this line item to the FY 2014-15 Long Bill to support additional technical assistance staff related to English language learners (ELLs). The line item supports staff providing technical assistance to local education providers to improve services for ELL students statewide.

The Department has used these funds to provide a series of professional development opportunities and to provide one-on-one support to school districts as needed and requested. The Department has worked to target the professional development opportunities based on the needs of school and district personnel to both improve understanding of requirements

¹⁴

<https://www.cde.state.co.us/coloradoliteracy/codyslexiaworkgroup#:~:text=The%20working%20group%20is%20also,interventions%20for%20students%20with%20dyslexia>.

related to EL services and deliver effective practices to support improved services. The Department (Office of Culturally and Linguistically Diverse Education or CLDE) offers a series of professional learning opportunities, including regional professional learning, webinars, regional director networking meetings, and targeted support. In addition, the Department hosts an annual CLDE Academy for district CLDE directors, coordinators, and teachers. Finally, the Department offers district-wide reviews and is in the process of developing school-level reviews of English language development programs.

Statutory Authority: Section 22-24-106, C.R.S.

Request/Recommendation: The request and recommendation are summarized below and include annualization of prior year salary survey and step pay.

Student Learning, Learning Supports, Intervention, and Planning, English Language Learners Technical Assistance						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$436,600	\$377,481	\$59,119	\$0	\$0	5.0
Total FY 2024-25	\$436,600	\$377,481	\$59,119	\$0	\$0	5.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$436,600	\$377,481	\$59,119	\$0	\$0	5.0
Annualize prior year budget action	19,702	16,724	2,978	0	0	0.0
Total FY 2025-26	\$456,302	\$394,205	\$62,097	\$0	\$0	5.0
Changes from FY 2024-25	\$19,702	\$16,724	\$2,978	\$0	\$0	0.0
Percentage Change	4.5%	4.4%	5.0%	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$456,302	\$394,205	\$62,097	\$0	\$0	5.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Parents Encouraging Parents Conferences

The General Assembly added this program through S.B. 19-215 (Parents Encouraging Parents Conference). The bill requires the Department of Education to provide up to four PEP conferences per year for parents and families of children with disabilities. The conferences bring together parents and families of children with disabilities and professionals in the field to offer education, support, and information, and to provide a forum for discussion.

The conferences have historically been funded entirely with federal funds provided through the federal Individuals with Disabilities Education Act (IDEA). However, beginning in FY 2018-19, the U.S. Department of Education does not allow the use of federal funds to provide food for the conference participants. Federal funding continues to cover facility, lodging, and conference costs. The state funding (\$68,000 General Fund appropriated in S.B. 19-215) is intended to cover food costs for the four conferences each year.

Statutory Authority: Section 22-20-120, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$68,000 General Fund, with no change from the FY 2024-25 appropriation.

Restraint Complaint H.B. 22-1376

House Bill 22-1376 changed state law related to school discipline, use of restraint and seclusion, data reporting and availability, enforcement authority, and school resource officers. Funding in this line item supports Department of Education enforcement authority for investigations and decisions regarding the use of restraint on students and related training provided by the Department.

Statutory Authority: Sections 22-32-147, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, continuation of \$122,501 General Fund and 1.0 FTE for FY 2025-26

School Climate H.B. 22-1376

House Bill 22-1376 changed state law related to school discipline, use of restraint and seclusion, data reporting and availability, enforcement authority, and school resource officers. This includes requiring the Department to develop online profile reports for each school district reporting absenteeism, expulsion, suspension, arrest, and use of physical restraint and seclusion on students. It also requires the Department of Education to standardize the reporting method schools use to collect and report on suspensions, arrests, absenteeism, and other school infractions.

Statutory Authority: Sections 22-1-138 and 139, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$107,615 General Fund for FY 2025-26, including annualization of prior year salary survey and step pay.

Legal Representation for Due Process Complaints Pursuant to Section 22-20-108 (3), C.R.S.

House Bill 23-1168 requires the Department of Education to contract with a nonprofit organization to develop a list of attorneys qualified to represent parents in special education disputes with public schools and to pay the organization \$20,000 General Fund per year thereafter to pay attorneys.

Statutory Authority: Sections 22-1-141, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$20,000 General Fund for FY 2025-26, consistent with the fiscal note for H.B. 23-1168.

Math Educator Training and Improvement Planning

House Bill 23-1231 (Math in PreK-12th Grade) requires the Department to make available free, optional trainings for K-12 educators in math education using a train-the-trainer model. Training must include interventions to assist students who are struggling in mathematics. The Department must create and maintain a list of evidence-based curricula and assessment

options for math, including remote options available to parents, and, if requested, must provide technical assistance to rural and small rural districts in interventions to help students struggling in math. To support these requirements, the bill appropriated \$594,530 General Fund and 3.2 FTE for FY 2023-24, which was to annualize to \$470,892 General Fund and 3.5 FTE in FY 2024-25.

Statutory Authority: Sections 22-2-146.5, C.R.S.

Request/Recommendation: The request and recommendation are summarized below and include annualization of prior year legislation as well as prior year salary survey and step pay.

Student Learning, Learning Supports, Intervention, and Planning, Math Educator Training and Improvement Planning						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$470,892	\$470,892	\$0	\$0	\$0	3.5
Total FY 2024-25	\$470,892	\$470,892	\$0	\$0	\$0	3.5
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$470,892	\$470,892	\$0	\$0	\$0	3.5
Annualize prior year budget action	15,381	15,381	0	0	0	0.0
Annualize prior year legislation	-3,900	-3,900	0	0	0	0.0
Total FY 2025-26	\$482,373	\$482,373	\$0	\$0	\$0	3.5
Changes from FY 2024-25	\$11,481	\$11,481	\$0	\$0	\$0	0.0
Percentage Change	2.4%	2.4%	n/a	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$482,373	\$482,373	\$0	\$0	\$0	3.5
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Expulsion Hearing Officer Training and Support

House Bill 23-1291 clarifies the school expulsion hearing process, including specifying that a school district has the burden of providing by a preponderance of the evidence that a student violated state law and the school district’s policy. Among other provisions, the Department of Education is required to create and maintain an online training program for hearing officers. The bill included funding for the Department for a staff position to manage the stakeholder process, report data on trainings, and manage contracts with a vendor to develop trainings, and included funding for training costs. The bill included an appropriation of \$162,720 General Fund for FY 2023-24, and the fiscal note reflected a need for an appropriation of \$113,949 and 1.0 FTE in FY 2024-25.

Statutory Authority: Section 22-33-105 (2.4)(c), C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$117,645 General Fund and 1.0 FTE for FY 2025-26, including the annualization of prior year salary survey and step pay.

Abbreviated School Day Training and Assistance

House Bill 24-1063 (Abbreviated School Day) establishes policies for the use of an abbreviated school day for students with disabilities. An abbreviated school day (ASD) is defined as any school day in which a student with disabilities receives instruction for fewer hours than the majority of students in the same grade and school district. The bill requires that Colorado Department of Education (CDE) create and implement a policy related to the use of an ASD and requires administrative units (school districts and other entities that oversee special education services) to adopt the policy created by CDE and create a plan to support a student who is assigned an ASD. The Department is required to provide ongoing technical assistance and training to administrative units. The bill included an appropriation of \$250,108 General Fund and 1.2 FTE to the Department in FY 2024-25, including one-time funding for development of a data collection system. The fiscal note indicated that this should be annualized to a total of \$115,714 General Fund and 1.0 FTE in FY 2025-26

Statutory Authority: Section 22-20-123, C.R.S.

Request: The Department requested \$14,314 General Fund and 1.2 FTE in this line item for FY 2025-26.

Recommendation: The staff recommendation is shown below. The Department adjusted the funding for this bill for FY 2025-26 to eliminate the one-time funding for data collection for a total adjustment consistent with the fiscal note. However, it appears not to have split the reduction between the Information Technology Services line item and this line item. Staff has made this correction, resulting in an appropriation of \$115,714 and 1.0 FTE in this line item, consistent with the fiscal note.

Student Learning, Learning Supports, Intervention, and Planning, Abbreviated School Day Training and Assistance						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$148,708	\$148,708	\$0	\$0	\$0	1.2
Total FY 2024-25	\$148,708	\$148,708	\$0	\$0	\$0	1.2
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$148,708	\$148,708	\$0	\$0	\$0	1.2
Annualize prior year legislation	-32,994	-32,994	0	0	0	-0.2
Total FY 2025-26	\$115,714	\$115,714	\$0	\$0	\$0	1.0
Changes from FY 2024-25	-\$32,994	-\$32,994	\$0	\$0	\$0	-0.2
Percentage Change	-22.2%	-22.2%	n/a	n/a	n/a	-16.7%
FY 2025-26 Executive Request	\$14,314	\$14,314	\$0	\$0	\$0	1.2
Staff Rec. Above/-Below Request	\$101,400	\$101,400	\$0	\$0	\$0	-0.2

H.B. 24-1446 Professional Development for Science Teachers

H.B. 24-1446l requires that the Colorado Department of Education (CDE) contract with a Colorado institution of higher education to develop and offer a free, optional professional development program to improve teaching around the Colorado academic standards in science. The program must include instruction on interventions for students who are below grade level or struggling in science, children with disabilities, and students who are English language learners. Teachers who participate in this professional development may earn credit towards license renewal. Rural school districts must be prioritized if demand for the training exceeds capacity. The program must be available beginning with the 2025-26 school year. By January 30, 2027, the CDE must report to the General Assembly and the State Board of Education the number of eligible teachers, disaggregated by license type and local education provider, who participated in the program. For FY 2024-25, the bill requires that the General Assembly appropriate \$3.0 million from the State Education Fund to the CDE. Unexpended funds remain available to the department through FY 2026-27.

Statutory Authority: Section 22-2-146.8, C.R.S.

Request/Recommendation: The bill included a one-time FY 2024-25 appropriation. The Department did not request, and staff does not recommend, an appropriation in FY 2025-26.

IEP Training Program

Senate Bill 24-069 requires that the Colorado Department of Education (CDE) create a training program that includes easy to understand explanations of federal and state laws and procedures related to individualized education programs. The training must be available by July 1, 2026, and must be developed for delivery both in person and online. It may include interpersonal and communication strategies and exercises. CDE must collaborate with stakeholders to create the training. Upon request, CDE must provide resources or materials in any language requested, and make training materials and a recording of the training available. The bill specifies that the General Assembly may appropriate money for this purpose for FY 2024-25 and FY 2025-26, but that for subsequent years the CDE must accomplish any additional work to implement the bill within existing resources.

Statutory Authority: Section 22-20-122, C.R.S.

Request/Recommendation: The request and recommendation are reflected in the table below. The amounts shown are consistent with the S.B. 24-069 fiscal note.

Student Learning, Learning Supports, Intervention, and Planning, IEP Training Program						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$75,288	\$75,288	\$0	\$0	\$0	0.4
Total FY 2024-25	\$75,288	\$75,288	\$0	\$0	\$0	0.4
FY 2025-26 Recommended Appropriation						

Student Learning, Learning Supports, Intervention, and Planning, IEP Training Program						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation	\$75,288	\$75,288	\$0	\$0	\$0	0.4
Annualize prior year legislation	16,419	16,419	0	0	0	0.1
Total FY 2025-26	\$91,707	\$91,707	\$0	\$0	\$0	0.5
Changes from FY 2024-25	\$16,419	\$16,419	\$0	\$0	\$0	0.1
Percentage Change	21.8%	21.8%	n/a	n/a	n/a	25.0%
FY 2025-26 Executive Request	\$91,707	\$91,707	\$0	\$0	\$0	0.5
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

(B) Early Literacy

Background – Early Literacy, H.B. 12-1238, and S.B. 19-199

House Bill 12-1238 (READ Act) eliminated the Read-to-Achieve Program and replaced it with the Early Literacy Program. Current law provides three fund sources for the Early Literacy Program:

- \$34.0 million per year transferred from the State Education Fund to the Early Literacy Fund, beginning in FY 2014-15 (as increased by H.B. 14-1292 (Student Success Act) and H.B. 14-1298 (School Finance)).
- \$5.4 million appropriated directly from the Marijuana Tax Cash Fund to support the Early Literacy Competitive Grant Program. However, in FY 2023-24, FY 2024-25, and as anticipated in FY 2025-26 this amount has been refinanced with reserves in the Early Literacy Fund, due to insufficient Marijuana Tax Cash Fund money. Prior to the enactment of H.B. 16-1408 (Cash Fund Allocations for Health-related Programs), the program received tobacco litigation settlement moneys that had previously supported the Read-to-Achieve Program. However, H.B. 16-1408 eliminated the transfer of tobacco settlement money to the Early Literacy Fund and instead directly supports the Early Literacy Competitive Grant Program with marijuana tax cash funds. House Bill 18-1393 (Effective Implementation of READ Act) increased this funding to \$5.5 million.
- \$3.0 million from the State Education Fund for the Early Literacy Assessment Tool.

For FY 2014-15 through FY 2018-19, the READ Act directed the Department to:

- Provide *at least* \$4.0 million per year in competitive grants (H.B. 18-1393 amended this requirement from a requirement of \$4.0 million to *at least* \$4.0 million and added \$1.0 million to the program).
- Spend \$1.0 million per year on regional professional development provided by the Department.
- Utilize up to 1.0 percent of the total annual appropriation from the Early Literacy Fund to administer the program.
- Distribute any remaining funds as “per pupil intervention funding,” distributed to local education providers based on the number of students in each district identified as having significant reading deficiencies in the preceding school year.

Based on concerns about the pace of improvement in literacy outcomes, the General Assembly enacted S.B. 19-199 (READ Act Implementation Measures) to modify the uses of funds under the READ Act both by the Department and by local education providers that receive funds.

Some of the key changes in S.B. 19-199, as subsequently amended, included:

- Requiring that early literacy services provided by local education providers (LEPs) be evidence-based;
- Requiring that each early grade teacher successfully completes evidence-based training in teaching reading, provided by the LEP, CDE, or an institution of higher education. If requested by the LEP, CDE must provide training at no cost. LEPs must submit evidence to CDE that teachers have successfully completed training. H.B. 21-1129 extended the deadline for completing this training to the beginning of the FY 2022-23 school year.
- Requiring that per-pupil funding allocations to LEP be used strictly for specified early literacy activities, rather than allowing these funds to be more broadly embedded in school district spending plans.
- Requiring multi-year professional evaluation of the program, with the first report completed by July 1, 2021.

Along with the statutory changes, the bill changed the structure of funding under the READ Act for FY 2019-20 to reflect the new requirements for schools as well as the Department's new responsibilities.

Additional changes adopted during the 2022 legislative session included:

- Adding new training requirements in the science of reading for principals, administrators, and reading interventionists, with a related appropriations increase (S.B. 22-004 Evidence-Based Training In Science Of Reading); and
- Adding flexibility in the Long Bill, through a footnote, to enable the program to move up to \$1,500,000 among program line items, with a restriction that that transfers to program administration may not increase that line item by more than 10.0 percent (expected to cover the costs for up to 2.0 FTE). This was to address a pattern of reversions and a growing Early Literacy Fund balance. The program expected to use this flexibility to increase Early Literacy Grants.

Despite changes to increase funding flexibility, the Early Literacy Fund balance was sufficiently large for both FY 2023-24 and FY 2024-25 that the fund balance was used in lieu of \$5,378,678 that had been appropriated in prior years from the Marijuana Tax Cash Fund. This is anticipated again in FY 2025-26.

Program Impact: Ongoing program evaluations are required by the READ Act. An evaluation by WestEd was published June 10, 2024.¹⁵ Highlights were as follows.

- There has been widespread adoption of materials on the READ Act Advisory List.

¹⁵ <https://www.cde.state.co.us/coloradoliteracy/readactperpupilsummaryreportyear4>

- Proficiency rates on the Colorado Measures of Academic Success (CMAS) reached an alltime high but remained much lower for students who have ever been identified with a significant reading deficiency (SRD).
- Students who exited READ plans by third grade had higher 3rd grade proficiency rates.
- There are continued challenges supporting students with multiple designations under the READ Act.
- Cut scores used to identify students with an SRD were linked to the lower end of the CMAS scale.

Early Literacy Program Administration and Technical Support

The General Assembly added this line item to the FY 2020-21 Long Bill to support Early Literacy Program administration, technical assistance, and monitoring activities under H.B. 12-1238 and S.B. 19-199. Prior to the enactment of S.B. 19-199, the General Assembly had supported the Department’s administrative costs in the appropriation for the Early Literacy Competitive Grant Program. However, S.B. 19-199 separated appropriations for program administration and technical assistance from the actual grant program.

Statutory Authority: Section 22-7-1210 (4)(d)(I), C.R.S.

Request/Recommendation: The table below summarizes the request and recommendation, which includes annualization of prior year salary and step pay and Request R6. *As discussed previously, the staff recommendation includes the funding in the R6 request but instead of including it in existing line items will move it to a separate line item.*

Student Learning, Early Literacy, Early Literacy Program Administration and Technical Support						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$1,873,795	\$0	\$1,873,795	\$0	\$0	9.3
Total FY 2024-25	\$1,873,795	\$0	\$1,873,795	\$0	\$0	9.3
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,873,795	\$0	\$1,873,795	\$0	\$0	9.3
R6 READ Act training support	1,361,590	0	1,361,590	0	0	2.0
Annualize prior year budget action	56,686	0	56,686	0	0	0.0
Total FY 2025-26	\$3,292,071	\$0	\$3,292,071	\$0	\$0	11.3
Changes from FY 2024-25	\$1,418,276	\$0	\$1,418,276	\$0	\$0	2.0
Percentage Change	75.7%	n/a	75.7%	n/a	n/a	21.5%
FY 2025-26 Executive Request	\$3,292,071	\$0	\$3,292,071	\$0	\$0	11.3
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Early Literacy Competitive Grant Program

Created in FY 2013-14, this line item supports the Early Literacy Competitive Grant Program. Prior to FY 2019-20, this line item also included funding to support the Department’s costs for program administration and technical assistance provided to local education providers under the READ Act. As discussed above, those activities now fall under the Early Literacy Program Administration and Technical Support line item.

Senate Bill 19-199 appropriated \$7.5 million total funds (including \$2,121,322 cash funds from the Early Literacy Fund and \$5,378,678 cash funds from the Marijuana Tax Cash Fund) for the Early Literacy Competitive Grant Program in FY 2019-20, an increase of \$2.5 million above the \$5.0 million provided for competitive grants in FY 2018-19. The FY 2020-21 through FY 2024-25 appropriations continued that level of funding.

Statutory Authority: Sections 22-7-1210 (4)(d)(l)(C) and 22-7-1211, C.R.S.

Request/Recommendation: The table below summarizes the request and recommendation, which includes Request R6 and the non-prioritized request to continue to refinance \$5.4 million from the Marijuana Tax Cash Fund with money in the Early Literacy Fund. *As discussed previously, the staff recommendation includes the funding in the R6 request but instead of including it in existing line items will move it to a separate line item.*

Student Learning, Early Literacy, Early Literacy Competitive Grant Program						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$7,500,000	\$0	\$7,500,000	\$0	\$0	0.0
Total FY 2024-25	\$7,500,000	\$0	\$7,500,000	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$7,500,000	\$0	\$7,500,000	\$0	\$0	0.0
R6 READ Act training support	2,000,000	0	2,000,000	0	0	0.0
Annualize prior year budget action	0	0	0	0	0	0.0
NP Retain MTCF refinance	0	0	0	0	0	0.0
Total FY 2025-26	\$9,500,000	\$0	\$9,500,000	\$0	\$0	0.0
Changes from FY 2024-25	\$2,000,000	\$0	\$2,000,000	\$0	\$0	0.0
Percentage Change	26.7%	n/a	26.7%	n/a	n/a	n/a
FY 2025-26 Executive Request	\$9,500,000	\$0	\$9,500,000	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Early Literacy Program Evidence Based Training Provided to Teachers

The General Assembly added this line item to the FY 2020-21 Long Bill to support the evidence based training activities required by S.B. 19-199. By the start of the 2021-22 school year, the bill required local education providers that receive funding through either the competitive grant program or per pupil intervention funding to ensure that all teachers employed to teach

kindergarten through third grade completes (or has completed) evidence based training in teaching reading. As a result of the COVID-19 pandemic, the State Board of Education delayed that requirement until January 31, 2022, to allow additional time for teachers to receive the training. House Bill 21-1129 extended the deadline to fall 2022.

Statute requires the Department to provide evidence based training in reading instruction at no cost to local education providers that request such training. Senate Bill 19-199 appropriated \$2,702,557 cash funds from the Early Literacy Fund for this purpose for FY 2019-20 and continued that amount for FY 2020-21. The Long Bill included an appropriation of the same amount for FY 2021-22, but actual expenditure data indicates that training expenditures were only \$611,091 in FY 2020-21, \$1,020,261 in FY 2021-22, \$1,373,958 in FY 2022-23, and \$1,233,542. The Department anticipated that most teachers would complete the training by the end of FY 2021-22. Lower expenditures may in part reflect more use of on-line training than was originally anticipated; however, the program's external evaluation indicates that teachers are seeking additional support and not solely online training. New flexibility that began in FY 2022-23 enables the Department to reallocate unspent training funds to other line items such as grants and it has been using that flexibility.

Statutory Authority: Section 22-7-1208 (6)(c), C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$2,784,277 cash funds from the Early Literacy Fund, including annualization of prior year salary survey and step pay.

Early Literacy Program External Evaluation

The General Assembly added this line item to the FY 2020-21 Long Bill to support the external evaluation of the Early Literacy Program required by S.B. 19-199. No later than October 1, 2019, the bill required the Department to issue a request for proposals and contract for an independent evaluation of the use of per pupil intervention funding and the competitive grant program. The evaluation also has to include a multi-year evaluation to determine whether student outcomes meet the goals of the READ Act.

Senate Bill 19-199 appropriated \$750,000 cash funds from the Early Literacy Fund to support the evaluation costs in FY 2019-20. The Final Legislative Council Staff Fiscal Note for the bill assumed that amount would be ongoing in subsequent years.

The Department selected WestEd to perform the independent evaluation of whether grants to local education providers are successful in moving students' reading growth to the state standards and whether the providers' use of per pupil intervention funding and/or competitive grant program funding result in measurable progress in students' reading. The reports are available at the following link: <https://www.cde.state.co.us/coloradoliteracy/read-act-independent-evaluation-of-colorado-read>

Statutory Authority: Section 22-7-1209 (8)(a), C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$750,000 cash funds from the Early Literacy Fund.

Early Literacy Program Public Information Campaign

The General Assembly added this line item to the FY 2020-21 Long Bill to support the public information campaign required by S.B. 19-199. Beginning with FY 2019-20, the bill requires the Department to contract with an external entity to develop and implement a public information campaign related to the importance of reading and to highlight local education providers that are achieving success.

The bill appropriates \$500,000 cash funds from the Early Literacy Fund and 0.5 FTE to support the campaign in FY 2019-20. The Final Legislative Council Staff Fiscal Note for the bill assumed that amount would be ongoing in subsequent years.

The Department selected Cactus (a full-service marketing and research firm with a price agreement with the State) to research, develop, and implement the campaign in Spring of 2020. The campaign is ongoing (for more information see the campaign's website at: <https://readwithme.today/>).

Statutory Authority: Section 22-7-1209 (7), C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$505,240 cash funds from the Early Literacy Fund and 0.5 FTE for FY 2025-26, including annualization of prior year salary survey and step pay.

Early Literacy Program Per Pupil Intervention Funding

Created in FY 2014-15, this line item reflects funding to be distributed to local education providers based on the statutory formula for early literacy per pupil intervention funding. The FY 2013-14 Long Bill supported this line item with interest income earned on the Public School (Permanent) Fund transferred to the Early Literacy Fund. However, S.B. 13-260 (School Finance) eliminated the annual transfer of interest earned on the Permanent Fund and instead transferred \$16.0 million from the State Education Fund to the Early Literacy Fund to support the Early Literacy Program in FY 2013-14. The enactment of H.B. 14-1292 (Student Success Act) and H.B. 14-1298 (School Finance) increased the annual transfer from the State Education Fund to the Early Literacy Fund by \$18.0 million (for a total transfer of \$34.0 million) in FY 2014-15 and subsequent years.

The Department allocates per pupil intervention funding to local education providers based on the number of students identified with SRDs in the previous budget year. Section 22-7-1210.5, C.R.S., directs the distribution and use of per pupil intervention funds, including reporting requirements for local education providers that receive funding. Section 22-7-1210.5 (4), C.R.S., specifies the eligible uses of per pupil intervention funds.

The General Assembly appropriated more than \$33.2 million per year to this line item for FY 2014-15 through FY 2018-19 (all funding dedicated to early literacy that was not appropriated for program administration or the competitive grant program). The enactment of S.B. 19-199 shifted some funds previously appropriated for per pupil intervention funding to the uses outlined in the previous line items (additional funding for the competitive grant program, evidence based training for teachers, the external evaluation, and the public awareness

campaign). Those shifts reduced the amount available for per pupil intervention funding to \$26,261,551 in FY 2019-20 (appropriated in S.B. 19-199). Funding at this level has continued.

Statutory Authority: Sections 22-7-1210 (4)(d)(I)(D) and 22-7-1210.5, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$26,261,551 cash funds from the Early Literacy Fund (transferred from the State Education Fund pursuant to Section 22-7-1210 (1) (d), C.R.S.) for FY 2025-26, with no change from the FY 2024-25 appropriation.

Early Literacy Assessment Tool Program

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

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

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

The Department began transitioning from the diagnostic assessment that the state provided in FY 2013-14 (“Burst”) to Amplify’s “DIBELS Deep” diagnostic assessment in FY 2014-15. The Department contracted with Amplify to supply the ELAT for FY 2015-16 through FY 2017-18. For FY 2018-19 through FY 2022-23, the Department contracted with both Amplify and Istation to provide two options for participating districts. Beginning in FY 2023-24, it has selected Amplify DIBELS and Lectura to provide the assessments under ELAT.

Statutory Authority: Section 22-2-141, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$2,997,072 cash funds from the State Education Fund.

(C) Facility Schools

While most children in Colorado receive public education services through school districts (or schools that are authorized by the State Charter School Institute), some children receive their education through schools operated by community-based facilities or state-operated programs.¹⁶ In 2008, the General Assembly took steps to improve the quality and consistency of education provided in these community-based facilities and state-operated schools through several structural changes. The General Assembly modified the method of funding facility schools and certain state programs by:

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

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

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

S.B. 21-274 (Sustainable Model to Serve Facility School Students)

In response to sharp declines in enrollment in facility schools and many facility school closures, the Joint Budget Committee sponsored S.B. 21-274 (Sustainable Model to Serve Facility School Students). The bill incorporated appropriations for one-time supplemental payments for FY

¹⁶ Pursuant to Section 22-54-129 (1)(f), C.R.S., "state programs" include the Colorado School for the Deaf and the Blind and the education programs operated by the Colorado Mental Health Institutes at Pueblo and Fort Logan. Because the State has closed the facility at Fort Logan, the School for the Deaf and the Blind and the Colorado Mental Health Institute at Pueblo are the only remaining state programs.

2021-22 (\$5.7 million), which were followed by additional one-time payments of \$5.1 million, while a work group, funded through S.B. 21-274, developed recommendations for how to address the decline and the lack of appropriate placements for students with exceptionally severe or specialized needs.

S.B. 23-219 (Supports to Students and Facility Schools)

During the 2023 legislative session, the JBC sponsored S.B. 23-219. The bill made multiple changes to the regulation and funding of facility schools, and modified the duties of the Office of Facility Schools in the Colorado Department of Education. These changes support services for children and youth with exceptionally severe or specialized needs that school districts are unable to serve adequately within their regular or specialized educational services. The bill:

- Creates a new baseline funding model for facility schools effective FY 2023-24. Previously, funding for facility schools was based on a per-pupil model (1.73 x state base per pupil funding/\$55 per student per day in FY 2022-23). The new model provides a stable revenue stream to enable small schools to maintain operations even when student numbers fluctuate. Average state funding provided for schools under this new model is approximately 76.0 percent more than the funding provided for schools in the prior two years, which included temporary supplemental payments.
- Creates the specialized day school as a type of approved facility school. Previously, facilities had to be licensed by the Department of Human Services (for residential and day treatment programs) or the Department of Public Health and Environment (for hospitals) before they could seek and receive approval to become a facility school. This new category of facility school can be authorized by the Department of Education without prior licensing by another agencies. The bill requires the Facility Schools Board in the Department of Education to promulgate rules for authorizing specialized day schools as facility schools by July 1, 2024.
- Requires the State Board of Education to begin accrediting facility schools by December 1, 2026, based on the recommendations of the Facility Schools Board. The bill expands the oversight role of the Facility School Board to accreditation. Schools have one year from approval as a facility school to become accredited. Beginning October 1, 2026, the bill requires the Office of Facility Schools and the Facility Schools Board to create and publish an accreditation outcome report for each approved facility school as part of the process to determine whether an approved facility school becomes and remains accredited.
- Creates the Shared Operational Services Grant Program for FY 2023-24 and FY 2024-25. This is a two-year grant program to support an eligible applicant in providing shared operational services for facility schools, such as food services, janitorial, shared office spaces, billing and other “back end” services, with the goal of lowering facility school operational costs.
- Creates the Technical Assistance Center in the Office of Facility Schools to provide technical assistance support to school districts and related administrative units, with priority to serve rural and remote school districts and related administrative units. The center is intended to improve services for students with exceptionally severe or specialized needs, with a focus

on those who cannot access an appropriate facility school placement for geographic or other reasons.

- Extends and adds responsibilities for the Facility School Work Group to monitor implementation of changes to the facility school system. Requires the Department to contract for a third-party program evaluation through the Office of Facility Schools. Modifies Work Group membership to include parents and guardians and schools that are not currently approved facility schools.
- Requires the Departments of Education, Human Services, Health Care Policy and Financing, and Public Health and Environment to collaborate to create an interagency resource guide to provide assistance to facilities that are pursuing licensing to operate as an approved school. Requires state agencies to identify and recommend legislation and changes to rules and administrative processes to facilitate licensing and approval processes.
- Requires the Department of Health Care Policy and Financing to recommend a plan to ensure approved schools may access Medicaid reimbursement funding for therapeutic services to the maximum extent feasible.
- Makes changes to the structure for funding Department of Education administration for facility schools. Under current law, administration for the Department is tied to 2.0 percent of state expenditures for facility schools. As modified in this bill, administration amounts are based on appropriations.

The bill included an appropriation of \$18,780,654 cash funds from the State Education Fund and eliminated an existing Long Bill appropriation of reappropriated funds for facility school administration. The fiscal impact was projected to grow, driven primarily by the expected addition of new facility schools, as reflected in the table below.

S.B. 23-219 Fiscal Note			
Expenditures/Appropriations Required for Department of Education Related to New Functions			
Amounts are from the State Education Fund			
Cost Components	FY 2023-24	FY 2024-25	FY 2025-26
Department of Education			
Personal Services	\$509,642	\$548,950	\$638,225
Operating Expenses	5,535	6,210	7,560
Capital Outlay Costs	6,680	1,670	1,670
Shared Operational Services Grant	200,000	0	0
Evaluation Contractor	50,000	150,000	150,000
Working Group Facilitator Contract	50,000	50,000	50,000
Funding for New Specialized Day Schools	3,077,269	6,778,019	11,211,736
Additional Funding for Baseline Model	14,664,903	15,383,484	15,798,838
Data System Costs	0	129,450	0
Centrally Appropriated Costs ¹	80,712	89,903	109,283
FTE – Personal Services	4.1 FTE	4.6 FTE	5.6 FTE
Total	\$18,644,741	\$23,137,686	\$27,967,312
Total FTE	4.1 FTE	4.6 FTE	5.6 FTE

¹ Not included in appropriation in first year.

Facility Schools Office, Facility Schools Board, and Facility School Technical Assistance Center

This line item supports several different functions related to administration of the facility school system: the Facility Schools Office, Facility Schools Board, and the Facility School Technical Assistance Center. Previously, administrative costs were funded by withholding up to 2.0 percent of the amount payable to each approved facility school. However, changes included in S.B. 23-219 allows for direct appropriation from the State Education Fund for these functions.

The Facility School Technical Assistance Center, created in S.B. 23-219, is expected to grow annually for five years “to provide technical assistance to school districts and related administrative units serving students with exceptionally severe or specialized needs who need to be served by an approved facility school but are unable to access an approved facility school due to lack of proximity....or other factors.”

Statutory Authority: Sections 22-2-401 through 22-2-407, 410, and 412, C.R.S.

Request/Recommendation: The request and recommendation are summarized below. Funding for FY 2025-26 includes annualization adjustments consistent with the fiscal note for S.B. 23-219 and annualization of prior year salary survey and step pay.

Student Learning, Facility Schools, Facility Schools Office, Facility School Board, and Facility School Technical Assistance Center						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$916,250	\$0	\$916,250	\$0	\$0	7.6
Total FY 2024-25	\$916,250	\$0	\$916,250	\$0	\$0	7.6
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$916,250	\$0	\$916,250	\$0	\$0	7.6
Annualize prior year budget action	17,182	0	17,182	0	0	0.0
Annualize prior year legislation	-38,825	0	-38,825	0	0	1.0
Total FY 2025-26	\$894,607	\$0	\$894,607	\$0	\$0	8.6
Changes from FY 2024-25	-\$21,643	\$0	-\$21,643	\$0	\$0	1.0
Percentage Change	-2.4%	n/a	-2.4%	n/a	n/a	13.2%
FY 2025-26 Executive Request	\$894,607	\$0	\$894,607	\$0	\$0	8.6
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

State School Funding

Although Senate Bill 23-219 changed the funding structure for community-based facility schools managed by private operators, it did not change the structure created in 2008 for students attending state programs (state-operated schools). Pursuant to Section 22-54-129 (1)(f), C.R.S., “state programs” include the Colorado School for the Deaf and the Blind and the education

programs operated by the Colorado Mental Health Institutes at Pueblo and Fort Logan. Because the State has closed the facility at Fort Logan, the School for the Deaf and the Blind and the Colorado Mental Health Institute at Pueblo are the remaining state programs. Statute requires that these schools receive funding in an amount equal to the pupil enrollment of each state program for the applicable budget year multiplied by 1.73x the statewide base per pupil funding for the applicable budget year. This amount is translated into a daily rate, and each facility school receives a daily rate for each child in attendance for up to 235 days each school year. The state programs also receive direct General Fund support for their operations.

Statutory Authority: Section 22-54-129 (2)(c)(II), C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation amount of \$1,925,110 cash funds from the State Education Fund for FY 2025-26. As previously discussed, the Department’s analysis suggests that the funding required for the two state schools should be within the existing base appropriation amount.

Facility Schools Funding

This line item provides funding for the Department to make payments to facility schools as required by Section 22-54-129, C.R.S. Prior to FY 2023-24, this provision authorized the payment of the state average per pupil revenue times 1.73 and included funding for state-operated programs. Pursuant to S.B. 24-219, facility schools are funded beginning in FY 2023-24 using a baseline funding model that is described in statute. This line item now includes solely funding for facility schools (excludes state-operated programs) and is calculated using the baseline funding model. The new model provides a higher level of funding than the prior model and allows for more stable support, particularly for schools serving fewer than 16 students.

Statutory Authority: Section 22-54-129, C.R.S.

Request: The Department requests \$35,123,512 cash funds from the State Education Fund, including the Department’s request for annualization of S.B. 24-219.

Recommendation: As previously discussed in the document, the staff recommendation is lower than the request based on an updated analysis of program utilization and inflationary adjustments to the funding model. The staff recommendation is shown below.

Student Learning, Facility Schools, Facility School Funding						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$30,313,266	\$0	\$30,313,266	\$0	\$0	0.0
Total FY 2024-25	\$30,313,266	\$0	\$30,313,266	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$30,313,266	\$0	\$30,313,266	\$0	\$0	0.0
Annualize prior year legislation	3,029,754	0	3,029,754	0	0	0.0

Student Learning, Facility Schools, Facility School Funding						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total FY 2025-26	\$33,343,020	\$0	\$33,343,020	\$0	\$0	0.0
Changes from FY 2024-25	\$3,029,754	\$0	\$3,029,754	\$0	\$0	0.0
Percentage Change	10.0%	#VALUE!	10.0%	n/a	n/a	n/a
FY 2025-26 Executive Request	\$35,123,512	\$0	\$35,123,512	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$1,780,492	\$0	-\$1,780,492	\$0	\$0	0.0

Facility School Work Group and Program Evaluation Contracts

Senate Bill 21-274 (Sustainable Model for Facility School Funding) required the Department to convene a work group of stakeholders related to facility schools to develop a new model for educational services for a target population of students. The resulting recommendations were used to develop S.B. 24-219. Senate Bill 24-219 continues the work group and requires it to continue to report annually throughout the program’s implementation period. Statute details specific items that must be included in annual reports through October 1, 2026.

This line item also includes funding for a qualified third-party evaluator to report on whether facility school placements for students with exceptionally severe or specialized needs has stabilized or increased, whether reliance on homebound and out-of-state placements has decreased, whether administrative units that are unable to access approved facility schools receive sufficient support, and whether parents, guardians, advocates, county human services agencies, and other interested parties find that the facility school implementation plan has had a positive impact on student services, among other measures. The evaluator is required to submit a report to the work group and the Facility School Office to be included in a legislative report on October 1, 2026. Senate Bill 24-188 (School Finance) delayed the date for this report, which was previously scheduled for October 1, 2025, to October 1, 2026.

Statutory Authority: Section 22-2-407.5, C.R.S.

Request/Recommendation: The Department requested, and staff recommends, a continuation appropriation of \$200,000 for this line item for FY 2025-26. This amount includes \$50,000 for a facilitator for the work group and \$150,000 for the third-party evaluation.

Facility Schools Shared Operational Services Grant Program

Senate Bill 23-219 created a shared operational services grant program to award an eligible applicant grant money for the span of two budget years to contract with an organization that provides or coordinates shared operational services for facility school grantees. The goal of the grant is to demonstrate whether facility schools, which are often small, can reduce their costs by collaborating in obtaining services such as food services, janitorial services, office space, technical assistance on Medicaid services, security, and technology. One component for assessing applicants is the sustainability of services after the grant has completed. A grant for this initiative was successfully awarded. An interim and final report on the impact of the grant

will be included in reports due to the General Assembly on October 1, 2025, and October 1, 2026.

Statutory Authority: Section 22-4-411, C.R.S.

Request/Recommendation: The Department did not request, and staff does not recommend, additional funding for this initiative which was intended to be one-time only.

(6) School Quality and Support

This section contains appropriations associated with a variety of accountability and school improvement programs, as well as the Department’s efforts associated with schools of choice, blended, and on-line education programs.

School Quality and Support						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$24,865,685	\$8,978,656	\$3,725,535	\$0	\$12,161,494	40.4
Total FY 2024-25	\$24,865,685	\$8,978,656	\$3,725,535	\$0	\$12,161,494	40.4
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$24,865,685	\$8,978,656	\$3,725,535	\$0	\$12,161,494	40.4
R4 Supporting instructional coherence	0	0	0	0	0	0.0
R8 National Student Clearinghouse	67,870	67,870	0	0	0	0.0
Annualize prior year legislation	58,500	58,500	0	0	0	0.0
Annualize prior year budget action	111,034	81,568	29,466	0	0	0.0
Total FY 2025-26	\$25,103,089	\$9,186,594	\$3,755,001	\$0	\$12,161,494	40.4
Changes from FY 2024-25	\$237,404	\$207,938	\$29,466	\$0	\$0	0.0
Percentage Change	1.0%	2.3%	0.8%	0.0%	0.0%	0.0%
FY 2025-26 Executive Request	\$25,253,089	\$9,186,594	\$3,905,001	\$0	\$12,161,494	40.4
Staff Rec. Above/-Below Request	-\$150,000	\$0	-\$150,000	\$0	\$0	0.0

Decision Items

➔ R4 Instructional Coherence (School Transformation Program) [Legislation Requested]

Request

The request includes an increase of \$150,000 cash funds for FY 2025-26, annualizing to \$100,000 in FY 2026-27 and ongoing, appropriated to the School Transformation Grant Program.

Recommendation

Staff recommends **denying** the request. Given the State’s current fiscal situation, staff does not believe this is a critical need. The Department has proposed a statutory change that could help make more efficient use of existing resources. This is described separately below.

Analysis

Request Components

The Department describes two components to the request:

- First, it would enable the Department to contract with an external partner (EdReports) to develop an optional list of high quality instructional materials for English Language Arts in grades 4-12, filling out its existing lists of high quality instructional materials and ensuring better access to a list of materials across grades K-12 in both English language arts and math.
- Second, it would support 3-6 districts a year to join a cohort to engage in professional learning on instructional coherence, with an emphasis on high quality learning materials.

The request highlights evidence about the benefits of “instructional coherence”, in which the content of materials taught across different subject areas is related. This includes, for example, providing social studies instruction on the Great Depression while students are reading the *Grapes of Wrath* in their literature course and receiving related vocabulary support in their English Language Development course.

The request also highlights the needs of the 18 districts and 164 schools that have received a “turnaround” or “priority improvement” ranking for 2023 and the additional 47 districts and 390 schools that have received an “improvement plan” classification.

The initiative would enhance support for districts that are classified for “improvement” or “priority improvement” through a cohort model. The group of districts would receive support over four years. The interventions would facilitate district efforts to implement high quality, coherent instructional materials as part of school turnaround efforts. Among other supports, the initiative would offer staff at participating districts the opportunity to learn through visits to other districts that are implementing high quality instructional materials.

