



JOINT BUDGET COMMITTEE STAFF FY 2023-24 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Education

Programs other than School Finance and Categorical Programs

The Department of Education supports the State Board of Education in its duty to exercise general supervision over public schools, including accrediting public schools and school districts. The Department distributes state and federal funds to school districts, and it administers a variety of education-related programs, including educator licensure, education programs for children with special needs, English language proficiency programs, the Colorado Preschool Program, and a variety of grant programs. The Department develops and maintains state model content standards, and administers associated assessments. The Department also 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 institute charter schools; 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 of state financial assistance for school construction projects. The Department's FY 2022-23 appropriation represents approximately 18.4 percent of statewide operating appropriations and 32.4 percent of statewide General Fund appropriations. Most of this funding is distributed on a formula basis for school finance and categorical programs. Programs other than school finance and categorical programs, including administration, grants, the School for the Deaf and the Blind, and library programs, comprise \$1.5 billion of the Department's \$7.2 billion total funds appropriation and less than \$0.2 billion of the Department's \$4.5 billion General Fund appropriation.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
FY 2022-23 Long Bill	7,010,484,295	4,489,794,482	1,400,189,406	72,007,220	1,048,493,187	630.6
Other legislation	203,732,650	10,501,363	192,962,172	312,431	(43,316)	6.6
TOTAL	\$7,214,216,945	\$4,500,295,845	\$1,593,151,578	\$72,319,651	\$1,048,449,871	637.2
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$7,214,216,945	4,500,295,845	\$1,593,151,578	\$72,319,651	\$1,048,449,871	637.2
R1 State share of total program	473,489,816	150,000,000	323,489,816	0	0	0.0
R2 Categorical programs increase	36,633,116	0	36,633,116	0	0	0.0
R3 Translation services	145,159	0	0	145,159	0	0.9
R4 Inflationary adjustment	251,151	251,151	0	0	0	0.0
R5 Gifted and talented DMS	250,000	0	250,000	0	0	0.0
R6 Personnel for schl support Prt A	311,458	77,795	233,663	0	0	2.3
R6 Personnel for schl support Prt B	85,851	85,851	0	0	0	0.9
R7 Proactive intervention turnaround schools	1,000,000	1,000,000	0	0	0	0.0
R8 Evaluation support	108,850	108,850	0	0	0	0.9
R9 Lease space consolidation	507,665	507,665	0	0	0	0.0
R10 CSI mill levy equalization	14,000,000	7,000,000	0	7,000,000	0	0.0
R11 Imagination library growth	569,555	569,555	0	0	0	0.0
R12 Vision for strategic alignment	175,000	175,000	0	0	0	0.0

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R13 CSDB teacher salary increase	264,899	264,899	0	0	0	0.0
Nonprioritized requests	186,876	84,826	33,919	46,924	21,207	0.0
Centrally appropriated line items	5,875,880	2,805,172	1,365,472	332,568	1,372,668	0.0
Annualize prior year legislation	(8,053,472)	(1,725,298)	(5,321,974)	(1,006,200)	0	(4.5)
Annualize prior year budget actions	(295,698)	(294,698)	(1,000)	0	0	0.7
TOTAL	\$7,739,723,051	\$4,661,206,613	\$1,949,834,590	\$78,838,102	\$1,049,843,746	638.4
INCREASE/(DECREASE)	\$525,506,106	\$160,910,768	\$356,683,012	\$6,518,451	\$1,393,875	1.2
Percentage Change	7.3%	3.6%	22.4%	9.0%	0.1%	0.2%

