



Cost and FTE

- The Department requests an increase of \$243.0 million total funds in FY 2018-19 for the *state share* portion of the Public School Finance Act and \$0.4 million for the Hold Harmless Full-Day Kindergarten Program. The request is a 5.8 percent increase to state share payments from current FY 2017-18 appropriations.

Current Program

- Currently, Colorado's 178 school districts are funded for 865,935 pupils statewide. Most of the revenues used to support public schools in Colorado are provided by the Public School Finance Act. Based on the formulas and requirements contained in this Act and the Governor's Office statewide budget balancing proposals, public schools in Colorado will receive an increase of \$273.4 million. This increase includes a \$100.5 million increase in local share and a \$243.0 million increase in state share.

Problem or Opportunity

- In FY 2018-19, the Department projects that total student enrollment will increase by 5,759 pupils (0.7 percent). The Department also projects at-risk students will increase by 1,626 pupils (0.5 percent). The FY 2018-19 inflationary factor is 3.0 percent based on the Office of State Planning and Budgeting (OSPB's) September 2017 Forecast.
- Based on the formulas and requirements contained in the School Finance Act and State Constitution, the state share increase for the School Finance Act is calculated at \$173.0 million. However, the Governor's Office proposes changing the budget stabilization factor from \$828.3 million to \$758.3 million, thereby increasing funding for K-12 education by an additional \$70 million. With the reduction to the budget stabilization factor included, the total increase to the state share for Total Program is \$243.0 million.
- The request maintains a \$106 million projected FY 2018-19 ending fund balance in the State Education Fund.

Consequences of Problem

- The \$243 million state share increase for public schools is financed as follows: (1) an increase of \$76.9 million from the General Fund, (2) an increase of \$15.3 million from the State Public School Fund, and (3) an increase of \$150.8 million from the State Education Fund.

Proposed Solution

- The request increases base funding for public schools by \$196.39 per pupil based on the Office of State Planning and Budgeting September 2017 inflation forecast of 3.0 percent. However, after all other adjustments from the Public School Finance Act and the Governor's proposal to reduce the budget stabilization factor by \$70 million are included, per pupil funding will actually increase by \$343.38 (4.48%). The additional funding proposed by the Governor will allow local districts and charter schools to decide how to best improve the education opportunities of their students.



Cost and FTE

- The Department requests an inflationary increase of \$8.9 million from the State Education Fund in FY 2018-19 and beyond for education programs commonly referred to as “categorical programs”.

Current Program

- In addition to funding provided to public schools from the School Finance Act formula, Colorado school districts may also receive funding to pay for specific categorical programs designed to serve particular groups of students or particular student needs. Total funding appropriated for these programs in FY 2017-18 is \$464.9 million. Of this amount, \$141.8 million is General Fund, \$156.3 million is cash funds (\$155.8 million from the State Education Fund and \$450,000 from Public School Transportation Fund), \$191,090 are funds transferred from other state agencies, and \$166.7 million are from federal funds.
- The programs that receive this funding include special education programs for children with disabilities, English language proficiency education, public school transportation, career and technical education programs, special education for gifted and talented children, expelled and at-risk student grants, small attendance centers, and comprehensive health education.

Problem or Opportunity

- Section 17 of Article IX of the State Constitution requires that the General Assembly provide inflationary increases for categorical programs each year. The Office of State Planning and Budgeting’s September 2017 Economic Forecast indicates a 3.0% inflationary rate for FY 2018-19.

Consequences of Problem

- A 3.0 percent inflationary rate results in an \$8.9 million increase in the state funding for categorical programs. The State Education Fund has sufficient revenues to pay for this cost increase.

Proposed Solution

- The Department recommends the \$8.9 million funding increase in FY 2018-19 be allocated to the categorical programs with the greatest needs and programs that have not received increases in recent years. Specifically the Department requests \$3.9 million for special education for children with disabilities, \$2.0 million for expelled and at-risk student services, \$1.1 million for English language proficiency programs, \$1.2 million for public school transportation, \$434,726 for career and technical education, \$146,916 for special education for gifted and talented students, and \$126,000 for comprehensive health education.



Cost and FTE

- The Department requests \$462,865 General Fund and 3.0 FTE to provide additional staff and operating support to the Department's existing information management systems. This budget request includes the operating funding associated with the capital IT request that was submitted to the Joint Technology Committee (JTC) on October 2, 2017 for \$2.3 million General Fund. The total cost (capital and operating) for this request is \$2.8 million General Fund.

Current Program

- The Information Management Systems Unit (IMS) at the Department provides support to 400 state employees and 178 school districts across the state.
- Student data submissions for assessments, annual October 1 student count, and all other reporting are supported by IMS systems and staff. The unit also provides all networking, security, and IT support to Department staff.

Problem or Opportunity

- Significant upgrades to Department legacy systems, hardware and software are needed. The majority of the Department's applications and systems are over 6 years old with some legacy systems being as much as 15 years old.
- As threats to privacy and system security become more sophisticated, so too must the Department's systems and response to those threats.
- District data reporting and other system upgrades are needed to provide districts, parents, and other stakeholders with user-friendly reporting and tools.

Consequences of Problem

- With the age of CDE systems being between 6 to 15 years old, there is a significant need to upgrade and maintain them. The level of service to Department employees and school districts around the state will suffer without the upgrades and enhancements requested.