The request indicates that the funds would be from money in the Early Literacy Cash Fund (which originates as State Education Fund) which would be transferred to the State Public School Fund over the next four years.

Background – Accountability System and School Transformation Grant Program

State Accountability System: The School Transformation Grant Program is one component of the State's broader school accountability system. Colorado currently operates under two different accountability systems: the state system first created in 2009 and the federal system. Schools may be identified as failing to meet standards and requiring additional support under either or both of the systems.

Under the State system, the Department evaluates the performance of schools and school districts relative to state expectations for academic performance. Schools are assigned one of four ratings. Schools identified in the two bottom categories--priority improvement or turnaround--have historically been eligible for state funding supports (funded primarily in the School Transformation Grant Program line item) and are subject to sanctions if they are not

successful in improving their results over time. The separate federal accountability system also identifies and provides supports for schools deemed to be struggling.

School Transformation Grant Program: The General Assembly provides grant funding to assist schools in moving out of priority improvement and turnaround status. The School Transformation Grant Program was created in FY 2014-15 for this purpose. Funding has been increased over the years through decision items and legislation. **Base funding for FY 2025-26 is \$8.1 million from the General Fund and State Education Fund.**

The Department has emphasized that the School Transformation Grants are grounded in evidence-based strategies, and includes 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. 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. The Department works with the Center for Assessment, Design, Research and Evaluation (CADRE) at the University of Colorado at Boulder’s School of Education to evaluate the supports it is providing.

Combined State and Federal Support: Even though eligibility for supports under the state and federal accountability systems differ, the State attempts to provide a unified system of support offerings that can be accessed by schools through a single application, known as Empowering Action for School Improvement (EASI). The application uses a needs-based approach to award services and funding. Through the EASI application process, schools can access a various levels and types of supports. Federal funding adds approximately \$7 million per year for school transformation supports: **the Department states that it awarded \$15.8 million in combined state and federal funding.** The Department notes that demand for supports exceeds availability. For the FY 2023-24 EASI application, the Department was only able to meet approximately 63% of the requests from districts. In FY 2024-25, the Department projects that the program will award grants to 83 recipients using state funds only, 207 recipients using federal funds only, and to 72 recipients who will be supported using a combination of the two sources. The size of grants can vary greatly from small planning grants to much larger investments that help districts analyze their performance problem areas and restructure instruction to meet student needs.

Evidence Designation

The request identifies the request as “Evidence-informed”. Pursuant to the statutory definition at Section 2-3-210, C.R.S., this means that the best available research evidence supports the effectiveness of the program or practice, as demonstrated by at least one quality evaluation that shows improvement over time.

Staff concurs. The program has an extensive history of evaluation and engages in a continuous process of attempting to determine what supports are most effective.

There is evidence that these interventions make a difference, though possibly not always at the level desired. The first of multiple evaluations from the Center for Assessment, Research, Design, and Evaluation (CADRE) at CU Boulder, “Evaluation of Colorado School Turnaround Network and School Turnaround Leadership Development [Programs]: Descriptive Analysis of 2015-2020 Cohorts” (2021), “...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”.

With respect to the current request, the Department has highlighted the role of instructional materials as a foundation to strong core instruction. It indicated this has a strong evidence basis, and it provided some related citations.

Staff Observations

- In general, the Department considers support for school turnaround activities to be high priority. Staff thinks this appropriate. Colorado has a decentralized education system, and the school accountability system is the mechanism the State uses to ensure that schools and districts throughout the State meet foundational quality standards. Threatening sanctions for schools and districts that aren’t performing well isn’t enough: the State needs mechanisms like the School Transformation Grant Program to assist districts in doing better. Staff also appreciates the program’s efforts to insure its interventions are based on the best available evidence.
- The modest amount of funding included in this request will not make a significant difference in this program. Given the State’s fiscal constraints, the focus must be on how the program can use the \$8.1 million it already receives as efficiently as possible. Instructional coherence is a good idea. To the extent the Department can build this into its existing support structures, it should do so.
- In the event the Committee wished to fund this initiative, staff would recommend providing a direct appropriation from the State Education Fund. The mechanism proposed by the Governor’s Office would require a bill and would involve the transfer of money from the Early Literacy Fund, which is already over-subscribed in the overall request and thus at risk of being insolvent.

➔ Staff Initiated Technical Correction to S.B. 23-218 (Repeal School Transformation Grant Program Admin Cap) and

Department Proposal to Support More Flexible Use of Funds [Legislation Required]

Request

The formal request did not include this proposal, but the Department has indicated to staff and the Committee that a statutory change is needed due to a technical error in an earlier JBC bill. In addition, it has indicated that a broader statutory change would enable the School Transformation Program to use existing resources more efficiently.

Recommendation

Staff recommends changes as follows:

- Clarify in statute that funding for the School Transformation Program *includes* funding for department administration. S.B. 23-218 (Repeal School Transformation Grant Program Administration Cap), a JBC bill, included a technical error which is being interpreted as disallowing any use of the funding for administration, which was not the JBC's intent.
- As part of this change, ensure that the funding authorized may be used by the Department to enter into statewide contracts that can be used to provide supports for districts. At present, districts must contract individually with entities that provide consulting and other services intended to improve school performance. The Department believes that state funds will be used more efficiently if the Department can enter into contracts that provide supports to multiple school districts.

Analysis

Senate Bill 23-218 removed a statutory cap that specified that only 5.0 percent of funding for the School Transformation Grant Program could be used for administration. It also provided funding for an additional 1.0 FTE to support the program, as additional funding for administration could not have been accommodated under the 5.0 percent cap and the JBC had concluded that the program would be more effective with additional staffing. However, in the process of removing language related to the cap, the bill unintentionally removed any reference to using the funds for administration. Staff recommends correcting this error.

The Department also requests an amendment to Section 22-13-103(1), C.R.S., which specifies that the program provides funding to school districts for school transformation. The Department proposes that this be amended to clarify that the Department may provide funding AND SUPPORTS for school districts. With this change, it anticipates that it will be able to directly contract for consulting and other services to support districts. The Department anticipates that it can obtain better rates and more efficient processes by using statewide contracts for some services, rather than directing individual districts to negotiate contracts for consulting and other supports.

The Department states that it anticipates that this change will provide sufficient efficiencies that it will be able to move the instructional coherence work outlined in request R4 forward without an additional appropriation.

→ R8 National Student Clearinghouse

Request

The Department requests an increase of \$67,870 General Fund for subscription fees to the National Student Clearinghouse that are paid from the line item for Longitudinal Analysis of Student Assessment Results.

Recommendation

Staff recommends the request for an increase of \$67,870 General Fund.

Analysis

As indicated in the request, this funding is required to enable the Department to comply with Section 22-11-204 (4)(IV), C.R.S., which specifies that one of the state's school performance measures is the percentage of students graduating from a public high school who, in the school year immediately following graduation, enroll in a career and technical education program, community college, or four-year institution of higher education.

The National Student Clearinghouse connects data between education providers across the country, making it possible for both secondary and higher education providers to exchange and verify transcript and enrollment information across institutions throughout the country. Clearinghouse data enables the State, as well as individual secondary and post-secondary institutions, to understand and analyze the pathways students take from graduating from a particular high school to enrolling in postsecondary education.

Staff does not believe there is functional alternative to the use of National Student Clearinghouse data for purposes of complying with Section 22-11-204 (4)(IV), C.R.S. The Department historically purchased a tier of data for \$30,730 that is no longer available; *the minimum cost is now \$98,600.*

Historically, the contract with the Clearinghouse was housed in the Department of Higher Education but paid for by the Department of Education. In February 2024, the two departments learned about the increased cost for the contract. For FY 2024-25, the two departments are splitting the cost, but neither agency has the budget to continue to cover costs in future years.

Line Item Detail

(A) Accountability and Transformation

Longitudinal Analyses of Student Assessment Results

This line item provides funding and staff for longitudinal analyses of student assessment results, including the assignment of individual student identifiers for all students in public schools. This includes General Fund to staff for ongoing work associated with the longitudinal data system. In addition, the Department received a federal grant to improve state longitudinal data systems in FY 2010-11, and used those funds through FY 2013-14. The Department used the federal grant to replace the state’s data collection system, link student data from prekindergarten to the workforce, and provide additional enhancements to the state’s data systems. Funding added in FY 2014-15 to support the creation and assignment of unique student identifiers for children receiving state- or federally- subsidized early childhood education services was removed after the adoption of H.B. 22-1295 (Department of Early Childhood), which moved related functions to the new Department of Early Childhood.

Statutory Authority: Section 22-2-134, C.R.S.

Request/Recommendation: The request and recommendation are shown in the table below and include the addition of funding for request R8, as well as annualization of prior year salary survey and anniversary.

School Quality and Support, Accountability and Transformation, Longitudinal Analysis of Student Assessment Results						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$620,960	\$620,960	\$0	\$0	\$0	5.1
Total FY 2024-25	\$620,960	\$620,960	\$0	\$0	\$0	5.1
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$620,960	\$620,960	\$0	\$0	\$0	5.1
R8 National Student Clearinghouse	67,870	67,870	0	0	0	0.0
Annualize prior year budget action	26,950	26,950	0	0	0	0.0
Total FY 2025-26	\$715,780	\$715,780	\$0	\$0	\$0	5.1
Changes from FY 2024-25	\$94,820	\$94,820	\$0	\$0	\$0	0.0
Percentage Change	15.3%	15.3%	n/a	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$715,780	\$715,780	\$0	\$0	\$0	5.1
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Accountability and Improvement Planning

The General Assembly created this line item in FY 2013-14 to support accountability and improvement planning efforts associated with the implementation of S.B. 09-163. The line item supports training, technical assistance, and data analysis provided to districts and schools, especially low-performing districts and schools. The line item also supports an independent State Review Panel to review struggling schools’ and districts’ improvement plans and advise the State Board of Education regarding consequences for those districts and schools under the accountability clock created by S.B. 09-163. Beginning in FY 2023-24, the JBC added \$56,702 General Fund and 0.5 FTE for a three-year term-limited position to help this unit address workload driven by the reorganization of Adams 14 and the needs of other districts that are far along on the accountability clock. This additional position annualizes out in FY 2026-27.

Statutory Authority: Section 22-11-201, C.R.S.

Request/Recommendation: The request and recommendation are shown in the table below and include annualization of prior year salary survey and anniversary.

School Quality and Support, Accountability and Transformation, Accountability and Improvement Planning						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$2,417,553	\$1,352,284	\$0	\$0	\$1,065,269	15.1
Total FY 2024-25	\$2,417,553	\$1,352,284	\$0	\$0	\$1,065,269	15.1
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$2,417,553	\$1,352,284	\$0	\$0	\$1,065,269	15.1
Annualize prior year budget action	8,147	8,147	0	0	0	0.0
Total FY 2025-26	\$2,425,700	\$1,360,431	\$0	\$0	\$1,065,269	15.1
Changes from FY 2024-25	\$8,147	\$8,147	\$0	\$0	\$0	0.0
Percentage Change	0.3%	0.6%	n/a	n/a	0.0%	0.0%
FY 2025-26 Executive Request	\$2,425,700	\$1,360,431	\$0	\$0	\$1,065,269	15.1
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Local Accountability System Grant Program

Senate Bill 19-204 created the Local Accountability System Grant Program to provide grants to local education providers who wish to create local accountability systems to supplement the state accountability system. The grants are to establish and implement local accountability systems, including identifying and developing appropriate measures, evaluating quality, analyzing data, and assisting with stakeholder communication. Grants must be \$25,000 to \$50,000 per year for single local education provider and must not exceed \$75,000 per year for a group of local providers. In the third year of the grant program, the Department is required to contract with an external evaluator to prepare a summary evaluation report of the implementation of the local accountability systems that receive grants. Funds must be

distributed over three budget years. Unexpended amounts from each annual appropriation may be rolled forward for expenditure in the following fiscal year.

Senate Bill 19-204 included an appropriation of \$493,097 General Fund for FY 2019-20, but funding was eliminated for FY 2020-21 as a budget balancing measure. Senate Bill 21-168 (Public School Finance) restored funding of \$493,907 General Fund for the program for FY 2021-22.

Changes included in H.B. 22-1390 (School Finance) specified that as a result of the suspension of funding during FY 2020-21, this year would not be considered a grant program year for purposes of determining the third year of the program. This made FY 2022-23 the third year of the grant program, and H.B. 22-1390 thus added \$100,000 for the program evaluation that is require to occur on the third year of each grant cycle. The program and related reporting continues indefinitely.

Additional information about the program may be found on the Department’s website, including reports to the General Assembly about the program (third legislative report submitted January 23, 2024 and first evaluation report submitted July 2023).

<https://www.cde.state.co.us/localaccountabilitysystemgrant>

Statutory Authority: Section 22-11-703, C.R.S.

Request/Recommendation: The request and recommendation are shown in the table below and include annualization of prior year salary survey and step pay.

School Quality and Support, Accountability and Transformation, Local Accountability System Grant Program						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$492,784	\$492,784	\$0	\$0	\$0	0.4
Total FY 2024-25	\$492,784	\$492,784	\$0	\$0	\$0	0.4
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$492,784	\$492,784	\$0	\$0	\$0	0.4
Annualize prior year budget action	5,562	5,562	0	0	0	0.0
Total FY 2025-26	\$498,346	\$498,346	\$0	\$0	\$0	0.4
Changes from FY 2024-25	\$5,562	\$5,562	\$0	\$0	\$0	0.0
Percentage Change	1.1%	1.1%	n/a	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$498,346	\$498,346	\$0	\$0	\$0	0.4
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

School Transformation Grant Program

The General Assembly added the School Turnaround Leaders Development Program line item to the FY 2015-16 Long Bill to support the School Turnaround Leaders Development Program created in S.B. 14-124 (School Turnaround Leaders Development Program). The program, first

funded with \$2.0 million cash funds from the State Education Fund in FY 2014-15, requires the Department to contract with providers of high-quality turnaround leadership development programs and award grants to school districts and charter schools throughout the State to develop school leaders with the skills and competencies required to turn around low-performing schools. Leaders of schools in Turnaround or Priority Improvement status under the statewide accountability system are eligible to participate.

The bill allowed the Department to award planning and program design grants to approved providers during the first three years of implementation; the State Board of Education approved six providers to support the program, five of which have served program participants. Over the first three years of the program (FY 2014-15 through FY 2016-17), the State Board approved a total of \$449,537 in planning and design grants to providers. Grants to participants (school leaders) allow the grantees to participate in leadership training provided by one of the approved providers. For FY 2015-16 through FY 2017-18, the program served a total of 256 participants representing 21 school districts (including the State Charter School Institute).

House Bill 18-1355 (Public Education Accountability System) expanded the program to include additional supports and activities and renamed the program the School Transformation Grant Program. In addition to leadership development, the grant program can now support school wide improvement activities as well as planning and implementation for accountability pathways directed by the State Board of Education.

Based on the changes in H.B. 18-1355, the General Assembly renamed the line item “School Transformation Grant Program” in the FY 2019-20 Long Bill. In addition, the General Assembly approved an increase of \$2,314,027 General Fund and 1.8 FTE for FY 2019-20 to expand services available under the program. The General Assembly initially added a further \$1,000,000 for FY 2020-21, but this was removed to help balance the budget in the wake of the COVID-19 pandemic. The JBC and General Assembly approved a request to increase funding by \$2,000,000 General Fund in FY 2022-23, added an additional \$1,000,000 for a proactive intervention pilot (services for schools that are early in the accountability clock) in FY 2023-24, and added a further \$500,000 for proactive intervention in FY 2024-25.

The JBC also sponsored S.B. 23-218 (Repeal School Transformation Grant Program Administration Cap) to eliminate a statutory restriction on the portion of the funding that could be used for administration and added a new 1.0 FTE position in FY 2023-24.

Statutory Authority: Section 22-13-103, C.R.S.

Request: The Department requests \$8,271,243 total funds and 4.0 FTE, including \$30,056 to annualize prior year salary survey and step pay and \$150,000 from the State Education Fund for Request R4.

Recommendation: The staff recommendation is included in the table below. As discussed previously, staff does not recommend additional funds for Request R4 but does recommend some statutory changes for this program.

School Quality and Support, Accountability and Transformation, School Transformation Grant Program						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$8,091,187	\$6,078,660	\$2,012,527	\$0	\$0	4.0
Total FY 2024-25	\$8,091,187	\$6,078,660	\$2,012,527	\$0	\$0	4.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$8,091,187	\$6,078,660	\$2,012,527	\$0	\$0	4.0
Annualize prior year budget action	30,056	23,481	6,575	0	0	0.0
R4 Supporting instructional coherence	0	0	0	0	0	0.0
Total FY 2025-26	\$8,121,243	\$6,102,141	\$2,019,102	\$0	\$0	4.0
Changes from FY 2024-25	\$30,056	\$23,481	\$6,575	\$0	\$0	0.0
Percentage Change	0.4%	0.4%	0.3%	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$8,271,243	\$6,102,141	\$2,169,102	\$0	\$0	4.0
Staff Rec. Above/-Below Request	-\$150,000	\$0	-\$150,000	\$0	\$0	0.0

Federal School Transformation Administration and Support

This line item includes funding provided by the federal government for administration and support of school transformation activities. Additional funding that is used to provide grant support to qualifying schools (approximately \$8.0 million per year) is included in the Appropriated Sponsored Programs line item. This funding was relocated from the Appropriated Sponsored Programs line item in the School District Operations division in FY 2024-25.

Request/Recommendation: The request and recommendation include a continuation amount of \$769,725 federal funds, shown for informational purposes, and 4.2 FTE to more transparently reflect department staff working on school transformation activities.

Educator Perception

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

House Bill 08-1384 (Retention of Qualified Educators) authorized the Department to conduct a biennial survey of teaching and learning conditions. The goal of the bill and program is to survey every school-based licensed educator regarding their perceptions of teaching and learning conditions to provide insights for policy decisions at the school, local district, and state levels. The Department has worked with a variety of partners to administer the survey. According to the tellcolorado.org website, the Department has partnered with the New Teacher Center, the Colorado Association of School Boards (CASB), the Colorado Association of School Executives (CASE), the Colorado League of Charter Schools, the American Federation of Teachers

(Colorado), and the Colorado Education Association. The Department administered the survey for the fifth time in FY 2017-18, although previous administrations were largely supported by alternative fund sources.

Beginning with FY 2019-20, the Department transitioned to a new system to fund the survey. The FY 2019-20 appropriation included \$75,000 General Fund to support the administration of the survey in FY 2019-20, with the assumption that the “off-year” appropriation (FY 2020-21) would provide \$25,000 to support the vendor’s costs for analysis and maintenance. House Bill 21-1087 (Teaching and Learning Conditions Survey) provided funding for investments in FY 2021-22 to enhance online tools. The fiscal note for the bill indicated that “on year” costs would be \$83,500, while “off year” costs would be \$25,000.

Statutory Authority: Section 22-2-503, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$83,500 for the “on year” costs of the Educator Perception line item.

H.B. 23-1241 Accountability, Accreditation, Student Performance, and Resource Inequity Task Force

House Bill 23-1241 created the 25-member Accountability, Accreditation, Student Performance, and Resource Inequity Task Force in the Colorado Department of Education (CDE) to study academic opportunities, inequities, best practices, and improvements to the K12 accountability and accreditation system. The Department must contract with a facilitator to guide the work of the task force and write related reports. An interim report is due by March 1, 2024 and a final report before November 15, 2024. The bill included an appropriation \$300,709 General Fund and 0.3 FTE for FY 2023-24 and made this funding available through FY 2024-25. A link to the results of this work, completed November 2024, are found here:

<https://www.cde.state.co.us/accountability/1241taskforcefinalreport>

Recommendations include:

- Refine how the state accountability system rates schools and districts (e.g., addressing some of the challenges that schools serving smaller student populations face, adjusting performance frameworks to reflect diverse student populations better, paying greater attention to achievement gaps between student groups)
- Enhance the accountability system’s Growth, Achievement, and Postsecondary Readiness Metrics (e.g., adding a new sub-indicator to help parents understand the efforts their schools are making to prepare students for postsecondary success)
- Modernize state assessments used for accountability (e.g., adjusting state assessments to be adaptive and accessible in multiple languages, encouraging assessment participation, and improving the timelines for sharing results)
- Improve data reporting and sharing for parents and communities, educators, education leaders, and policymakers (e.g., creating a statewide dashboard that is user-friendly for multiple audiences)
- Strengthen school and district improvement processes (e.g., implementing a comprehensive approach to improvement planning—including a system of early

identification and intervention; expanding and targeting how schools are recognized for their successes)

Request/Recommendation: The Department did not request, and staff does not recommend, an appropriation for the task force for FY 2025-26, as the task force has completed its work.

(B) Schools of Choice

Schools of Choice

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

Statutory Authority: Section 22-30.5-101 through 22-30.5-704, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$10,704,219 total funds, including \$377,719 General Fund and \$10.3 million federal funds, and 6.8 FTE for this line item. The total includes an increase of \$17,428 General Fund to annualize prior year salary survey and step pay.

Supplemental On-line Education Services

Pursuant to H.B. 06-1008 [Section 22-5-119, C.R.S.], this program provides funding to ensure that supplemental on-line courses are affordable for school districts, BOCES, and charter schools. This line item provides funding to the Colorado River BOCES (formerly part of the Mountain BOCES) to contract with a supplemental on-line course provider to offer on-line courses at a cost of no more than \$200 per student per semester course. This is subject to available appropriations. The source of funding is federal mineral lease revenues that are credited to the State Public School Fund.

For FY 2007-08 through FY 2015-16, the General Assembly annually appropriated \$480,000 cash funds for this purpose. The enactment of H.B. 16-1222 (Supplemental Online and Blended Learning Resources) increased the appropriation to \$960,000 in FY 2016-17. The General Assembly increased the appropriation to \$1,020,000 for FY 2017-18 and further increased the appropriation to \$1,220,000 in FY 2018-19. The Colorado River BOCES is contracting with two providers, Colorado Digital Learning Solutions (providing courses) and the iLearn Collaborative (providing blended learning professional development opportunities to districts and schools), to operate the program.

The Colorado River BOCES has reported significant increases in enrollment in this program since 2015, with course enrollments increasing from 432 in FY 2015-16 to 3,352 courses in FY 2019-

20 to 11,943 course provided in FY 2021-22. JBC staff has previously observed that this program model is a cost-effective way to ensure that schools – particularly rural school districts – are able to purchase on-line courses to supplement their course offerings and help students comply with higher education admission guidelines.

Statutory Authority: Section 22-5-119, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$1,220,000 cash funds from the State Public School Fund (derived primarily from federal mineral lease revenue) for FY 2025-26.

Office of On-line and Hybrid Learning and Innovation Schools

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

For FY 2023-24, the Department requested, and the JBC and General Assembly approved, the addition of 1.5 FTE in this line item. This included 1.0 FTE to address administrative work (such as reviews of on-line school applications and managing complaints) and technical assistance (such as how to start on-line schools and programs) for online and blended learning programs. It also included 0.5 FTE to manage Department workload related to Innovation Schools, a type of school that operates under a school district but for which some district and state requirements are waived. These schools require State Board approval, and the Department has related workload. The name of the line item was also changed in FY 2023-24 to reflect broader responsibilities.

Statutory Authority: Section 22-30.7-101 et seq., C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$564,576 total funds (General Fund and State Education Fund) and 4.8 FTE for FY 2025-26, including annualization of prior year salary and step pay.

(7) Student Pathways

This section contains funding for a variety of programs associated with health and wellness, dropout prevention, student reengagement, and career readiness.

Student Pathways						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$65,421,641	\$21,129,370	\$34,916,144	\$182,652	\$9,193,475	34.8
LBSupp Career Advisor Training Program	-\$1,000,000	-\$1,000,000	\$0	\$0	\$0	0.0
Total FY 2024-25	\$64,421,641	\$20,129,370	\$34,916,144	\$182,652	\$9,193,475	34.8
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$64,421,641	\$20,129,370	\$34,916,144	\$182,652	\$9,193,475	34.8
R5 Student engagement	0	0	0	0	0	0.0
R11 Career training and basic skills reduction	0	0	0	0	0	0.0
BA5 Eliminate grant programs	-562,252	-562,252	0	0	0	-0.4
SI Technical adjustments	5,460	-7,458	7,458	5,460	0	0.0
Annualize prior year legislation	-826,469	-901,419	74,950	0	0	0.8
SI Annualize K-5 Social Emotional pilot	-2,493,916	0	-2,493,916	0	0	-1.0
Annualize prior year budget action	95,798	46,375	49,423	0	0	0.0
SI Annualize Innovative Learning Pilot	-348,583	-348,583	0	0	0	-0.6
Total FY 2025-26	\$60,291,679	\$18,356,033	\$32,554,059	\$188,112	\$9,193,475	33.6
Changes from FY 2024-25	-\$4,129,962	-\$1,773,337	-\$2,362,085	\$5,460	\$0	-1.2
Percentage Change	-6.4%	-8.8%	-6.8%	3.0%	0.0%	-3.4%
FY 2025-26 Executive Request	\$63,932,979	\$19,566,335	\$34,990,517	\$182,652	\$9,193,475	37.2
Staff Rec. Above/-Below Request	-\$3,641,300	-\$1,210,302	-\$2,436,458	\$5,460	\$0	-3.6

Decision Items – Student Pathways

→ R5 Student Engagement

Request

The Department requests \$354,261 General Fund and 2.0 FTE in FY 2025-26, annualizing to \$267,384 General Fund in FY 2026-27 and ongoing, to address chronic absenteeism in Colorado schools. The request includes the addition of 2.0 FTE (principal consultants) and \$75,000 in first-year materials costs.

Recommendation

Staff does not recommend the request. While staff recognizes chronic absenteeism is a significant problem and appreciates the Department’s focus on the issue, staff does not believe that the addition of 2.0 FTE at the state department is a crucial addition in the State’s current resource-constrained environment. Staff asked the Department if it would like budget adjustments to move staff from other units or sections to focus on this issue, but it did not see this option as viable given the other obligations of its staff.

Analysis

The request notes that chronic absenteeism, defined as a K-12 student missing 10.0 percent or more of school days for any reason, spiked during the pandemic and remained at 31.1 percent in FY 2022-23. Chronic absenteeism is significant across all grade levels, and the issue is particularly severe among certain groups such as multilingual learners (40.0 percent), students with individualized education plans (39.0 percent), and students qualifying for free/reduced priced lunch (43.0 percent). Student attendance has a significant relationship to student performance.

The Department’s draft Strategic Plan includes a goal to reduce chronic absenteeism among Colorado students by 50.0 percent from the peak, to 17.8 percent by FY 2026-27. Currently, the Department does not have a funded position to support student attendance and engagement efforts. The Department’s Dropout Prevention and Student Reengagement Office takes the lead on attendance-related work and administers three grant programs related to chronic absenteeism among high school students (Expelled and At-risk Student Services, Ninth Grade Success, and Student Re-engagement), but the focus of activities is not on attendance alone. The request indicates that the new staff would facilitate district learning cohorts and provide technical support for districts that are working on this problem; provide trainings and prepare training materials (e.g., video series and webinars) for districts; help expand other CDE units’ training activities to address this issue; develop a best-practice database; develop a statewide communications plan; enhance supports for districts that have won related competitive grants; and explore options for enhancing student voices in districts, which is also expected to reduce absenteeism.

JBC Staff agrees with the Department that:

- Absenteeism is a serious problem that should be addressed;
- Having staff dedicated to work on an issue can help focus attention on an issue.

If the State were not currently in a posture where it is seeking budget cuts, staff would likely recommend this request. However, at present staff will only recommend additions that appear critical. Staff does not believe this request falls within this classification.

- Chronic absenteeism is not an unfamiliar issue for school districts or one about which they are unaware;
- Best practices for addressing chronic absenteeism appear to be well researched, and there appear to be various toolkits and resources available on line;

- Because of Colorado’s high degree of local control, the Department’s primary role is to support school districts that are already seeking support. If a school district is already seeking support, staff anticipates that the Department will be able to help direct it to qualified consultants, without adding new department FTE.

→ R11 Reduce Career Advisor Training and Basic Skills Program [Legislation Recommended/Required]

Request

The request identifies two programs in this division that the Department indicates can be reduced without affecting services provided to districts: reducing the Colorado Career Advisor Training appropriation by \$500,000 General Fund and eliminating the \$50,000 State Education Fund appropriation for Basic Skills Placement.

Recommendation

- Staff recommends the request to eliminate the Basic Skills Placement program and appropriation. This requires a statutory change.
- Staff recommends eliminating the appropriation for the Colorado Career Advisor Training Program in FY 2024-25 and FY 2025-26, providing savings of \$1.0 million General Fund in FY 2024-25 and \$1.0 in FY 2025-26. *If the Committee wishes to retain and update the tools that were developed under this program, it is expected to cost approximately \$150,000 per year.* The staff recommendation reflects eliminating funding entirely in light of the small number of people who appear to be using the tools thus far, but the Department does believe the tools have value, and staff has some concerns about immediately abandoning tools on which the General Assembly has spent \$2.0 million.

Analysis

Career Advisor Training: In 2022, the legislature created the Colorado Career Advisor Training Program in S.B. 22-165 to support training for career advisors, including school counselors as well as workforce center, higher education, adult education, and nonprofit career advisors. The bill required an appropriation of \$1.0 million for FY 2022-23, and the fiscal note indicated that this amount was required ongoing. The Department indicates \$2.0 million in appropriations have been used thus far. The funding was used to develop an online self-paced “Meaningful Career Conversation” course, and several other short on-line tools for career advisors and advisees. Materials are at:

<https://www.cde.state.co.us/postsecondary/pwrplaybookmeaningfulcareerconversations>

<https://www.coloradocareeradvising.com/>

The legislative declaration creating the program noted the following:

- In 2019, as an education leadership council initiative, Colorado developed a first-in-the-nation model called the Colorado Career Conversations Training project to cross-train

career advisors across systems. As a result of COVID-19, funding for this project was interrupted.

- The past two years [2020 and 2021] have underscored the need for high-quality professional development and training to help existing career advisors be dynamic and understand the shifting landscape of our state and regional job needs and skills; and
- Program evaluations showed that the Colorado Career Conversations Training project resulted in a statewide expansion of highly trained career advisors focused on high-need sectors of the economy and built increased capacity for a more consistent and sustainable approach to career advising in Colorado as a model for the nation.

The Department indicates that with natural attrition in the field and the development of new advising tools, some ongoing funding is required to maintain the system if the General Assembly wishes to keep the tools current. However, the cost to maintain these supports is less than what was necessary for the initial creation of the training and tools.

In response to staff questions, the Department has stated:

- As of January 2025, 4,063 students and 3,506 adults have used the Colorado Career Advisor Training tool.
- Current projects were actually a no cost extension of 2023-24 funds, so it is possible the Department may be able to make the full \$1.0 million from the 2024-25 program year available. *Staff has proceeded on this assumption.*
- “The tools created do have value, in particular the Colorado Career Advising Tool. There would be maintenance costs associated with maintaining the tool, ~\$150K a year if we wanted to leave the tool mostly as-is, and would pay to maintain the site and upload annual updates to things such as the apprenticeship directory opportunities.”

Staff notes that the Department had anticipated that the balance of funds in this line item could be consolidated through a bill to implement the recommendations of the report that came from the Education-based workforce readiness bill (H.B. 24-1364) to consolidate a wide range of career readiness programs. However, staff has largely recommended that grant program cuts be included in the Long Bill and assumed the JBC will set aside funds as desired for a bill to fund student transitions and career pathway supports. In the case of this program, the total number of individuals benefiting from the program appears to be small.

Basic Skills Placement: Funding was initially authorized in the 2012 School Finance Act (HB12-1345) and was later revised in 2019. The appropriation is intended to offset the costs of administering the basic skills placement or assessment test for students in grades nine through twelve. The funding has not been utilized in over seven years, so the request would eliminate a \$50,000 appropriation that has reverted each year. Eliminating this appropriation requires a statutory change.

→ BA5 Eliminate Grant Programs (Accelerated College Opportunity Exam Fee Grant)

Request

As a budget balancing measure, the Department proposes eliminating the Accelerated College Opportunity Exam Fee Grant, providing savings of \$562,252 General Fund and 0.4 FTE reflecting the amount in that line item. This program subsidizes a portion of advanced placement (AP) exam fees on behalf of eligible low income students.

Recommendation

Staff recommends eliminating the program, as requested, but has increased the reduction by \$2,884 General Fund, to a total of \$565,136, reflecting the portion of costs for this program that were moved to the grants administration line item in FY 2024-25.

The program offers benefits to participating students and schools. However, as with many of the Department’s grant programs, it is not clear whether this is a type of benefit that should be distributed to particular schools and districts on a competitive basis or, conversely, whether offering such a benefit statewide is something the State can afford. The demand for the program is now such that the amount provided per student is quite small (less than \$30 in FY 2023-24, compared to the typical \$99 per exam cost for an AP exam).

Analysis

Program History: The General Assembly added this line item to the FY 2019-20 Long Bill to support the Advanced Placement Exam Fee Grant Program created in H.B. 18-1396 (Advanced Placement Exam Fee Grant Program). The program subsidizes a portion of advanced placement (AP) and international baccalaureate (IB) exam fees on behalf of eligible low income students. Schools must use the entire amount awarded through a competitive grant process to pay AP or IB exam fees. The General Assembly reduced the program by \$280,730 (50.0 percent) as a budget balancing measure for FY 2020-21 but restored it through S.B. 21-268 (Public School Finance).

Staff notes that students can earn college credit at Colorado public institutions with an AP exam score of 3 or above, but the credit is not guaranteed to apply to degree requirements.

Utilization: As reflected in the table below, program participation has grown rapidly. Since dollars have been fixed, this has greatly reduced the amount of support available per exam to \$30 per exam in FY 2023-24.

Accelerated College Opportunity Exam Prgrm Participation	FY 2022-23		FY 2023-24	
	Districts	Schools	AP exams	IB exams
Districts	13	33		
Schools	37	41		
AP exams	8,040	15,961		
IB exams	1,267	1,717		

→ Staff Initiated Eliminate Out-of-school Time Grant Program [Legislation Required]

Request

The Department did not request this reduction but indicates that the funds staff has identified as potential savings have not been expended.

Recommendation

Staff recommends eliminating a new program authorized in H.B. 24-1331 (Out-of-school Time Grant Program) before it launches, saving at least \$3.3 million General Fund in FY 2024-25 and \$3.5 million General Fund per year in FY 2025-26 and FY 2026-27 (\$10.3 million over the three years). Because statute requires appropriations of \$3.5 million per year for three years, a bill is required to eliminate the funding.

Based on the appropriations in the bill and the fiscal note, staff anticipates that, at a minimum, the grant funding, but not related administrative costs, could be eliminated for FY 2024-25, providing savings of \$3,312,292 General Fund. For FY 2025-26, a bill would eliminate the appropriation that must be included in the Long Bill under current law for a reduction of \$3,500,000 General Fund and 1.6 FTE.

Analysis

Key Considerations: This is a 3-year grant program that was created to award funds to non-profit organizations. The request for applications is live, with applications due December 5, 2024. Grants were anticipated to be awarded and active in May 2025. Thus, the General Assembly has an opportunity to redirect most of these funds before any awards are made, providing savings for FY 2024-25, FY 2025-26, and FY 2026-27. The Department has not made awards pending JBC action on this option.

Staff does not question the value of this program and recognizes that five of the six current JBC members were either prime sponsors or cosponsors on the bill. However, stopping a grant program before it launches is one of the less painful ways to reduce spending, and the amount of General Fund authorized for this program is significant.

Additional Background: H.B. 24-1331 created the Out-of-School Time program Grant Program, which awards grants to non-profit organizations that provide enrichment activities outside of school hours to students in primary and secondary schools. The bill requires the General Assembly to appropriate \$3.5 million annually between FY 2024-25 and FY 2026-27 to fund the grant program.

Non-profit organizations that wish to receive a grant must submit an application to the CDE. Organizations must provide evidence of their ability to provide education services in their application and the CDE must prioritize grant awards to organizations that are able to serve students who are English language learners and students who qualify for free and reduced lunch. Organizations that are awarded a grant must submit program outcomes data to the CDE,

including student identifiers and total hours of participation for students, no later than December 31, 2025 and each year thereafter. The CDE must annually submit a report to the legislature on program outcomes beginning in January 31, 2026. CDE must also conduct an evaluation of the grant program based on data that is received from grantees.

→ Staff Initiated Repeal ASCENT Program [Legislation Required]

Request

The Department did not request this reduction; however, on January 8, 2025 the State Board of Education approved a proposal to pursue legislation that would eliminate the Accelerating Students Through Concurrent Enrollment (ASCENT) program as part of a larger restructuring measure associated with the Postsecondary Workforce Readiness report prepared pursuant to H.B. 24-1364 and H.B. 24-1393 (ASCENT).¹⁷

Recommendation

- Staff recommends that the JBC sponsor legislation to eliminate the ASCENT program, providing savings of **\$20.8 million** from the State Education Fund in FY 2025-26. If the General Assembly prefers a phased approach (since students are already enrolling in the program for next year), it could reduce the rate reimbursement for the program in FY 2025-26 to \$7,104, the average for institution of higher education tuition, books and fees. This would save **\$6.7 million in FY 2025-26**. It could then eliminate the program effective FY 2026-27.
- If the JBC and General Assembly wish to support a more robust set of postsecondary workforce readiness program supports, **at least \$5.0 to \$10 million of the savings that result from eliminating ASCENT should be set aside as a placeholder for other legislation to restructure the postsecondary workforce incentive system for school districts**. ASCENT is by far the largest component of existing funding for postsecondary workforce readiness, so if all related funding is removed, the General Assembly's ability to support these initiatives through a new funding structure will be much more limited.

Analysis

Background: Students participating in the ASCENT program remain in high school for a fifth year, even if they have met their high school's graduation requirements. Their local education provider receives a payment from the State at the extended high school rate. This payment is used by the local education provider to pay a participating student's postsecondary tuition and

¹⁷ PWR Study: https://www.cde.state.co.us/postsecondary/slalom_pwrfinancialstudy-december2024. Financial model details available on this website: <https://www.cde.state.co.us/cdedepcom/requiredreports>. January 9, 2025 presentation to the State Board that resulted in State Board policy action: [https://go.boarddocs.com/co/cde/Board.nsf/files/DCFK3A4FDE3C/\\$file/01.25%20PWR%20Financial%20Study%20Presentation.pdf](https://go.boarddocs.com/co/cde/Board.nsf/files/DCFK3A4FDE3C/$file/01.25%20PWR%20Financial%20Study%20Presentation.pdf)

may also be used for other student-related costs, although data on these other expenditures has not been collected in the past.

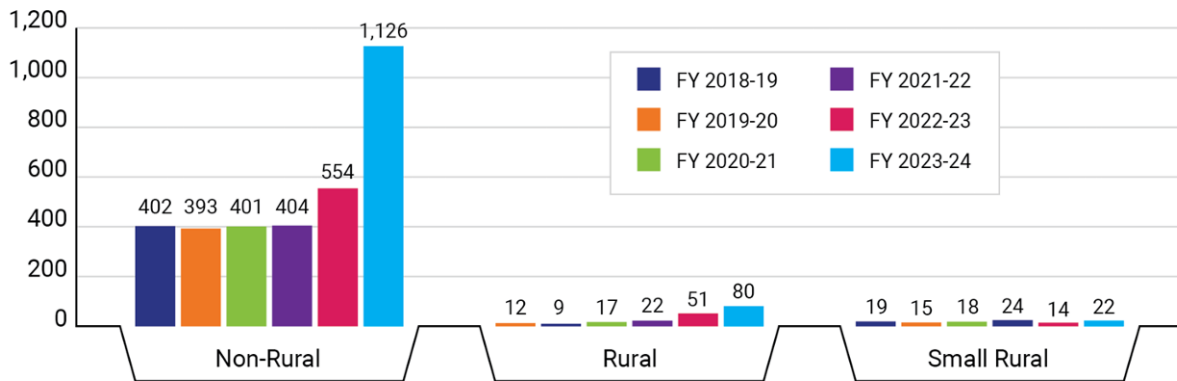
Program Costs:

- In FY 2021-22 and prior years, ASCENT was capped at 500 slots, a figure set in the Long Bill. Program growth was uncapped in H.B. 22-1390 (School Finance), resulting in a rapid increase in costs from **\$3.8 million in FY 2021-22** to \$17.1 million budgeted for FY 2024-25.
- In response, the JBC sponsored H.B. 24-1393, which capped program *enrollment* at the FY 2024-25 level and capped program *rates* at the FY 2023-24 level. Changes in H.B. 24-1448 eliminated the rate cap, although the enrollment cap (at FY 2024-25) remains in place.
- Enrollment for FY 2024-25 had been forecast at 1,666 during the 2024 legislative session, but school districts rapidly increased enrollment to 1,986 in FY 2024-25, requiring a \$2.0 million mid-year adjustment to fund the program in FY 2024-25.
- **ASCENT is anticipated to cost \$10,480 per student and serve just 1,968 students in FY 2025-26. The Legislative Council Staff forecast is that even with enrollment capped, the total program cost will increase to \$20,808,040 in FY 2025-26.**

Other Program Concerns:

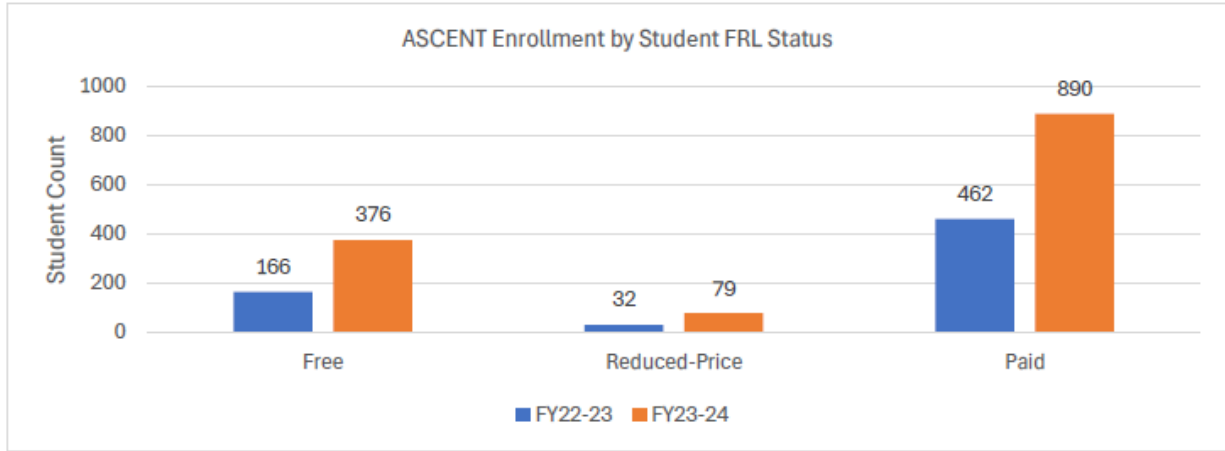
A study completed as required by the JBC’s ASCENT bill, H.B. 24-1393, highlighted many of the issues JBC staff had raised earlier and added some new concerns. As reflected in the report, reasons for reevaluating the program included:

- Providing over \$10,000 per student for about 2,000 students located in a limited number of districts is fundamentally inequitable, particularly when compared with the approximately \$25 million allocated for other CDE funded postsecondary workforce readiness grants and incentive programs that serve 282,903 students.
- ASCENT primarily serves non-rural areas, and that is where enrollment has grown.