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

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

R6 PERSONNEL FOR SCHL SUPPORT PRT A: The Department requests funds to support new FTE in several line items. In the sections covered in this briefing packet, the request is for \$311,458 total funds and 2.3 FTE, annualizing to 2.5 FTE, including 1.5 FTE in the Division of On-line Learning and 1.0 FTE for staff who support the School Transformation Grant Program. (1) In the Division of On-line Learning, the Department seeks additional staff 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). It highlights the 40 percent increase in on-line enrolled students from FY 2019-20 to FY 2021-22 and significant new one-time investments in hybrid and online operations during the COVID pandemic, which have increased the need for ongoing statewide development and oversight. This division also requests additional staff to support work related to Innovation Schools, a type of school that operates under a school district but for which some district and state requirements are waived. These schools, which currently serve 48,258 students, require State Board approval, and the Department has associated workload. However, it currently has no related funding for FTE. (2) The Department seeks an additional FTE to support the School Transformation Grant Program in light of the increasing resources the General Assembly has devoted to the program. Grant funding has tripled in five years, while the Department has only added 1.0 FTE to support the program.

R7 PROACTIVE INTERVENTION TURNAROUND SCHOOLS: The request includes an increase of \$1,000,000 General Fund, to be continued in future years, for the School Transformation Grant Program. The requested increase (on a current base of \$6.5 million) would be used specifically for schools which are early in the accountability clock process. The request would provide eight to 10 schools that are “on the clock” (because they are rated priority improvement or turnaround) a \$25,000 planning grant, followed by \$50,000 to \$100,000 for implementation, with the goal of

avoiding having these schools remain on the accountability clock. Schools that remain on the clock require intensive (and expensive) state interventions.

R8 EVALUATION SUPPORT: The Department requests \$108,850 General Fund and 0.9 FTE, annualizing to \$116,141 General Fund and 1.0 FTE for a three year term-limited program evaluator. The initial focus of the evaluation FTE is the Behavioral Health Care Professional Matching Grant Program, which provides grants to almost half of the state's local education agencies. The request would supplement funding granted by OSPB for a 1.0 FTE evaluator and related data collection to evaluate this program.

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

R10 CSI MILL LEVY EQUALIZATION: The request includes a \$7,000,000 General Fund increase for mill levy equalization for Charter School Institute (CSI) charter schools, which would bring total General Fund support to \$23,000,000 after annualization of prior year actions. Reappropriated funds included in the request double-count this figure. Many school districts throughout the state have received voter permission to raise local tax revenue above the approved state per-pupil operating revenue amount (PPOR). However, charter schools that are authorized by the CSI instead of their local school district do not have access to such additional local mill levy support. For FY 2022-23, the General Assembly provided \$17.0 million General Fund to help address the disparate revenue available to CSI charter schools versus schools operating within the same region that are authorized by their local school district. The request would increase this contribution, reducing the gap in per pupil funding available for CSI schools compared to other public schools.

R11 IMAGINATION LIBRARY GROWTH: The request includes an increase of \$569,555 for the Colorado Imagination Library, bringing total funding to \$1,476,695 for FY 2023-24 and ongoing. The increase will provide a state match for this evidence-based program to help bring one book per month to approximately 87,000 more children—birth through age 5—across the State and bring total coverage to 35 percent of the eligible population.

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

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

NONPRIORITIZED REQUESTS: The request includes several nonprioritized requests, summarized in the table below. These requests are driven by common policy or budget requests in other departments that affect appropriations required in this department.

NONPRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OIT Budget package	\$133,734	\$75,604	\$26,583	\$31,547	\$0	0.0
DPA Capitol complex staffing	39,292	7,830	7,336	2,919	21,207	0.0
DPA COE common policy	11,067	0	0	11,067	0	0.0
DPA Transfer perf. budgeting to DPA	2,783	1,392	0	1,391	0	0.0
TOTAL	\$186,876	\$84,826	\$33,919	\$46,924	\$21,207	0.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally-appropriated line items for the following: salary survey; health, life, and dental benefits; supplemental state contributions to the Public Employees Retirement Association (PERA) pension fund; short-term disability; workers' compensation; shift-differential, payments to the Office of Information Technology (OIT); legal services; Capitol Complex leased space; administrative law judge services; payments to risk management and property funds; CORE operations; and vehicle lease payments.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 07-059 Smart Start Nutrition Program	\$900,000	\$900,000	\$0	\$0	\$0	0.0
HB22-1390 Public School Finance	507,722	507,722	0	0	0	0.0
HB 20-1032 Timing K-12 education standards review	91,515	91,515	0	0	0	0.0
HB 22-1220 Removing barriers to educator preparation	50,289	50,289	0	0	0	1.4
HB 22-1260 Access to medically necessary svcs for	13,500	13,500	0	0	0	0.0
HB 08-1384 Improving retention of quality educators	8,500	8,500	0	0	0	0.0
HB 22-1331 Supplemental funding for facility schools	(5,134,000)	0	(5,134,000)	0	0	0.0
HB 22-1390 Public school finance	(2,002,905)	(1,002,905)	0	(1,000,000)	0	0.0
SB 22-192 Opportunities for credential attainment	(800,000)	(800,000)	0	0	0	(0.4)
HB22-1295 Dept. Early Childhood universal PK	(465,795)	(465,795)	0	0	0	(4.0)
HB 22-1376 Supportive learning environments for K-12	(309,124)	(309,124)	0	0	0	(0.2)
SB 22-070 K-12 licensed personnel performance	(301,056)	(301,056)	0	0	0	0.0
HB22-1202 At-risk student measure school finance	(163,338)	(163,338)	0	0	0	(0.5)
SB 22-004 Evidence based training in science of reading	(162,974)	0	(162,974)	0	0	(0.3)
HB 22-1374 Foster care success act	(123,006)	(123,006)	0	0	0	0.0
SB 22-207 Prevention of Title IX misconduct in public	(57,850)	(57,850)	0	0	0	0.0
SB22-202 State match mill levy override	(41,238)	(41,238)	0	0	0	(0.5)
SB22-127 Special education funding	(25,000)	0	(25,000)	0	0	0.0
HB 22-1215 Study of expanded extended high school	(16,426)	(16,426)	0	0	0	0.0
SB 22-069 Learning disruption effect on teacher evaluation	(16,086)	(16,086)	0	0	0	0.0
SB 22-193 Air quality improvement investments	(6,200)	0	0	(6,200)	0	0.0
TOTAL	(\$8,053,472)	(\$1,725,298)	(\$5,321,974)	(\$1,006,200)	\$0	(4.5)

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 23 R4 Department infrastructure	\$64,806	\$65,806	(\$1,000)	\$0	\$0	1.0
FY 23 R3 State Board operating increase	12,003	12,003	0	0	0	0.0
Annualize prior year salary survey	0	0	0	0	0	0.0
FY 23 R7 Empowering parents with info	(307,507)	(307,507)	0	0	0	(0.3)
FY 23 R9 CSDB dishwashing machine	(65,000)	(65,000)	0	0	0	0.0
TOTAL	(\$295,698)	(\$294,698)	(\$1,000)	\$0	\$0	0.7

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

FACILITY SCHOOL WORKGROUP REPORT: The report of the Work Group authorized by S.B. 21-274 (Sustainable Model to Serve Facility Students) recommends a new baseline funding model for facility schools; allowing the Department of Education to begin licensing facility schools that are not approved as hospitals or therapeutic facilities by other state agencies; and developing a technical assistance center to support schools and students with significant support needs who do not have access to an appropriate placement.

COLORADO SCHOOL FOR THE DEAF AND THE BLIND UPDATE: A 2019 Independent Program Review recommended multiple changes and improvements at the Colorado School for the Deaf and the Blind (CSDB). The Department of Education and CSDB continue to work through these recommendations.

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2021 and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Education. This included \$17.1 million originating as state General Fund and \$13.8 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds) that were directed to specific programs.

DEPARTMENT OF EDUCATION BUDGET REORGANIZATION: JBC Staff and the Department have collaborated to develop a new budget structure for the Department of Education. If approved by the JBC, the FY 2023-24 Long Bill would be introduced in the new structure.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2022.