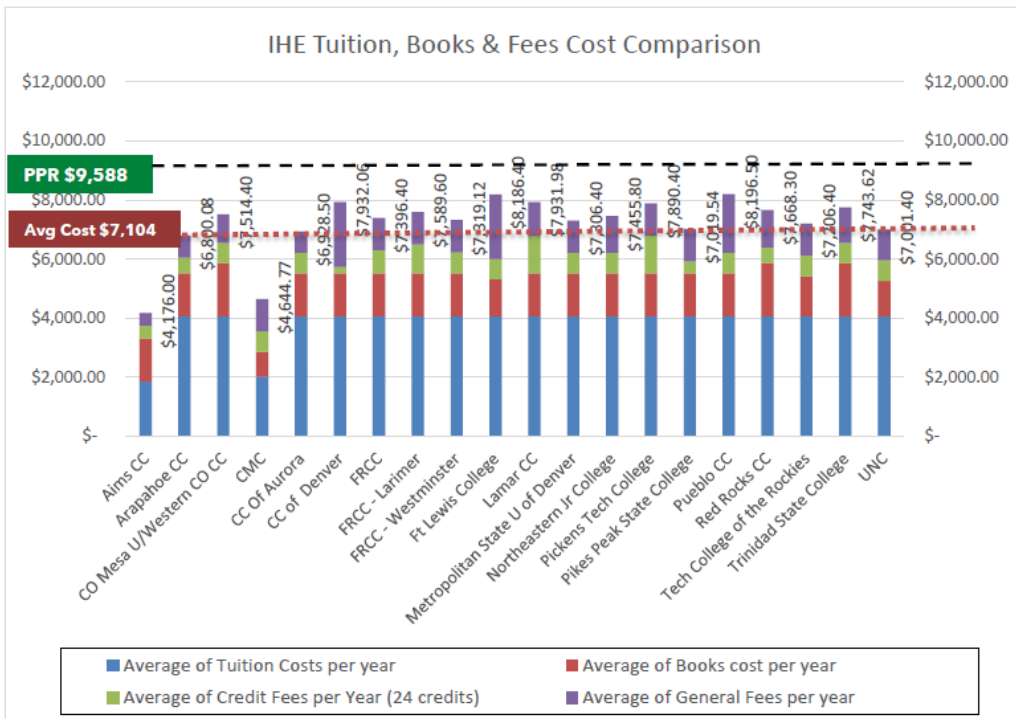


- Despite its financial investment, ASCENT lacks robust data demonstrating measurable outcomes.

- ASCENT does not have income-eligibility requirements. The vast majority of students are **not** eligible for free-and-reduced price meals (FRL). “Paid” in this chart denotes students ineligible for federal free-and-reduced price lunch.



- Funding provided per student for ASCENT significantly exceeds the outlays most school districts make for student tuition, books, and fees for ASCENT students enrolled at postsecondary institutions—and districts are not required to cover fees, textbooks, and material costs, though some choose to do so. As staff noted last year, the ASCENT rate was \$9,588 per student FTE in FY 2023-24, but even at a community college with high fees, such as the Community College of Denver, the cost for a full-time student to attend full time (30 credit hours) in FY 2023-24 was \$6,062 for mandatory tuition and fees.

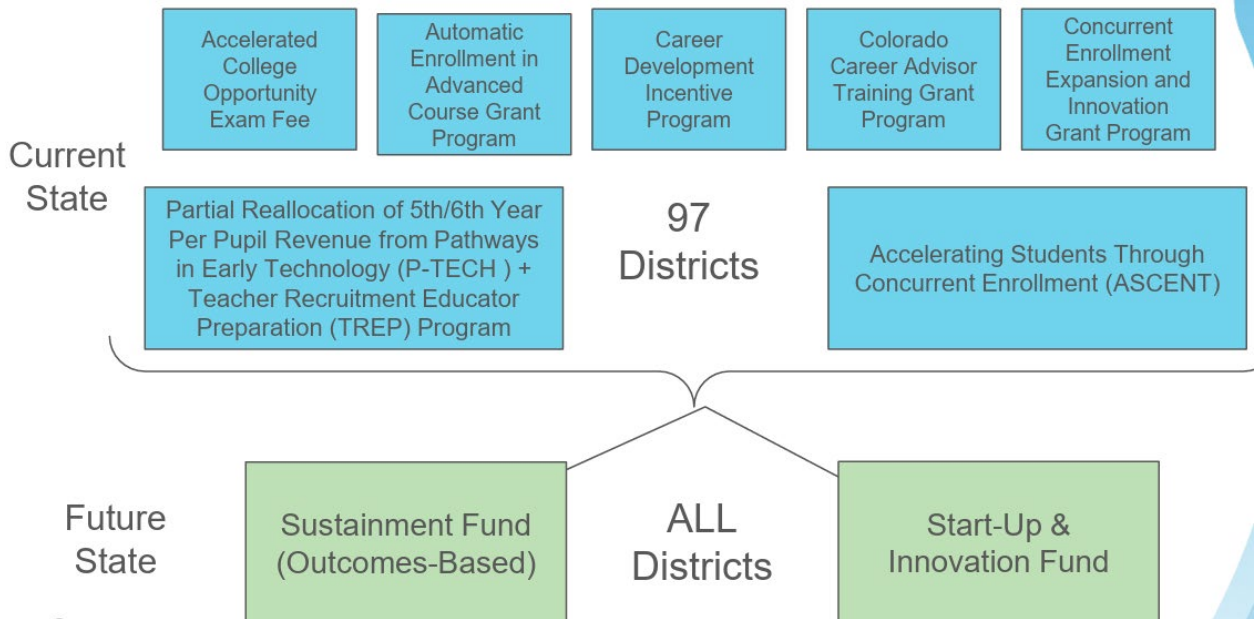


In addition to the above concerns, as JBC staff noted last year, a student who does qualify for free and reduced-price lunch may be eligible for a federal Pell grant *if* the student graduates from high school rather than participating in the ASCENT program. The maximum federal Pell grant for FY 2023-24 was \$7,395, which was sufficient to cover community college tuition and fees and some other costs. A student who has not graduated high school (such as those participating in ASCENT) cannot qualify for the Pell grant. ***State funding for the ASCENT program may therefore be substituting for federal and other sources of financial aid for some students.***

Possible Set-Aside for Separate Legislation

Based on the results of the study authorized in H.B. 24-1364, the State Board of Education has voted to proceed with its staff’s recommendation to pursue legislation to restructure the Postsecondary Workforce Readiness System. These recommendations, outlined in a presentation to the State Board of Education in January 2025¹⁸, included:

- Establish a Unified Umbrella Big Three PWR Funding Source. As reflected in the chart below, the proposal involves eliminating most existing postsecondary workforce readiness programs, including ASCENT and the Career Development Incentive Program (CDIP) and replacing them with a start-up fund and an outcomes-based sustainment fund.
- Eliminate ASCENT, using it to help fund the new “unified umbrella”.
- Modify the School Counselor Corps Grant Program. This is the only other postsecondary workforce-related program with significant financial resources.



¹⁸[https://go.boarddocs.com/co/cde/Board.nsf/files/DCFK3A4FDE3C/\\$file/01.25%20PWR%20Financial%20Study%20Presentation.pdf](https://go.boarddocs.com/co/cde/Board.nsf/files/DCFK3A4FDE3C/$file/01.25%20PWR%20Financial%20Study%20Presentation.pdf)

The estimated funding for the existing programs that would be consolidated, about \$35 million, is dominated by ASCENT. Staff notes that the figures are slightly outdated, but the scale is accurate. *JBC staff’s recommendations, discussed elsewhere in this packet, already eliminate over \$1.0 million of this funding, including funding for the Career Advisor Training Program and the Accelerated College Opportunity Exam Fee Grant Programs. If the JBC approves the staff recommendation to eliminate ASCENT, only about \$15.0 million will remain for a new “umbrella” program, unless the JBC wishes to set aside some of the savings from eliminating ASCENT.*

Program	Estimated Funding Available
Accelerated College Opportunity Exam Fee Grant Program	\$561,665
Accelerating Students through Concurrent Enrollment (ASCENT)	\$18,840,420
Auto Enrollment in Advanced Courses Grant (John W. Buckner)	\$246,276
Career Advisor Training Grant Program	\$500,000
Career Development Incentive Program (CDIP)	\$9,518,950
Concurrent Enrollment Expansion and Innovation Grant Program	\$1,476,948
Pathways in Technology Early College High School (P-TECH)*	\$1,106,352
Teacher Recruitment Education and Preparation (TREP)*	\$2,561,000
Total	\$34,811,611

i: HCPF Interagency Agreement

The following information is used to update the S.B. 97-101 Public School Health Services line item. **Committee approval of line item detail incorporates these adjustments.**

Background: Pursuant to Section 25.5-5-318, C.R.S. (S.B. 97-101), school districts, boards of cooperative educational services (BOCES), and state K-12 educational institutions are authorized to be reimbursed through Medicaid for health care services provided to Medicaid-eligible students. In order to do so, districts and BOCES must certify local expenditures on health care services in order to claim and receive federal Medicaid funding.

Most funding for this program is in the budget for the Department of Health Care Policy and Financing and includes federal funds and certified local matching funds. However, the Department of Education is responsible for providing technical assistance to districts in meeting administrative requirements and developing local service plans. Since FY 2006-07, the appropriation to the Department of Education has only reflected the federal Medicaid funds that are used by the Department of Education to administer the program. The table below shows the updates to these amounts anticipated for FY 2025-26.

HCPF Interagency Agreement		
Line Item	FY 2024-25	FY 2025-26 Estimate
S.B. 97-101 Public School Health Services	\$158,140	\$162,867
Indirect Costs (included in this line item)	24,512	25,245
Health, Life, and Dental	11,446	11,675
Short-term Disability	163	166
AED	5,379	5,487
SAED	5,379	5,487
Salary Survey	3,520	3,590
Total	\$208,269	\$214,517

i: Annualize K-5 Social Emotional Pilot Program

The staff recommendation, reflected in the line item detail, annualizes (eliminates) funding for the K-5 Social Emotional Pilot Program (Sections 22-102-101 through 108, C.R.S.). This provides savings of \$2,493,916 from the Marijuana Tax Cash Fund and 1.0 FTE in this section and an additional \$8,472 in the Grants Administration line item in the Management and Administration section. The Department included this funding in the request, which staff believes was a technical error.

This program was created by H.B. 19-1017 (K-5 Social and Emotional Health). The program was intended to place additional school mental health professionals (including school counselors, school psychologists, and school social workers) in elementary or K-8 schools that have high poverty and high student needs. Under the program, the Department was required to select no more than ten pilot schools to participate (and may select fewer than ten schools based on available resources). The legislation required participating schools to hire enough school mental health professionals to follow students as they advance through the school, with the intent that the school maintain a ratio of no more than 250 students per mental health professionals.

The bill authorized the pilot program for three years (FY 2020-21 through FY 2022-23), and this was subsequently amended to four school years. House Bill 20-1418 (Public School Finance) delayed implementation as a budget balancing measure, but funding from the Marijuana Tax Cash Fund and 1.0 FTE was then added in S.B. 21-268 (Public School Finance), making FY 2021-22 the first year of implementation. **As the program has been funded for four years (FY 2021-22 through FY 2024-25), the pilot is now ended. Staff has therefore eliminated funding for the program in the Long Bill recommendation.** This reduction was not included in the request as submitted.

i: Annualize High School Innovative Learning Pilot Program

The staff recommendation, reflected in the line item detail, annualizes (eliminates) funding for the High School Innovative Learning Pilot Program (Section 22-35.6-101 through 107, C.R.S.). This provides savings of \$348,583 General Fund and 0.6 FTE in this section and an additional \$5,573 General Fund in the Grants Administration line item in the Management and

Administration section. The Department included this funding in the request, which staff believes was a technical error.

The General Assembly created this program in S.B. 19-216 (High School Innovative Learning Pilot/ILOP) to increase innovative learning opportunities for high school students. Statutory provisions define innovative learning opportunities as activities that usually occur outside of the classroom and may include work-based learning, such as apprenticeships, competency-based learning projects, capstone projects, and other learning experiences. Under the bill, local education providers may propose an innovative learning plan that permits high school students to participate in innovative learning opportunities prior to graduation. Providers that the Department selects to participate in the pilot program may count students participating in those opportunities as full-time students for school finance purposes, regardless of the actual amount of instructional time or contact hours for which the student is enrolled.

If legislators wish to retain this program, a statutory change is required.

Line Item Detail

(A) Health and wellness

S.B. 97-101 Public School Health Services

Pursuant to Section 25.5-5-318, C.R.S. (S.B. 97-101), school districts, boards of cooperative educational services (BOCES), and state K-12 educational institutions are authorized to be reimbursed through Medicaid for health care services¹⁹ provided to Medicaid-eligible students. In order to do so, districts and BOCES must certify local expenditures on health care services in order to claim and receive federal Medicaid funding.

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

The Department of Health Care Policy and Financing is responsible for the Medicaid billing aspects of the program, including developing regulations and administrative guidelines for

¹⁹ Services for which districts may bill Medicaid include: targeted case management (e.g., time spent developing an individual education plan for a student eligible for special education services or a health care plan for a student with diabetes); direct services (e.g., providing services as mandated in a student's individual education plan); diagnostic services (e.g., a special education-related evaluation); and health encounters (e.g., a school nurse treating a student with a stomach ache).

submitting claims and contracting with individual districts. The Department of Education is responsible for providing technical assistance to districts in meeting administrative requirements and developing local service plans. Up to ten percent of the federal Medicaid funds that districts "earn" may be used to cover administrative costs incurred by the Department of Health Care Policy and Financing (DHCPF) and the Department of Education, and the remainder is paid directly to districts and BOCES for the provision of health care services.

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

Statutory Authority: Section 25.5-5-318, C.R.S.

Request/Recommendation: The Department requests a continuation appropriation. The staff recommendation includes a technical adjustment to reflect updated data described in the decision item section.

Student Pathways, Health and Wellness, S.B. 97-101 Public School Health Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$182,652	\$0	\$0	\$182,652	\$0	1.4
Total FY 2024-25	\$182,652	\$0	\$0	\$182,652	\$0	1.4
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$182,652	\$0	\$0	\$182,652	\$0	1.4
SI Technical adjustments	5,460	0	0	5,460	0	0.0
Annualize prior year budget action	0	0	0	0	0	0.0
Total FY 2025-26	\$188,112	\$0	\$0	\$188,112	\$0	1.4
Changes from FY 2024-25	\$5,460	\$0	\$0	\$5,460	\$0	0.0
Percentage Change	3.0%	n/a	n/a	3.0%	n/a	0.0%
FY 2025-26 Executive Request	\$182,652	\$0	\$0	\$182,652	\$0	1.4
Staff Rec. Above/-Below Request	\$5,460	\$0	\$0	\$5,460	\$0	0.0

Behavioral Health Care Professional Matching Grant Program

The General Assembly added this line item (as the School Health Professionals Grant Program) to the FY 2015-16 Long Bill to support a matching grant program authorized in S.B. 14-215 (Disposition of Legal Marijuana Related Revenue). Pursuant to Sections 22-96-101 through 105, C.R.S., the program is intended to enhance the presence of school health professionals (often school nurses) in secondary schools throughout the State to facilitate better screening, education, and referral care for secondary school students with substance abuse and other

behavioral health needs. Local education providers apply for grants under the program. As outlined in Section 22-96-103, C.R.S., the program is intended to provide funding for the following purposes:

- To increase the presence of school health professionals in secondary schools to provide behavioral health care to students who have mental health, substance use or misuse, or other behavioral health needs.
- To provide training and resources for school staff on the implementation of evidence-based programs for behavioral health education for all students.
- To allow school health professionals to connect students who need behavioral health care with services provided by community-based organizations for treatment and counseling.
- To provide behavioral health care services at recipient schools, including but not limited to screenings, counseling, therapy, referrals to community organizations, and training for students and staff on behavioral health issues.

In FY 2017-18, the General Assembly increased the appropriation by \$9,689,950 cash funds from the Marijuana Tax Cash Fund and 3.0 FTE (from \$2,280,833 and 1.0 FTE in FY 2016-17 to \$11,970,783 and 4.0 FTE in FY 2017-18). For FY 2019-20, S.B. 19-010 (Professional Behavioral Health Services for Schools) added \$3.0 million cash funds from the Marijuana Tax Cash Fund and 1.0 FTE, for a total appropriation of \$14,937,032 and 5.0 FTE in FY 2019-20. For FY 2020-21, the General Assembly reduced the appropriation by \$3.0 million as a budget balancing action, but \$3.0 million from the Marijuana Tax Cash Fund was restored in S.B. 21-268 (School Finance).

For FY 2022-23, the General Assembly added \$7,000,000 cash funds on a one-time basis from federal ARPA funds deposited to the Behavioral and Mental Health Cash Fund pursuant to S.B. 22-147 and H.B. 22-1243.

Statute restricts administrative costs to 3.0 percent of the annual appropriation to offset costs incurred in implementing the program.

Statutory Authority: Sections 22-96-101 through 105, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$14,984,818 cash funds from the Marijuana Tax Cash Fund and 5.0 FTE. This amount includes \$24,935 to annualize prior year salary survey and step pay.

Mental Health Education Resource Bank and Technical Assistance

The General Assembly added this line item to the FY 2020-21 Long Bill to support the mental health education resource bank required by H.B. 19-1120 (Youth Mental Health Education and Suicide Prevention). With assistance from the Office of Suicide Prevention and the Suicide Prevention Commission in the Department of Public Health and Environment, the bill requires the Department to create and maintain the resource bank. The resources must be available to elementary and secondary schools free of charge and must be available in both English and Spanish.

In addition, upon request, the bill requires the Department to provide technical assistance to a school district, charter school, or board of cooperative services in designing age-appropriate curricula pertaining to mental health. The bill included an appropriation of \$116,550 General Fund and 0.9 FTE for the Department of Education for FY 2019-20, including one-time costs that were eliminated in subsequent years.

Statutory Authority: Section 22-2-127.9, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$51,321 General Fund and 0.6 FTE for FY 2025-26, including \$2,245 to annualize prior year salary survey and step pay.

K-5 Social and Emotional Health Pilot Program

This line item was added in FY 2020-21 to support the K-5 Social and Emotional Health Pilot Program created by H.B. 19-1017 (K-5 Social and Emotional Health). The program was intended to place additional school mental health professionals (including school counselors, school psychologists, and school social workers) in elementary or K-8 schools that have high poverty and high student needs. The bill authorized the pilot program for three years (FY 2020-21 through FY 2022-23) unless the General Assembly extended the program. House Bill 20-1418 (Public School Finance) delayed implementation as a budget balancing measure and included modifications, including extending the repeal date to July 1, 2033.

Under the program, the Department is required to select no more than ten pilot schools to participate (and may select fewer than ten schools based on available resources). The legislation requires participating schools to hire enough school mental health professionals to follow students as they advance through the school, with the intent that the school maintain a ratio of no more than 250 students per mental health professional. It also requires the Department to adopt rules for the program, to employ or contract with a pilot program coordinator, and to contract for preliminary and final program evaluations. The legislation authorizes appropriations for the program from the Marijuana Tax Cash Fund.

Although funding for the program was not included in the FY 2021-22 Long Bill, \$2,500,000 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE was added in S.B. 21-268 (Public School Finance), making this the first year of implementation.

Statutory Authority: Sections 22-102-101 through 108, C.R.S.

Request/Recommendation: The Department requested \$2,493,916 from the Marijuana Tax Cash Fund and 1.0 FTE for this program.

Recommendation: As described earlier in this packet, the staff recommendation eliminates funding for the program, as FY 2024-25 represented the fourth and final year of program funding authorized under current law.

Menstrual Hygiene Product Accessibility Grant Program

Senate Bill 21-255 created the Menstrual Hygiene Product Accessibility Grant Program to provide menstrual hygiene products at no cost to students. Grant recipients must have at least

50.0 percent of students eligible for free or reduced price lunch. The bill requires the Department of Education to award grants in amounts that are proportionate to the number of students and restrooms in recipient schools, subject to available appropriation. House Bill 24-1164 (Free Menstrual Products to Students) increased funding in FY 2024-25 to \$200,000 General Fund for one year.

Statutory Authority: Section 22-2-147, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$100,000 General Fund, consistent with the original appropriation included in S.B. 21-255.

S.B. 24-048 Substance use Disorders Recovery Grant Pilot Program

House Bill 24-048 creates several programs to support substance use recovery. Among other components, the bill creates the Recovery School Grant Program in the Department of Education (CDE). The program awards recovery schools with grants to cover expenses related to assisting students with their sobriety. The Department must develop program rules and award grants by January 1, 2025. The bill appropriates \$50,000 to the department to implement the program in FY 2024-25 only, and the program repeals September 1, 2026. The bill also adds provisions to allow school districts to include in their pupil count a student who has transferred to a recovery high school before the pupil count date and provides a one-time appropriation to the Department to modify its existing data collection system. Funding in the Department of Education is anticipated in FY 2024-25 and FY 2025-26 only.

Statutory Authority: Section 22-1-146 and 22-54-103, C.R.S.

Request/Recommendation: The Department requests, and staff recommends an appropriation of \$25,011 General Fund and 0.2 FTE for FY 2025-26 for this line item, including a reduction of \$44,000 General Fund to reflect the second-year impact of this program.

(B) Dropout Prevention and Student Reengagement

House Bill 09-1243 [Section 22-14-101 et. seq., C.R.S.] created the Office of Dropout Prevention and Student Reengagement to collaborate with local education providers to reduce student dropout rates and to increase graduation rates. The Office's duties include:

- Analysis of student data related to dropout rates, completion rates, truancy, suspension and expulsion rates, safety and discipline incidents, and student growth.
- Coordination of departmental efforts and initiatives to address dropout prevention, student reengagement, and adult education.
- Identification of best practices and strategies to reduce dropout rates and increase student engagement and reengagement.
- Securing and managing resources to fund services and supports.

The Department received a five-year competitive grant award of \$14.1 million through the U.S. Department of Education's High School Graduation Initiative Program to begin in FY 2010-11 (the Department spent the funds from FY 2010-11 through September 2016). The Department used these funds to partner with high needs high schools to: develop sustainable, replicable

models for dropout prevention and recovery; improve interim indicators; reduce the dropout rate; increase the student re-engagement rate; and increase the graduation rate for high school students.

The Office currently works in three main areas that are supported by both state and federal funds:

- Administers competitive grants, including state grants reflected in this section and the federal Expelled and At Risk Student Services grant, which is included in the Appropriated Sponsored Programs line item in the School District Operations section.
- In collaboration with the Department’s data team, supports the collection and sharing of data related to student engagement, dropout, and graduation.
- Develops tools, resources, and other supports to accelerate school and district efforts to improve student engagement, re-engagement, dropout, and graduation rates.

Dropout Prevention

This line item includes \$2.0 million cash funds from the Marijuana Tax Cash Fund and related FTE to support the Student Re-engagement Grant Program created in H.B. 09-1243, which provides competitive multi-year (up to three-year) grants to school districts and charter schools to provide educational services and supports to students to maintain student engagement and support re-engagement. (A previous version of this line item (in place through FY 2022-23) supported both the Student Re-Engagement Program and the Educational Stability Grant Program. The Educational Stability Grant Program is now funded in a separate line item.)

Statutory Authority: Section 22-14-109, C.R.S.

Request/Recommendation: The Department requests an appropriation of \$2,359,590, including \$2,005,329 cash funds from the Marijuana Tax Cash Fund and \$354,261 General Fund and 3.0 FTE. The General Fund and 2.0 FTE are requested through the Department’s R5 request. As previously discussed, staff does not recommend the additional funding or FTE requested for R5. The staff recommendation, like the request, includes annualization of prior year salary and step pay.

Student Pathways, Dropout Prevention and Student Reengagement, Dropout Prevention						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$2,002,857	\$0	\$2,002,857	\$0	\$0	1.0
Total FY 2024-25	\$2,002,857	\$0	\$2,002,857	\$0	\$0	1.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$2,002,857	\$0	\$2,002,857	\$0	\$0	1.0
Annualize prior year budget action	2,472	0	2,472	0	0	0.0
R5 Student engagement	0	0	0	0	0	0.0
Total FY 2025-26	\$2,005,329	\$0	\$2,005,329	\$0	\$0	1.0

Changes from FY 2024-25	\$2,472	\$0	\$2,472	\$0	\$0	0.0
Percentage Change	0.1%	n/a	0.1%	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$2,359,590	\$354,261	\$2,005,329	\$0	\$0	3.0
Staff Rec. Above/-Below Request	-\$354,261	-\$354,261	\$0	\$0	\$0	-2.0

Ninth Grade Success Grant Program

This line item supports the Ninth Grade Success Grant Program. Senate Bill 19-246 (School Finance) created the Ninth Grade Success Program to provide grants to local education providers to establish ninth grade success programs. Under the bill, programs must include the following components:

- Establishing a cross-disciplinary team of all ninth grade teachers and support staff, including at least one school mental health professional to identify strategies to improve outcomes for students at risk of dropping out.
- Ensuring that ninth grade classes are taught by a single group of teachers, if practicable.
- Implementing a data system that provides real-time access to student behavior, attendance, and grades, as well as the ability to compare data across student groups.
- Prioritizing services, and providing instructional support, for ninth graders at risk of academic failure.
- Ensuring that school personnel receive data on incoming ninth graders and that teachers receive professional development regarding the use of data to inform instruction.
- Providing summer orientation for incoming ninth graders and their families.
- Evaluation of the impact of interventions provided through the program.

Senate Bill 19-246 included an appropriation of \$800,000 General Fund and 0.6 FTE to support the program in FY 2019-20. However, the General Assembly eliminated the appropriation for the program for FY 2020-21 as a budget balancing measure in response to the revenue shortfalls associated with the COVID-19 pandemic. Funding of \$800,000 General Fund and 0.6 FTE was restored for FY 2021-22 through S.B. 21-268 (Public School Finance).

House Bill 23-1231 (Math in Pre-K) added one-time funding of \$1,600,000 General Fund and 1.2 FTE for the program in FY 2023-24 and added requirements that the Department and State Board prioritize grant applicants that:

- Propose programming focused on evidence-informed math skills, and intervention and acceleration strategies; and
- Have academic achievement levels that are consistent ranked lowest for public high schools in the State.

The bill also restricted administrative costs to 5.0 percent of state funds.

House Bill 24-1282 (Ninth grade success grant and performance reporting) eliminated the program's July 1, 2025 repeal date and added new reporting requirements. The bill eliminated the \$0.8 million General Fund appropriation that had been included in the Long Bill. In lieu of this, it added a statutory provision requiring an annual appropriation of \$2.0 million from the State Education Fund through FY 2027-28. The bill appropriated that amount from the State

Education Fund for FY 2024-25, including \$74,950 for information technology services and the balance of \$1,925,050 and 1.0 in this line item.

Statutory Authority: Section 22-14-109.5, C.R.S.

Request/Recommendation: Staff recommends \$2,007,458 cash funds from the State Education Fund and 1.4 FTE. Both the request and recommendation include relocating \$74,950 cash funds from the Information Technology Services line item, where the funds were required for one-time changes to the data collection system, to this line item. Both the request and recommendation also include \$7,458 to annualize prior year salary and step pay. The difference between the request and recommendation is that because other funding for this line item is now from the State Education Fund, staff has modified the funding source for prior year salary survey and step pay so it is also from the State Education Fund.

Student Pathways, Dropout Prevention and Student Reengagement, Ninth Grade Success Grant Program						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$1,925,050	\$0	\$1,925,050	\$0	\$0	1.4
Total FY 2024-25	\$1,925,050	\$0	\$1,925,050	\$0	\$0	1.4
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,925,050	\$0	\$1,925,050	\$0	\$0	1.4
Annualize prior year legislation	74,950	0	74,950	0	0	0.0
Annualize prior year budget action	7,458	7,458	0	0	0	0.0
SI Technical adjustments	0	-7,458	7,458	0	0	0.0
Total FY 2025-26	\$2,007,458	\$0	\$2,007,458	\$0	\$0	1.4
Changes from FY 2024-25	\$82,408	\$0	\$82,408	\$0	\$0	0.0
Percentage Change	4.3%	n/a	4.3%	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$2,007,458	\$7,458	\$2,000,000	\$0	\$0	1.4
Staff Rec. Above/-Below Request	\$0	-\$7,458	\$7,458	\$0	\$0	0.0

Supports for Foster Care Students (H.B. 22-1374)

House Bill 22-1374 created the Fostering Educational Opportunities for Youth in Foster Care program in the Department of Human Services, and modified Department of Education training and reporting requirements related to foster youth educational attainment. The bill required the Department of Education to identify goals for improving foster youth educational attainment and expands annual education reporting requirements related to foster youth. The new responsibilities include providing training for new child welfare education liaisons and county department of human services caseworkers; updates to foster education data collection, reporting requirements, and sharing agreements; and annual reporting on the Department’s website and to the General Assembly concerning students in out-of-home placement.

Statutory Authority: Section 22-32-138, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$72,316 General Fund for this line item, including \$3,069 to annualize prior year salary survey and step pay, and 0.4 FTE.

Educational Stability Grant

The Educational Stability Grant Program was established in H.B. 18-1306 (Improving Educational Stability for Foster Youth). Beginning in FY 2019-20, H.B. 18-1306 requires the Department to provide grants to local education providers to provide services to students in foster care and other highly mobile students. The Legislative Council Staff Fiscal Note for H.B. 18-1306 anticipated \$1.0 million in annual expenditures for the Department starting in FY 2019-20 and a need for 2.0 FTE. Following a Department reorganization, 3.0 FTE were reflected in the FY 2023-24 Long Bill.

Statutory Authority: Section 22-32-138, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$1,035,679 General Fund for this line item, including \$5,094 to annualize prior year salary survey and step pay.

H.B. 23-1231 Colorado Academic Accelerator Grant program

House Bill 23-1231 (Math in Pre-K-12th Grade) created the Colorado Academic Accelerator Grant Program to create community learning centers that provide free academic enrichment and support activities to help students in science, technology, and math. Eligible grant recipients may include local education providers, community-based organizations, Indian tribes, or a public-private entity. The bill required an appropriation to the Department of Education of \$25.0 million for the program with continuous spending authority through FY 2026-27. The Department may use up to 5.0 percent for monitoring and evaluation programs, including a required contract with a third-party evaluator.

Statutory Authority: Section 22-2-146.6, C.R.S.

Request/Recommendation: The Department did not request, and staff does not recommend, an appropriation for this line item for FY 2025-26. The \$25.0 million previously appropriated will be spent over multiple years.

H.B. 24-1216 Supports for Youth in Juvenile Justice System

The bill establishes rights for justice-engaged students, requires the state and local school districts to provide certain support to these students, and encourages courts to delay sentences to commitment to the Division of Youth Services in the Department of Human Services.

In FY 2024-25, the Department of Education is responsible for leading a working group to make recommendations on identifying and collecting data on the number of justice-engaged students

and providing a liaison to work with justice-involved students. The bill provides an appropriation of \$82,883 General Fund and 0.1 FTE for the Department for FY 2024-25.

In FY 2025-26, the Department is anticipated to require appropriations to support 0.5 FTE for a liaison for justice involved students, a position that will continue in subsequent years, as well as temporary appropriations for 0.3 FTE to develop guidance for local education providers and to issue an RFP for a statewide hotline. In FY 2026-27 and subsequent years, the Department is anticipated to require funding to contract for the hotline for justice-involved students (\$50,000) and to support a 0.5 FTE liaison for justice-involved students.

Statutory Authority: Section 22-108-103 through 109, C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below. The request for the Department for FY 2025-26 aligns with the bill’s fiscal note.

Student Pathways, Dropout Prevention and Student Reengagement, H.B. 24-1216 Supports for youth in juvenile justice system						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$82,883	\$82,883	\$0	\$0	\$0	0.1
Total FY 2024-25	\$82,883	\$82,883	\$0	\$0	\$0	0.1
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$82,883	\$82,883	\$0	\$0	\$0	0.1
Annualize prior year legislation	9,479	9,479	0	0	0	0.7
Total FY 2025-26	\$92,362	\$92,362	\$0	\$0	\$0	0.8
Changes from FY 2024-25	\$9,479	\$9,479	\$0	\$0	\$0	0.7
Percentage Change	11.4%	11.4%	n/a	n/a	n/a	700.0%
FY 2025-26 Executive Request	\$92,362	\$92,362	\$0	\$0	\$0	0.8
Staff Rec. Above-/Below Request	\$0	\$0	\$0	\$0	\$0	0.0

H.B. 24-1331 Out-of-School Time Grant Program

H.B. 24-1331 created the Out-of-School Time program Grant Program, which awards grants to non-profit organizations that provide enrichment activities outside of school hours to students in primary and secondary schools. The bill requires the General Assembly to appropriate \$3.5 million annually between FY 2024-25 and FY 2026-27 to fund the grant program.

Non-profit organizations that wish to receive a grant must submit an application to the CDE. Organizations must provide evidence of their ability to provide education services in their application and the CDE must prioritize grant awards to organizations that are able to serve students who are English language learners and students who qualify for free and reduced lunch. Organizations that are awarded a grant must submit program outcomes data to the CDE, including student identifiers and total hours of participation for students, no later than December 31, 2025 and each year thereafter. The CDE must annually submit a report to the

legislature on program outcomes beginning in January 31, 2026. CDE must also conduct an evaluation of the grant program based on data that is received from grantees.

In addition to the appropriation in this line item, an appropriation of \$38,021 General Fund and 0.4 FTE is included in the Department’s Grants Administration line item, so that a total appropriation of \$3,500,000 General Fund is provided.

Statutory Authority: Section 22-105.5-101 through 106, C.R.S.

Request/Recommendation: The request and recommendation in this line item is for \$3,461,979 General Fund and 1.4 FTE. This includes the addition of \$45,530 General Fund and 0.1 FTE, offsetting amounts that are reduced in the Grants Administration and Information Technology Services line items. As discussed elsewhere in this packet, staff recommends eliminating this program and recapturing related appropriations from FY 2024-25 and FY 2025-26. However, this will require a change to current law and thus is not reflected in the Long Bill recommendation.

Student Pathways, Dropout Prevention and Student Reengagement, H.B. 24-1331 Out-of-School Time Grant Program						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$3,416,449	\$3,416,449	\$0	\$0	\$0	1.3
Total FY 2024-25	\$3,416,449	\$3,416,449	\$0	\$0	\$0	1.3
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$3,416,449	\$3,416,449	\$0	\$0	\$0	1.3
Annualize prior year legislation	45,530	45,530	0	0	0	0.1
Total FY 2025-26	\$3,461,979	\$3,461,979	\$0	\$0	\$0	1.4
Changes from FY 2024-25	\$45,530	\$45,530	\$0	\$0	\$0	0.1
Percentage Change	1.3%	1.3%	n/a	n/a	n/a	7.7%
FY 2025-26 Executive Request	\$3,461,979	\$3,461,979	\$0	\$0	\$0	1.4
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Homeless Student Scholarship Program

House Bill 24-1403 (Higher Education Support Homeless Youth) creates the Financial Assistance Program for Students Experiencing Homelessness in the Department of Higher Education (DHE). Beginning in the 2024-25 academic year, public institutions of higher education must provide financial assistance to qualifying students for the remaining balance of the student’s total cost of attendance, minus financial aid received for the student’s first 132 semester hours. By December 1, 2024, and each December thereafter, school districts must provide the Department of Education with data identifying prospective qualifying students. By January 2, 2025, and each January 2 thereafter CDE must provide the school district data to DHE. This bill

included an appropriation of \$26,055 General Fund and 0.2 FTE to the Department of Education for this function.

Statutory Authority: Section 22-33-103.5, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$26,632 General Fund and 0.2 FTE for FY 2025-26 consistent with the fiscal note for H.B. 24-1403.

(C) Career Readiness

Career Development Success Program

The General Assembly created the Career Development Success Pilot Program in H.B. 16-1289 (Incentives to Complete Career Development Courses). The bill established the program on a pilot basis, for FY 2017-18 and FY 2018-19, to provide financial incentives for participating school districts and charter schools to encourage high school students to enroll in and successfully complete qualified industry certificate programs, internship or pre-apprenticeship programs, and advanced placement courses in computer science. Beginning in FY 2017-18, the bill authorized participating districts and charter schools to receive up to \$1,000 for each pupil who, in the preceding fiscal year, successfully completed a qualified program.

The bill required the General Assembly to appropriate \$1.0 million annually for incentive payments in FY 2017-18 and FY 2018-19. The General Assembly approved an increase of \$1.0 million General Fund (for a total of \$2.0 million) for FY 2018-19 and an additional increase of \$3.0 million (for a total of \$5.0 million) for FY 2019-20. In FY 2019-20, the General Assembly also added a footnote specifying that \$200,000 of the total funding was to be used for activities other than direct incentives. For FY 2020-21, the General Assembly reduced the appropriation to \$4.5 million General Fund as a budget balancing measure.

For FY 2021-22, the Long Bill included \$4,520,000 General Fund. Senate Bill 21-268 (Public School Finance) added \$1,750,000 from the Workers, Employers, and Workforce Centers Cash Fund from money originating as federal Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act (ARPA funds), for a total of \$6,270,000. After it was determined that the \$1.75 million in additional funds could not be expended in a manner required by federal rules, the JBC included a provision in the supplemental bill for the Department of Education to change the source of the funds to General Fund deposited in the Workers, Employers, and Workforce Centers Cash Fund.

Senate Bill 23-065 (Career Development Success Program) added an additional \$5,000,000 General Fund for FY 2023-24 and ongoing and modified statutory provisions to require an annual minimum appropriation of \$9,500,000 General Fund for the program, among other changes. For FY 2023-24 only, the bill required that the additional \$5.0 million be used, first, to double incentives at school districts that adopted certain graduation requirements, with any balance available for the regular outcomes incentive program.

Statutory Authority: Section 22-54-138, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$9,521,670 General Fund, including an increase of \$2,720 to annualize prior year salary survey and step pay. Staff notes that the Postsecondary Workforce Readiness report prepared pursuant to H.B. 24-1364 (Education-based Workforce Readiness) recommends that funding currently appropriated for this program be incorporated in a restructured system of postsecondary workforce readiness incentives. This would require statutory change.

College and Career Readiness

The General Assembly added this line item to the FY 2014-15 Long Bill to provide additional technical assistance associated with college and career readiness reforms. Specifically, the Department requested the creation of the line item to increase assistance related to individual career and academic plans (ICAPs), new statewide graduation guidelines, concurrent enrollment programs, and the implementation of school and district innovation status.

Senate Bill 19-176 (Expanding Concurrent Enrollment Opportunities) modified concurrent enrollment programs and requirements and requires the Department to provide support to local education providers and to develop a website providing information on concurrent enrollment requirements. For FY 2019-20, the bill appropriated \$44,916 and 0.5 FTE to the College and Career Readiness line item to support those efforts, with the majority of that funding continuing in subsequent years. H.B. 22-1215 (Study of Extended High School Programs) added \$89,123 and 0.2 FTE for a facilitated work group to study extended high school programs in FY 2022-23 and FY 2023-24 only. H.B. 22-1390 (School Finance) added \$43,113 for a 0.5 FTE position related to statutory changes that uncap the ASCENT program.

Statutory Authority: Section 22-2-136, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$369,125 General Fund and 3.2 FTE, including an increase of \$14,536 General Fund to annualize prior year salary survey and step pay.

Concurrent Enrollment Expansion And Innovation Grant Program

The Concurrent Enrollment Expansion and Innovation Grant Program was created in S.B. 19-176 (Expanding Concurrent Enrollment Opportunities). Senate Bill 19-176 requires each local education provider that enrolls students in grades 9-12 to provide concurrent enrollment opportunities (which may include coursework related to apprenticeship programs or internship programs) for qualified students beginning in the FY 2020-21 school year. The bill created the Concurrent Enrollment Expansion and Innovation Grant Program to support the creation and expansion of concurrent enrollment opportunities through partnerships between local education providers and institutions of higher education. Grants may be used to:

- Assist teachers with the cost of obtaining a graduate degree that allows the teacher to teach a postsecondary course.
- Cover the cost of books, supplies, fees, and transportation.
- Purchase technology to share data and streamline the enrollment process.

- Provide services, support, and coordination resources for local education providers and institutions of higher education.

For FY 2019-20, the bill appropriated \$1.5 million cash funds from the Marijuana Tax Cash Fund for the grant program. While the Committee had initially approved an increase of \$1.0 million General Fund for FY 2020-21 (based on a decision item), that increase was eliminated as a budget balancing measure for FY 2020-21 and the appropriation continued at \$1.5 million cash funds from Marijuana Tax Cash Fund. For FY 2021-22, the Long Bill included \$1.5 million cash funds from the Marijuana Tax Cash Fund and this was increased in S.B. 21-268 (Public School Finance) by \$1,750,000 cash fund from the Workers, Employers, and Workforce Centers Cash Fund from money originating as federal Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act (ARPA funds). Because the Department was unable to fully expend the FY 2021-22 increase during the fiscal year, the JBC added a footnote through the supplemental appropriation bill for the Department of Education that allowed unexpended funds to roll forward for expenditure in FY 2022-23. This money was still not fully expended at the end of FY 2022-23.

Statutory Authority: Section 22-35-114, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuing level appropriation of \$1,476,948 cash funds from the Marijuana Tax Cash Fund for FY 2025-26.

Accelerated College Opportunity Exam Fee Grant Program

The General Assembly added this line item to the FY 2019-20 Long Bill to support the Advanced Placement Exam Fee Grant Program created in H.B. 18-1396 (Advanced Placement Exam Fee Grant Program). The program subsidizes a portion of advanced placement (AP) exam fees on behalf of eligible low income students. Schools must use the entire amount awarded through a competitive grant process to pay AP exam fees. House Bill 18-1396 appropriated \$554,869 General Fund and 0.3 FTE to the Department for FY 2018-19. House Bill 19-1222 modified the program to include International Baccalaureate (IB) exam fees in addition to AP fees.

The line item was renamed the Accelerated College Opportunity Exam Fee Program in the FY 2020-21 Long Bill to align with changes in H.B. 19-1222.

The General Assembly reduced the program by \$280,730 (50.0 percent) as a budget balancing measure for FY 2020-21. The reduction was continued in the FY 2021-22 Long Bill, but FY 2021-22 funding was fully restored through S.B. 21-268 (Public School Finance).

Statutory Authority: Section 22-95.5-102, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, eliminating the appropriation for this program as reflected in the table below.

Student Pathways, Career Readiness, Accelerated College Opportunity Exam Fee Grant						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$561,665	\$561,665	\$0	\$0	\$0	0.4

Student Pathways, Career Readiness, Accelerated College Opportunity Exam Fee Grant						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total FY 2024-25	\$561,665	\$561,665	\$0	\$0	\$0	0.4
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$561,665	\$561,665	\$0	\$0	\$0	0.4
Annualize prior year budget action	587	587	0	0	0	0.0
BA5 Eliminate grant programs	-562,252	-562,252	0	0	0	-0.4
Total FY 2025-26	\$0	\$0	\$0	\$0	\$0	0.0
Changes from FY 2024-25	-\$561,665	-\$561,665	\$0	\$0	\$0	-0.4
Percentage Change	-100.0%	-100.0%	n/a	n/a	n/a	-100.0%
FY 2025-26 Executive Request	\$0	\$0	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

School Counselor Corps Grant Program

Established in 2008 [Section 22-91-101, *et seq.*, C.R.S.], this competitive grant program provides grants to school districts, boards of cooperative services, and charter schools to increase the availability of effective school-based counseling within middle and secondary schools. The stated goal of the program is to increase the state graduation rate and to increase the percentage of students who appropriately prepare for, apply to, and continue into postsecondary education. Subject to available appropriations, the State Board awards three-year grants based on statutory criteria²⁰. The State Board is required to give priority to schools at which the dropout rate exceeds the statewide average and/or the percentage of students eligible for free and reduced lunch exceed the statewide average. The Department is authorized to expend up to 2.0 percent of moneys annually appropriated for the Program to offset the costs incurred in implementing the program. This program is subject to available appropriations.

The General Assembly appropriated \$5.0 million cash funds from the State Education Fund annually for the first four years of the program’s operation (FY 2010-11 through FY 2013-14).

The Department made significant changes to the program for FY 2013-14, including: (1) providing limited funding for the first year of the grant to support planning; (2) requiring

²⁰ These criteria include: the school’s dropout rate, the percentage of students eligible for free or reduced price lunch, the percentage of students who graduate and enroll in postsecondary education within two years after graduating high school, whether the applicant has adopted or has committed to adopt national standards for school counselor responsibilities, and the likelihood that the recipient will continue to fund the increased level of school counseling services following the expiration of the grant.

reporting at the end of the planning year and using that reporting to determine whether to continue funding; (3) eliminating repeat funding for individual schools; and (4) increasing annual reporting and accountability required of grant recipients. The General Assembly increased the appropriation by \$3.0 million (to a total of \$8.0 million) cash funds in FY 2014-15 and added \$2.0 million more (to a total of \$10.0 million) in FY 2015-16.

Beginning in FY 2019-20, H.B. 19-1187 appropriated \$250,000 General Fund to this line item to assist students and families with completing state and federal financial aid applications. The bill required the General Assembly to appropriate \$250,000 per year for FY 2019-20, FY 2020-21, and FY 2021-22 and required the State Board of Education to distribute the appropriated funds to local education providers that receive a school counselor corps grant. This funding was provided in FY 2019-20, FY 2021-22, and FY 2022-23, with a temporary suspension in FY 2020-21 which was authorized in statute due to pandemic budget-balancing. Related statutory provisions repealed July 1, 2023.

In the FY 2021-22 School Finance Act (S.B. 21-268) the General Assembly removed the statutory cap of \$10.0 million on appropriations for the School Counselor Corps Grant program and increased the appropriation by \$2,000,000 from the State Education Fund for FY 2021-22.

Statutory Authority: Section 22-91-101, et seq., C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$12,029,506 cash funds from the State Education Fund and 2.0 FTE for FY 2025-26. This includes an increase of \$22,016 from the State Education Fund to annualize prior year salary survey and step pay. Staff notes that the State Board of Education is recommending some modifications to the program based in part on the results of the H.B. 24-1364 Postsecondary Workforce Readiness study. Any changes will require statutory modification.

Fourth-year Innovation Pilot Program - Distributions to LEPs

The Fourth-year Innovation Pilot Program (known as Path4ward) was created in S.B. 21-106 (Concerning Successful High School Transitions). Although the program was created in the Department of Higher Education, the Department of Education has related statutory responsibilities. The program provides state funding for low-income students who graduate early from high school to use for postsecondary education and also provides incentives to the local education providers (LEPs) that graduate these students early. The bill was initially limited to five local education providers or group of providers, with the first cohort of graduates graduating early during FY 2021-22 and the last graduating during FY 2025-26. Senate Bill 22-140 eliminated the provision that limited the program to five local education providers without otherwise changing the program. The program repeals on December 31, 2027.

Statute specifies that eligible students who graduate prior to their fourth year of high school will receive the greater of 75.0 percent of the state share of FY 2021-22 average per pupil funding (as calculated in the 2021 legislative session) or \$3,500 toward an eligible postsecondary program (includes certification and other training programs, as well as degrees at state public higher education institutions), and students who graduate prior to the second semester of their fourth year of high school will receive the greater of 45.0 percent of state

share of FY 2021-22 average per pupil funding (as calculated in the 2021 legislative session) or \$2,000 toward an eligible postsecondary program.. The final amounts are \$4,113 going to a scholarship for a student graduating a year early, which is reduced to \$2,468 for a student graduating a semester early. Scholarship amounts are managed by the Department of Higher Education. Students must begin postsecondary training within 18 months of graduation. The Department of Higher Education must report forfeited funding to the Treasurer at the end of the a fiscal year, which is then transferred to the General Fund.

A local education provider which graduates a student before their fourth year of high school receives 25 percent of the state share of FY 2021-22 average per pupil funding as calculated in the 2021 legislative session (\$1,378). The incentives for districts are distributed by the Department of Education.

House Bill 24-1392 (Cap Schools in Early High School Graduation Pilot), a JBC bill, limited pilot program participation to local education providers, groups of providers, and schools participating in the FY 2023-24 school year but did not cap the number of students. School districts were expected to receive incentive funding in FY 2024-25 for 282 students who graduated early in FY 2023-24. The majority of program enrollment was in the Greely-Evans school district.

Statutory Authority: Section 23-3.3-1301 et. seq., C.R.S.

Request/Recommendation: The Department of Education requested, and staff recommends, continuation funding of \$386,659 General Fund for distributions to local education providers for the Fourth-year Innovation Pilot Program. Staff has requested, but not received, an update on program enrollment from the Department of Higher Education.

High School Innovative Learning Pilot Program

The General Assembly created this program in S.B. 19-216 (High School Innovative Learning Pilot/ILOP) to increase innovative learning opportunities for high school students. Statutory provisions define innovative learning opportunities as activities that usually occur outside of the classroom and may include work-based learning, such as apprenticeships, competency-based learning projects, capstone projects, and other learning experiences. Under the bill, local education providers may propose an innovative learning plan that permits high school students to participate in innovative learning opportunities prior to graduation. Providers that the Department selects to participate in the pilot program may count students participating in those opportunities as full-time students for school finance purposes, regardless of the actual amount of instructional time or contact hours for which the student is enrolled.

The bill required the State Board of Education to adopt rules for the program, including application requirements and timelines, and included criteria for the selection of pilot program participants. Local education providers could submit applications to the Department in FY 2019-20, with participation actually beginning in FY 2020-21. The bill included an appropriation of \$129,563 General Fund and 0.3 FTE for FY 2019-20, and funding at a similar level was continued in FY 2020-21.

For FY 2021-22, the Long Bill included \$127,095 and 0.3 FTE, but this amount was increased by \$220,115 and 0.3 FTE in S.B. 21-106 (Concerning Successful High School Transitions). This bill modified the program to allow a school of a school district or of a board of cooperative services to participate in the program independently. It also required the Department and the State Board of Education to consider whether the applying program would provide opportunities for apprenticeships, technical training through an industry provider, teacher training, concurrent enrollment, and certificates. The fiscal note for the bill indicated that the program as originally created supported a \$100,000 contract with a nonprofit and 0.2 FTE and was expected to have 17 participants in FY 2021-22. The additional funding in S.B. 21-106 was to support an additional 0.2 FTE and \$200,000 for technical assistance, which was expected to support 20 new participants and increase support for all participants. The program repeals July 1, 2025.

Statutory Authority: Section 22-35.6-101 through 107, C.R.S.

Request: The Department requests \$348,583 General Fund and 0.6 FTE, including an increase of \$2,412 to annualize prior year salary survey.

Recommendation: Staff does not recommend funding for this line item in the Long Bill. The ILOP program repeals July 1, 2025, pursuant to 22-35.6-107, C.R.S. If the General Assembly wishes to maintain funding, a statutory change is needed.

John W. Buckner Automatic Enrollment In Advanced Courses Grant Program

Senate Bill 19-059 (Automatic Enrollment in Advanced Courses Grant Program) created the John W. Buckner Automatic Enrollment in Advanced Courses Grant Program to provide assistance to local education providers that automatically enroll students in advanced courses (including Advanced Placement courses, International Baccalaureate courses, or any courses designated as honors, gifted, or accelerated). To be eligible, a local education provider must automatically enroll each qualified student (based on scores from the statewide assessments in the previous year or on another measure defined by the local education provider) entering ninth grade or higher in an advanced course. The local education provider must allow a parent to remove their student from the advanced course if requested.

Recipients may use the grants to:

- Expand the number of advanced courses available, including through the use of technology.
- Incentivize teachers to teach advanced courses (but not to hire new teachers).
- Develop advanced course curricula.
- Expand parent and student engagement related to advanced course availability and success.

Senate Bill 19-059 included an appropriation of \$250,000 General Fund and 0.3 FTE to support the program in FY 2019-20. During the 2021 Session, the General Assembly reduced that appropriation to \$50,000 for FY 2019-20 and eliminated the appropriation for FY 2020-21 to delay implementation of the program as a budget balancing measure. The General Assembly

restored funding to \$250,000 General Fund and 0.3 FTE for FY 2021-22 in S.B. 21-268 (Public School Finance).

Statutory Authority: Section 22-95.5-201 through 204, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$247,914 General Fund and 0.3 FTE for FY 2025-26, including an increase of \$1,638 to annualize prior year salary survey and step pay. Staff notes that the State Board of Education is recommending including this program as part of restructuring the postsecondary workforce readiness system, based on the H.B. 24-1364 Postsecondary Workforce Readiness study. Any changes will require statutory modification.

Basic Skills Placement or Assessment Tests

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

Statutory Authority: Section 22-32-109.5, C.R.S.

Request: The Department has proposed eliminating this program and reflected \$0 in its request.

Recommendation: In light of ongoing statutory requirements, staff recommends a continuing appropriation of \$50,000 cash funds from the State Education Fund in the Long Bill. Staff also recommends that the JBC sponsors legislation to repeal the program and eliminate the appropriation.

Colorado Career Advisor Training Program

Senate Bill 22-165 created the Colorado Career Advisor Training Program to provide training programs and courses to Colorado career advisors to help them guide individuals toward meaningful careers. The Department is required to administer the program in coordination with the Department of Higher Education, Department of Labor and Employment, Colorado Workforce Development Council, and the Colorado Community College System. The program is expected to require \$1,000,000 General Fund per year ongoing.

Statutory Authority: Section 22-10-108, C.R.S.

Request: Pursuant to Request R11, the Department requests a reduction of \$500,000 General Fund for this line item.

Recommendation: As previously discussed in this packet, staff recommends eliminating funding in FY 2024-25 and FY 2025-26, resulting in \$2.0 million in General Fund savings over the two years and \$1.0 million in savings going forward. Staff notes that the State Board of Education is recommending including \$500,000 from this program as part of restructuring the postsecondary workforce readiness system, based on the H.B. 24-1364 Postsecondary Workforce Readiness study.

Student Pathways, Career Readiness, Colorado Career Advisor Training Program						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$1,000,000	\$1,000,000	\$0	\$0	\$0	0.0
LBSupp Career Advisor Training Program	-1,000,000	-1,000,000	0	0	0	0.0
Total FY 2024-25	\$0	\$0	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
R11 Career training and basic skills reduction	0	0	0	0	0	0.0
Total FY 2025-26	\$0	\$0	\$0	\$0	\$0	0.0
Changes from FY 2024-25	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request	\$500,000	\$500,000	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$500,000	-\$500,000	\$0	\$0	\$0	0.0

Adult Education and Literacy Grant Program

The General Assembly added this line item to the FY 2015-16 Long Bill to support the Adult Education and Literacy Grant Program created in H.B. 14-1085 (Adult Education and Literacy). The program provides funding to local education providers (including public and private schools, institutions of higher education, nonprofit community-based organizations, and other related agencies) that are members of workforce development partnerships that provide basic education to adults.

- The program received a substantial short-term increase through an FY 2021-22 appropriation of \$5.0 million in H.B. 21-1264 from the Workers, Employers, and Workforce Centers cash fund. This money originates as federal Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act (ARPA Funds). As of the end of FY 2021-22, only \$206,702 had been expended, but the program has authority to roll-forward unspent funds, which must be obligated by December 30, 2024 and expended by December 31, 2026.

- It received a further one-time appropriation of \$800,000 General Fund and 0.4 FTE for FY 2022-23 in S.B. 22-192 (Opportunities for Credential Attainment)
- Senate Bill 23-007 (Adult Education) added \$2,000,000 General Fund, which is expected to be ongoing, and made other changes to the grant program, including adding digital literacy to skills that must be offered, adding a high school diploma or equivalent as an outcome, and modifying reporting requirements, among other provisions. Community colleges, local district colleges, and area technical colleges now may award high school diplomas for this population.
- Senate Bill 24-051 allows unexpended funding for the Program appropriated in FY 2023-24 and FY 2024-25 to be spent through FY 2028-29, after which any unexpended funds revert to the General Fund.

Statutory Authority: Section 22-10-104, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$2,965,365 General Fund and 2.3 FTE for the Program, including an increase of \$6,616 to annualize prior year salary survey and step pay.

Colorado Adult High School Program

Senate Bill 23-003 created the Colorado Adult High School Program for adults without a high school education to earn a diploma, industry certificate or college credit at no cost. The bill required an appropriation of \$5.0 million from the General Fund for FY 2023-24 to be expended through FY 2026-27.

Statutory Authority: Section 22-10-201 through 205, C.R.S.

Request/Recommendation: The bill included a one-time appropriation to be spent over multiple years. The Department does not request, and staff does not recommend, an appropriation for FY 2025-26.

Federal Adult Education Support

Beginning in FY 2024-25, an informational amount for federal support of adult education was moved from the Appropriated Sponsored Programs line item to this new line item to provide additional transparency on federal funding for these programs.

Request/Recommendation: The Department requests, and staff recommends, a continuation informational amount of \$9,193,475 federal funds and 8.9 FTE in this line item.

Implementation of H.B. 22-1215 Task Force Report

H.B. 24-1364 (Education-based Workforce Readiness) provided a one-time appropriation of \$767,405 General Fund and 0.2 FTE for a study of the next steps required to implement the recommendations of the H.B. 22-1215 Task Force.

Request/Recommendation: The bill included a one-time appropriation. The Department does not request, and staff does not recommend, an appropriation for FY 2025-26.

ASCENT Program Study

H.B. 24-1393 (ASCENT) provided a one-time appropriation of \$45,600 General Fund for a study of the ASCENT program. This study was completed as a section of the H.B. 24-1364 (Education-based Workforce Readiness) study.

Request/Recommendation: The bill included a one-time appropriation. The Department does not request, and staff does not recommend, an appropriation for FY 2025-26.

(8) Library Programs

Background Information: Public libraries are managed and operated locally based on revenues raised from local sources.²¹ The State provides no direct state funding to libraries other than those provided through the State Grants to Publicly-Supported Libraries program and has no authority over public library operations. However, the Commissioner of Education is designated as the ex officio State Librarian, and the State Library is a division within the Department of Education. The State Librarian has a number of statutory duties and responsibilities, including the following [see Section 24-90-105, C.R.S.]:

- to promote and coordinate the sharing of resources and cooperative relationships among all Colorado libraries to reduce costs at the local level;
- to ensure equal access to information for all Coloradans;
- to furnish library or information services to state officials, departments, institutional libraries, and persons who are blind and physically disabled;
- to further library development and to promulgate service standards for school, public, and institutional libraries; and
- to receive and administer federal funds for libraries.

The State Library provides technical support, professional development, and resource sharing opportunities for publicly-supported libraries throughout the state. The State Library

²¹ Publicly supported libraries include public, school, institutional, and academic libraries. The Department indicates that Colorado has 112 public library jurisdictions with 271 public library buildings and locations, plus 15 bookmobiles. The jurisdictions include one rural bookmobile service that is classified as a separate jurisdiction. Local libraries are funded through property, sales, and specific ownership tax revenues, as well as grants, donations, and fine revenues, though at least 93 libraries have enacted policies that eliminate fines on all or some materials. Most public library jurisdictions serve rural populations, with 83 percent (93 jurisdictions) serving populations under 50,000, and of those 43 percent (48 jurisdictions) serve fewer than 5,000 people.

Public Libraries in Colorado serve 5,801,550 people with 3,721,847 library card holders in the state. There were 19,614,771 visits to public libraries in 2023. In addition to the 57,300,095 physical items and 19,037,776 electronic items checked out, Colorado's libraries provide a variety of additional services, including: summer reading programs for children (85 percent); technology training (93 percent); free Wi-Fi access (88 percent); an educational backpack for families with free state parks passes for checkout (91 percent), a joint program with Colorado Parks and Wildlife and Connect to Health @ Your Library, a collaborative program with CDPHE for libraries to help facilitated telehealth visits in small and rural libraries (17 jurisdictions)..

cooperatively manages the Colorado Virtual Library, a statewide, Internet-based library network that provides several services to Colorado residents, including:

- a statewide interlibrary loan system;
- Colorado Online Libraries - a web hosting services that allows small libraries to have a web presence;
- Colorado Historic Newspaper Collection; and
- development of digital infrastructure for improved access to state and local digitized materials and other electronic resources.

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

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

Library Programs						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$10,473,521	\$5,848,649	\$287,413	\$863,381	\$3,474,078	41.8
Total FY 2024-25	\$10,473,521	\$5,848,649	\$287,413	\$863,381	\$3,474,078	41.8
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$10,473,521	\$5,848,649	\$287,413	\$863,381	\$3,474,078	41.8
R7 CO Talking Book Library security	0	0	0	0	0	0.0
NP Impacts driven by other agencies	0	0	0	0	0	0.0
Annualize prior year budget action	188,022	57,765	0	4,474	125,783	0.0
Total FY 2025-26	\$10,661,543	\$5,906,414	\$287,413	\$867,855	\$3,599,861	41.8
Changes from FY 2024-25	\$188,022	\$57,765	\$0	\$4,474	\$125,783	0.0
Percentage Change	1.8%	1.0%	0.0%	0.5%	3.6%	0.0%
FY 2025-26 Executive Request	\$9,873,876	\$5,728,747	\$287,413	\$257,855	\$3,599,861	41.8
Staff Rec. Above/-Below Request	\$787,667	\$177,667	\$0	\$610,000	\$0	0.0

Decision Items

→ R7 Colorado Talking Book Library Security

Request

The Department requests an increase of \$72,333 General Fund for FY 2025-26 and ongoing to provide a contract guard at the Colorado Talking Book Library and State Publications Library at 180 Sheridan. There has been an increase in unhoused people, drug use, and vandalism at the location that has put people and property at risk. The request would expand the Department's current security provider contract to add a position at this location during business hours on Monday through Friday.

Recommendation

Staff does not recommend this increase. Based on updated information from the Department, this increase is no longer needed. The Department had previously indicated that the security position would no longer be needed when the facility improvements (like a fence) were put into place. The Department states that the Department of Personnel has been able to move forward with the facility improvements to enhance the building earlier than anticipated, and these improvements should be completed by June of 2025.

i: NP Communication Services for People with Disabilities (Department of Human Services Request R10)

Department budget schedules reflect a proposal to move funding for Reading Services to the Blind to the Department of Human Services. This request will be addressed in figure setting for the Department of Human Services. However, because the proposal will require statutory change, the recommendation for the Department of Education Long Bill does not include this adjustment.

Line Item Detail

Administration

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

Statutory Authority: Section 24-90-105, C.R.S.

Request/Recommendation: The request and recommendation are summarized below. Funding includes annualization of prior year salary survey and step pay.

Library Programs, Administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$1,262,635	\$995,222	\$267,413	\$0	\$0	14.3
Total FY 2024-25	\$1,262,635	\$995,222	\$267,413	\$0	\$0	14.3
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,262,635	\$995,222	\$267,413	\$0	\$0	14.3
Annualize prior year budget action	57,765	57,765	0	0	0	0.0
Total FY 2025-26	\$1,320,400	\$1,052,987	\$267,413	\$0	\$0	14.3
Changes from FY 2024-25	\$57,765	\$57,765	\$0	\$0	\$0	0.0
Percentage Change	4.6%	5.8%	0.0%	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$1,320,400	\$1,052,987	\$267,413	\$0	\$0	14.3
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Federal Library Funding

This line item reflects federal funding that is anticipated to be available for library programs, and the Department staff who are supported by such funds. The federal funds supporting this line item are shown in the Long Bill for informational purposes only.

Statutory Authority: 22 U.S.C. 72

Request/Recommendation: The Department requests, and staff recommends, \$3,544,534 federal funds and 23.8 FTE, shown for informational purposes. The request includes an increase of \$125,783 to annualize prior year salary survey and step pay.

Colorado Library Consortium

The Colorado Library Consortium is a statewide library cooperative that was formed as a successor to the seven regional library systems that existed prior to significant state funding reductions in 2003.²² The Consortium supports publicly-funded libraries statewide by:

- Expediting the discovery, selection, and delivery of information and materials to library patrons (including courier services).
- Administering a cooperative purchasing program (negotiating significant discounts on books and other library materials).
- Providing and supporting learning opportunities for ongoing professional development to improve library services.

²² The FY 2002-03 Long Bill included \$7.5 million General Fund support for library programs (other than state staff). The Governor vetoed appropriations totaling \$4.5 million, and these appropriations were further reduced in FY 2003-04 to \$359,796.

- Identifying and supporting initiatives to strengthen the Colorado library community.

The Consortium's projected \$2.6 million budget in FY 2024-25 consisted of state funding provided through this line item (\$1,150,000 General Fund that year), courier income (\$840,000), administrative fees (\$142,600), AspenCat integrated library system fees (\$285,000), continuing education fees (\$11,000), book recycling (\$10,000), and other miscellaneous sources such as grants, cooperative projects, and reserve carryover (\$157,350). The statewide courier system sorts and transports 2.8 million items annually. The AspenCat integrated union-catalog serves 160 primarily small, rural public and school libraries across Colorado. On average, each AspenCat member library holds 15,000 items in its respective collection, but rural users of these libraries have access to more than 1.7 million items in the shared collection. Consortium staff provide schools, public, and academic libraries statewide with consulting, training, and continuing education. The JBC added \$150,000 General Fund to this line item for FY 2023-24, increasing the state appropriation from \$1.0 million (which had been the appropriation since FY 2006-07).

Statutory Authority: Section 24-90-105, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$1,150,000 General Fund, with no change from the FY 2024-25 appropriation.

Colorado Virtual Library

Pursuant to Section 24-90-302 et seq., C.R.S., the State Librarian is responsible for providing electronic resources through libraries to all Colorado residents and to students and staff at higher education institutions and public schools. The Colorado Virtual Library is thus a statewide, Internet-based library network that provides free access to:

- On-line catalogs of the holdings of Colorado libraries.
- Locally produced databases.
- Digitized collections of Colorado resources.
- Indexes and full text database products.
- An interlibrary loan system facilitating resource sharing throughout Colorado.
- Other services associated with providing computer-based library resources.

The Colorado Virtual Library is managed cooperatively by the State's library community, including the Department of Education. This line item provides funding for ongoing operations, including contract technical staff for operations and programming, contract training and user support, annual hardware and software maintenance fees, leased space, database archiving services, backup tapes, and Internet connectivity.

Statutory Authority: Section 24-90-302, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$379,796 total funds (including \$359,796 General Fund and \$20,000 from gifts, grants, and donations) for FY 2025-26.

Colorado Talking Book Library [Previously: Colorado Talking Book Library Building Maintenance, and Utility Expenses]

The Colorado Talking Book Library is part of a national library program providing Braille, audio, and large-print books for individuals of all ages who are unable to read standard print material due to visual, physical, or learning disabilities. Colorado has, on average, 7,000 eligible patrons each year, representing every county in the State. In FY24, the library served this population by: circulating more than 735,600 audio books to patrons; circulating more than 10,738 large print books to patrons and public libraries; registering almost 900 new patrons for library service; adding 67 titles to the local and national library collections, including recording 36 books and 10 magazines; and helping patrons by phone, email, and even fax, including answering more than 15,400 phone calls.

The Colorado Talking Book Library is one of the original 19 libraries established pursuant to the federal Pratt Smoot Act in 1931. The library's recorded materials and playback machines are provided by the Library of Congress; this collection is enhanced by recordings of local materials narrated by volunteers and library staff. Since 1991, the library has been located at 180 Sheridan Boulevard in Denver. The building was purchased after the General Assembly appropriated \$750,000 from the Capital Construction Fund for FY 1989-90 (H.B. 90-1297), and Capital Construction Fund money has been provided over the years to maintain and improve the building.

House Bill 19-1332 (Telephone Users Disabilities Fund Talking Book Library, a Joint Budget Committee bill) authorized the use of the Colorado Telephone Users with Disabilities Fund (reflected as reappropriated funds from the Department of Regulatory Agencies) to support the Talking Book Library. For FY 2019-20, the bill included a one-time appropriation of \$250,000 from that fund source to support the library. For FY 2020-21, the Long Bill continued the appropriation from the Colorado Telephone Users with Disabilities Fund but reduced the amount to an appropriation of \$200,000. For FY 2021-22 this reappropriated funds spending authority was eliminated from the Long Bill. However, S.B. 21-115 (Annual Funding for Talking Book Library Services) made statutory changes to *require* the General Assembly to make annual appropriations from the Colorado Telephone Users With Disabilities Fund in the Department of Regulatory Agencies to support talking book library services. The bill included a \$250,000 cash funds appropriation in the Department of Regulatory Agencies and a \$250,000 reappropriated funds appropriation to the Department of Education for FY 2021-22 from funds transferred from the Department of Regulatory Agencies.

State funds currently support a portion of the program. The balance is supported through federal funds, The Friends of the Colorado Talking Book Library, and volunteers. In addition, the National Library for the Blind and Physically Handicapped (NLS), within the Library of Congress, provides playback equipment and some supplies, Braille and recorded books and magazines which are circulated to visually and reading impaired clients of the Colorado Talking Book Library. The existing inventory of materials and equipment provided by NLS is valued at over \$5.5 million. The Library also houses a large print collection valued at more than \$1.2 million.

Finally, the U.S. Postal Service has a line item in the federal budget for the mail service of materials sent to and returned from Library patrons.

Amounts appropriated in this line item were previously limited to the library's maintenance and utility expenses, and staff support was included only in the Administration line item. However, with the ongoing support from the Colorado Telephone Users With Disabilities Fund authorized under S.B. 21-115, this line item now also supports Talking Book Library staff and operating expenses.

The appropriation from the Colorado Telephone Users with Disabilities Fund is used as the basis for the related appropriation in the Department of Regulatory Agencies.

Statutory Authority: Section 24-90-105 (1)(e), C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below. Reappropriated funds originate from the Colorado Telephone Users with Disabilities Fund. The difference between the request and recommendation is that staff does not recommend request R7 for Colorado Talking Book Library security, as discussed above.

Library Programs, Colorado Talking Book Library						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$349,527	\$96,146	\$0	\$253,381	\$0	2.7
Total FY 2024-25	\$349,527	\$96,146	\$0	\$253,381	\$0	2.7
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$349,527	\$96,146	\$0	\$253,381	\$0	2.7
Annualize prior year budget action	4,474	0	0	4,474	0	0.0
R7 CO Talking Book Library security	0	0	0	0	0	0.0
Total FY 2025-26	\$354,001	\$96,146	\$0	\$257,855	\$0	2.7
Changes from FY 2024-25	\$4,474	\$0	\$0	\$4,474	\$0	0.0
Percentage Change	1.3%	0.0%	n/a	1.8%	n/a	0.0%
FY 2025-26 Executive Request	\$426,334	\$168,479	\$0	\$257,855	\$0	2.7
Staff Rec. Above/-Below Request	-\$72,333	-\$72,333	\$0	\$0	\$0	0.0

Reading Services for the Blind

This line item authorizes the Department of Education to spend money in the Reading Services for the Blind Cash Fund for the provision of reading services for the blind and also includes a General Fund appropriation. The Reading Services for the Blind Cash Fund is supported by money from the Colorado Telephone Users with Disabilities Fund that is initially appropriated in the Department of Regulatory Agencies. The money originates from a surcharges on telephone access lines.

The Department annually uses the funds to support two different external programs:

- The Department spends a portion of the funds to contract with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. The services provided by AINC are also made available through the internet, telephone, and podcasts. The General Assembly has increased funding for the AINC program several times in recent years, from \$200,000 in FY 2011-12 to \$350,000 in FY 2015-16 (and continued in FY 2016-17). An FY 2017-18 supplemental adjustment provided an additional \$290,000 for the AINC (including \$200,000 in one-time funding and \$90,000 as an ongoing increase), for an ongoing amount of \$440,000 in FY 2018-19 and subsequent years. The JBC initiated an increase of \$100,000 for this program FY 2022-23, bringing the total to \$540,000.
- The Department uses the remaining funds to purchase services from the National Federation for the Blind (NFB) for its Newslines service, which provides eligible Coloradans access to newspapers nationwide and a few magazines via touch tone telephone, internet, and by email. Newslines services now include television listings (based on an individual's zip code); the NFB indicates that this additional service has increased use of their Newslines service nationwide significantly. Anyone who is a patron of the Colorado Talking Book Library (CTBL) is eligible to access Newslines services. The CTBL is able to sign patrons up for the Newslines service through their existing database. The FY 2017-18 supplemental adjustment added \$60,000 in ongoing funding to the NFB programs (for a total appropriation of \$120,000 in FY 2017-18 and subsequent years).

S.B. 24-153 (News Access for Print Disabled) added \$200,000 General Fund to the line item. The fiscal note indicated that this assumes the General Assembly will appropriate \$75,000 for the Aftersight (AINC) program and \$125,000 for the National Federation for the Blind (NFB).

Statutory Authority: Section 24-90-105.5, C.R.S.

Request: The Department requests that funding in this line item be eliminated based on a request in the Department of Human Services (R10 Communication Services for People with Disabilities) that would move and restructure funding for various programs for people with disabilities, moving funding to the Department of Human Services.

Recommendation: Staff anticipates that the proposal to transfer funds will be addressed in figure setting for the Department of Human Services. However, because the proposed change will require legislation, the staff recommendation for the Department of Education section of the Long Bill is for continuation funding. This includes \$860,000 total funds (including \$250,000 General Fund and \$610,000 reappropriated funds that are transferred from the Department of Regulatory Agencies, Public Utilities Commission, for Reading Services for the Blind) for FY 2025-26. The total recommendation includes \$615,000 for the AINC and \$245,000 for the NFB programs.

Library Programs, Reading Services for the Blind						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$860,000	\$250,000	\$0	\$610,000	\$0	0.0

Library Programs, Reading Services for the Blind						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total FY 2024-25	\$860,000	\$250,000	\$0	\$610,000	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$860,000	\$250,000	\$0	\$610,000	\$0	0.0
NP Impacts driven by other agencies	0	0	0	0	0	0.0
Total FY 2025-26	\$860,000	\$250,000	\$0	\$610,000	\$0	0.0
Changes from FY 2024-25						
Changes from FY 2024-25	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	n/a	0.0%	n/a	n/a
FY 2025-26 Executive Request						
FY 2025-26 Executive Request	\$0	\$0	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$860,000	\$250,000	\$0	\$610,000	\$0	0.0

State Grants to Publicly-Supported Libraries Program

Senate Bill 00-085 created the State Grants to Publicly-Supported Libraries Program to provide funds to enable public libraries, school libraries, and academic libraries to purchase educational resources that they would otherwise be unable to afford. The bill created the State Grants to Publicly-Supported Libraries Fund, which consists of any moneys appropriated by the General Assembly and any other moneys collected by the State Librarian for such purpose. Statute (Section 24-90-407 (2), C.R.S.) allows the Department to spend up to 2.5 percent of the appropriation to administer the program. Because of the structure in statute, the appropriation historically consisted of two line items: one to appropriate General Fund into the cash fund and one providing spending authority from the cash fund. The enactment of S.B. 15-108 (Direct Appropriations for CDE Programs) eliminated the dual appropriation structure for this program, allowing for a direct appropriation from the General Fund to support the program.

The program first operated for FY 2000-01 and FY 2001-02. The Governor vetoed the appropriations to the program for FY 2002-03, and the program remained unfunded from FY 2002-03 through FY 2012-13. The General Assembly reinstated the program for FY 2013-14 with an appropriation of \$2.0 million General Fund to the State Grants to Publicly-Supported Libraries Fund line item and \$2.0 million reappropriated funds for the State Grants to Publicly-Supported Libraries Program line item. In FY 2015-16, the General Assembly appropriated an additional \$500,000 General Fund, for a total appropriation of \$2.5 million. For FY 2019-20, the General Assembly added \$500,000 General Fund for a total appropriation of \$3.0 million.

Facing the budget crisis associated with the COVID-19 pandemic in FY 2020-21, the General Assembly reduced the appropriation by \$500,000 General Fund as a budget balancing measure. This \$500,000 was restored in the FY 2021-22 Long Bill.

The program awarded \$2,943,925 to 316 grantees statewide (representing 97.2 percent of 325 potential applicants) in FY 2024-25, with a base amount of \$4,500 per grantee. The Department has implemented a tiered structure, providing base amounts of \$4,500 for grantees serving populations of less than 1,000 individuals, \$5,000 for entities serving populations between

1,000 and 4,999, and \$5,500 for those serving 5,000 or more (with increases on a per capita basis for those serving populations of more than 10,000). The Department used the \$500,000 increase provided in FY 2019-20 to increase the base amount by \$1,000 for all population tiers. It eliminated that adjustment for FY 2020-21 based on the reduction in funding but restored it in FY 2021-22.

The Department reports that grantees are using the funds to: update their physical and online resources collections; purchasing materials to fill unmet needs for their communities such as large-print books, items in different languages, and in multiple formats; and launch new programs all in an effort to support educational growth.

Statutory Authority: Sections 24-90-401 through 408, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$2,997,485 General Fund for FY 2025-26.

Colorado Imagination Library Program

Senate Bill 20-185 created the Colorado Imagination Library Program to provide books free of charge to children under the age of five years. The bill required the State Librarian to contract with a nonprofit organization to operate the program and would require the contractor to:

- Create and operate the program, including establishing county affiliate programs in all Colorado counties.
- Manage daily operations of the program.
- Develop, promote, and coordinate a public awareness campaign.
- Contract with a national nonprofit (such as the Dolly Parton Imagination Library) to provide high-quality, age-appropriate books to eligible children.

Senate Bill 21-268 (Public School Finance) eliminated requirements that made the program “subject to available appropriation”, among other changes. Appropriations to the Department of Education for the program were adjusted over several years, reaching \$1,624,365 General Fund in FY 2023-24.

House Bill 24-1205 (Colorado Imagination Library Program; a JBC supplemental package bill) transferred the Imagination Library Program to the Department of Early Childhood effective FY 2024-25.

Statutory Authority: Sections 24-90-120, C.R.S.

Request/Recommendation: Consistent with the provisions of H.B. 24-1205, the Department does not request, and staff does not recommend, an appropriation for the Imagination Library in the Department of Education.

Indirect Cost Assessment

This line item reflects indirect cost assessments associated with Library Programs. The Department uses the funds collected to offset General Fund that would otherwise be required in the Management and Administration division for General Department and Program Administration and a variety of centrally appropriated line items.

Statutory Authority: Section 24-31-101 and 102, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$55,327 federal funds.

(9) School for the Deaf and the Blind

The Colorado School for the Deaf and the Blind (CSDB) is a state-funded school that was established for the purpose of providing comprehensive educational services for children under the age of twenty-two who are blind and/or deaf. Originally named the "Colorado Institute for the Education of Mutes", the School opened in a rented house in April 1874 with an appropriation from the Territorial Legislature. The student population rapidly outgrew the space available and in 1876 the School moved to its current campus, made possible with a donation of ten acres by the founder of the city of Colorado Springs. The CSDB received its initial accreditation from the Department of Education in 1961, and in 1977, the CSDB was transferred from the Department of Institutions to the Department of Education. As a "Type 1" agency within the Department of Education, the CSDB is overseen by a seven-member board appointed by the Governor and confirmed by the Senate.

The CSDB currently occupies 18 buildings on 37 acres. Colorado students from the ages of birth through twenty-one are eligible to receive services either at or through the CSDB. Students enrolled at CSDB must have a documented hearing and/or vision loss and meet the enrollment criteria established by the Board of Trustees. Students may also be enrolled on a diagnostic basis in order to make an accurate determination of the student's eligibility status. A staffing team, including a CSDB staff member, the student's parents, and a local school district representative, determines if the CSDB is the appropriate learning environment based on the educational needs of the student. If a student's parents or legal guardians reside within Colorado and outside the El Paso County area, the student is eligible to participate in the residential living program during the week. There is no tuition for room and board. Out-of-state students are considered on a space available basis and are required to pay tuition.

In addition, pursuant to Section 22-80-102 (2), C.R.S., the CSDB is to "be a resource to school districts, state institutions, and other approved education programs." In this capacity, the CSDB is to provide the following services:

- Assessment and identification of educational needs;
- Special curricula;
- Equipment and materials;
- Supplemental related services;
- Special short-term programs;
- Program planning and staff development;
- Programs for parents, families, and the public; and
- Research and development to promote improved educational programs and services.

Enrollment. As summarized in the table below, the CSDB had an on-campus enrollment of 168 students (ages 3 to 21) as of the October 2024 count, reflecting a slight increase over the last two years and a significant decrease from the 200 students enrolled in FY 2019-20. Of the on-campus enrollment in 2024, 47 students were resident on campus as of the October count.

Colorado School for the Deaf and the Blind On-Campus Enrollment								
Description	FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
	Number	Annual % Change	Number	Annual % Change	Number	Annual % Change	Number	Annual % Change
Deaf/ Hearing Impaired	99	-1.00%	94	-5.1%	91	-3.2%	93	2.2%
Blind/ Visually Impaired	63	5.00%	70	11.1%	71	1.4%	75	5.6%
Total Enrollment	162	1.30%	164	1.2%	162	-1.2%	168	3.7%
Number of Residential Students (at Oct count)	46	-4.20%	37	-19.6	37	0.0%	47	27.0%
Billable Student Days from Facility School Office*	116		122.4		122.4		121.5	

*Number shown is the billable days used by the facility school office and not comparable to CSDB enrollment counts.

In addition to the on-campus enrollment, as of October 1, 2024 the school provided:

- In-home services to **430** children from birth to age 3 (and their families) through the early intervention (CO-Hears) program for children who are deaf and hard-of-hearing;
- Services for **145** children from birth to age 8 through the Early Literacy Development Initiative (ELDI);
- Services for **52** children from birth to age 3 who are blind and visually impaired for billable early intervention services; and
- Outreach services to **57** school-age students being served in local districts, supported by fees paid by the local school districts; and
- Community classes in American Sign Language classes for **447** community members (billable).

The following table summarizes the staff recommendation for the Colorado School for the Deaf and the Blind.

School for the Deaf and the Blind						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$19,903,028	\$15,119,445	\$1,070,000	\$3,713,583	\$0	180.7
Total FY 2024-25	\$19,903,028	\$15,119,445	\$1,070,000	\$3,713,583	\$0	180.7
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$19,903,028	\$15,119,445	\$1,070,000	\$3,713,583	\$0	180.7
R10 CSDB inflationary adjustment	65,958	65,958	0	0	0	0.0
Centrally appropriated line items	-1,922	-1,922	0	0	0	0.0
SI Technical adjustments	0	-1,631	0	1,631	0	0.0
Annualize prior year budget action	638,291	599,022	0	39,269	0	0.0
Total FY 2025-26	\$20,605,355	\$15,780,872	\$1,070,000	\$3,754,483	\$0	180.7
Changes from FY 2024-25	\$702,327	\$661,427	\$0	\$40,900	\$0	0.0

School for the Deaf and the Blind						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Percentage Change	3.5%	4.4%	0.0%	1.1%	0.0%	0.0%
FY 2025-26 Executive Request	\$20,910,213	\$16,085,707	\$1,071,654	\$3,752,852	\$0	183.0
Staff Rec. Above/-Below Request	-\$304,858	-\$304,835	-\$1,654	\$1,631	\$0	-2.3

Decision Items

→ R10 CSDB Inflationary Increase [Legislation Requested]

Request

The request includes \$377,809 General Fund based on a 2.5 percent inflation rate estimate for FY 2024-25. The Colorado School for the Deaf and the Blind is requesting a statutory change to provide ongoing funding for the school at the higher rate of either inflation (Denver-Aurora-Lakewood CPI) for a given fiscal year or the statutorily required teacher salary increase from the surrounding D11 district. The goal of this new funding mechanism is to enhance budget autonomy for the school while minimizing the administrative burden across all involved offices. The request includes both funding for a teacher salary increase and additional operating costs and 2.26 FTE, for total increase of \$377,809 General Fund.

The request emphasizes that the school has historically submitted decision items to address needs from increased caseloads or operational inefficiencies. The CSDB’s General Fund growth shows significant variability, creating management challenges, and the process of submitting budget requests is demanding. The request notes that if CSDB had received increases based on inflation since FY 2018-19, its appropriation would be \$106.1 million, compared to \$102.8 million now.

Recommendation

The staff recommendation is for \$65,958 General Fund to provide a salary increase consistent with Colorado Springs D11 salaries, reflecting current statute and practice.

- The recommendation includes a technical correction to the \$79,985 CSDB requested for this item.
- Given state budget constraints, staff does not feel a further increase is viable at this time. Staff notes that enrollment at CSDB remains below pre-pandemic levels, although funding has increased substantially since that time.
- Staff is sympathetic to the workload involved in submitting detailed decision items. However, in the current fiscal environment **staff does not recommend a statutory change that would constrain the General Assembly’s flexibility in budgeting for the Colorado School for the Deaf and Blind.**

Analysis

Request Detail

The request submitted by CSDB combines multiple elements, summarized in the table below. The request indicates that, if the General Assembly provides an inflationary increase of 2.5 percent on the FY 2024-25 base, all of these items would be included. The request proposes that the JBC sponsors legislation to indicate that annual funding will be at the higher of inflation or the funding required to align with Colorado Spring District 11 salary increases.

CSDB Request R10 Components		
Request	Costs	FTE
Teacher Salary Increase	\$79,985	0.00
Orientation & Mobility Specialist	\$106,654	0.75
American Sign Language Interpreter	\$95,492	0.75
ASL Translator/ Media Accessibility Editor	\$78,208	0.75
903 Operating Expense Increase	\$17,470	0.00
TOTAL	\$377,809	2.25

These components were explained as follows.

Teacher Salary Increase: This request will allocate \$79,985 General Fund for FY 2025-26 and ongoing to increase salaries for CSDB staff, who follow the Colorado Springs District 11 pay scale and provide an incentive for hard-to-fill positions

Orientation & Mobility Specialist Position: This request includes a \$106,654 General Fund increase and 0.75 FTE ongoing to address a service gap in Orientation and Mobility (O&M) services created by rising caseload, complex student needs and an insufficient number of full-time positions. Orientation and Mobility (O&M) skills are crucial, enabling learners to navigate their world as independently as possible, safely and confidently. This position is also a legal requirement under the Individuals with Disabilities Act.

American Sign Language Interpreter Position: This request includes a \$95,492 General Fund increase and 0.75 FTE ongoing for a permanent ASL Interpreter within the school. This role is essential to meet the growing demand for ASL interpretation services and to ensure compliance with the Americans with Disabilities Act.

ASL Translator / Media Accessibility Editor Position: This request includes a \$78,208 General Fund increase and 0.75 FTE ongoing for a FTE position dedicated to digital accessibility. This new position will address a gap in CSDB digital content accessibility so that individuals who are Deaf or blind / visually impaired can access the same information, engage in the same interactions, and enjoy the same services offered to other individuals, with the same privacy, independence, and ease of use as exists for individuals without a disability.

Operating Expense Increase: To include higher spending on necessary equipment replacement, while also directing a portion of funds specifically towards the athletic programs.

Recommendation General Observations

In light of the State’s budget constraints, staff does not recommend any increase for CSDB other than the statutorily-informed increase to align with Colorado Springs District 11 salary increases. As reflected in the table below, increases for CSDB have varied considerably from year to year. This in part reflects CSDB needs, but equally reflects the State’s budget situation. Particularly now, staff does not believe the General Assembly should give up related flexibility.

Colorado School for the Deaf and the Blind General Fund Appropriations History			
Fiscal Year	General Fund Appropriation	Increase	Percent Increase
2019	\$11,695,433	\$191,207	1.7%
2020	12,288,455	593,022	5.1%
2021	12,587,980	299,525	2.4%
2022	12,657,907	69,927	0.6%
2023	13,347,209	689,302	5.4%
2024	13,685,566	338,357	2.5%
2025	15,119,445	1,433,879	10.5%
2026 Request	16,090,207	970,762	6.4%

JBC Staff notes that **CSDB is an extremely expensive setting**. Even after excluding costs that are for early intervention and outreach services, the cost per student served was **\$103,366 per year** in FY 2023-24, based on total expenditures of \$17.4 million (excluding outreach costs) serving 168 students, of whom 47 to 57 were residents on campus depending on when this was measured). **CSDB’s student population has also shrunk** significantly since before the pandemic: the school had 195 students with 75 on campus in FY 2017-18.

Staff has not been able to identify good metrics for assessing the reasonableness of CSDB costs, given the specialized population served. Staff simply notes the scale and that the student population has shrunk, while staffing generally has not. Current ratios of teachers, professional support staff, and principals to students is 2.8 teachers, professional support, and principals per student with 59 teachers (excluding outreach staff), professional support staff, and principals for 168 students.²³ In addition, the school has dining staff, grounds staff, and other administrators. When these staff are included ratios are approximately 1.0 staff person per student. Whether ratios at this level are appropriate or not depends greatly on the particular students being served.

²³ For context, the state’s current baseline funding model for facility schools averages to \$38,852 per student, with larger schools (like CSDB) receiving *less* per pupil. Staff notes that this is not a 1:1 comparison: facility school funding supports the school component of institutional programs that may have other funding streams for residential and additional therapeutic services; CSDB figures are all inclusive and incorporate both residential and nonresidential components.

Recommendation for Teacher Salaries

Staff recommends the portion of the request that relates to salary increases for teachers, which are provided in lieu of state salary survey and step pay. However, the staff recommendation includes two technical difference from the request: (1) staff has included a net increase of \$65,958 General Fund, rather than \$79,984 General Fund, based on correcting a formula error; (2) staff has *excluded* a requested reduction of \$104,147 General Fund proposed as an annualization of the FY 2024-25 R18 teacher salary increase. The annualization would only be appropriate if the new request had added in the full cost of non-recurring salary increases, but the new request assumed that the prior year non-recurring increase would remain in the base.

Section 22-80-106.5, C.R.S. (as amended by S.B. 14-168), requires the CSDB to compensate teachers “in accordance with the salary schedule adopted pursuant to section 22-63-401, as of January 1 of the preceding fiscal year by resolution of the board of education of the school district within the boundaries of which the main campus of the school is located and with the salary policies that the board of trustees adopts to implement the salary schedule.” Thus the CSDB salary schedule must align with the District 11 salary schedule in place in the prior fiscal year, but, as this provision was amended by S.B. 14-168 (Teacher Salaries at CO School for the Deaf and Blind), the compensation is also "subject to salary policies that the board of trustees adopts," which allows for some leeway in the compensation. The fiscal note for S.B. 14-168 acknowledged this by indicating that the bill would drive a potential increase in state expenditures. This flexibility has been used to increase and constrain teacher salaries in the past, including during the pandemic, when funding for increases was suspended for one year. *Although it is possible to provide funding that is lower than the D11 salary increase, staff recommends attempting to stay abreast of annual inflationary increases to the extent possible.*

The request reflects the following District 11 salary adjustments:

- 1.0 Percent base pay increase
- 2.0 Percent step movement
- 6.5 Percent for non-recurring compensation; prior year funding included a 6.0 percent nonrecurring compensation.

The CSDB requests funding to match the District 11 adjustments. This component of the request is consistent with the District 11 salary schedule and therefore appears to staff to represent a common policy-type adjustment that is provided in lieu of state salary survey and step pay.

Components of CSDB Salary Increase		
(59.0 teachers & administrators - school year positions – excludes vacant positions)		
Item	Amount	Avg/FTE
Funding for 1.0 percent base-building increase to salary schedule and 2.0 step movement	\$32,132	\$545
Net increase for on non-recurring bonus (go from 6% to 6.5%)	\$21,445	363
Benefits adjustment on increment	\$12,381	210
Total FY 2025-26	\$65,958	\$1,118

Differences between the CSDB scale and District 11 include:

- CSDB compensation is adjusted based on 195 days of school, instead of 185 for District 11;
- CSDB adds a “hard to fill” increment for positions ranging from \$1,377 to \$4,131, depending upon the position;
- the full cost of CSDB teacher compensation includes adjustments consistent with the state pension and benefits system; staff assumes District 11 makes similar adjustments for its pension plan.

There are 156.1 FTE positions in the CSDB personal services line item in FY 2024-25. Thus, in addition to the 59.0 currently filled teaching, administrator and school specialist positions listed, CSDB has dozens of staff who are in non-teaching positions funded through the more typical state personal services structure.

→ Staff initiated CSDB Fund Source Adjustment

The CSDB personal services line item has, in the past, included fund source adjustments based on the following calculation that determines the share of costs anticipated to come from facility school funding and nutrition programs. Staff's recommendation is based on an estimate of \$1,826,787 in facility school funding for this state-operated program (see Facility School section). The calculation assumes that billable enrollment at CSDB is largely unchanged from recent years (121, based on the facility school methodology) and a payment of \$15,037 (statewide base per pupil funding x 1.73) per billable enrollment. Note that CSDB only receives the reappropriated funds for its operations as a facility school to the extent that this is earned by its enrollment.

CSDB Personal Services – FY 2025-26 Funding Splits	
Total Recommended Funding	14,635,354
Less: Estimated Transfer from the Facility Schools Funding Line item	(1,826,787)
Less: Federal Nutritional Funds transferred from the Appropriated Sponsored Programs line item	<u>(35,000)</u>
General Fund portion of appropriation	\$12,773,567

i: Annualization Corrections

The staff recommendation for this division includes two technical corrections related to annualizing prior year action. Committee action to approve line item detail will include these changes (unless the Committee directs differently).

- The recommendation does **not** include a reduction of \$104,147 that was included in the request for annualization of FY 2024-25 request R18 (last year’s CSDB teacher salary request). The proposed annualization was a technical error that assumed that the new request would add the full amount for FY 2025-26 nonrecurring compensation rather than the incremental increase over FY 2024-25.
- The recommendation **does** include a reduction of \$100,000 General Fund for operating expenses. The FY 2024-25 Long Bill included one-time funding of \$100,000 General Fund to enable CSDB to make various one-time capital outlay investments. The request should have removed this additional funding for FY 2025-26 but did not.

Line Item Detail

(A) School Operations

Personal Services

This line item provides funding for most School employees and for certain professional and temporary services.

Statutory Authority: Section 22-80-101.5 et seq., C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below. The primary difference between the two is that the recommendation provides a lower level of funding for Request R10, as described previously. In addition, the recommendation includes differences in requested annualization and fund split adjustments.

School for the Deaf and the Blind, School Operations, Personal Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$13,907,714	\$12,080,631	\$0	\$1,827,083	\$0	156.1
Total FY 2024-25	\$13,907,714	\$12,080,631	\$0	\$1,827,083	\$0	156.1
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$13,907,714	\$12,080,631	\$0	\$1,827,083	\$0	156.1
Annualize prior year budget action	661,682	628,609	0	33,073	0	0.0
R10 CSDB inflationary adjustment	65,958	65,958	0	0	0	0.0
SI Technical adjustments	0	-1,631	0	1,631	0	0.0
Total FY 2025-26	\$14,635,354	\$12,773,567	\$0	\$1,861,787	\$0	156.1
Changes from FY 2024-25	\$727,640	\$692,936	\$0	\$34,704	\$0	0.0
Percentage Change	5.2%	5.7%	n/a	1.9%	n/a	0.0%
FY 2025-26 Executive Request	\$14,843,058	\$12,982,902	\$0	\$1,860,156	\$0	158.4
Staff Rec. Above/-Below Request	-\$207,704	-\$209,335	\$0	\$1,631	\$0	-2.3

Early Intervention Services

Since April 2001, the "Colorado Home Intervention Program" (called "CHIP") has been operating within the CSDB. This program was first started with federal grants in 1969, and it operated within the Colorado Department of Public Health and Environment from 1975 through March 2001. This home-based, family-centered early intervention program serves hearing impaired children (ages zero to three), and their parents. The program involves collaboration between a Colorado Hearing Resource Coordinator (CO-HEAR) hired through CSDB and a parent facilitator

who is hired by the local Community Centered Board (CCB) to work with the child to develop language skills; provide parents with information and counseling to identify strategies to use in communicating with their child; and assess the dynamics of the parent-child interaction and provide support to lessen the impact of the hearing loss.

The regional CO-HEARS, employed by CSDB, provide service coordination for families. The CO-HEARS collaborate, train, mentor, and support the local parent facilitators (employed by CCBs) in their respective regions. The CO-HEARS provide an initial contact with the family to describe the available early intervention services and support the parent facilitators through the early intervention process. Other CO-HEARS duties include both seeking resources to provide financial support to families for equipment such as hearing aids and collaborating with the local CCB's team of interventionists to provide specialized training regarding the impact of the child's hearing loss.

A separate complementary program involves specially trained fluent sign language instructors (language and literacy instructors), most of whom are deaf or hard of hearing themselves, visiting families weekly to provide support and instruction in techniques to build the child's literacy skills and teach the parents reading strategies. The Colorado Shared Reading Program (CSRP) is designed for families who rely on American Sign Language; the second program (Integrated Reading Program) is designed for families who want to learn American Sign Language and literacy development strategies. In addition to CSRP, the program involves group and community-based literacy events for families who have children who are deaf or hard of hearing.

Statutory Authority: Section 22-80-102 et seq., C.R.S.

Request/Recommendation: The Department requests, and staff recommends, \$1,446,524 General Fund and 10.0 FTE for FY 2025-26. This includes an increase of \$70,413 General Fund to annualize prior year salary survey and step pay.

Shift Differential

This line item is used to pay for the adjustment to compensate employees for work performed outside a Monday through Friday, 8:00 a.m. to 5:00 p.m. work schedule. Currently, the State pays percentage increases for shift differential (7.5 percent for second or "swing" shift and 10.0 percent for third or "graveyard" shift). The school previously used its shift differential to provide 24-hour staff coverage for residential students at the CSDB.

Statutory Authority: Section 24-50-104 (1) (a), C.R.S.

Request: The Department's requests an appropriation of \$75,298, based on OSPB's common policy request for FY 2025-26.

Recommendation: The staff recommendation is **pending** a Committee common policy for shift differential.

Operating Expenses

This line item provides funding for supplies and materials, as well as for certain services that are not covered by other line items such as capital outlay²⁴, custodial services, equipment rental, storage, dues and subscriptions, and printing.

Statutory Authority: Section 22-80-101.5 et seq., C.R.S.

Request/Recommendation: The request and recommendation are summarized in the table below. The recommendation includes a reduction of \$100,000 to annualize one-time funding provided in FY 2024-25 for various capital outlay expenses.

School for the Deaf and the Blind, School Operations, Operating Expenses						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$794,291	\$794,291	\$0	\$0	\$0	0.0
Total FY 2024-25	\$794,291	\$794,291	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$794,291	\$794,291	\$0	\$0	\$0	0.0
Annualize prior year budget action	-100,000	-100,000	0	0	0	0.0
Total FY 2025-26	\$694,291	\$694,291	\$0	\$0	\$0	0.0
Changes from FY 2024-25	-\$100,000	-\$100,000	\$0	\$0	\$0	0.0
Percentage Change	-12.6%	-12.6%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request	\$794,291	\$794,291	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$100,000	-\$100,000	\$0	\$0	\$0	0.0

Vehicle Lease Payments

This line item provides funding for annual payments to the Department of Personnel and Administration for the cost of administration, loan repayment, and lease-purchase payments for new and replacement motor vehicles [see Section 24-30-1117, C.R.S.]. The current appropriation covers costs associated with a total of 14 vehicles²⁵ that are all utilized at the CSDB.

Statutory Authority: Section 24-30-1104 (2), C.R.S.

²⁴ Capital outlay includes replacement of equipment, furniture, and other items that cost less than \$50,000, as well as building repair and remodeling costing less than \$15,000.

²⁵ Currently, these vehicles include: six vans, four sedans, two buses, and two trucks.

Request/Recommendation: The table below summarizes the request and recommendation. The difference is due to the Committee’s common policy compared to OSPB’s common policy request.

School for the Deaf and the Blind, School Operations, Vehicle Lease Payments						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$45,751	\$45,751	\$0	\$0	\$0	0.0
Total FY 2024-25	\$45,751	\$45,751	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$45,751	\$45,751	\$0	\$0	\$0	0.0
Centrally appropriated line items	-540	-540	0	0	0	0.0
Total FY 2025-26	\$45,211	\$45,211	\$0	\$0	\$0	0.0
Changes from FY 2024-25	-\$540	-\$540	\$0	\$0	\$0	0.0
Percentage Change	-1.2%	-1.2%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request	\$40,711	\$40,711	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$4,500	\$4,500	\$0	\$0	\$0	0.0

Utilities

This line item provides funding for the CSDB's water and sewer, electricity, and natural gas expenses.

Statutory Authority: Section 22-80-101.5 et seq., C.R.S.

Request/Recommendation: The Department's request and staff’s recommendation includes \$745,981 General Fund, which is a continuation amount from FY 2024-25.

Allocation of State and Federal Categorical Program Funding

The CSDB receives an allocation of state and federal moneys available for special education services for children with disabilities based on its December pupil count. In addition, the CSDB may receive allocations from other categorical programs (e.g., in recent years the CSDB has received allocations related to the English language proficiency program, special education for gifted and talented children, and the Expelled and At-risk Student Services Grant Program). The CSDB receives transfers under this line item from the various line items in the Assistance to Public Schools, Categorical Programs section of the Long Bill.

Statutory Authority: Section 22-20-103 et seq., C.R.S. (Special Education for Children with Disabilities).

Request/Recommendation: The Department requests, and staff recommends, \$191,920 reappropriated funds spending authority and 0.4 FTE, which includes an increase of \$1,816 to annualize prior year salary survey and step pay. The disbursements of categorical funding are

based on the CSDB's annual student count and, as a result, fluctuates from year to year. The recommendation is intended to allow the CSDB to receive and spend all categorical funding for which it is eligible.

Medicaid Reimbursements for Public School Health Services

Similar to school districts, the CSDB is authorized to enter into contracts and receive federal matching funds for moneys spent in providing student health services [i.e., preventive, diagnostic, therapeutic, rehabilitative, or palliative items or services that are furnished to students by a school district, a board of cooperative services, or a state educational institution pursuant to the S.B. 97-101 Public School Health Services program]. Section 25.5-5-318 (2) (b), C.R.S., states that "any moneys provided to a school district pursuant to a contract entered into under this section shall not supplant state or local moneys provided to school districts" for:

- (a) special education services for children with disabilities;
- (b) the Colorado preschool program; or
- (c) the School Finance Act.

Based on this provision, the CSDB has used the additional federal Medicaid moneys available to increase special education services to its students (e.g., providing an additional day of occupational or physical therapy, in accordance with a student's individual education program) and at times to purchase equipment approved through the Medicaid plan.

Statutory Authority: Section 22-80-102 (5), C.R.S.

Request/Recommendation: The Department requests, and staff recommends an appropriation of \$450,776 reappropriated funds spending authority and 1.5 FTE. The request includes an increase of \$4,380 reappropriated funds to annualize FY 2024-25 salary survey and step pay.

(B) Special Purpose

Fees and Conferences

This line item provides spending authority for the Department to spend fees charged and received for various conferences or meetings held at the CSDB. Pursuant to Section 22-80-102, C.R.S., the CSDB is charged with being "a resource to school districts, state institutions, and other approved education programs". Among other resource services, the CSDB is required to provide "programs for parents, families, and the public". This appropriation allows the CSDB to host conferences that benefit professionals working with students who are deaf/hard of hearing or blind/visually impaired, parents of those children, and the students themselves. These fees offset additional custodial, maintenance, and security costs incurred. The CSDB also collects other fees, including fees paid for counseling services provided to students who are deaf/hard of hearing or blind/visually impaired in schools throughout Colorado.

Statutory Authority: Section 22-80-102, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$120,000 cash funds for FY 2025-26 with no change from the FY 2024-25 appropriation. Staff recommends approving the request. Staff recommends maintaining the appropriation at its current level despite the low levels of expenditures in recent years, as the recommendation is intended to allow the Department to receive and spend any fees earned.

Outreach Services

The CSDB is statutorily charged with being a resource to school districts by providing several services, including: assessment and identification of students' educational needs; special curricula; equipment and materials; supplemental related services; special short-term programs; program planning and staff development; programs for parents, families and the public; and research and development to promote improved educational programs and services. The reappropriated funds portion of this appropriation represents federal funds transferred from school districts or the Department of Education for three purposes:

- The CSDB occasionally accepts students from Colorado school districts for extended diagnostic periods prior to the student meeting CSDB enrollment criteria. Typically, these students require a one-on-one aide who must be supplied by the home school district. Often, the districts themselves are unable to find qualified applicants willing to work for district-level salaries while living in the Colorado Springs area. To address this issue, this line item provides spending authority for the CSDB to hire these professionals using federal special education funds transferred from school districts.
- CSDB employees travel to districts to provide training for district staff and/or to provide direct support to students. Districts pay the CSDB for their staff time and travel expenses.
- The Department supplies funding (also originally from federal funding) to provide Braille and large print materials for blind/visually impaired students through the Colorado Instructional Materials Center.

In FY 2009-10, this line item was increased by \$755,836 cash funds and 2.6 FTE to provide outreach services to school districts and Boards of Cooperative Educational Services (BOCES). The outreach services include technology training, professional development training, clerical support to distribute materials, production and purchase of adaptive materials, and student support services such as communication assessments, counseling support, and short-term and summer enrichment courses. In FY 2015-16, the General Assembly added an additional 0.8 FTE associated with FY 2015-16 R5 (CSDB Strategic Plan Implementation). The source of the cash funds are from reimbursements that the CSDB collects from school districts and BOCES.

For FY 2020-21, the General Assembly reduced the appropriation to \$1,000,000 total funds (including \$750,000 cash funds and \$250,000 reappropriated funds) to better align appropriations with actual expenditures and reflect that the appropriation is an estimate of available revenues.

Statutory Authority: Section 22-80-102, C.R.S.

Request: The Department requests an appropriation of \$1,001,654 total funds (including \$751,654 cash funds and \$250,000 reappropriated funds) and 6.2 FTE for FY 2025-26. The request includes an increase of annualize FY 2025-26 salary survey and step pay.

Recommendation: Staff recommends approving a continuation appropriation of \$1,000,000 total funds (including \$750,000 cash funds and \$250,000 reappropriated funds) and 6.2 FTE, with no change from the FY 2024-25 appropriation. So long as actual revenues and expenditures for the program continue to remain below the appropriation, staff believes that maintaining a flat \$1.0 million appropriation is sufficient. Given the estimated nature of the appropriation, staff recommends maintaining the current appropriation until it is likely that available revenues would exceed the appropriation.

Tuition from Out-of-state Students

The CSDB is statutorily authorized to admit students from other states "...upon payment to the superintendent of such a sum quarterly as the board of trustees determines, to be not less than the total cost per capita of the students for the year immediately preceding the year in which the application is made." [see Section 22-80-110, C.R.S.] The CSDB is not allowed to admit a student from another state, however, to the exclusion of any Colorado resident. Tuition payments are generally used for curriculum, technology, and dorm furniture.

Historically, the CSDB has admitted students from Wyoming who could not be appropriately served in their home school district. Wyoming does not have a state school to serve children who are deaf and/or blind. Prior to FY 2007-08, the CSDB required Wyoming to pay their students' tuition using federal funds (available under the federal *Individuals with Disabilities Education Act*), which were treated as cash funds but are not subject to the limitation on state fiscal year spending imposed by Section 20 of Article X of the State Constitution ("TABOR"). Beginning in FY 2007-08, the CSDB has been authorized to accept tuition payments from other states for up to four students using state, rather than federal funds. This authorization ensures that children from neighboring states can be served at the CSDB (given available space) if it is determined that it is the best setting for the child.

Statutory Authority: Section 22-80-110, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuing appropriation of \$200,000 cash funds spending authority for FY 2025-26. The CSDB will only be able to spend funds actually received as tuition from out-of-state students. There are currently no out-of-state students enrolled.

Grants

This line item provides spending authority for the CSDB to receive various grants transferred from other line items within the Department. This spending authority excludes amounts related to categorical programs and Medicaid reimbursements for public school health services, as these amounts are appropriated through separate line items. For FY 2020-21, the General Assembly reduced the appropriation to \$1,000,000 reappropriated funds and 6.0 FTE (a reduction of \$206,079 and 3.0 below the FY 2019-20 appropriation) to better align

appropriations with available revenues and to reflect the estimated nature of the appropriation.

Statutory Authority: Section 22-80-102, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuing appropriation of \$1,000,000 reappropriated funds and 6.0 FTE for FY 2025-26.

(10) Charter School Institute

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

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

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

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

Funding for Schools Authorized by the Charter School Institute: There are currently 42 Institute charter schools, located in 17 different school districts. The CSI schools have a total pupil count of 19,891.5 funded pupils in FY 2024-25. This makes CSI comparable in size to the 15th largest school district in the State. However, CSI's portfolio of charter schools is about 17.0 percent of the approximately 261 charter schools operating statewide, most of which operate under the authorization of their local school district. For the five year period from FY 2018-19 to FY 2023-24, CSI enrollment increased by 26.0 percent, while state enrollment as a whole fell by 3.3 percent over the same period. However, more recently enrollment has declined, due in part to

closure of a large online school. CSI enrollment is projected to increase by 0.6 percent to 20,008.5 pupils in FY 2025-26.

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

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

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

Unlike schools in most public school districts, CSI schools generally do not receive support from mill levy overrides and bond measures approved by voters.²⁶ Instead, they receive funding to equalize local mill levy override funding using state General Fund through the Mill Levy Equalization Fund.

Senate Bill 23-287 (School Finance) incorporated several significant changes to funding CSI schools that included:

- Beginning in FY 2024-25, required the General Assembly to appropriate from the General Fund the amount necessary each budget year to fund full mill levy equalization for all institute charter schools for the applicable budget year. [Section 22-30.5-513.1 (a.5), C.R.S.]
- Specified that each institute charter school's certified pupil enrollment and online pupil enrollment count, except for at multidistrict online schools, is calculated as the greater of the average of the institute charter school's pupil enrollment for the applicable budget year or several possible averages: a two-year average, three-year average, four-year average or five-year average of pupil enrollment (as for school districts). This added CSI schools to the overall averaging system applied to school districts. [Sections 22-54-103(7)(f)(II.5) and (II.6), C.R.S.]

The bill also added Institute charter schools into special distributions for rural schools, among other provisions.

²⁶ One school district, Durango, included a CSI school as part of a bond mill levy measure. CSI reports this is the sole exception.

During the 2024 legislative session, the General Assembly made several significant changes to CSI Mill Levy Equalization and its funding structure.

- Consistent with previously adopted legislation, funding for CSI for FY 2024-25 increased by \$22.2 million (81.0 percent) to \$49.2 million from state funds, versus the FY 2023-24 appropriation of \$27.0 million General Fund;
- Pursuant to H.B. 24-1394 (a JBC bill), funding from the State Education Fund was authorized, and \$22.0 million of the increase was funded by the State Education Fund. This bill also eliminated the previous CSI MLE Fund and the budget double-counts that had occurred due to this structure.

Decision Items

→ S2, R3, BA3 CSI Mill Levy Equalization: FY 2024-25 Supplemental Adjustment and FY 2025-26 Appropriation Under Current Law

Request

FY 2024-25 (Supplemental): The Department requests an increase of \$2,704,702 cash funds from the State Education Fund (SEF) for FY 2024-25, based on the latest estimates provided by CSI in FY 2024-25 for the cost of CSI Mill Levy Equalization in FY 2024-25. The requested amount to continue to fully fund mill levy equalization for all institute charter schools in the state was estimated to be \$51,925,398 for FY 2024-25.

FY 2025-26 (Budget Amendment): The November 1, 2024 request includes an increase of \$1,738,755 cash funds from the State Education Fund increase for mill levy equalization for Charter School Institute (CSI) charter schools. This was amended through BA3 to add an additional \$4,829,657 cash funds from the State Education Fund. If approved, the request would bring support for CSI Mill Levy Equalization to \$55,789,108 in FY 2025-26, including \$27,220,696 from the General Fund and \$ 28,568,412 from the State Education Fund. The requested increase totals \$6,568,412, which is an increase of 13.3% over the \$49,220,696 approved during the 2024 legislative session and an increase of 7.4% over the revised amount of \$51,925,398 *requested* for FY 2024-25.

Statute requires that “beginning in the 2024-25 budget year and each budget year thereafter, the general assembly shall appropriate from the general fund the amount necessary each budget year to fund full mill levy equalization for all institute charter schools for the applicable budget year.” This is intended to ensure that students enrolled at CSI schools receive per pupil funding equal to the district per pupil funding in each district where a CSI school is located.

The cost of “full equalization” is not a fixed number and has evolved over the course of the year.

Staff Recommendation

For purposes of complying with current law in the Long Bill and supplemental, the staff recommendation is shown in the table below for both FY 2024-25 and FY 2025-26. As can be seen:

- The recommendation for FY 2024-25, includes a **reduction of \$797,847 cash funds from the State Education Fund** from the FY 2024-25 enacted budget. Recommended funding is \$3.5 million less than the Executive Request based on a difference in the methodology used for the calculation that is described below.
- **The recommendation for FY 2025-26 is for a total of \$54,592,279 for CSI Mill Levy Equalization, including \$27,220,696 from the General Fund (unchanged from FY 2024-25) and \$27,371,583 from the State Education Fund.** This represents an increase of \$6.2 million (12.7 percent) from the revised FY 2024-25 base. This is \$1.2 million less than the Executive Request and is based on a Legislative Council Staff forecast using data from the Department of Education and the Charter School Institute.

CSI Mill Levy Equalization Request and Recommendation - Changes from the SEF						
	FY 2024-25			FY 2025-26		Percent Change
	Current	Revised	Change	Recommendation	Change from revised FY 2024-25	
Request	\$49,220,696	\$51,925,398	\$2,704,702	\$55,789,108	\$3,863,710	7.4%
Recommendation	49,220,696	48,422,849	-797,847	54,592,279	6,169,430	12.7%
Rec above/-below request		-3,502,549		-1,196,829		

Analysis

Background: The State Charter School Institute (CSI) is a statewide charter school authorizer, functioning as an independent agency in the Department of Education. CSI schools have access to per pupil operating revenue (PPOR) equal to the PPOR for the district in which they are geographically located. However, they do not generally have access to mill levy override funding approved by voters to support the operations of their local school district, which can add up to 30.0 percent to district PPOR, depending upon the district.

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

Since CSI-authorized schools do not have access to local override revenues, H.B. 17-1375 created the Mill Levy Equalization Fund to support *state* payments to CSI schools to equalize the local override revenues available in CSI schools’ geographic districts. The General Assembly provided \$5.0 to \$7.0 million General Fund per year for CSI Mill Levy Equalization between FY 2018-19 and FY 2020-21. Funding was increased to \$9.0 million General Fund in FY 2021-22, \$17.0 million General Fund in FY 2022-23, and \$27.0 million General Fund in FY 2023-24.

Section 22-30.5-513.1 (a.5), C.R.S. requires the General Assembly to fund “full mill levy equalization” for all institute charter schools beginning in FY 2024-25.

The table below shows Legislative Council Staff’s current estimate of “full funding” for mill levy equalization for CSI schools for FY 2024-25 and FY 2025-26.

FY 2024-25 Calculation: The calculation for FY 2024-25 is based on:

- Total mill levy override (MLO) revenue certified for FY 2024-25 by each district where a CSI school is located, divided by the total October 2024 pupil count enrolled in that district to generate a per pupil MLO amount.
- October 2024 counts of students enrolled in each CSI school, assigned to the district in which the CSI school is physically located. CSI student numbers are multiplied by the per pupil MLO for the district in which the CSI school is located to generate the state CSI mill levy equalization calculation.
- For the one school district that shares a portion of its MLO revenue with its CSI schools (Durango), the state obligation is limited to mills approved prior to 2016 (5.517 of the 8.47 total mills). This reduces the state’s obligation by approximately \$780,000.

The difference between the request and the recommendation is that the recommendation applied an assumption that 50 percent of new MLOs approved in November 2024 would be added to the MLO calculation for FY 2024-25. How such new mills should be treated was unclear, because this is the first year of CSI MLE “full funding” and this is the first session in which staff is providing a true up of the appropriation to comply with current law.

Based on further investigation, legislative staff determined that the language in each local mill levy is sufficiently different that the 50 percent assumption may not be reasonable: in some cases, new MLO votes provide a full year of new revenue to FY 2024-25. In others, the MLO votes may provide no new revenue until FY 2025-26 or later. Given this, staff determined that it is better to rely on each districts final certified MLO revenue for FY 2024-25, rather than making assumptions about the impact of new MLOs adopted.

In addition, the staff recommendation was modified to take into account the contribution of Durango’s MLO to its CSI schools. Of Durango’s total 8.47 mills in MLO, 5.517 were adopted prior to the 2016 election in which voters included CSI schools in the MLO.

CSI Mill Levy Equalization Legislative Council Staff Calculation FY 2024-25				
CSI School	District	Actual	MLO Revenue	
		FY 25 Pupils	Per Pupil	MLO Equalization
ACADEMY OF CHARTER SCHOOLS	Adams 12	1,845	\$1,990	\$3,672,329
GLOBAL VILLAGE ACADEMY - NORTHGLENN	Adams 12	838	1,990	1,667,974
THE PINNACLE CHARTER SCHOOL	Adams 12	1,903	1,990	3,786,779
COMMUNITY LEADERSHIP ACADEMY/ VICTORY PREP	Adams 14	568	2,824	1,604,154
<i>BE THE CHANGE</i>	<i>Adams 14</i>	<i>0</i>	<i>2,824</i>	<i>0</i>
<i>UNIVERSITY PREP</i>	<i>Adams 14</i>	<i>0</i>	<i>2,824</i>	<i>0</i>
HIGH POINT ACADEMY	Brighton	620	1,145	709,733
ASCENT- NORTHERN DENVER	Brighton	288	1,145	329,110

CSI Mill Levy Equalization Legislative Council Staff Calculation FY 2024-25				
CSI School	District	Actual	MLO Revenue	
		FY 25 Pupils	Per Pupil	MLO Equalization
EARLY COLLEGE OF ARVADA	Westminster	0	3,726	0
CROWN POINTE CHARTER ACADEMY	Westminster	460	3,726	1,714,038
RICARDO FLORES MAGON ACADEMY	Westminster	288	3,726	1,073,137
COLORADO SKIES ACADEMY	Cherry Creek	90	2,967	267,068
ACADEMY OF ADVANCED LEARNING	Aurora	844	3,369	2,843,796
COLORADO EARLY COLLEGES - AURORA	Aurora	567	3,369	1,908,780
MONTESSORI DEL MUNDO CHARTER SCHOOL	Aurora	280	3,369	943,440
NEW AMERICA SCHOOL - LOWRY	Aurora	81	3,369	271,239
NEW LEGACY CHARTER HIGH SCHOOL	Aurora	96	3,369	323,465
WILDFLOWER - AURORA	Aurora	32	3,369	107,822
SALIDA MONTESSORI CHARTER SCHOOL	Salida	154	2,277	350,725
ASCENT CLASSICAL ACADEMY - DOUGLAS COUNTY	Douglas	941	2,297	2,160,445
COLORADO EARLY COLLEGES DOUGLAS COUNTY	Douglas	1,047	2,297	2,405,089
STONE CREEK SCHOOL	Eagle	293	2,640	773,449
COPERNI 3	Colorado Springs	365	3,706	1,352,832
COLORADO MILITARY ACADEMY	Colorado Springs	675	3,706	2,501,813
COLORADO SPRINGS CHARTER ACADEMY	Colorado Springs	295	3,706	1,093,385
COLORADO SPRINGS EARLY COLLEGES	Colorado Springs	871	3,706	3,228,266
COLORADO INTERNATIONAL LANGUAGE ACADEMY	Colorado Springs	341	3,706	1,263,879
MOUNTAIN SONG COMMUNITY SCHOOL	Colorado Springs	337	3,706	1,247,200
THOMAS MACLAREN STATE CHARTER SCHOOL	Colorado Springs	0	3,706	0
ROSS MONTESSORI SCHOOL	Roaring Fork	177	3,038	537,641
GOLDENVIEW	Jefferson	735	2,088	1,534,510
PROSPECT ACADEMY	Jefferson	92	2,088	192,075
ANIMAS HIGH SCHOOL	Durango	253	2,013	508,348
MOUNTAIN MIDDLE SCHOOL	Durango	325	2,013	654,309
AXIS INTERNATIONAL ACADEMY	Poudre	218	2,253	491,241
ACADEMY OF ARTS & KNOWLEDGE	Poudre	220	2,253	494,621
ASCENT CLASSICAL ACADEMY - NORTHERN COLORADO	Poudre	628	2,253	1,415,133
COLORADO EARLY COLLEGE - WINDSOR	Poudre	199	2,253	448,426
COLORADO EARLY COLLEGE FORT COLLINS	Poudre	992	2,253	2,234,243
CEC online school	Poudre	408	2,253	919,386
CAPROCK ACADEMY	Mesa Valley	861	846	728,758
Ascent - Grand Junction	Mesa Valley	457	846	386,809
MONUMENT VIEW MONTESSORI	Mesa Valley	19	846	16,082
WILDFLOWER - GRAND JUNCTION	Mesa Valley	29	846	24,546
MOUNTAIN VILLAGE MONTESSORI CHARTER SCHOOL	Steamboat Springs	103	2,299	236,774
KWIYAGAT COMMUNITY ACADEMY	Montezuma-Cortez	61	0	0
		19,892	Total:	\$48,422,849

FY 2025-26 Calculation: The calculation for FY 2025-26, similar to the original Long Bill calculation for FY 2024-25 is based on:

- District per pupil MLO revenue based on each district’s FY 2024-25 adjusted MLO, FY 2025-26 LCS enrollment forecasts by district for non-CSI students, and the FY 2025-26 LCS

forecast of assessed values by district. These are used to generate a per pupil MLO amount by district.

- CSI FY 2024-25 per pupil counts by school with some adjustments for schools that are anticipated to open or close in FY 2025-26. CSI student numbers are multiplied by the per pupil MLO for the district in which the CSI school is located to generate the state CSI mill levy equalization calculation.
- For the one school district that shares a portion of its MLO revenue with its CSI schools (Durango), the state obligation is limited to mills approved prior to 2016 (5.517 of the 8.47 total mills used in Durango).

As for FY 2024-25, the FY 2025-26 estimate will be adjusted during the 2026 legislative session through the supplemental budget process to accurately reflect October count data, school decisions to join/leave CSI, and any voter-approved changes to mill levy override funding in the district schools where CSI is located.

CSI Mill Levy Equalization				
Legislative Council Staff Forecast FY 2025-26				
CSI School	District	Projected	MLO Revenue	
		FY 26 pupils	Per Pupil	MLO Equalization
ACADEMY OF CHARTER SCHOOLS	Adams 12	1,845	\$2,170	\$4,003,367
GLOBAL VILLAGE ACADEMY - NORTHGLENN	Adams 12	838	2,170	1,818,331
THE PINNACLE CHARTER SCHOOL	Adams 12	1,903	2,170	4,128,133
COMMUNITY LEADERSHIP ACADEMY/ VICTORY PREP	Adams 14	568	3,081	1,750,035
<i>BE THE CHANGE</i>	<i>Adams 14</i>	<i>0</i>	<i>3,081</i>	<i>0</i>
UNIVERSITY PREP	Adams 14	75	3,081	231,079
HIGH POINT ACADEMY	Brighton	620	1,162	720,181
ASCENT- NORTHERN DENVER	Brighton	288	1,162	333,955
CROWN POINTE CHARTER ACADEMY	Westminster	460	4,225	1,943,706
<i>EARLY COLLEGE OF ARVADA</i>	<i>Westminster</i>	<i>0</i>	<i>4,225</i>	<i>0</i>
RICARDO FLORES MAGON ACADEMY	Westminster	288	4,225	1,216,929
COLORADO SKIES ACADEMY	Cherry Creek	90	3,347	301,210
ACADEMY OF ADVANCED LEARNING	Aurora	844	3,798	3,205,600
COLORADO EARLY COLLEGES - AURORA	Aurora	567	3,798	2,151,626
MONTESSORI DEL MUNDO CHARTER SCHOOL	Aurora	302	3,798	1,147,028
NEW AMERICA SCHOOL - LOWRY	Aurora	81	3,798	305,747
NEW LEGACY CHARTER HIGH SCHOOL	Aurora	96	3,798	364,618
WILDFLOWER - AURORA	Aurora	32	3,798	121,539
SALIDA MONTESSORI CHARTER SCHOOL	Salida	154	2,533	390,035
ASCENT CLASSICAL ACADEMY - DOUGLAS COUNTY	Douglas	941	2,553	2,401,332
COLORADO EARLY COLLEGES DOUGLAS COUNTY	Douglas	1,047	2,553	2,673,253
STONE CREEK SCHOOL	Eagle	293	3,035	889,256
COPERNI 3	Colorado Springs	365	4,182	1,526,429
COLORADO MILITARY ACADEMY	Colorado Springs	675	4,182	2,822,849
COLORADO SPRINGS CHARTER ACADEMY	Colorado Springs	295	4,182	1,233,690
COLORADO SPRINGS EARLY COLLEGES	Colorado Springs	871	4,182	3,642,521
COLORADO INTERNATIONAL LANGUAGE ACADEMY	Colorado Springs	341	4,182	1,426,061
MOUNTAIN SONG COMMUNITY SCHOOL	Colorado Springs	337	4,182	1,407,242

CSI Mill Levy Equalization				
Legislative Council Staff Forecast FY 2025-26				
CSI School	District	Projected	MLO Revenue	
		FY 26 pupils	Per Pupil	MLO Equalization
THOMAS MACLAREN STATE CHARTER SCHOOL	Colorado Springs	0	4,182	0
ROSS MONTESSORI SCHOOL	Roaring Fork	177	3,529	624,552
GOLDENVIEW	Jefferson	735	2,429	1,785,028
PROSPECT ACADEMY	Jefferson	92	2,429	223,432
ANIMAS HIGH SCHOOL	Durango	253	2,351	593,746
MOUNTAIN MIDDLE SCHOOL	Durango	325	2,351	764,228
AXIS INTERNATIONAL ACADEMY	Poudre	218	2,472	538,852
ACADEMY OF ARTS & KNOWLEDGE	Poudre	220	2,472	542,560
ASCENT CLASSICAL ACADEMY - NORTHERN COLORADO	Poudre	628	2,472	1,552,291
COLORADO EARLY COLLEGE - WINDSOR	Poudre	199	2,472	491,888
COLORADO EARLY COLLEGE FORT COLLINS	Poudre	992	2,472	2,450,790
CEC online school	Poudre	408	2,472	1,008,494
CAPROCK ACADEMY	Mesa Valley	861	1,086	934,696
Ascent - Grand Junction	Mesa Valley	457	1,086	496,116
MONUMENT VIEW MONTESSORI	Mesa Valley	19	1,086	20,626
WILDFLOWER - GRAND JUNCTION	Mesa Valley	29	1,086	31,482
MOUNTAIN VILLAGE MONTESSORI CHARTER SCHOOL	Steamboat Springs	103	2,871	295,724
KWIYAGAT COMMUNITY ACADEMY	Montezuma-Cortez	61	0	0
HIGH ROCKIES COMMUNITY SCHOOL	Park	20	4,101	82,022
		20,009	Total:	\$54,592,279

→ Budget Balancing Options for CSI Mill Levy Equalization [Legislation Required]

Request

Two potential statutory changes have been put forward by the Governor’s Office and CSI.

- During CSI’s hearing, it indicated it would support the following statutory change:

“Currently, statute includes a provision whereby the district may, but is not required, to choose to distribute a portion of the additional mill levy revenue to a multi-district online school. CSI would be open to having CSI statutory language align with this district language, which would allow CSI to choose whether to extend mill levy equalization fund dollars to the one multidistrict online school serving roughly 400 students within CSI.” CSI estimated related savings of \$1.7 million.”
- As part of the FY 2024-25 supplemental request, the Governor’s Office noted that the Colorado Charter School Institute had found that certain school districts have been able to raise more funds by including CSI students in their MLO calculations without subsequently

sharing the revenue benefits. Based on this the Governor’s Office in consultation with CSI proposed statutory changes to require the following:

“Should a school district choose to include CSI students in a MLO ballot initiative and share resulting funding from passed MLOs with CSI schools, the district can continue to include CSI total program in the calculation of its Total Maximum Allowable Override.

Should a school district choose to exclude CSI students in a MLO ballot initiative, the ballot language must explicitly list each CSI school that would not benefit by name, and the district would not be able to include CSI total program in the calculation of its Total Maximum Allowable Override.”

Recommendation

JBC staff supports versions of the two requests described above. Specifically:

- Staff supports the CSI proposal that it should not be required to include multi-district online schools in CSI MLE.

If the JBC chooses to pursue such language, staff would suggest that multi-district online schools be explicitly *excluded* from mill levy equalization calculations. This should not be a CSI option if the General Assembly wishes to pursue this. *Legislative Council Staff calculates that adopting such legislation would provide savings of \$1,008,494 for FY 2025-26.*

- Staff supports adding a statutory requirement to require that future school district mill levy override votes clarify whether or not schools in the district that are authorized by the Charter School Institute are included as mill levy override recipients.

Staff does *not* support requiring that *individual* CSI schools be listed by name in ballot measures, both because this could be cumbersome and because schools that are authorized by CSI change over time; however, staff would support a more generic requirement that ballot measures clarify whether or not CSI schools are included.

Staff understands that districts may object to such a requirement on the grounds that they wish flexibility in the wording of their local ballot measures. Staff nonetheless thinks that adding the words “including (or not including) schools located in the district that are authorized by the Charter School Institute” should not unduly impinge on districts and would add transparency for voters.

It is uncertain what the fiscal impact of such a change would be, since it would still be a district option as to whether CSI schools are included in their MLOs and this would only affect future votes. If the JBC chooses to sponsor such a bill, staff would also recommend that such legislation modify some related requirements so that the amount that districts are providing to CSI schools from their MLOs is consistently reported and included in CSI MLE calculations.

In addition, staff supports a change that is not sought by either the Governor’s Office or CSI:

- Staff recommends that the General Assembly again consider capping funding for CSI Mill Levy Equalization as a budget balancing measure.

Funding CSI MLE is one of the largest areas of increase since FY 2018-19 in the areas covered by this budget packet. The risk of ongoing future increases is high. Capping the program, which could include reducing or eliminating funding from the base, is the most obvious way to address this problem.

If legislation caps CSI Mill Levy Equalization funding at the FY 2024-25 level, this could reduce State Education Fund obligations or General Fund obligations by \$6.2 million for FY 2025-26.

Analysis

Staff recommends steps to reduce or eliminate the cost of CSI Mill Levy Equalization.

Key Considerations: State funding for Charter School Institute Mill Levy Equalization has been one of the largest drivers in the is part of the budget in recent years. Funding has increased from \$5.5 million General Fund in FY 2018-19 to \$49.2 million (\$27.2 million General Fund and \$22.0 million from the State Education Fund) in FY 2024-25, after the General Assembly passed legislation indicating its intent to “fully fund” this program.

As staff has noted in the past:

- Current statutory provisions that provide for “full” equalization for CSI schools drive General Fund increases based on local voter decisions to increase mill levy overrides for their local school district, as well student and school decisions to join CSI . This creates significant risk for the state budget. CSI enrollment has grown substantially more quickly than enrollment in districts, where enrollment is often declining.
- CSI's position is that its schools should not receive less funding per student than students at neighboring public schools. This is compelling. CSI charter schools fill important niches in the array of school offerings. CSI charters clearly face more financial obstacles than most district schools.
- Nonetheless, staff remains concerned about the *source* for equalizing funding (state General Fund/State Education Fund) and the resulting impact on the state budget. Among other considerations, staff is concerned about building incentives for charter schools, and their local school districts, to encourage charter schools to pursue CSI authorization instead of local district authorization. While there are clearly many factors that charter schools and districts take into account when deciding upon an authorizer, “full equalization” provides incentives in favor of CSI authorization. This is directly contrary to the State's financial interest in ensuring that school districts contribute local tax funding in support of students attending local public charter schools.

Additional background:

- Since FY 2024-25, when the General Assembly adopted “full” equalization, the key driver of CSI MLE costs has been local voter decisions to increase mill levy overrides. **The State is now paying over \$4,200 per student in additional support to CSI students in districts with high MLOs (Colorado Springs and Westminster schools).**
- Staff requested LCS Staff calculate state “exposure” to additional mill levy override increases in districts where CSI schools currently operate. Even if CSI schools and pupil counts remain

stable, over time the cost of equalizing funding for CSI students will increase based on factors such as total funding (since mill levy overrides are capped at 25 to 30 percent of total program formula funding, as adjusted based on H.B. 24-1448) and property values. Based on the LCS analysis, **if voters in all of the districts where CSI schools operate voted to increase their local district mill levy overrides to the maximum now allowed under state law, \$75.5 million would be required, representing an increase of about 50.0 percent over the current cost.**

- The number of students enrolled in CSI schools increased significantly for several years, although growth has now stabilized, in part because programs that primarily served home-schooled students remotely have closed based on changes in state rules.
- The number of schools authorized by CSI has not changed substantially in recent years, but could also grow. Allowing a school to be authorized by CSI is typically a district, as well as school, decision: 172 of 178 school districts have retained exclusive chartering authority and so must “release” a school to CSI for CSI to become the authorizer. Districts and schools have many considerations when selecting an authorizer. However, JBC staff has expressed concern over the years about the disadvantage to the State of the current mill levy override equalization structure: charter schools that are authorized by their districts have the cost of mill levy overrides covered by local taxing revenue; CSI school overrides costs are being covered by the State. **It is in the State’s interest to encourage charter schools to be locally authorized instead of using CSI. By fully funding mill levy equalization, the State is building incentives for schools to seek CSI authorization and districts to support this**, since state funds, rather than local district funds, cover mill levy override costs.
- **If the JBC/General Assembly determines that it does not have sufficient funds to fully cover CSI Mill Levy Equalization for FY 2025-26 or another year, a statutory change would be needed** to state that funding for CSI Mill Levy Equalization may be capped at a specific dollar amount, as has thus far been the practice.

Line Item Detail

State Charter School Institute Administration, Oversight, and Management

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

Statutory Authority: Section 22-30.5-501 et seq., C.R.S. and Section 22-30.5-513, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$5,000,000 reappropriated funds and 11.7 FTE for FY 2025-26. The funds are continuously appropriated to the Department and are shown in the Long Bill for informational purposes only.

Institute Charter School Assistance Fund

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

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

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

Statutory Authority: Section 22-30.5-515.5, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$1,800,000 cash funds from the Institute Charter School Assistance Fund.

Other Transfers to Institute Charter Schools

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

Statutory Authority: Section 22-30.5-513 (9) (a), C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an informational appropriation of \$21,500,000 reappropriated funds for FY 2025-26, with no change from FY 2024-25.

Transfer of Federal Money to Institute Charter Schools

This line item reflects federal funds received by the SCSi for pass-through to Institute charter schools, along with the SCSi FTE supported with federal funds. Moneys appropriated to this line item are reflected as reappropriated funds because they are first reflected within other line items within the Department’s budget (e.g., Special Education Programs for Children with Disabilities, English Language Proficiency Program, Federal Nutrition Programs, and

Appropriated Sponsored Programs). The request reflects the SCSI’s anticipated expenditures under the continuous appropriation provided by S.B. 12-121.

Statutory Authority: Section 22-30.5-501 et seq., C.R.S. and Section 22-30.5-513, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$17,400,000 reappropriated funds and 4.5 FTE, with no change from the FY 2024-25 appropriation.

CSI Mill Levy Equalization

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

Statutory Authority: Section 22-30.5-513.1 (2)(b), C.R.S.

Request/Recommendation: The table below summarizes the request and recommendation. As discussed previously in this packet, the staff recommendation for the Long Bill is based on the estimated total funding required for CSI mill levy equalization based on the current statutory structure, including a supplemental adjustment for FY 2024-25 and an increase for FY 2025-26. The differences between the request and recommendation are due to slightly different methodologies in calculating the funding required.

Charter School Institute, CSI Mill Levy Equalization						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$49,220,696	\$27,220,696	\$22,000,000	\$0	\$0	0.0
LBSupp S2 CSI Mill Levy Equalization	-797,847	0	-797,847	0	0	0.0
Total FY 2024-25	\$48,422,849	\$27,220,696	\$21,202,153	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$48,422,849	\$27,220,696	\$21,202,153	\$0	\$0	0.0
R3/BA3 CSI Mill Levy Equalization	6,169,430	0	6,169,430	0	0	0.0
Total FY 2025-26	\$54,592,279	\$27,220,696	\$27,371,583	\$0	\$0	0.0
Changes from FY 2024-25	\$6,169,430	\$0	\$6,169,430	\$0	\$0	0.0
Percentage Change	12.7%	0.0%	29.1%	n/a	n/a	n/a
FY 2025-26 Executive Request	\$55,789,108	\$27,220,696	\$28,568,412	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$1,196,829	\$0	-\$1,196,829	\$0	\$0	0.0

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

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

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

Request/Recommendation: The Department requests, and staff recommends, a continuation appropriation of \$243,362 reappropriated funds and 1.6 FTE. The (non-CSI) Department staff incur costs associated with SCSi activities, and this line item is the mechanism to cover at least a portion of the necessary costs.

Long Bill Footnotes

Staff recommends **continuing the following footnotes or continuing them as amended.**

- 18 Department of Education, School District Operations, Public School Capital Construction, Public School Capital Construction Assistance Board - Cash Grants-- This appropriation remains available until the completion of the project or the close of the ~~2026-27~~ 2027-28 fiscal year, whichever comes first.

Comment: This footnote has been included in the Long Bill for more than five years. This footnote makes funding appropriated to the Building Excellent Schools Today (BEST) Program for cash grants available for up to three years to allow for the completion of projects requiring funding for more than a single fiscal year.

- 19 Department of Education, Student Learning, Early Literacy, Early Literacy Program Administration and Technical Support; Early Literacy Competitive Grant Program; Early Literacy Program Evidence Based Training Provided to Teachers; Early Literacy Program Per Pupil Intervention Program -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department is authorized to transfer up to \$1,500,000 cash funds from the Early Literacy Fund created in Section 22-7-1210 (1), C.R.S., among the line items designated with this footnote, except that the amount for Early Literacy Program Administration and Technical Support may be increased by no more than ten percent based on an assumption that the Department may require an additional 2.0 FTE.

Comment: This footnote was added in FY 2022-23. It provides additional flexibility for the Department to move money from the Early Literacy Fund among several line items based on program needs. The Department plans to use this flexibility. The Department's budget schedules indicate that it used this flexibility in both FY 2022-23 and FY 2023-24 but nonetheless reverted considerable funds back to the Early Literacy Fund.

- 20 Department of Education, Student Pathways, Career Readiness, Career Development Success Program -- It is the General Assembly's intent that \$200,000 of this appropriation be used for activities other than direct grants to school districts.

Comment: This footnote was first included in the FY 2019-20 Long Bill. The General Assembly added this footnote to authorize the Department to Department to hold back \$200,000 from the appropriation for the Career Development Success Program. It is staff's understanding that the Department has used these funds to support the TEACH Colorado program, a joint teacher recruiting effort between the Department and number of other partners, including school districts and the Department of Higher Education.

In response to JBC staff questions, the Department confirmed that it is in compliance with this footnote and believes that the funding for TEACH represents a good use of funds.

Staff recommends **eliminating or moving the following footnote, contingent on the Committee decision to move all funding currently in the Reading Services for the Blind line**

item to a proposed new enterprise in the Department of Human Services. If the footnote is moved, the amounts included should be modified to align with the appropriation.

21 Department of Education, Library Programs, Reading Services for the Blind -- This appropriation is for the support of privately operated reading services for the blind, as authorized by section 24-90-105.5, C.R.S. It is the General Assembly's intent that \$540,000 of this appropriation be used to provide access to radio and television broadcasts of locally published and produced materials and \$120,000 of this appropriation be used to provide telephone access to digital transmissions of nationally published and produced materials.

Comment – Department of Education: This footnote has been included in the Long Bill for at least five years to express the General Assembly's intent concerning this appropriation. The Department annually contracts with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. Broadcasts are provided in Boulder, Louisville, and Lafayette and are available on local cable as a standard radio frequency at 98.9 KHzs. AINC is currently working through cable associations with the cities to expand local coverage. The services provided by AINC are also made available through the internet, telephone, and podcasts. In FY 2012-13, the General Assembly increased the allocation for the contract with AINC from \$200,000 per year to \$300,000. The General Assembly added \$10,000 in FY 2014-15, \$50,000 in FY 2015-16, and \$80,000 in 2018-19 for a total of \$440,000. The JBC initiated a further increase of \$100,000 for this program in FY 2022-23, bringing the total to \$540,000.

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

In response to JBC staff questions, the Department confirmed that it is in compliance with this footnote and believes that these expenditures represent a good use of funds. The line item was increased by \$200,000 General Fund through new legislation adopted during the 2024 legislative session.

Possible New Location – Department of Human Services: An executive proposal to move funding for this line item will be discussed in the Department of Human Services figure setting for the Office of Adults, Aging and Disability Services. This footnote could be moved to the new location or eliminated, if the JBC approves this proposal. Staff will bring a "comeback" to address this once the JBC has made a related decision, if appropriate.

Requests for Information

Staff recommends **continuing the following request for information, as modified.**

- 1 Department of Education; and Colorado School for the Deaf and the Blind – The Department of Education and the Colorado School for the Deaf and the Blind are requested to provide to the Joint Budget Committee, by September 1, ~~2024~~ 2025, detailed information concerning each entity’s implementation of the recommendations of the independent review panel for the Colorado School for the Deaf and Blind. The requested information should include both detail on the progress made to date and each entity’s plans going forward.

Comment: The Department has submitted the request annually. The responses indicate that it continues to make progress, but is not yet done with this process Staff therefore recommends continuing to request annual reporting.

Staff recommends **eliminating** the following multi-departmental request:

- 6 Department of Education, Management and Administration, Administration and Centrally-Appropriated Line Items; and Governor-Lieutenant Governor-Office of State Planning and Budgeting, Governor’s Office of Information Technology – As part of its November 1, 2024 budget submission, the Department of Education is requested to include information on the start-up and ongoing costs for implementing a Human Resources Information System, funded in response to FY 2024-25 Department Request R4, based on the results of its procurement process. In addition, the Department of Education is requested to collaborate with the Governor’s Office of Information Technology to explore whether the Human Resource Information System tool selected by the Department of Education could be scaled to meet the needs of other state departments.

Comment: The Department response described its contracting process, identified the cost of the new system (less than anticipated), and indicated that other state agencies could use the contract it negotiated. Staff does not believe this request is required for an additional year.

Indirect Cost Assessments

Description of Indirect Cost Assessment Methodology

The Department of Education annually calculates two separate indirect cost rates, one affecting federal funds and another for cash funds. The Department's indirect cost methodology is based on three components: an "*Indirect Cost Pool*", an "*Indirect Cost Base*", and an "*Indirect Cost Rate*". The following discussion reflects the calculations underlying the Department's indirect cost process for FY 2025-26. The Department negotiated an indirect cost plan with the U.S. Department of Education for FY 2023-24, these negotiations resulted in a rate of 15.5%. In January 2024, this rate was extended through FY 2024-25. **It is currently anticipated that this rate will be further extended through FY 2025-26.** Given the rate is based on information compiled for the FY 2023-24 submission, the information below reflects the data used in that submission and uses actual expenditures from FY 2021-22.

The Department calculates and negotiates the federal indirect cost rate with the U.S. Department of Education (USDE). The Department had negotiated a three-year fixed federal indirect cost rate with USDE for FY 2015-16 through FY 2017-18, showing a previous precedent for extending the current rate for a third year. While more recently, the Department negotiated an annual rate with the federal agency. The Department calculates the federal rate based on the most recent year of actual expenditures. For example, actual expenditures from FY 2021-22 are the basis of the most recently negotiated rate for FY 2023-24, generating a federal indirect rate of 15.5 percent (which was later extended for FY 2024-25 and now likely for FY 2025-26). The Department calculates the federal rate as the indirect cost pool divided by the indirect cost base (as illustrated in the tables below) but must negotiate the final rate with USDE.

The Department bases the cash fund indirect cost rate on the approved federal rate, with some modifications. For example, the USDE prohibits the inclusion of the Commissioner and her immediate staff in the indirect cost pool. For the cash fund rate, the Department adds the USDE exclusions back into the indirect cost pool to arrive at the cash fund indirect cost rate. The Department primarily applies the cash fund rate to the Educator Licensure Cash Fund but also applies the rate to private gifts, grants, and donations.

The following data provided the basis for the calculations in the FY 2025-26 appropriation. As discussed above, the information for the FY 2025-26 calculations is based on the extension of the FY 2023-24 rate of 15.5%.

Indirect Cost Pool

The *Indirect Cost Pool* is comprised of expenses in the Management and Administration Division, including expenses associated with the following line items: General Department and Program Administration, Information Technology Services, Health, Life, and Dental, Short-term Disability, S.B. 04-257 Amortization Equalization Disbursement, S.B. 06-235 Supplemental Amortization Equalization Disbursement, and Payment to Risk Management and Property Funds. The Department categorizes the indirect cost pool differently, however, based on the

costs actually included in the pool for calculation purposes. **Table 1** (on the following page) outlines which costs are included in the department’s Indirect Cost Pool.

TABLE 1: Department of Education Indirect Cost Pool	
Division/Cost Description	FY 2021-22 Actual
Management and Administration	
Human Resources	410,316
Accounting/Purchasing/Budget	1,731,990
Department Overhead	2,963,169
Sick and Annual Leave Payouts	
	681,062
Information Management	
	2,746,085
Total Departmental Indirect Cost Pool	\$8,532,622
Other Costs	
Statewide Indirect Costs FY21-22	\$710,059
Depreciation	354,440
State Auditor	187,628
Adjustment (Added to Indirect Cost Base)	(66,262)
Total Other Costs	,185,865
Total Indirect Cost Pool	\$9,718,487

Indirect Cost Base

The *Indirect Cost Base* is the denominator in the calculation of the federal indirect cost rate. The indirect cost base consists of Departmental salaries, fringe benefits, and operating expenses. The federal calculation excludes the items for which the USDE prohibits indirect cost collections and excludes departmental indirect costs. **Table 2** summarizes the department’s indirect cost base using the FY 2021-22 actuals that provided the base for the current federal rate.

Table 2: Department of Education Indirect Cost Base	
	FY 2021-22 Actual
CDE salaries, fringe benefits, operating expenses	\$108,067,307
Less: Expenditures Excluded by USDE	(\$36,973,108)
Less: Departmental Indirect Costs	(\$8,532,622)
Add Adjustment Removed from Pool	\$66,262
Total Indirect Cost Base	\$62,627,839

Indirect Cost Rate

The federal *indirect cost rate* is calculated by dividing the indirect cost pool by the indirect cost base. **Table 3** illustrates how the Department calculates the federal indirect cost rate. The following table shows the negotiated rate for FY 2023-24 and FY 2024-25 (15.5 percent) as well as the actual negotiated rate for FY 22-23 (14.5 percent).

TABLE 3: Department of Education Indirect Cost Rate	
Federal Rate = Indirect Cost Pool / Direct Cost Base	
Division	FY 2021-22 Actual
Indirect Cost Pool	\$9,718,487
Indirect Cost Base	\$62,627,839
Negotiated Federal Rate (FY 2023-24/FY 2024-25/FY 2025-26)	15.5%
Negotiated Federal Rate (Actual Rate for FY 2022-23)	14.5%

The Department applies the federal indirect cost rate to all federally funded expenditures for salaries, fringe benefits, operating expenses, and travel costs. The USDE prohibits charging indirect costs to federal funds supporting contracts in excess of \$25,000, grant distributions to school districts and other recipients, and capital expenditures in excess of \$5,000. In addition, some federal programs impose limits on total administrative costs, which includes indirect costs. For example, the Library Service and Technology Act (LSTA) limits total administration to 4 percent of the award, regardless of the negotiated indirect cost rate for other federal funds (20 U.S.C. 9132(a))

The Department also does not charge indirect costs to General Fund expenditures or some cash funded expenditures (most importantly those supported by the State Education Fund). Based on updated information provided by the Department, **Table 4** reflects the recommended indirect cost assessments for each of the Department’s divisions **for FY 2025-26 (no changes other than SWCAP as there was no change in the rate).**

Table 4: Department Indirect Cost Assessment Recommendation				
Division	Total	CF	RF	FF
Management and Administration	\$967,042	\$591,523	\$0	\$375,519
Assistance to Public Schools	\$3,967,960	\$25,000	\$128,142	\$3,814,818
Library Programs	\$55,327	\$0	\$0	\$55,327
Total FY 2025-26 Recommendation	\$4,990,329	\$616,523	\$128,142	\$4,245,664
Management and Administration	\$886,498	\$510,979	\$0	\$375,519
Assistance to Public Schools	\$3,848,077	\$25,000	\$90,177	\$3,732,900
Library Programs	\$55,327		\$0	\$55,327
Total FY 2024-25 Appropriation	\$4,789,902	\$535,979	\$90,177	\$4,163,746
Increase (Decrease) FY2024-25 to FY2025-26	\$200,427	\$80,544	\$37,965	\$81,918

Additional Balancing Options

As part of staff budget briefings in November and December 2024, staff identified budget reduction options for each department that the JBC could consider in addition to or instead of the options presented in the budget request. **Items staff recommends and items that agencies have requested formally are addressed earlier in this packet.** Other items that could be considered, if needed to bring the budget into balance, are listed below.

A General Fund reduction of 5.0 percent to the sections of the budget covered in this figure setting packet equates to a reduction of \$6.1 million. A reduction of 5.0 percent to both General Fund and State Education Fund amounts would require a total reduction of \$14.2 million. The Staff recommendations included in this figure setting packet, if adopted by the JBC, provide budget reductions and revenue enhancements totaling \$8.4 million for reductions that can be adopted within the Long Bill. *Including proposed statutory changes, the recommendations, if adopted, would provide \$98.5 million in savings and revenue enhancements.* Options from the table below, if adopted, increase that amount.

Items in the table are ordered from lowest impact on program operations to highest, based on staff’s understanding of the impact of the change. There are numerous grant programs within this Department. The list below reflects some additional options that could be considered for reduction this year or in future years.

Additional Options for General Fund Relief				
Option	General Fund	Other Funds	Bill? Y/N	Description
Revenue Enhancements				
Subtotal - Revenue	\$0	\$0		
Expenditure Reductions				
Menstrual Hygiene Product Accessibility Grant Program	-100,000	0	N	The amount shown reflects eliminating the program
State Grants to Publicly Supported Libraries	-300,000	0	N	The amount shown represents a 10.0 percent cut
School Leadership Pilot Program	-50,000	0	N	The amount shown represents a 20.0 percent cut
Adult Education and Literacy Grant Program	-300,000	0	N	The amount shown represents a 10.0 percent cut
Educator Recruitment and Retention Program	-500,000	0	N	The amount shown represents a 10.0 percent cut
Repeal remote statewide assessment program	\$0	-\$938,500	Y	Eliminate remote assessments authorized in SB 24-070. Reduces State Education Fund appropriations (ongoing)
Subtotal - Expenditures	-\$1,250,000	-\$938,500		
Net Relief	\$1,250,000	\$938,500		

Expenditure Reductions

Menstrual Hygiene Product Accessibility Grant Program

Description: This recommendation would eliminate funding for this program. Statutory provisions could be repealed, although this would not be required to make the reduction.

Key Considerations: Like many programs in this department, this program may address a real problem, but the State does not have resources to provide equitable support across the state.

Additional Background: Senate Bill 21-255 created the Menstrual Hygiene Product Accessibility Grant Program to provide menstrual hygiene products at no cost to students. Grant recipients must have at least 50.0 percent of students eligible for free or reduced price lunch. The bill requires the Department of Education to award grants in amounts that are proportionate to the number of students and restrooms in recipient schools, subject to available appropriation. House Bill 24-1164 (Free Menstrual Products to Students) increased funding in FY 2024-25 to \$200,000 General Fund for one year. Funding for FY 2025-26 returns to \$100,000.

Statutory Authority: Section 22-2-147, C.R.S.

State Grants to Publicly Supported Libraries

Description: This recommendation would reduce funding for the State's grant program for public libraries by approximately 10.0 percent.

Key Considerations: Funding public libraries has not been a core state function; most library support is from local government. This program has previously been eliminated or cut sharply when the state faced revenue restrictions.

Additional Background: Senate Bill 00-085 created the State Grants to Publicly-Supported Libraries Program to provide funds to enable public libraries, school libraries, and academic libraries to purchase educational resources that they would otherwise be unable to afford. The program first operated for FY 2000-01 and FY 2001-02. The Governor vetoed the appropriations to the program for FY 2002-03, and the program remained unfunded from FY 2002-03 through FY 2012-13. The General Assembly reinstated the program for FY 2013-14 with an appropriation of \$2.0 million. By FY 2019-20, the General Assembly had increased the appropriation to \$3.0 million. Facing the budget crisis associated with the COVID-19 pandemic in FY 2020-21, the General Assembly reduced the appropriation by \$500,000 General Fund as a budget balancing measure. This \$500,000 was restored in the FY 2021-22 Long Bill.

The program awarded \$2,943,925 to 316 grantees statewide (representing 97.2 percent of 325 potential applicants) in FY 2024-25, with a base amount of \$4,500 per grantee. The Department has implemented a tiered structure, providing base amounts of \$4,500 for grantees serving populations of less than 1,000 individuals, \$5,000 for entities serving populations between 1,000 and 4,999, and \$5,500 for those serving 5,000 or more (with increases on a per capita basis for those serving populations of more than 10,000).

The Department reports that grantees are using the funds to: update their physical and online resources collections; purchasing materials to fill unmet needs for their communities such as

large-print books, items in different languages, and in multiple formats; and launch new programs all in an effort to support educational growth.

Statutory Authority: Sections 24-90-401 through 408, C.R.S.

School Leadership Pilot Program

Description: This proposal would reduce the School Leadership Pilot Program, a small program designed to support school principals, by 20.0 percent. The program could also be eliminated entirely or more intentionally merged with other programs that focus on supporting struggling schools (such as the School Turnaround Program).

Key Considerations: This program was created as a pilot but then extended at a very limited level (capped at \$250,000). While staff supports professional development for principals, it is unclear how much impact an isolated grant program of this type can have.

Additional background: The General Assembly added this line item to the FY 2020-21 Long Bill to support the School Leadership Pilot Program created in H.B. 19-1002 (Leadership Professional Development for School Principals) to provide training for school principals. The bill required the program to identify a cohort of high quality school principals and allow other school principals (statewide) to observe and interact with the high-performing cohort and to receive professional development in school leadership.

House Bill 22-1248 (Extend School Leadership Pilot Program) struck the previous July 1, 2022 repeal date for the program and modified statute to specify that the General Assembly “shall annually appropriate up to two hundred fifty thousand dollars to the department for the implementation of [the program], including money to pay the costs of designing and implementing the program...”

Adult Education and Literacy Grant Program

Description: This proposal would reduce state support for adult literacy programs by 10.0 percent.

Key Considerations: The State has historically provided little funding in this area, and there have been significant increases in recent years. The program has had difficulty expending the large temporary increases it has received.

Additional Background: The General Assembly added this line item to the FY 2015-16 Long Bill to support the Adult Education and Literacy Grant Program created in H.B. 14-1085 (Adult Education and Literacy). The program provides funding to local education providers (including public and private schools, institutions of higher education, nonprofit community-based organizations, and other related agencies) that are members of workforce development partnerships that provide basic education to adults.

- The program received a substantial short-term increase through an FY 2021-22 appropriation of \$5.0 million in H.B. 21-1264 from the Workers, Employers, and Workforce Centers cash fund. This money originates as federal Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act (ARPA Funds). As of the end of FY 2021-22, only \$206,702 had been

expended, but the program has authority to roll-forward unspent funds, which must be obligated by December 30, 2024 and expended by December 31, 2026. It received a further one-time appropriation of \$800,000 General Fund and 0.4 FTE for FY 2022-23 in S.B. 22-192 (Opportunities for Credential Attainment)

- Senate Bill 23-007 (Adult Education) added \$2,000,000 General Fund, which is expected to be ongoing, and made other changes to the grant program.
- Senate Bill 24-051 allows unexpended funding for the Program appropriated in FY 2023-24 and FY 2024-25 to be spent through FY 2028-29, after which any unexpended funds revert to the General Fund.

Educator Recruitment and Retention Program

Description: This proposal would reduce state support for the Educator Recruitment and Retention Program by 10.0 percent.

Key Considerations: The program was added relatively recently at the \$5.0 million level. Per-educator financial support could potentially be pared back from the current support of up to \$10,000 per educator.

Additional Background: Senate Bill 21-185 (Supporting Educator Workforce in Colorado) creates the Educator Recruitment and Retention Program. The program is designed to: support the transition of members of the armed forces into a second career to serve as educators; support nonmilitary-affiliated educator candidates preparing to serve as educators; match members of the armed forces and nonmilitary-affiliated educator candidates with high need schools, including in rural districts; and fill teaching positions in subject areas affected by the educator workforce.

The program provides:

- Educator recruitment support through one-on-one counseling, career and teacher job fairs, substitute teacher boot camps; job placement platforms for educators and local education providers; candidate coaching for job placement opportunities; professional development through the first three years of service as an educator; and retention counseling for local education providers.
- Financial assistance of up to \$10,000 for the tuition costs of an educator preparation program in which a qualified applicant is enrolled if the applicant agrees to teach for a period of three years in a rural or small rural district. Funding is subject to repayment if the applicant does not fulfill the service condition.

The program is open to:

- Members of the armed forces and those honorably discharged, with financial assistance available only for those who apply within three years after military retirement or separation;
- Individuals who have a baccalaureate or higher degree;
- Individuals employed as paraprofessionals and working toward a baccalaureate degree to pursue teacher licensure; and
- Individuals who meet state career and technical education requirements or have 18 semester hours of postsecondary enrollment and six years of military experience a career or technical field.

Senate Bill 21-185 included an appropriation of \$5,000,000 General Fund for the financial assistance portion of the program, and the fiscal note reflected this amount as ongoing.

The administrative costs related to this program, as well as \$575,000 General Fund for educator recruitment and support services, is included in the Educator Effectiveness Unit Administration line item.

Statutory Authority: Sections 22-60.3-201 through 205, C.R.S.

Repeal remote statewide assessment program

This option would eliminate requirements added in S.B. 24-070, saving approximately \$1.0 million from the State Education Fund. Addition information is included under the Statewide Assessments section of this packet.

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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DEPARTMENT OF EDUCATION
Susana Cordova, Commissioner

(1) MANAGEMENT AND ADMINISTRATION

Funding for the State Board of Education, the Commissioner of Education, and general department administrative responsibilities.

(A) Administration and Centrally-Appropriated Line Items

State Board of Education	<u>390,810</u>	<u>418,474</u>	<u>575,805</u>	<u>591,597</u>	<u>591,597</u>
FTE	1.2	2.5	2.5	2.5	2.5
General Fund	390,810	418,474	575,805	591,597	591,597
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 General Department and Program Administration	 <u>5,251,231</u>	 <u>6,348,949</u>	 <u>6,568,790</u>	 <u>7,233,010</u>	 <u>7,130,010</u> *
FTE	44.2	43.2	46.0	46.2	46.2
General Fund	1,993,654	2,968,442	3,240,580	3,501,673	3,498,673
Cash Funds	128,642	152,594	188,595	189,578	189,578
Reappropriated Funds	3,128,935	3,227,913	3,139,615	3,541,759	3,441,759
Federal Funds	0	0	0	0	0
 Grants Administration	 <u>0</u>	 <u>0</u>	 <u>659,376</u> 1.0	 <u>624,861</u> 0.7	 <u>593,016</u> 0.5
General Fund	0	0	484,437	449,922	438,355
Cash Funds	0	0	174,939	174,939	154,661

*Denotes a decision item

**Denotes sections where line items have been relocated, so only an actual year is shown

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Schools of Choice	<u>327,598</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	2.4	0.0	0.0	0.0	0.0
General Fund	327,598	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Health, Life, and Dental	<u>3,975,123</u>	<u>5,197,910</u>	<u>9,686,767</u>	<u>10,427,647</u>	<u>10,427,647</u>
General Fund	2,627,473	3,478,301	4,025,403	4,358,510	4,358,510
General Fund Exempt	0	0	0	0	0
Cash Funds	675,852	810,609	1,462,109	1,664,205	1,664,205
Reappropriated Funds	671,798	909,000	968,342	1,026,049	1,026,049
Federal Funds	0	0	3,230,913	3,378,883	3,378,883
Short-term Disability	<u>33,522</u>	<u>31,514</u>	<u>93,966</u>	<u>43,788</u>	<u>43,788</u>
General Fund	26,110	27,325	38,115	17,808	17,808
General Fund Exempt	0	0	0	0	0
Cash Funds	4,166	4,189	12,790	6,486	6,486
Reappropriated Funds	3,246	0	9,834	4,657	4,657
Federal Funds	0	0	33,227	14,837	14,837
Paid Family Medical Leave Insurance	<u>0</u>	<u>0</u>	<u>265,629</u>	<u>281,513</u>	<u>281,513</u>
General Fund	0	0	96,798	113,206	113,206
General Fund Exempt	0	0	0	0	0
Cash Funds	0	0	39,648	42,985	42,985
Reappropriated Funds	0	0	29,501	29,940	29,940
Federal Funds	0	0	99,682	95,382	95,382

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
S.B. 04-257 Amortization Equalization					
Disbursement	<u>1,172,913</u>	<u>1,396,370</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	829,320	968,753	0	0	0
General Fund Exempt	0	0	0	0	0
Cash Funds	131,301	114,724	0	0	0
Reappropriated Funds	212,292	312,893	0	0	0
Federal Funds	0	0	0	0	0
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>1,172,913</u>	<u>1,601,756</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	829,320	1,144,139	0	0	0
General Fund Exempt	0	0	0	0	0
Cash Funds	131,301	144,724	0	0	0
Reappropriated Funds	212,292	312,893	0	0	0
Federal Funds	0	0	0	0	0
Unfunded Liability Amortization Equalization					
Disbursement Payments	<u>0</u>	<u>0</u>	<u>6,264,374</u>	<u>6,255,840</u>	<u>6,255,840</u>
General Fund	0	0	2,498,466	2,501,587	2,501,587
General Fund Exempt	0	0	0	0	0
Cash Funds	0	0	895,168	969,318	969,318
Reappropriated Funds	0	0	655,574	665,340	665,340
Federal Funds	0	0	2,215,166	2,119,595	2,119,595

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Salary Survey	<u>771,227</u>	<u>1,502,424</u>	<u>2,167,677</u>	<u>1,659,158</u>	<u>1,659,158</u>
General Fund	556,834	1,046,240	778,984	649,333	649,333
General Fund Exempt	0	0	0	0	0
Cash Funds	81,358	118,079	331,959	251,468	251,468
Reappropriated Funds	133,035	338,105	240,788	182,709	182,709
Federal Funds	0	0	815,946	575,648	575,648
Step Pay	<u>0</u>	<u>0</u>	<u>2,163,729</u>	<u>377,596</u>	<u>377,596</u>
General Fund	0	0	908,997	144,466	144,466
Cash Funds	0	0	312,360	57,000	57,000
Reappropriated Funds	0	0	205,099	37,338	37,338
Federal Funds	0	0	737,273	138,792	138,792
PERA Direct Distribution	<u>534,604</u>	<u>192,678</u>	<u>1,304,359</u>	<u>1,293,177</u>	<u>1,293,177</u>
General Fund	0	142,198	963,385	957,714	957,714
General Fund Exempt	0	0	0	0	0
Cash Funds	148,880	28,890	195,067	197,927	197,927
Reappropriated Funds	385,724	21,590	145,907	137,536	137,536
Federal Funds	0	0	0	0	0
Temporary Employees Related to Authorized Leave	<u>29,961</u>	<u>0</u>	<u>29,961</u>	<u>29,961</u>	<u>29,961</u>
General Fund	29,961	0	29,961	29,961	29,961
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Workers' Compensation	<u>78,796</u>	<u>63,738</u>	<u>334,121</u>	<u>312,990</u>	<u>312,534</u> *
General Fund	72,652	63,738	160,533	150,379	150,161
General Fund Exempt	0	0	0	0	0
Cash Funds	2,727	0	43,601	40,720	40,784
Reappropriated Funds	3,417	0	11,291	10,702	10,562
Federal Funds	0	0	118,696	111,189	111,027
Legal Services	<u>1,039,485</u>	<u>1,550,421</u>	<u>1,324,188</u>	<u>1,194,782</u>	<u>1,194,782</u>
General Fund	608,285	928,297	818,348	738,375	738,375
General Fund Exempt	0	0	0	0	0
Cash Funds	404,980	584,295	443,603	400,252	400,252
Reappropriated Funds	26,220	37,829	62,237	56,155	56,155
Federal Funds	0	0	0	0	0
Administrative Law Judge Services	<u>140,578</u>	<u>187,253</u>	<u>209,603</u>	<u>251,621</u>	<u>251,414</u> *
General Fund	0	0	0	0	0
Cash Funds	140,578	187,253	209,603	251,621	251,414
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Payment to Risk Management and Property Funds	<u>996,352</u>	<u>1,504,490</u>	<u>821,832</u>	<u>862,621</u>	<u>1,024,799</u>
General Fund	996,352	1,504,490	821,832	862,621	1,024,799
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Leased Space	<u>13,499</u>	<u>89,992</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	7,386	75,133	0	0	0
Cash Funds	2,397	14,859	0	0	0
Reappropriated Funds	3,716	0	0	0	0
Federal Funds	0	0	0	0	0
Capitol Complex Leased Space	<u>266,107</u>	<u>321,888</u>	<u>1,053,714</u>	<u>1,215,168</u>	<u>1,288,751</u>
General Fund	190,828	154,336	300,308	346,322	367,293
Cash Funds	38,575	57,552	191,776	221,161	234,554
Reappropriated Funds	36,704	110,000	95,888	110,580	117,276
Federal Funds	0	0	465,742	537,105	569,628
CORE Operations	<u>0</u>	<u>228,808</u>	<u>66,377</u>	<u>192,054</u>	<u>53,850</u>
General Fund	0	114,393	33,185	96,017	26,922
Cash Funds	0	88,642	25,715	74,403	20,862
Reappropriated Funds	0	25,773	7,477	21,634	6,066
Federal Funds	0	0	0	0	0
Office of Professional Services	<u>2,676,839</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	20.9	0.0	0.0	0.0	0.0
General Fund	200,414	0	0	0	0
Cash Funds	2,476,425	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Office of Online and Blended Learning and Innovation Schools	<u>355,473</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	2.3	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	355,473	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Reprinting and Distributing Laws Concerning Education	<u>28,195</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	28,195	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (A) Administration and Centrally- Appropriated Line Items	19,255,226	20,636,665	33,590,268	32,847,384	32,809,433
FTE	<u>71.0</u>	<u>45.7</u>	<u>49.5</u>	<u>49.4</u>	<u>49.2</u>
General Fund	9,686,997	13,034,259	15,775,137	15,509,491	15,608,760
General Fund Exempt	0	0	0	0	0
Cash Funds	4,750,850	2,306,410	4,526,933	4,542,063	4,481,494
Reappropriated Funds	4,817,379	5,295,996	5,571,553	5,824,399	5,715,387
Federal Funds	0	0	7,716,645	6,971,431	7,003,792

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(B) Information Technology					
Information Technology Services	<u>4,798,563</u>	<u>5,991,190</u>	<u>6,087,851</u>	<u>6,307,088</u>	<u>6,165,688</u>
FTE	25.3	35.9	36.9	36.2	36.4
General Fund	4,798,563	5,749,687	5,274,185	5,548,203	5,508,203
Cash Funds	0	241,503	277,942	223,161	223,161
Reappropriated Funds	0	0	535,724	535,724	535,724
Federal Funds	0	0	0	0	0
Payments to OIT	<u>584,911</u>	<u>1,209,781</u>	<u>1,579,878</u>	<u>1,095,452</u>	<u>921,379</u>
General Fund	323,133	610,015	1,166,192	808,613	680,120
Cash Funds	119,710	275,511	318,377	220,754	182,371
Reappropriated Funds	142,068	324,255	95,309	66,085	58,888
Federal Funds	0	0	0	0	0
IT Accessibility	<u>0</u>	<u>329,270</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	1.8	0.0	0.0	0.0
General Fund	0	265,270	0	0	0
Cash Funds	0	64,000	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Information Technology Asset Maintenance	<u>969,147</u>	<u>969,147</u>	<u>969,147</u>	<u>969,147</u>	<u>969,147</u>
General Fund	969,147	969,147	969,147	969,147	969,147
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Disaster Recovery	<u>18,585</u>	<u>19,095</u>	<u>19,722</u>	<u>19,722</u>	<u>19,722</u>
General Fund	18,585	19,095	19,722	19,722	19,722
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
CORE Operations	<u>245,466</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	122,722	0	0	0	0
Cash Funds	95,096	0	0	0	0
Reappropriated Funds	27,648	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Information Technology	6,616,672	8,518,483	8,656,598	8,391,409	8,075,936
FTE	<u>25.3</u>	<u>37.7</u>	<u>36.9</u>	<u>36.2</u>	<u>36.4</u>
General Fund	6,232,150	7,613,214	7,429,246	7,345,685	7,177,192
Cash Funds	214,806	581,014	596,319	443,915	405,532
Reappropriated Funds	169,716	324,255	631,033	601,809	594,612
Federal Funds	0	0	0	0	0

(C) Special Purpose

BOCES Funding per Section 22-5-122, C.R.S.	<u>0</u>	<u>3,256,616</u>	<u>3,327,275</u>	<u>3,327,275</u>	<u>3,327,275</u>
FTE	0.0	1.0	1.0	1.0	1.0
General Fund	0	0	0	0	0
Cash Funds	0	3,256,616	3,327,275	3,327,275	3,327,275
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Interstate Compact on Educational Opportunity for					
Military Children	<u>0</u>	<u>21,298</u>	<u>21,298</u>	<u>21,298</u>	<u>21,298</u>
General Fund	0	0	0	0	0
Cash Funds	0	21,298	21,298	21,298	21,298
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Reprinting and Distributing Laws Concerning					
Education	<u>0</u>	<u>25,517</u>	<u>35,480</u>	<u>35,480</u>	<u>35,480</u>
General Fund	0	0	0	0	0
Cash Funds	0	25,517	35,480	35,480	35,480
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
S.B. 23-029 School Discipline Task Force	<u>0</u>	<u>87,424</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.5	0.0	0.0	0.0
General Fund	0	87,424	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado Student Leaders Institute	<u>0</u>	<u>69,134</u>	<u>227,753</u>	<u>0</u>	<u>0</u> *
FTE	0.0	0.0	0.1	0.0	0.0
General Fund	0	69,134	227,753	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
S.B. 24-162 Training for LEPs responding to harassment and discrimination	<u>0</u>	<u>0</u>	<u>111,111</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	111,111	0	0
SUBTOTAL - (C) Special Purpose	0	3,459,989	3,722,917	3,384,053	3,384,053
<i>FTE</i>	<u>0.0</u>	<u>1.5</u>	<u>1.1</u>	<u>1.0</u>	<u>1.0</u>
General Fund	0	156,558	227,753	0	0
Cash Funds	0	3,303,431	3,495,164	3,384,053	3,384,053
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(D) Indirect Cost Assessment

Indirect Cost Assessment	<u>0</u>	<u>0</u>	<u>886,498</u>	<u>967,042</u>	<u>967,042</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	510,979	591,523	591,523
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	375,519	375,519	375,519
SUBTOTAL - (D) Indirect Cost Assessment	0	0	886,498	967,042	967,042
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	510,979	591,523	591,523
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	375,519	375,519	375,519

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(X) State Charter School Institute					
**					
Department Implementation of Section 22-30.5-501 et seq., C.R.S. - OLD	<u>173,524</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	1.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	173,524	0	0	0	0
Federal Funds	0	0	0	0	0
 CSI Mill Levy Equalization - OLD	 <u>34,209,918</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
General Fund	17,000,000	0	0	0	0
Cash Funds	209,918	0	0	0	0
Reappropriated Funds	17,000,000	0	0	0	0
Federal Funds	0	0	0	0	0
 State Charter School Institute Administration, Oversight, and Management - OLD	 <u>6,564,419</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
FTE	24.8	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	1,564,419	0	0	0	0
Reappropriated Funds	5,000,000	0	0	0	0
Federal Funds	0	0	0	0	0
 Institute Charter School Assistance Fund - OLD	 <u>2,528,720</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
General Fund	0	0	0	0	0
Cash Funds	2,528,720	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Other Transfers to Institute Charter Schools - OLD	<u>24,128,763</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	2.9	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	2,628,763	0	0	0	0
Reappropriated Funds	21,500,000	0	0	0	0
Federal Funds	0	0	0	0	0
Transfer of Federal Moneys to Institute Charter Schools - OLD	<u>19,243,053</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	1.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	19,243,053	0	0	0	0
Distribution to Institute Charter Schools pursuant to Section 22-30.5-513 (11), C.R.S. - OLD	<u>375,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	375,000	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (X) State Charter School Institute	87,223,397	0	0	0	0
FTE	<u>29.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	17,375,000	0	0	0	0
Cash Funds	6,931,820	0	0	0	0
Reappropriated Funds	43,673,524	0	0	0	0
Federal Funds	19,243,053	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(X) Assessments and Data Analyses **					
Longitudinal Analyses of Student Assessment					
Results - OLD	<u>793,516</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	4.0	0.0	0.0	0.0	0.0
General Fund	669,456	0	0	0	0
Cash Funds	124,060	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Preschool to Postsecondary Education Alignment -					
OLD	<u>659,388</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	3.9	0.0	0.0	0.0	0.0
General Fund	18,833	0	0	0	0
Cash Funds	640,555	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Educator Effectiveness Unit Administration - OLD					
	<u>3,197,983</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	15.5	0.0	0.0	0.0	0.0
General Fund	3,068,616	0	0	0	0
Cash Funds	129,367	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Accountability and Improvement Planning - OLD	<u>1,226,784</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	5.8	0.0	0.0	0.0	0.0
General Fund	1,226,784	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Statewide Assessment Program - OLD	<u>29,762,511</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	17.9	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	18,952,413	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	10,810,098	0	0	0	0
Basic Skills Placement or Assessment Tests - OLD	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (X) Assessments and Data Analyses	35,640,182	0	0	0	0
FTE	<u>47.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	4,983,689	0	0	0	0
Cash Funds	19,846,395	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	10,810,098	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
TOTAL - (1) Management and Administration	148,735,477	32,615,137	46,856,281	45,589,888	45,236,464
<i>FTE</i>	<u>173.1</u>	<u>84.9</u>	<u>87.5</u>	<u>86.6</u>	<u>86.6</u>
General Fund	38,277,836	20,804,031	23,432,136	22,855,176	22,785,952
General Fund Exempt	0	0	0	0	0
Cash Funds	31,743,871	6,190,855	9,129,395	8,961,554	8,862,602
Reappropriated Funds	48,660,619	5,620,251	6,202,586	6,426,208	6,309,999
Federal Funds	30,053,151	0	8,092,164	7,346,950	7,379,311

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(2) STATEWIDE ASSESSMENT PROGRAM

Funding for the staff, operating expenses, and contract expenses associated with the State’s standardized assessments.

Statewide Assessment Program	0	<u>29,610,515</u>	<u>32,239,823</u>	<u>32,470,078</u>	<u>33,447,220</u>
FTE	0.0	16.5	19.9	19.9	19.9
General Fund	0	0	0	0	0
Cash Funds	0	20,633,589	24,737,797	24,856,670	25,635,138
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	8,976,926	7,502,026	7,613,408	7,812,082

TOTAL - (2) Statewide Assessment Program	0	29,610,515	32,239,823	32,470,078	33,447,220
FTE	<u>0.0</u>	<u>16.5</u>	<u>19.9</u>	<u>19.9</u>	<u>19.9</u>
General Fund	0	0	0	0	0
Cash Funds	0	20,633,589	24,737,797	24,856,670	25,635,138
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	8,976,926	7,502,026	7,613,408	7,812,082

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(3) SCHOOL DISTRICT OPERATIONS

This section provides funding that is distributed to public schools and school districts, as well as funding for Department staff who administer this funding or who provide direct support to schools and school districts.

(A) Public School Finance

Administration	<u>1,932,724</u>	<u>4,384,542</u>	<u>2,467,046</u>	<u>2,471,809</u>	<u>2,471,809</u>
FTE	15.1	15.5	17.5	17.5	17.5
General Fund	1,853,111	1,481,791	2,106,008	2,210,618	2,210,618
Cash Funds	79,613	2,902,751	361,038	261,191	261,191
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Financial Transparency System Maintenance	<u>87,884</u>	<u>87,896</u>	<u>92,786</u>	<u>92,786</u>	<u>92,786</u>
FTE	0.8	1.0	1.0	1.0	1.0
General Fund	0	0	0	0	0
Cash Funds	87,884	87,896	92,786	92,786	92,786
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
State Share of Districts' Total Program Funding	<u>4,990,054,616</u>	<u>4,996,063,570</u>	<u>5,502,388,095</u>	<u>5,316,370,554</u>	<u>5,316,370,554</u> *
General Fund	4,238,686,861	4,238,686,861	2,991,406,528	3,141,406,528	3,141,406,528
General Fund Exempt	0	0	1,247,280,333	1,247,280,333	1,247,280,333
Cash Funds	751,367,755	757,376,709	1,263,701,234	927,683,693	927,683,693
Extended High School	<u>0</u>	<u>0</u>	<u>19,949,170</u>	<u>19,949,170</u>	<u>19,949,170</u>
Cash Funds	0	0	19,949,170	19,949,170	19,949,170

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
School Finance Audit Payments	<u>205,165</u>	<u>5,251,851</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
General Fund	0	0	0	0	0
Cash Funds	205,165	5,251,851	3,000,000	3,000,000	3,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
At-risk Per Pupil Additional Funding	<u>5,000,000</u>	<u>4,999,997</u>	<u>5,000,000</u>	<u>17,000,000</u>	<u>17,000,000</u> *
General Fund	0	0	0	12,000,000	12,000,000
Cash Funds	5,000,000	4,999,997	5,000,000	5,000,000	5,000,000
At-risk Supplemental Aid	<u>4,077,711</u>	<u>7,009,989</u>	<u>7,009,989</u>	<u>7,009,989</u>	<u>7,009,989</u>
Cash Funds	4,077,711	7,009,989	7,009,989	7,009,989	7,009,989
District Per Pupil Reimbursements for Juveniles					
Held in Jail	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	10,000	10,000	10,000	10,000
Additional Funding for Rural Districts and Institute					
Charter Schools	<u>34,999,962</u>	<u>30,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	34,999,962	30,000,000	0	0	0
Mill Levy Override Matching Pursuant to Sec. 22-54-107.9, C.R.S.	<u>9,999,981</u>	<u>32,511,319</u>	<u>15,715,539</u>	<u>15,715,539</u>	<u>15,715,539</u>
Cash Funds	9,999,981	32,511,319	15,715,539	15,715,539	15,715,539

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Contingency Reserve Fund	0	0	1,000,000	1,000,000	1,000,000
General Fund	0	0	0	0	0
Cash Funds	0	0	1,000,000	1,000,000	1,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
New Arrival Students Funding	0	23,950,000	0	0	0
Cash Funds	0	23,950,000	0	0	0
SUBTOTAL - (A) Public School Finance	5,046,358,043	5,104,269,164	5,556,632,625	5,382,619,847	5,382,619,847
<i>FTE</i>	15.9	16.5	18.5	18.5	18.5
General Fund	4,240,539,972	4,240,168,652	2,993,512,536	3,155,617,146	3,155,617,146
General Fund Exempt	0	0	1,247,280,333	1,247,280,333	1,247,280,333
Cash Funds	805,818,071	864,100,512	1,315,839,756	979,722,368	979,722,368
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(B) Categorical Programs

(1) District Programs Required by Statute

Special Education - Children with Disabilities	492,949,408	561,542,608	533,048,139	542,287,955	542,287,955 *
FTE	90.8	63.0	100.0	100.0	100.0
General Fund	93,572,347	93,572,347	93,572,347	93,572,347	93,572,347
Cash Funds	206,582,286	247,285,957	281,992,829	290,630,828	290,630,828
Reappropriated Funds	0	0	191,090	191,090	191,090
Federal Funds	192,794,775	220,684,304	157,291,873	157,893,690	157,893,690

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
English Language Proficiency Program	<u>36,082,722</u>	<u>42,681,475</u>	<u>45,902,552</u>	<u>47,186,766</u>	<u>47,186,766</u> *
FTE	3.7	4.6	4.6	4.6	4.6
General Fund	3,101,191	3,101,598	3,101,598	3,101,598	3,101,598
Cash Funds	22,156,144	28,192,293	31,500,830	32,764,666	32,764,666
Reappropriated Funds	0	0	0	0	0
Federal Funds	10,825,387	11,387,584	11,300,124	11,320,502	11,320,502
SUBTOTAL - (1) District Programs Required by Statute	529,032,130	604,224,083	578,950,691	589,474,721	589,474,721
FTE	<u>94.5</u>	<u>67.6</u>	<u>104.6</u>	<u>104.6</u>	<u>104.6</u>
General Fund	96,673,538	96,673,945	96,673,945	96,673,945	96,673,945
Cash Funds	228,738,430	275,478,250	313,493,659	323,395,494	323,395,494
Reappropriated Funds	0	0	191,090	191,090	191,090
Federal Funds	203,620,162	232,071,888	168,591,997	169,214,192	169,214,192
(2) Other Categorical Programs					
Public School Transportation	<u>64,949,882</u>	<u>68,839,945</u>	<u>71,845,006</u>	<u>73,473,098</u>	<u>73,473,098</u> *
FTE	2.4	2.0	2.0	2.0	2.0
General Fund	36,922,227	36,922,227	36,922,227	36,922,227	36,922,227
Cash Funds	27,983,876	31,884,000	34,884,614	36,512,706	36,512,706
Reappropriated Funds	43,779	33,718	38,165	38,165	38,165
Federal Funds	0	0	0	0	0
Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education	<u>28,244,361</u> 2.7	<u>30,514,944</u>	<u>31,993,182</u>	<u>32,689,057</u>	<u>32,689,057</u> *
General Fund	17,792,850	17,792,850	17,792,850	17,792,850	17,792,850
Cash Funds	10,451,511	12,722,094	14,200,332	14,896,207	14,896,207

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Special Education Programs for Gifted and Talented Children	<u>12,983,116</u>	<u>14,669,280</u>	<u>15,735,647</u>	<u>15,970,245</u>	<u>15,970,245</u> *
FTE	0.5	1.5	1.5	1.5	1.5
General Fund	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Cash Funds	7,483,116	9,169,280	10,235,647	10,470,245	10,470,245
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Expelled and At-risk Student Services Grant Program	<u>9,464,367</u>	<u>9,471,511</u>	<u>9,470,254</u>	<u>9,492,815</u>	<u>9,492,815</u> *
FTE	3.3	1.0	1.0	1.0	1.0
General Fund	5,788,804	5,759,731	5,788,807	5,788,807	5,788,807
Cash Funds	3,675,563	3,711,780	3,681,447	3,704,008	3,704,008
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Small Attendance Center Aid	<u>1,314,250</u>	<u>1,599,991</u>	<u>1,604,359</u>	<u>1,606,548</u>	<u>1,606,548</u> *
General Fund	787,645	787,645	787,645	787,645	787,645
Cash Funds	526,605	812,346	816,714	818,903	818,903
Comprehensive Health Education	<u>1,010,222</u>	<u>1,009,575</u>	<u>1,112,772</u>	<u>1,130,157</u>	<u>1,130,157</u> *
FTE	1.6	1.0	1.0	1.0	1.0
General Fund	300,000	300,000	300,000	300,000	300,000
Cash Funds	710,222	709,575	812,772	830,157	830,157

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
SUBTOTAL - (2) Other Categorical Programs	117,966,198	126,105,246	131,761,220	134,361,920	134,361,920
<i>FTE</i>	<u>10.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>
General Fund	67,091,526	67,062,453	67,091,529	67,091,529	67,091,529
Cash Funds	50,830,893	59,009,075	64,631,526	67,232,226	67,232,226
Reappropriated Funds	43,779	33,718	38,165	38,165	38,165
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Categorical Programs	646,998,328	730,329,329	710,711,911	723,836,641	723,836,641
<i>FTE</i>	<u>105.0</u>	<u>73.1</u>	<u>110.1</u>	<u>110.1</u>	<u>110.1</u>
General Fund	163,765,064	163,736,398	163,765,474	163,765,474	163,765,474
Cash Funds	279,569,323	334,487,325	378,125,185	390,627,720	390,627,720
Reappropriated Funds	43,779	33,718	229,255	229,255	229,255
Federal Funds	203,620,162	232,071,888	168,591,997	169,214,192	169,214,192
(C) Federal and Other Direct Support					
Appropriated Sponsored Programs	<u>0</u>	<u>770,548,842</u>	<u>503,659,517</u>	<u>508,672,831</u>	<u>260,503,302</u> *
<i>FTE</i>	0.0	56.1	59.8	61.3	61.3
General Fund	0	0	571,416	0	0
Cash Funds	0	959,995	2,501,087	7,503,302	7,503,302
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	769,588,847	500,587,014	501,169,529	253,000,000
SUBTOTAL - (C) Federal and Other Direct Support	0	770,548,842	503,659,517	508,672,831	260,503,302
<i>FTE</i>	<u>0.0</u>	<u>56.1</u>	<u>59.8</u>	<u>61.3</u>	<u>61.3</u>
General Fund	0	0	571,416	0	0
Cash Funds	0	959,995	2,501,087	7,503,302	7,503,302
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	769,588,847	500,587,014	501,169,529	253,000,000

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(D) Nutrition					
(I) Healthy School Meals for All					
Program Administration	0	<u>267,313</u>	<u>791,824</u>	<u>391,824</u>	<u>391,824</u>
FTE	0.0	3.1	3.2	3.2	3.2
General Fund	0	0	0	0	0
General Fund Exempt	0	267,313	0	0	0
Cash Funds	0	0	791,824	391,824	391,824
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
School Meal Reimbursements	0	<u>162,062,095</u>	<u>138,400,000</u>	<u>137,167,586</u>	<u>150,800,000</u> *
General Fund	0	0	0	0	49,541,914
General Fund Exempt	0	155,578,645	0	0	0
Cash Funds	0	6,483,450	138,400,000	137,167,586	101,258,086
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Food Purchasing Grant	0	0	0	0	0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Food Technical Assistance Grant	0	0	0	0	0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Wage Distributions	0	0	0	0	0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (I) Healthy School Meals for All	0	162,329,408	139,191,824	137,559,410	151,191,824
FTE	0.0	3.1	3.2	3.2	3.2
General Fund	0	0	0	0	49,541,914
General Fund Exempt	0	155,845,958	0	0	0
Cash Funds	0	6,483,450	139,191,824	137,559,410	101,649,910
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
(II) Other Nutrition Programs					
Federal Nutrition Programs	0	<u>265,553,674</u>	<u>156,775,300</u>	<u>156,892,699</u>	<u>338,222,699</u>
FTE	0.0	9.0	17.0	17.0	17.0
General Fund	0	98,433	104,973	111,060	111,060
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	265,455,241	156,670,327	156,781,639	338,111,639
State Match for School Lunch Program	0	<u>2,472,644</u>	<u>2,472,644</u>	<u>2,472,644</u>	<u>2,472,644</u>
General Fund	0	0	0	0	0
Cash Funds	0	2,472,644	2,472,644	2,472,644	2,472,644
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Child Nutrition School Lunch Protection Program	0	<u>917,065</u>	<u>841,460</u>	<u>841,460</u>	<u>841,460</u>
General Fund	0	880,855	0	0	0
Cash Funds	0	36,210	841,460	841,460	841,460
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Start Smart Nutrition Program Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Smart Start Nutrition Program	<u>0</u>	<u>260,058</u>	<u>296,484</u>	<u>296,484</u>	<u>296,484</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	260,058	296,484	296,484	296,484
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local School Food Purchasing Programs	<u>0</u>	<u>672,620</u>	<u>675,729</u>	<u>675,729</u>	<u>675,729</u>
FTE	0.0	0.4	0.4	0.4	0.4
General Fund	0	672,620	0	0	0
Cash Funds	0	0	675,729	675,729	675,729
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Summer Electronic Benefits Transfer for Children Program	<u>0</u>	<u>0</u>	<u>447,870</u>	<u>447,902</u>	<u>447,902</u>
FTE	0.0	0.0	1.7	1.7	1.7
General Fund	0	0	223,935	223,935	223,935
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	223,935	223,967	223,967
SUBTOTAL - (II) Other Nutrition Programs	0	269,876,061	161,509,487	161,626,918	342,956,918
FTE	<u>0.0</u>	<u>9.4</u>	<u>19.1</u>	<u>19.1</u>	<u>19.1</u>
General Fund	0	1,651,908	328,908	334,995	334,995
Cash Funds	0	2,768,912	4,286,317	4,286,317	4,286,317
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	265,455,241	156,894,262	157,005,606	338,335,606
SUBTOTAL - (D) Nutrition	0	432,205,469	300,701,311	299,186,328	494,148,742
FTE	<u>0.0</u>	<u>12.5</u>	<u>22.3</u>	<u>22.3</u>	<u>22.3</u>
General Fund	0	1,651,908	328,908	334,995	49,876,909
General Fund Exempt	0	155,845,958	0	0	0
Cash Funds	0	9,252,362	143,478,141	141,845,727	105,936,227
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	265,455,241	156,894,262	157,005,606	338,335,606

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(E) Capital Construction					
Division of Public School Capital Construction					
Assistance	0	1,462,498	1,714,569	1,877,508	1,877,508
FTE	0.0	0.0	16.0	16.0	16.0
General Fund	0	0	0	0	0
Cash Funds	0	1,462,498	1,714,569	1,877,508	1,877,508
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Public School Capital Construction Assistance					
Board - Lease Payments	0	92,627,976	125,000,000	125,000,000	125,000,000
General Fund	0	0	0	0	0
Cash Funds	0	92,627,976	125,000,000	125,000,000	125,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Public School Capital Construction Assistance					
Board - Cash Grants	0	127,341,788	155,245,826	155,245,826	158,000,000
General Fund	0	0	0	0	0
Cash Funds	0	127,341,788	155,245,826	155,245,826	158,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Financial Assistance Priority Assessment					
General Fund	0	113,200	150,000	150,000	150,000
Cash Funds	0	113,200	150,000	150,000	150,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
State Aid for Charter School Facilities	0	<u>43,234,671</u>	<u>44,291,130</u>	<u>44,791,130</u>	<u>43,931,551</u>
General Fund	0	0	0	0	0
Cash Funds	0	43,234,671	44,291,130	44,791,130	43,931,551
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Distributions related to mascots pursuant to Sec.22-1-133 (7)(b)(II), C.R.S.,	0	<u>300,000</u>	0	0	0
General Fund	0	0	0	0	0
Cash Funds	0	300,000	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (E) Capital Construction	0	265,080,133	326,401,525	327,064,464	328,959,059
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	265,080,133	326,401,525	327,064,464	328,959,059
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(F) Indirect Cost Assessment

Indirect Cost Assessment	0	0	<u>3,848,077</u>	<u>3,967,960</u>	<u>3,967,960</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	25,000	25,000	25,000
Reappropriated Funds	0	0	90,177	128,142	128,142
Federal Funds	0	0	3,732,900	3,814,818	3,814,818

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
SUBTOTAL - (F) Indirect Cost Assessment	0	0	3,848,077	3,967,960	3,967,960
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	25,000	25,000	25,000
Reappropriated Funds	0	0	90,177	128,142	128,142
Federal Funds	0	0	3,732,900	3,814,818	3,814,818

(X) Grant Programs, Distributions, and Other Assistance

**

(I) Health and Nutrition

Federal Nutrition Programs - OLD	<u>262,547,202</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	16.2	0.0	0.0	0.0	0.0
General Fund	173,229	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	262,373,973	0	0	0	0
 Child Nutrition School Lunch Protection Program - OLD	<u>2,082,432</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	1,554,837	0	0	0	0
Cash Funds	527,595	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Local School Food Purchasing Programs - OLD	<u>674,176</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.3	0.0	0.0	0.0	0.0
General Fund	674,176	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Mental Health Education Resource Bank and Technical Assistance - OLD	<u>37,838</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.6	0.0	0.0	0.0	0.0
General Fund	37,838	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Menstrual Hygiene Product Accessibility Grant Program -OLD	<u>99,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	99,700	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
State Match for School Lunch Program	<u>2,472,644</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	2,472,644	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Start Smart Nutrition Program	<u>691,927</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.1	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	691,927	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Health Meals for All Public School Students - OLD	<u>102,514</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.2	0.0	0.0	0.0	0.0
General Fund	102,514	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
S.B. 97-101 Public School Health Services - OLD	<u>182,351</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	1.4	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	182,351	0	0	0	0
Federal Funds	0	0	0	0	0
Behavioral Health Care Professional Matching Grant Program - OLD	<u>14,710,228</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	5.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	14,710,228	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
K-5 Social and Emotional Health Pilot Program -					
OLD	<u>2,450,956</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	1.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	2,450,956	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (I) Health and Nutrition	286,051,968	0	0	0	0
FTE	<u>25.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	2,642,294	0	0	0	0
Cash Funds	20,853,350	0	0	0	0
Reappropriated Funds	182,351	0	0	0	0
Federal Funds	262,373,973	0	0	0	0
(II) Capital Construction					
Division of Public School Capital Construction **					
Assistance - OLD	<u>1,560,040</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	15.6	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	1,560,040	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Public School Capital Construction Assistance					
Board - Lease Payments - OLD	<u>93,867,501</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	93,867,501	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Public School Capital Construction Assistance					
Board - Cash Grants - OLD	<u>83,780,576</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	83,780,576	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Financial Assistance Priority Assessment - OLD	<u>144,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	144,800	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
State Aid for Charter School Facilities - OLD	<u>38,609,666</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	38,609,666	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
SUBTOTAL - (II) Capital Construction	217,962,583	0	0	0	0
<i>FTE</i>	<u>15.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	217,962,583	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(III) Reading and Literacy

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Early Literacy Program Administration and Technical Support - OLD	<u>1,092,553</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>FTE</i>	8.3	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	1,092,553	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Early Literacy Competitive Grant Program - OLD	<u>6,885,234</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	6,885,234	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Early Literacy Program Evidence Based Training Provided to Teachers - OLD	<u>1,373,958</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	6.5	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	1,373,958	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Program External Evaluation - OLD	<u>750,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	750,000	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Program Public Information Campaign - OLD	<u>495,020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.6	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	495,020	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Program Per Pupil Intervention Funding - OLD	<u>26,243,224</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	26,243,224	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Early Literacy Assessment Tool Program - OLD	<u>2,197,606</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	2,197,606	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Adult Education and Literacy Grant Program - OLD	<u>1,761,740</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	2.3	0.0	0.0	0.0	0.0
General Fund	1,761,740	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (III) Reading and Literacy	40,799,335	0	0	0	0
FTE	<u>17.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	1,761,740	0	0	0	0
Cash Funds	39,037,595	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
(IV) Professional Development and Instructional Support					
Content Specialists - OLD	<u>475,816</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	3.2	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	475,816	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Bullying Prevention - OLD	<u>2,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.3	0.0	0.0	0.0	0.0
General Fund	1,000,000	0	0	0	0
Cash Funds	1,000,000	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Office of Dropout Prevention and Student Reengagement	<u>3,143,878</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	1.5	0.0	0.0	0.0	0.0
General Fund	1,134,235	0	0	0	0
Cash Funds	2,009,643	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Ninth Grade Success Grant Program	<u>774,136</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.3	0.0	0.0	0.0	0.0
General Fund	774,136	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Quality Teacher Recruitment Program	<u>2,936,491</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	2,936,491	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Working Group for Identification of and Educational Support for Students with Dyslexia	<u>35,563</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	35,563	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
School Leadership Pilot Program	<u>224,122</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	1.2	0.0	0.0	0.0	0.0
General Fund	224,122	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Accountability System Grant Program	<u>556,642</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.4	0.0	0.0	0.0	0.0
General Fund	556,642	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
School Transformation Grant Program	<u>6,371,210</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	3.8	0.0	0.0	0.0	0.0
General Fund	4,399,005	0	0	0	0
Cash Funds	1,972,205	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Accelerated College Opportunity Exam Fee Grant					
Program - OLD	<u>559,637</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.2	0.0	0.0	0.0	0.0
General Fund	559,637	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Educator Perception - OLD	 <u>20,000</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
General Fund	20,000	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 English Language Learners - OLD	 <u>391,548</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
FTE	3.5	0.0	0.0	0.0	0.0
General Fund	343,988	0	0	0	0
Cash Funds	47,560	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Dyslexia Markers Pilot Program - OLD	 <u>127,515</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
General Fund	127,515	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Comprehensive Quality Physical Education					
Instruction Pilot Program - OLD	<u>340,826</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.3	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	340,826	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Computer Science Education Grants - OLD	<u>702,315</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.9	0.0	0.0	0.0	0.0
General Fund	250,000	0	0	0	0
Cash Funds	452,315	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (IV) Professional Development and Instructional Support	18,659,699	0	0	0	0
FTE	<u>15.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	12,361,334	0	0	0	0
Cash Funds	6,298,365	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(V) Facility Schools					
Facility Schools Unit and Facility Schools Board -					**
OLD	<u>311,309</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	1.5	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	311,309	0	0	0	0
Federal Funds	0	0	0	0	0
Facility School Funding - OLD	<u>15,209,428</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	15,209,428	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
State School Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Supplemental Payments to Facility Schools - OLD	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
SUBTOTAL - (V) Facility Schools	15,520,737	0	0	0	0
<i>FTE</i>	<u>1.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	15,209,428	0	0	0	0
Reappropriated Funds	311,309	0	0	0	0
Federal Funds	0	0	0	0	0

(VI) Other Assistance

**

Educator Recruitment and Retention Program -

Financial Assistance	<u>4,513,589</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0
General Fund	4,513,589	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 College and Career Readiness - OLD	 <u>321,901</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
<i>FTE</i>	1.6	0.0	0.0	0.0	0.0
General Fund	321,901	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Colorado High-impact Tutoring Program - OLD	<u>4,982,375</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	1.0	0.0	0.0	0.0	0.0
General Fund	4,982,375	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 John W. Buckner Automatic Enrollment in Advanced Courses Grant Program	 <u>242,504</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
FTE	0.3	0.0	0.0	0.0	0.0
General Fund	242,504	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 High School Innovative Learning Pilot Program	 <u>240,950</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
FTE	0.9	0.0	0.0	0.0	0.0
General Fund	240,950	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Fourth-year Innovation Pilot Program - Distributions to LEPs	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Parents Encouraging Parents Conferences	<u>19,602</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	19,602	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Career Development Success Program - OLD	<u>4,519,990</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	4,519,990	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado Career Advisor Training Program - OLD	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	1,000,000	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Appropriated Sponsored Programs - OLD	<u>755,016,159</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	102.5	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	1,245,808	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	753,770,351	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
School Counselor Corps Grant Program	<u>12,082,462</u>	0	0	0	0
FTE	3.2	0.0	0.0	0.0	0.0
General Fund	142,100	0	0	0	0
Cash Funds	11,940,362	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
BOCES Funding per Section 22-5-122, C.R.S. - OLD	<u>3,250,492</u>	0	0	0	0
FTE	1.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	3,250,492	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Contingency Reserve Fund - OLD	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Supplemental On-line Education Services	<u>1,220,000</u>	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	1,220,000	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Connecting Colorado Students Grant Program Fund					
- OLD	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Teacher Recruitment Education and Preparation Program					
FTE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Interstate Compact on Educational Opportunity for Military Children					
FTE	<u>21,298</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	0	0	0
Reappropriated Funds	21,298	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Workforce Diploma Pilot Program	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Concurrent Enrollment Expansion and Innovation Grant Program - OLD	<u>1,422,603</u>	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	1,422,603	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Childhood Program Transition - OLD	<u>12,135</u>	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	12,135	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Student Safety Grants	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Financial Aid Training Stipends and Resource Bank	<u>54,419</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	54,419	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Postsecondary, Workforce Career, and Education					
Grant and Readiness Program	<u>287,795</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	287,795	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (VI) Other Assistance	789,208,274	0	0	0	0
FTE	<u>110.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	16,337,360	0	0	0	0
Cash Funds	19,100,563	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	753,770,351	0	0	0	0
SUBTOTAL - (X) Grant Programs, Distributions, and Other Assistance	1,368,202,596	0	0	0	0
FTE	<u>185.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	33,102,728	0	0	0	0
Cash Funds	318,461,884	0	0	0	0
Reappropriated Funds	493,660	0	0	0	0
Federal Funds	1,016,144,324	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
TOTAL - (3) School District Operations	7,061,558,967	7,302,432,937	7,401,954,966	7,245,348,071	7,194,035,551
<i>FTE</i>	<u>306.8</u>	<u>158.2</u>	<u>226.7</u>	<u>228.2</u>	<u>228.2</u>
General Fund	4,437,407,764	4,405,556,958	3,158,178,334	3,319,717,615	3,369,259,529
General Fund Exempt	0	155,845,958	1,247,280,333	1,247,280,333	1,247,280,333
Cash Funds	1,403,849,278	1,473,880,327	2,166,370,694	1,846,788,581	1,812,773,676
Reappropriated Funds	537,439	33,718	319,432	357,397	357,397
Federal Funds	1,219,764,486	1,267,115,976	829,806,173	831,204,145	764,364,616

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(4) EDUCATOR TALENT

Funding for the Office of Professional Services and programs related to educator effectiveness.

Office of Professional Services	0	<u>3,143,308</u>	<u>3,621,295</u>	<u>3,706,445</u>	<u>3,706,445</u>
FTE	0.0	27.8	27.2	27.2	27.2
General Fund	0	514,588	778,174	804,147	804,147
Cash Funds	0	2,628,720	2,843,121	2,902,298	2,902,298
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Educator Effectiveness Unit Administration	 0	 <u>3,321,533</u>	 <u>3,525,710</u>	 <u>3,638,702</u>	 <u>3,638,702</u>
FTE	0.0	18.2	18.2	18.2	18.2
General Fund	0	3,133,979	3,382,108	3,484,391	3,484,391
Cash Funds	0	187,554	143,602	154,311	154,311
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Quality Teacher Recruitment Program	 0	 <u>2,988,409</u>	 <u>3,000,000</u>	 <u>3,000,000</u>	 <u>3,000,000</u>
General Fund	0	2,988,409	3,000,000	3,000,000	3,000,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Educator Recruitment and Retention Program	 0	 <u>4,984,347</u>	 <u>5,000,000</u>	 <u>5,000,000</u>	 <u>5,000,000</u>
General Fund	0	4,984,347	5,000,000	5,000,000	5,000,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
School Leadership Pilot Program	0	<u>240,799</u>	<u>250,000</u>	<u>256,395</u>	<u>250,000</u>
FTE	0.0	1.2	1.2	1.2	1.2
General Fund	0	240,799	250,000	256,395	250,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Teacher Degree Apprenticeship Program	<u>0</u>	<u>0</u>	<u>103,949</u>	<u>103,949</u>	<u>103,949</u>
FTE	0.0	0.0	1.0	1.0	1.0
General Fund	0	0	103,949	103,949	103,949
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Transfer to Dept. of Higher Ed for student educator stipend program	<u>0</u>	<u>0</u>	<u>4,197,000</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	4,197,000	0	0
TOTAL - (4) Educator Talent	0	14,678,396	19,697,954	15,705,491	15,699,096
FTE	<u>0.0</u>	<u>47.2</u>	<u>47.6</u>	<u>47.6</u>	<u>47.6</u>
General Fund	0	11,862,122	12,514,231	12,648,882	12,642,487
Cash Funds	0	2,816,274	7,183,723	3,056,609	3,056,609
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(5) STUDENT LEARNING

Funding for learning supports, intervention, planning, early literacy, and facility schools.

(A) Learning Supports, Intervention, and Planning

Preschool to Postsecondary Education Alignment	0	<u>717,222</u>	<u>739,254</u>	<u>779,088</u>	<u>779,088</u>
FTE	0.0	4.0	4.0	4.0	4.0
General Fund	0	53,881	38,331	39,025	39,025
Cash Funds	0	663,341	700,923	740,063	740,063
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Computer Science Education Grants	0	<u>491,014 0.4</u>	<u>552,815 0.4</u>	<u>559,483 0.4</u>	<u>0 0.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	491,014	552,815	559,483	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado High-impact Tutoring Program	0	<u>4,463,759 1.2</u>	<u>4,985,749 1.2</u>	<u>4,991,454 1.2</u>	<u>0 0.0</u>
General Fund	0	4,463,759	4,985,749	4,991,454	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Content Specialists	0	<u>678,333</u>	<u>597,354</u>	<u>714,261</u>	<u>714,261</u>
FTE	0.0	5.0	5.3	5.2	5.2
General Fund	0	57,500	30,998	144,648	144,648
Cash Funds	0	620,833	566,356	569,613	569,613
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
School Bullying Prevention and Education Cash Fund	0	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
General Fund	0	1,000,000	1,000,000	1,000,000	1,000,000
Cash Funds	0	1,000,000	1,000,000	1,000,000	1,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Working Group for Identification of and Educational Support for Students with Dyslexia	0	<u>23,046</u>	<u>40,616</u>	<u>40,616</u>	<u>40,616</u>
General Fund	0	23,046	40,616	40,616	40,616
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
English Language Learners Technical Assistance	0	<u>425,824 5.0</u>	<u>436,600 5.0</u>	<u>456,302 5.0</u>	<u>456,302 5.0</u>
General Fund	0	377,962	377,481	394,205	394,205
Cash Funds	0	47,862	59,119	62,097	62,097
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Parents Encouraging Parents Conferences	0	8,580	68,000	68,000	68,000
General Fund	0	8,580	68,000	68,000	68,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Restraint Complaint H.B. 22-1376	0	0	<u>122,501 1.0</u>	<u>122,501 1.0</u>	<u>122,501 1.0</u>
General Fund	0	0	122,501	122,501	122,501
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
School Climate H.B. 22-1376	0	<u>94,314</u>	<u>102,264 1.0</u>	<u>107,615 1.0</u>	<u>107,615 1.0</u>
General Fund	0	94,314	102,264	107,615	107,615
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Legal Representation for Due Process Complaints Pursuant to Sec. 22-20-108 (3), C.R.S.	0	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
General Fund	0	20,000	20,000	20,000	20,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Math Educator Training and Improvement Planning	0	<u>469,522</u>	<u>470,892</u>	<u>482,373</u>	<u>482,373</u>
FTE	0.0	3.2	3.5	3.5	3.5
General Fund	0	469,522	470,892	482,373	482,373
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Expulsion Hearing Officer Training and Support	0	<u>121,630</u>	<u>113,949</u>	<u>117,645</u>	<u>117,645</u>
FTE	0.0	0.9	1.0	1.0	1.0
General Fund	0	121,630	113,949	117,645	117,645
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Abbreviated School Day Training and Assistance	0	0	<u>148,708</u>	<u>14,314</u>	<u>115,714</u>
FTE	0.0	0.0	1.2	1.2	1.0
General Fund	0	0	148,708	14,314	115,714
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
H.B. 24-1446 Professional Development for Science Teachers	0	0	<u>3,000,000</u>	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	3,000,000	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
IEP Training Program	0	0	<u>75,288</u>	<u>91,707</u>	<u>91,707</u>
FTE	0.0	0.0	0.4	0.5	0.5
General Fund	0	0	75,288	91,707	91,707
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (A) Learning Supports, Intervention, and Planning	0	9,513,244	13,473,990	10,565,359	5,115,822
FTE	<u>0.0</u>	<u>19.7</u>	<u>24.0</u>	<u>24.0</u>	<u>22.2</u>
General Fund	0	6,690,194	7,594,777	7,634,103	2,744,049
Cash Funds	0	2,823,050	5,879,213	2,931,256	2,371,773
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(B) Early Literacy

Early Literacy Program Administration and

Technical Support	0	<u>1,140,834</u>	<u>1,873,795</u>	<u>3,292,071</u>	<u>3,292,071</u>
FTE	0.0	9.3	9.3	11.3	11.3
General Fund	0	0	0	0	0
Cash Funds	0	1,140,834	1,873,795	3,292,071	3,292,071
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Early Literacy Competitive Grant Program	0	8,091,177	7,500,000	9,500,000	9,500,000
General Fund	0	0	0	0	0
Cash Funds	0	8,091,177	7,500,000	9,500,000	9,500,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Evidence Program Evidence Based Training Provided to Teachers	0	1,223,542	2,740,397	2,784,277	2,784,277
FTE	0.0	3.5	3.5	3.5	3.5
General Fund	0	0	0	0	0
Cash Funds	0	1,223,542	2,740,397	2,784,277	2,784,277
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Program External Evaluation	0	750,000	750,000	750,000	750,000
General Fund	0	0	0	0	0
Cash Funds	0	750,000	750,000	750,000	750,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Program Public Information Campaign	0	468,740	504,124	505,240	505,240
FTE	0.0	0.5	0.5	0.5	0.5
General Fund	0	0	0	0	0
Cash Funds	0	468,740	504,124	505,240	505,240
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Early Literacy Program Per Pupil Intervention Program	<u>0</u>	<u>25,474,497</u>	<u>26,261,551</u>	<u>26,261,551</u>	<u>26,261,551</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	25,474,497	26,261,551	26,261,551	26,261,551
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Early Literacy Assessment Tool Program	<u>0</u>	<u>2,055,748</u>	<u>2,997,072</u>	<u>2,997,072</u>	<u>2,997,072</u>
General Fund	0	0	0	0	0
Cash Funds	0	2,055,748	2,997,072	2,997,072	2,997,072
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Early Literacy	0	39,204,538	42,626,939	46,090,211	46,090,211
FTE	<u>0.0</u>	<u>13.3</u>	<u>13.3</u>	<u>15.3</u>	<u>15.3</u>
General Fund	0	0	0	0	0
Cash Funds	0	39,204,538	42,626,939	46,090,211	46,090,211
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(C) Facility Schools					
Facility Schools Office, Facility School Board, and Facility School Technical Assistance Center	<u>0</u>	<u>696,882</u>	<u>916,250</u>	<u>894,607</u>	<u>894,607</u>
FTE	0.0	7.1	7.6	8.6	8.6
General Fund	0	0	0	0	0
Cash Funds	0	696,882	916,250	894,607	894,607
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 State School Funding	 <u>0</u>	 <u>1,566,230</u>	 <u>1,925,110</u>	 <u>1,925,110</u>	 <u>1,925,110</u>
General Fund	0	0	0	0	0
Cash Funds	0	1,566,230	1,925,110	1,925,110	1,925,110
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Facility School Funding	 <u>0</u>	 <u>23,975,383</u>	 <u>30,313,266</u>	 <u>35,123,512</u>	 <u>33,343,020</u>
General Fund	0	0	0	0	0
Cash Funds	0	23,975,383	30,313,266	35,123,512	33,343,020
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Facility Schools Work Group and Program					
Evaluation Contracts	<u>0</u>	<u>0</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	200,000	200,000	200,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Facility Schools Shared Operational Services Grant					
Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (C) Facility Schools	0	26,238,495	33,354,626	38,143,229	36,362,737
<i>FTE</i>	<u>0.0</u>	<u>7.1</u>	<u>7.6</u>	<u>8.6</u>	<u>8.6</u>
General Fund	0	0	0	0	0
Cash Funds	0	26,238,495	33,354,626	38,143,229	36,362,737
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
TOTAL - (5) Student Learning	0	74,956,277	89,455,555	94,798,799	87,568,770
<i>FTE</i>	<u>0.0</u>	<u>40.1</u>	<u>44.9</u>	<u>47.9</u>	<u>46.1</u>
General Fund	0	6,690,194	7,594,777	7,634,103	2,744,049
Cash Funds	0	68,266,083	81,860,778	87,164,696	84,824,721
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(6) SCHOOL QUALITY AND SUPPORT

Funding for the Division of Online Learning, Schools of Choice Office, and programs related to accountability and transformation.

(A) Accountability and Transformation

Longitudinal Analysis of Student Assessment

Results	0	617,045	620,960	715,780	715,780
FTE	0.0	5.6	5.1	5.1	5.1
General Fund	0	617,045	620,960	715,780	715,780
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Accountability and Improvement Planning	0	1,270,113	2,417,553	2,425,700	2,425,700
FTE	0.0	11.9	15.1	15.1	15.1
General Fund	0	1,270,113	1,352,284	1,360,431	1,360,431
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	1,065,269	1,065,269	1,065,269

Local Accountability System Grant Program	0	406,616 0.4	492,784 0.4	498,346 0.4	498,346 0.4
General Fund	0	406,616	492,784	498,346	498,346
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
School Transformation Grant Program	0	<u>6,826,480</u>	<u>8,091,187</u>	<u>8,271,243</u>	<u>8,121,243</u>
FTE	0.0	3.9	4.0	4.0	4.0
General Fund	0	4,985,875	6,078,660	6,102,141	6,102,141
Cash Funds	0	1,840,605	2,012,527	2,169,102	2,019,102
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Federal School Transformation Administration and Support	0	0	<u>769,725</u>	<u>769,725</u>	<u>769,725</u>
FTE	0.0	0.0	4.2	4.2	4.2
Federal Funds	0	0	769,725	769,725	769,725
Educator Perception	0	<u>83,500</u>	<u>25,000</u>	<u>83,500</u>	<u>83,500</u>
General Fund	0	83,500	25,000	83,500	83,500
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
H.B. 23-1241 Accountability, Accreditation, Student Performance, and Resource Inequity Task Force	0	<u>119,560</u>	0	0	0
FTE	0.0	0.3	0.0	0.0	0.0
General Fund	0	119,560	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
SUBTOTAL - (A) Accountability and Transformation	0	9,323,314	12,417,209	12,764,294	12,614,294
<i>FTE</i>	<u>0.0</u>	<u>22.1</u>	<u>28.8</u>	<u>28.8</u>	<u>28.8</u>
General Fund	0	7,482,709	8,569,688	8,760,198	8,760,198
Cash Funds	0	1,840,605	2,012,527	2,169,102	2,019,102
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	1,834,994	1,834,994	1,834,994

(B) Schools of Choice

Schools of Choice	<u>0</u>	<u>325,806</u>	<u>10,686,791</u>	<u>10,704,219</u>	<u>10,704,219</u>
<i>FTE</i>	0.0	6.8	6.8	6.8	6.8
General Fund	0	325,806	360,291	377,719	377,719
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	10,326,500	10,326,500	10,326,500
Supplemental Online Education Services	<u>0</u>	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	1,220,000	1,220,000	1,220,000	1,220,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Office of Online and Hybrid Learning and Innovation Schools	<u>0</u>	<u>470,137</u>	<u>541,685</u>	<u>564,576</u>	<u>564,576</u>
FTE	0.0	4.7	4.8	4.8	4.8
General Fund	0	46,347	48,677	48,677	48,677
Cash Funds	0	423,790	493,008	515,899	515,899
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Schools of Choice	0	2,015,943	12,448,476	12,488,795	12,488,795
FTE	<u>0.0</u>	<u>11.5</u>	<u>11.6</u>	<u>11.6</u>	<u>11.6</u>
General Fund	0	372,153	408,968	426,396	426,396
Cash Funds	0	1,643,790	1,713,008	1,735,899	1,735,899
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	10,326,500	10,326,500	10,326,500
TOTAL - (6) School Quality and Support	0	11,339,257	24,865,685	25,253,089	25,103,089
FTE	<u>0.0</u>	<u>33.6</u>	<u>40.4</u>	<u>40.4</u>	<u>40.4</u>
General Fund	0	7,854,862	8,978,656	9,186,594	9,186,594
Cash Funds	0	3,484,395	3,725,535	3,905,001	3,755,001
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	12,161,494	12,161,494	12,161,494

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(7) STUDENT PATHWAYS

Funding for health and wellness, dropout prevention, and career readiness programs.

(A) Health and Wellness

S.B. 97-101 Public School Health Services	0	184,940	182,652	182,652	188,112
FTE	0.0	1.4	1.4	1.4	1.4
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	184,940	182,652	182,652	188,112
Federal Funds	0	0	0	0	0
 Behavioral Health Care Professional Matching					
Grant Program	0	14,979,305	14,959,883	14,984,818	14,984,818
FTE	0.0	5.0	5.0	5.0	5.0
General Fund	0	0	0	0	0
Cash Funds	0	14,979,305	14,959,883	14,984,818	14,984,818
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Mental Health Education Resource Bank and					
Technical Assistance	0	49,959	49,076	51,321	51,321
FTE	0.0	0.6	0.6	0.6	0.6
General Fund	0	49,959	49,076	51,321	51,321
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
K-5 Social and Emotional Health Pilot Program	0	<u>2,461,585</u>	<u>2,493,916</u>	<u>2,493,916</u>	0
FTE	0.0	1.0	1.0	1.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	2,461,585	2,493,916	2,493,916	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Menstrual Hygiene Product Accessibility Grant Program	0	<u>97,499</u>	<u>200,000 0.2</u>	<u>100,000 0.2</u>	<u>100,000 0.2</u>
General Fund	0	97,499	200,000	100,000	100,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
S.B. 24-048 Substance use disorders recovery grant pilot program	0	0	<u>69,011</u>	<u>25,011</u>	<u>25,011</u>
FTE	0.0	0.0	0.2	0.2	0.2
General Fund	0	0	69,011	25,011	25,011
SUBTOTAL - (A) Health and Wellness	0	17,773,288	17,954,538	17,837,718	15,349,262
FTE	<u>0.0</u>	<u>8.0</u>	<u>8.4</u>	<u>8.4</u>	<u>7.4</u>
General Fund	0	147,458	318,087	176,332	176,332
Cash Funds	0	17,440,890	17,453,799	17,478,734	14,984,818
Reappropriated Funds	0	184,940	182,652	182,652	188,112
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(B) Dropout Prevention and Student Reengagement					
Dropout Prevention	0	1,996,390	2,002,857	2,359,590	2,005,329
FTE	0.0	1.0	1.0	3.0	1.0
General Fund	0	0	0	354,261	0
Cash Funds	0	1,996,390	2,002,857	2,005,329	2,005,329
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Ninth Grade Success Grant Program	 0	 2,394,535	 1,925,050	 2,007,458	 2,007,458
FTE	0.0	1.8	1.4	1.4	1.4
General Fund	0	2,394,535	0	7,458	0
Cash Funds	0	0	1,925,050	2,000,000	2,007,458
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Foster Care H.B. 22-1374	 0	 61,386	 69,247	 72,316	 72,316
FTE	0.0	0.0	0.4	0.6	0.6
General Fund	0	61,386	69,247	72,316	72,316
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Educational Stability Grant	 0	 954,627	 1,030,585	 1,035,679	 1,035,679
FTE	0.0	3.0	3.0	3.0	3.0
General Fund	0	954,627	1,030,585	1,035,679	1,035,679
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
H.B. 23-1231 Colorado Academic Accelerator Grant Program	<u>0</u>	<u>7,793,259</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	2.6	0.0	0.0	0.0
General Fund	0	7,793,259	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
H.B. 24-1216 Supports for youth in juvenile justice system	<u>0</u>	<u>0</u>	<u>82,883</u>	<u>92,362</u>	<u>92,362</u>
FTE	0.0	0.0	0.1	0.8	0.8
General Fund	0	0	82,883	92,362	92,362
H.B. 24-1331 Out-of-School Time Grant Program	<u>0</u>	<u>0</u>	<u>3,416,449</u>	<u>3,461,979</u>	<u>3,461,979</u>
FTE	0.0	0.0	1.3	1.4	1.4
General Fund	0	0	3,416,449	3,461,979	3,461,979
Homeless student scholarship program	<u>0</u>	<u>0</u>	<u>26,055</u>	<u>26,632</u>	<u>26,632</u>
FTE	0.0	0.0	0.2	0.2	0.2
General Fund	0	0	26,055	26,632	26,632
SUBTOTAL - (B) Dropout Prevention and Student Reengagement	0	13,200,197	8,553,126	9,056,016	8,701,755
FTE	0.0	8.4	7.4	10.4	8.4
General Fund	0	11,203,807	4,625,219	5,050,687	4,688,968
Cash Funds	0	1,996,390	3,927,907	4,005,329	4,012,787
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(C) Career Readiness					
Career Development Success Program	0	9,508,466	9,518,950	9,521,670	9,521,670
FTE	0.0	0.9	1.1	1.1	1.1
General Fund	0	9,508,466	9,518,950	9,521,670	9,521,670
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
College and Career Readiness	0	352,991	354,589	369,125	369,125
FTE	0.0	3.1	3.2	3.2	3.2
General Fund	0	352,991	354,589	369,125	369,125
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Concurrent Enrollment Expansion and Innovation	0	1,456,830	1,476,948	1,476,948	1,476,948
General Fund	0	0	0	0	0
Cash Funds	0	1,456,830	1,476,948	1,476,948	1,476,948
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Accelerated College Opportunity Exam Fee Grant	0	535,702 0.4	561,665 0.4	0 0.0	0 0.0 *
General Fund	0	535,702	561,665	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
School Counselor Corps Grant Program	0	<u>12,015,310</u>	<u>12,007,490</u>	<u>12,029,506</u>	<u>12,029,506</u>
FTE	0.0	2.0	2.0	2.0	2.0
General Fund	0	0	0	0	0
Cash Funds	0	12,015,310	12,007,490	12,029,506	12,029,506
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Fourth-year Innovation Pilot Program - Distributions to LEPS	0	<u>283,824</u>	<u>386,659</u>	<u>386,659</u>	<u>386,659</u>
General Fund	0	283,824	386,659	386,659	386,659
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
High School Innovative Learning Pilot Program	0	<u>299,750 0.6</u>	<u>346,171 0.6</u>	<u>348,583 0.6</u>	<u>0 0.0</u>
General Fund	0	299,750	346,171	348,583	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
John W Buckner Automatic Enrollment in Advanced Courses Grant Program	0	<u>254,266</u>	<u>246,276</u>	<u>247,914</u>	<u>247,914</u>
FTE	0.0	0.3	0.3	0.3	0.3
General Fund	0	254,266	246,276	247,914	247,914
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Basic Skills Placement or Assessment Tests	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	50,000	0	50,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado Career Advisor Training Program	<u>0</u>	<u>982,416</u>	<u>0</u>	<u>500,000</u>	<u>0</u>
General Fund	0	982,416	0	500,000	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Adult Education and Literacy Grant	<u>0</u>	<u>2,618,926</u>	<u>2,958,749</u>	<u>2,965,365</u>	<u>2,965,365</u>
FTE	0.0	2.3	2.3	2.3	2.3
General Fund	0	2,618,926	2,958,749	2,965,365	2,965,365
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado Adult High School Program	<u>0</u>	<u>322,594</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.7	0.0	0.0	0.0
General Fund	0	322,594	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Federal Adult Education Support	<u>0</u>	<u>0</u>	<u>9,193,475</u>	<u>9,193,475</u>	<u>9,193,475</u>
FTE	0.0	0.0	8.9	8.9	8.9
Federal Funds	0	0	9,193,475	9,193,475	9,193,475

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Implementation of H.B. 22-1215 Task Force Report	0	0	767,405	0	0
FTE	0.0	0.0	0.2	0.0	0.0
General Fund	0	0	767,405	0	0
ASCENT Program Study	0	0	45,600	0	0
General Fund	0	0	45,600	0	0
SUBTOTAL - (C) Career Readiness	0	28,631,075	37,913,977	37,039,245	36,240,662
FTE	0.0	10.3	19.0	18.4	17.8
General Fund	0	15,158,935	15,186,064	14,339,316	13,490,733
Cash Funds	0	13,472,140	13,534,438	13,506,454	13,556,454
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	9,193,475	9,193,475	9,193,475
TOTAL - (7) Student Pathways	0	59,604,560	64,421,641	63,932,979	60,291,679
FTE	0.0	26.7	34.8	37.2	33.6
General Fund	0	26,510,200	20,129,370	19,566,335	18,356,033
Cash Funds	0	32,909,420	34,916,144	34,990,517	32,554,059
Reappropriated Funds	0	184,940	182,652	182,652	188,112
Federal Funds	0	0	9,193,475	9,193,475	9,193,475

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(8) LIBRARY PROGRAMS

Funding for all of the department's library-related programs and staff.

Administration	<u>984,276</u>	<u>963,807</u>	<u>1,262,635</u>	<u>1,320,400</u>	<u>1,320,400</u>
FTE	8.6	14.3	14.3	14.3	14.3
General Fund	955,677	941,789	995,222	1,052,987	1,052,987
Cash Funds	28,599	22,018	267,413	267,413	267,413
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Federal Library Funding	 <u>5,632,783</u>	 <u>3,556,003</u>	 <u>3,418,751</u>	 <u>3,544,534</u>	 <u>3,544,534</u>
FTE	23.8	23.8	24.8	24.8	24.8
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	5,632,783	3,556,003	3,418,751	3,544,534	3,544,534
 Colorado Library Consortium	 <u>1,000,000</u>	 <u>1,150,000</u>	 <u>1,150,000</u>	 <u>1,150,000</u>	 <u>1,150,000</u>
General Fund	1,000,000	1,150,000	1,150,000	1,150,000	1,150,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Colorado Virtual Library	 <u>359,796</u>	 <u>359,796</u>	 <u>379,796</u>	 <u>379,796</u>	 <u>379,796</u>
General Fund	359,796	359,796	359,796	359,796	359,796
Cash Funds	0	0	20,000	20,000	20,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Colorado Talking Book Library	<u>336,892</u> 2.5	<u>276,849</u>	<u>349,527</u> 2.7	<u>426,334</u> 2.7	<u>354,001</u> 2.7
General Fund	89,736	94,512	96,146	168,479	96,146
Cash Funds	0	0	0	0	0
Reappropriated Funds	247,156	182,337	253,381	257,855	257,855
Federal Funds	0	0	0	0	0
Reading Services for the Blind	<u>660,000</u>	<u>660,000</u>	<u>860,000</u>	<u>0</u>	<u>860,000</u>
General Fund	50,000	50,000	250,000	0	250,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	610,000	610,000	610,000	0	610,000
Federal Funds	0	0	0	0	0
State Grants to Publicly-Supported Libraries					
Program	<u>2,963,007</u> 0.5	<u>2,976,150</u>	<u>2,997,485</u>	<u>2,997,485</u>	<u>2,997,485</u>
General Fund	2,963,007	2,976,150	2,997,485	2,997,485	2,997,485
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado Imagination Library Program	<u>706,718</u>	<u>819,973</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	706,718	819,973	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Indirect Cost Assessment	0	0	<u>55,327</u>	<u>55,327</u>	<u>55,327</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	55,327	55,327	55,327
TOTAL - (8) Library Programs	12,643,472	10,762,578	10,473,521	9,873,876	10,661,543
<i>FTE</i>	<u>35.4</u>	<u>38.1</u>	<u>41.8</u>	<u>41.8</u>	<u>41.8</u>
General Fund	6,124,934	6,392,220	5,848,649	5,728,747	5,906,414
Cash Funds	28,599	22,018	287,413	287,413	287,413
Reappropriated Funds	857,156	792,337	863,381	257,855	867,855
Federal Funds	5,632,783	3,556,003	3,474,078	3,599,861	3,599,861

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(9) SCHOOL FOR THE DEAF AND THE BLIND

Funding to support the operation of the Colorado School for the Deaf and the Blind, located in Colorado Springs, which provides educational services for children throughout the State who are deaf, hard of hearing, blind, or visually impaired.

(A) School Operations

Personal Services	<u>11,584,430</u>	<u>12,343,103</u>	<u>13,907,714</u>	<u>14,843,058</u>	<u>14,635,354</u>
FTE	147.8	153.1	156.1	158.4	156.1
General Fund	9,993,994	10,616,610	12,080,631	12,982,902	12,773,567
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,590,436	1,726,493	1,827,083	1,860,156	1,861,787
Federal Funds	0	0	0	0	0
 Early Intervention Services	 <u>1,302,877</u>	 <u>1,334,132</u>	 <u>1,376,111</u>	 <u>1,446,524</u>	 <u>1,446,524</u>
FTE	10.5	10.0	10.0	10.0	10.0
General Fund	1,302,877	1,334,132	1,376,111	1,446,524	1,446,524
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Shift Differential	 <u>141,569</u>	 <u>66,000</u>	 <u>76,680</u>	 <u>75,298</u>	 <u>75,298</u>
General Fund	141,569	66,000	76,680	75,298	75,298
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Operating Expenses	<u>754,991</u>	<u>694,291</u>	<u>794,291</u>	<u>794,291</u>	<u>694,291</u>
General Fund	754,991	694,291	794,291	794,291	694,291
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Vehicle Lease Payments	<u>36,302</u>	<u>35,112</u>	<u>45,751</u>	<u>40,711</u>	<u>45,211</u>
General Fund	36,302	35,112	45,751	40,711	45,211
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Utilities	<u>745,981</u>	<u>726,161</u>	<u>745,981</u>	<u>745,981</u>	<u>745,981</u>
General Fund	745,981	726,161	745,981	745,981	745,981
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Allocation of State and Federal Categorical Program					
Funding	<u>124,077</u>	<u>157,549</u>	<u>190,104</u>	<u>191,920</u>	<u>191,920</u>
FTE	0.1	0.4	0.4	0.4	0.4
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	124,077	157,549	190,104	191,920	191,920
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Medicaid Reimbursements for Public School Health Services	<u>214,964</u>	<u>218,291</u>	<u>446,396</u>	<u>450,776</u>	<u>450,776</u>
FTE	1.3	1.5	2.0	2.0	2.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	214,964	218,291	446,396	450,776	450,776
Federal Funds	0	0	0	0	0
SUBTOTAL - (A) School Operations	14,905,191	15,574,639	17,583,028	18,588,559	18,285,355
FTE	<u>159.7</u>	<u>165.0</u>	<u>168.5</u>	<u>170.8</u>	<u>168.5</u>
General Fund	12,975,714	13,472,306	15,119,445	16,085,707	15,780,872
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,929,477	2,102,333	2,463,583	2,502,852	2,504,483
Federal Funds	0	0	0	0	0
(B) Special Purpose					
Fees and Conferences	<u>97,068</u>	<u>93,772</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
General Fund	0	0	0	0	0
Cash Funds	97,068	93,772	120,000	120,000	120,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Outreach Services	<u>569,756</u>	<u>362,996</u>	<u>1,000,000</u>	<u>1,001,654</u>	<u>1,000,000</u>
FTE	4.2	6.2	6.2	6.2	6.2
General Fund	0	0	0	0	0
Cash Funds	443,256	283,215	750,000	751,654	750,000
Reappropriated Funds	126,500	79,781	250,000	250,000	250,000
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Tuition from Out-of-state Students	0	0	200,000	200,000	200,000
General Fund	0	0	0	0	0
Cash Funds	0	0	200,000	200,000	200,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Grants	412,151	350,007	1,000,000	1,000,000	1,000,000
FTE	6.0	6.0	6.0	6.0	6.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	412,151	350,007	1,000,000	1,000,000	1,000,000
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Special Purpose	1,078,975	806,775	2,320,000	2,321,654	2,320,000
FTE	10.2	12.2	12.2	12.2	12.2
General Fund	0	0	0	0	0
Cash Funds	540,324	376,987	1,070,000	1,071,654	1,070,000
Reappropriated Funds	538,651	429,788	1,250,000	1,250,000	1,250,000
Federal Funds	0	0	0	0	0
TOTAL - (9) School for the Deaf and the Blind	15,984,166	16,381,414	19,903,028	20,910,213	20,605,355
FTE	169.9	177.2	180.7	183.0	180.7
General Fund	12,975,714	13,472,306	15,119,445	16,085,707	15,780,872
Cash Funds	540,324	376,987	1,070,000	1,071,654	1,070,000
Reappropriated Funds	2,468,128	2,532,121	3,713,583	3,752,852	3,754,483
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(10) CHARTER SCHOOL INSTITUTE

Funding for the Charter School Institute, which is allowed to authorize charter schools located within a school district's boundaries if the school district has not retained exclusive authority to authorize charter schools or if the school district allows the charter school applicant to seek CSI authorization.

State Charter School Institute Administration,

Oversight, and Management	0	6,899,950	5,000,000	5,000,000	5,000,000
FTE	0.0	11.7	11.7	11.7	11.7
General Fund	0	0	0	0	0
Cash Funds	0	1,899,950	0	0	0
Reappropriated Funds	0	5,000,000	5,000,000	5,000,000	5,000,000
Federal Funds	0	0	0	0	0
 Institute Charter School Assistance Fund	 0	 2,961,248	 1,800,000	 1,800,000	 1,800,000
General Fund	0	0	0	0	0
Cash Funds	0	2,961,248	1,800,000	1,800,000	1,800,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Other Transfers to Institute Charter Schools	 0	 24,809,219	 21,500,000	 21,500,000	 21,500,000
General Fund	0	0	0	0	0
Cash Funds	0	3,316,987	0	0	0
Reappropriated Funds	0	21,492,232	21,500,000	21,500,000	21,500,000
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Transfer of Federal Money to Institute Charter Schools	0	<u>18,028,576</u> 4.5	<u>17,400,000</u> 4.5	<u>17,400,000</u> 4.5	<u>17,400,000</u> 4.5
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	17,400,000	17,400,000	17,400,000
Federal Funds	0	18,028,576	0	0	0
CSI Mill Levy Equalization	0	<u>54,688,664</u>	<u>48,422,849</u>	<u>55,789,108</u>	<u>54,592,279</u> *
General Fund	0	27,000,000	27,220,696	27,220,696	27,220,696
Cash Funds	0	688,664	21,202,153	28,568,412	27,371,583
Reappropriated Funds	0	27,000,000	0	0	0
Federal Funds	0	0	0	0	0
Implementation of Section 22-30.5-501	0	<u>114,317</u> 1.6	<u>243,362</u> 1.6	<u>243,362</u> 1.6	<u>243,362</u> 1.6
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	114,317	243,362	243,362	243,362
Federal Funds	0	0	0	0	0
TOTAL - (10) Charter School Institute	0	107,501,974	94,366,211	101,732,470	100,535,641
<i>FTE</i>	<u>0.0</u>	<u>17.8</u>	<u>17.8</u>	<u>17.8</u>	<u>17.8</u>
General Fund	0	27,000,000	27,220,696	27,220,696	27,220,696
Cash Funds	0	8,866,849	23,002,153	30,368,412	29,171,583
Reappropriated Funds	0	53,606,549	44,143,362	44,143,362	44,143,362
Federal Funds	0	18,028,576	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
TOTAL - Department of Education	7,238,922,082	7,659,883,045	7,804,234,665	7,655,614,954	7,593,184,408
<i>FTE</i>	<u>685.2</u>	<u>640.3</u>	<u>742.1</u>	<u>750.4</u>	<u>742.7</u>
General Fund	4,494,786,248	4,526,142,893	3,279,016,294	3,440,643,855	3,483,882,626
General Fund Exempt	0	155,845,958	1,247,280,333	1,247,280,333	1,247,280,333
Cash Funds	1,436,162,072	1,617,446,797	2,352,283,632	2,041,451,107	2,001,990,802
Reappropriated Funds	52,523,342	62,769,916	55,424,996	55,120,326	55,621,208
Federal Funds	1,255,450,420	1,297,677,481	870,229,410	871,119,333	804,510,839

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

DRAFT
1/28/25

DRAFT

LLS NO. 25-0638.02 Pierce Lively x2059

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: Proposed Tax Increase Fiscal Estimate

A BILL FOR AN ACT

101 **CONCERNING THE ESTIMATE OF THE FISCAL IMPACT OF A PROPOSED**
102 **TAX INCREASE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. Section 2 of the bill requires the director of research of the legislative council of the general assembly (director), when preparing an estimate of an initiated proposed tax increase's fiscal impact if enacted, to include an estimate of the maximum dollar amount of the change in state and local government revenue and fiscal year spending, as defined in section 20 (2)(e) of article X of the

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

state constitution, for the first, and if phased in, final full fiscal year of the proposed tax increase. **Section 3** requires the director to prepare for the ballot information booklet for a proposed tax increase estimates of both the maximum dollar amount of the change in state and local government revenue and fiscal year spending, as defined in section 20 (2)(e) of article X of the state constitution, for the first full fiscal year of the proposed tax increase and state and local government fiscal year spending, as defined in section 20 (2)(e) of article X of the state constitution, without the proposed tax increase. **Section 4** requires the fiscal note for any legislative measure that includes a proposed tax increase to include the maximum dollar amount of the change in state and local government revenue for the first, and if phased in, final full fiscal year of the proposed tax increase.

Section 2 also requires the title board to use the estimate of the maximum dollar amount of the change in state and local government revenue and fiscal year spending for the first, or if phased in, final full fiscal year of the proposed tax increase in designating and fixing the title of a proposed tax increase. Similarly, **section 4** requires relevant ballot questions for any legislative measure that includes a proposed tax increase to include the estimate of the maximum dollar amount of the change in state and local government revenue for the first, or if phased in, final full fiscal year of the proposed tax increase.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Section 20 (4)(a) of article X of the state constitution,
5 commonly known as TABOR, requires voter approval for any new tax,
6 tax rate increase, extension of an expiring tax, or a tax policy change
7 directly causing a net tax revenue gain to any district;

8 (b) Section 20 (3)(b)(iii) of article X of the state constitution
9 requires that an election for seeking such required voter approval be
10 preceded by a notice with estimates, for the first full fiscal year of each
11 proposed district tax increase, of the amount of the proposed tax increase
12 and of district fiscal year spending without the proposed tax increase;

13 (c) Section 20 (3)(c) of article X of the state constitution requires

1 that, unless there is later voter approval, if either of these estimates are
2 exceeded, the amount of that excess is refunded and the proposed tax
3 increase is reduced for future fiscal years;

4 (d) On 2 recent occasions, the general assembly has submitted
5 ballot issues to the electors of the state seeking to retain revenue in excess
6 of the estimates provided in the notices for elections during which the
7 state electors approved a proposed tax increase;

8 (e) During the 2015 general election, the general assembly
9 submitted a ballot issue seeking to retain marijuana excise tax revenue
10 because state fiscal year spending had exceeded the estimate of state
11 fiscal year spending in the notice for the election in which the state
12 electors approved a marijuana excise tax;

13 (f) During the 2023 statewide election, the general assembly
14 submitted a ballot issue seeking to retain nicotine, cigarette, and tobacco
15 product excise tax revenue because the amount of the excise tax revenue
16 had exceeded the estimate of the excise tax revenue in the notice for the
17 election in which the state electors approved a new nicotine excise tax
18 and increased an existing cigarette and tobacco excise tax;

19 (g) The general assembly recently became aware that state
20 revenue from the income tax deductions in Proposition FF, approved by
21 the voters in the 2022 general election, exceeded the estimate of that
22 revenue in the notice for the 2022 general election;

23 (h) If the notice for an election to approve a proposed tax increase
24 includes maximum dollar estimates for base state fiscal year spending and
25 new tax revenue, it is less likely that the first full year base state fiscal
26 year spending and new tax revenue will exceed these estimates;

27 (i) If the notice for the election to approve a proposed tax increase

1 and the ballot title for that proposed tax increase includes the maximum
2 dollar amounts of the relevant estimates, electors will be better informed
3 of the potential maximum impact and scope of the proposed tax increase;
4 and

5 (j) Submitting ballot issues to the voters is a costly process that
6 requires the drafting and approval of legislation along with the
7 distribution of ballots and information to state electors;

8 (2) Therefore, the general assembly finds and declares that it is in
9 the interest of the people of Colorado to require that the estimates of
10 proposed tax increase revenue and state fiscal year spending included in
11 the notice for the election to approve a proposed tax increase are the
12 maximum dollar amounts of such estimates.

13 **SECTION 2.** In Colorado Revised Statutes, 1-40-105.5, **add** (7)
14 as follows:

15 **1-40-105.5. Initial fiscal impact statement - definition.** (7) (a)
16 WHEN PREPARING AN ESTIMATE OF A PROPOSED TAX INCREASE'S FISCAL
17 IMPACT IF IMPLEMENTED, THE DIRECTOR SHALL INCLUDE A PRELIMINARY
18 ESTIMATE OF THE MAXIMUM DOLLAR AMOUNT OF THE CHANGE IN STATE
19 AND LOCAL GOVERNMENT REVENUE AND FISCAL YEAR SPENDING, AS
20 DEFINED IN SECTION 20 (2)(e) OF ARTICLE X OF THE STATE CONSTITUTION,
21 FOR THE FIRST, AND IF PHASED IN, FINAL FULL FISCAL YEAR OF THE
22 PROPOSED TAX INCREASE.

23 (b) IN DESIGNATING AND FIXING A TITLE FOR A PROPOSED TAX
24 INCREASE PURSUANT TO SECTION 1-40-106 WHILE COMPLYING WITH
25 SECTION 20 (3)(c) OF ARTICLE X OF THE STATE CONSTITUTION, THE TITLE
26 BOARD SHALL RELY ON THE PRELIMINARY ESTIMATE OF THE MAXIMUM
27 DOLLAR AMOUNT OF THE CHANGE IN STATE AND LOCAL GOVERNMENT

1 REVENUE FOR THE FIRST, OR IF PHASED IN, FINAL FULL FISCAL YEAR OF THE
2 PROPOSED TAX INCREASE DETERMINED PURSUANT TO SUBSECTION (7)(a)
3 OF THIS SECTION. <{ TABOR (3)(c) does not consider the phased in full
4 final fiscal year revenue of a tax increase, in determining whether a tax
5 increase resulted in excess revenue. TABOR (3)(c) does require that the
6 phased in full final fiscal year revenue of a proposed tax increase be
7 included in the ballot title for that proposed tax increase. So, in an
8 effort to have uniformity across the estimated fiscal impact prepared by
9 LCS and the number used in the ballot title, I have required that a
10 maximum dollar amount be used in both cases and not just the
11 estimated fiscal impact prepared by LCS.>

12 SECTION 3. In Colorado Revised Statutes, 1-40-124.5, **amend**
13 (1.5); and **add** (1)(e) as follows:

14 **1-40-124.5. Ballot information booklet.** (1) (e) WHEN
15 PREPARING THE FISCAL IMPACT STATEMENT REQUIRED BY THIS
16 SUBSECTION (1) FOR ANY PROPOSED TAX INCREASE, THE DIRECTOR OF
17 RESEARCH OF THE LEGISLATIVE COUNCIL OF THE GENERAL ASSEMBLY
18 SHALL, PURSUANT TO SECTION 20 (3)(b)(III) OF ARTICLE X OF THE STATE
19 CONSTITUTION, INCLUDE AN ESTIMATE OF THE MAXIMUM DOLLAR AMOUNT
20 OF BOTH:

21 (I) THE CHANGE IN STATE AND LOCAL GOVERNMENT REVENUE AND
22 FISCAL YEAR SPENDING, AS DEFINED IN SECTION 20 (2)(e) OF ARTICLE X OF
23 THE STATE CONSTITUTION, FOR THE FIRST FULL FISCAL YEAR OF THE
24 PROPOSED TAX INCREASE; AND

25 (II) STATE AND LOCAL GOVERNMENT FISCAL YEAR SPENDING, AS
26 DEFINED IN SECTION 20 (2)(e) OF ARTICLE X OF THE STATE CONSTITUTION,
27 WITHOUT THE PROPOSED TAX INCREASE.

1 (1.5) The executive committee of the legislative council of the
2 general assembly ~~shall be~~ IS responsible for providing the fiscal
3 information on any ballot issue that must be included in the ballot
4 information booklet pursuant to section 1 (7.5)(c) of article V of the state
5 constitution AND SHALL CONSIDER THE FISCAL IMPACT STATEMENT
6 REQUIRED BY SUBSECTION (1) OF THIS SECTION IN DOING SO.

7 **SECTION 4.** In Colorado Revised Statutes, 2-2-322, **add** (6) as
8 follows:

9 **2-2-322. Fiscal notes - repeal.** (6) (a) THE FISCAL NOTE FOR ANY
10 LEGISLATIVE MEASURE THAT INCLUDES A PROPOSED TAX INCREASE SHALL
11 INCLUDE, IN ADDITION TO THE OTHER INFORMATION REQUIRED PURSUANT
12 TO THIS SECTION, AN ESTIMATE OF THE MAXIMUM DOLLAR AMOUNT OF THE
13 CHANGE IN STATE AND LOCAL GOVERNMENT REVENUE FOR THE FIRST, AND
14 IF PHASED IN, FINAL FULL FISCAL YEAR OF THE PROPOSED TAX INCREASE.

15 (b) THE BALLOT QUESTION SUBMITTED TO THE REGISTERED
16 ELECTORS OF THE STATE IN CONNECTION WITH A PROPOSED TAX INCREASE
17 IN A LEGISLATIVE MEASURE SHALL INCLUDE THE MAXIMUM DOLLAR
18 AMOUNT OF THE CHANGE IN STATE AND LOCAL GOVERNMENT REVENUE
19 FOR THE FIRST, OR IF PHASED IN, FINAL FULL FISCAL YEAR OF THE
20 PROPOSED TAX INCREASE AS DETERMINED PURSUANT TO SUBSECTION
21 (6)(a) OF THIS SECTION.

22 **SECTION 5. Safety clause.** The general assembly finds,
23 determines, and declares that this act is necessary for the immediate
24 preservation of the public peace, health, or safety or for appropriations for
25 the support and maintenance of the departments of the state and state
26 institutions.