Proposed Solution

- The Department submitted an October 2, 2017 request to the JTC requesting \$2.3 million General Fund to upgrade the Department's information infrastructure. This request for \$462,865 and 3.0 FTE provides the operating funding and FTE positions to successfully implement the capital request. The FTE are on-going operating costs and therefore are requested separate from the one-time costs that were included in the capital request.



Cost and FTE

- The Department requests \$140,408 General Fund in FY 2018-19 and \$25,580 in ongoing costs to transcribe Colorado State Board of Education meetings. There is no FTE associated with this request.

Current Program

- The State Board of Education is scheduled to meet at least once a month to review and vote on various aspects of Department of Education business.
- During the meetings, audio is broadcast live on the internet, and audio recordings of the meetings are posted to the Colorado Department of Education's website.
- Currently, audio recordings for meetings from FY 2013-14 to present are posted on the Department's website.

Problem or Opportunity

- During the summer of 2016, the U.S. Department of Education's Office of Civil Rights (OCR) reviewed CDE's website for compliance with accessibility requirements for individuals with disabilities.
- As a result of the review, the OCR found State Board meetings must be transcribed to provide access to the meetings for individuals who are deaf or hard of hearing.
- The Department has entered into an agreement with the OCR to transcribe the board meetings currently posted to its website, and all meetings going forward.

Consequences of Problem

- The Department must correct the issue to improve accessibility of its website to individuals with disabilities.
- Failure to comply with OCR agreements can result in enforcement actions such as withholding federal financial support for grant programs and other sanctions.

Proposed Solution

- The Department will secure services to transcribe State Board of Education meetings posted to the website, and all meetings prospectively.
- Based on research, the estimated cost is \$140,408 one-time to transcribe meeting from FY 2012-13 through FY 2018-19. Ongoing costs are anticipated to be \$25,580 for FY 2019-20 and beyond.



Cost and FTE

- The Colorado School for the Deaf and the Blind (CSDB) requests an increase of \$87,666 General Fund in FY 2018-19 for salary experience step increases and a one percent (1%) one-time, non-recurring across the board compensation for the teachers employed at the school.

Current Program

- CSDB teachers are statutorily required to be paid the equivalent of employees in El Paso District 11 based upon the previous school year's teacher salary schedule and the established CSDB procedures adopted to implement the salary schedule.

Problem or Opportunity

- CSDB teachers, who follow the District 11 scale, do not receive any State of Colorado across-the-board or merit salary increases. Rather, CSDB teachers are compensated in accordance with the provisions of the salary schedule adopted by the Colorado Springs District 11 Board of Education as of January 1 of the previous fiscal year and the established CSDB procedures adopted to implement the salary schedule. It is important that CSDB aligns with the District 11 scale, and supports teachers in very difficult-to-fill positions. The Colorado Springs District 11 Board of Education and the Colorado Springs Education Association agreed upon experience step increases and a 1% one-time, non-recurring across the board compensation for teachers for school calendar year 2017-18.

Consequences of Problem

- If not funded, CSDB will still be required to compensate the teachers based upon statute but will be forced to reduce services in other areas to fund the increases.

Proposed Solution

- CSDB proposes funding the experience step increase and the 1% one-time, non-recurring across the board compensation as adopted by the El Paso District 11 pay schedule.



Cost and FTE

- The Department requests a \$5.5 million General Fund appropriation to the Mill Levy Equalization Fund for distribution to Colorado Charter School Institute schools in FY 2018-19. The total fund request is \$11.0 million (\$5.5 million General Fund and \$5.5 million reappropriated funds).

Current Program

- The Colorado Charter School Institute (CSI) authorizes charter schools not sponsored by a local school district. Currently, CSI authorizes 41 public charter schools that serve over 17,000 PK-12 students, or just over 14% of Colorado's charter school population.

Problem or Opportunity

- Beginning in the 2019-20 school year, HB 17-1375 requires school districts to distribute funding received from mill levy overrides property tax elections on an equal per pupil basis to charter schools sponsored by the school district. However, many school districts already share mill override revenues with their district sponsored charter schools.
- To address the funding inequities that occur because CSI sponsored charter schools have no legal access to local mill levy override revenues, HB 17-1375 created the Mill Levy Equalization Fund. Subject to annual appropriation, moneys in this fund are distributed to CSI charter schools to provide better funding for CSI students attending schools located in school districts that have passed override elections. Currently, no funding has been appropriated to the Mill Levy Equalization Fund.

Consequences of Problem

- Without equitable funding or legal mechanism to raise local funding, CSI schools continue working towards the same state academic standards as district schools and district sponsored charter schools but do so with fewer resources.

Proposed Solution

- The Department proposes an appropriation of \$5.5 million from the General Fund to the Mill Levy Equalization Fund for distribution to the 30 CSI Charter Schools located in school districts that currently share mill override revenues with district sponsored charter schools.
- The Department's FY 2018-19 funding request will lead to an average investment of \$430 more dollars per student at 30 CSI schools. Subject to appropriation, additional funding may be requested in FY 2019-20 for the remaining 11 CSI schools located in the school districts that do not currently share mill override revenues but that will be required to begin doing so in FY 2019-20.



Cost and FTE

- The Governor's Office requests \$1.0 million General Fund to increase the funding available for the Career Development Success Pilot Program.

Current Program

- HB 16-1289 established the Career Development Success Pilot Program. This program provides financial incentives for participating school districts and charter schools that encourage high school students (grades 9-12) to complete a qualified workforce program. These programs include qualified industry credential programs, internships, residencies, construction pre-apprenticeship or apprenticeship programs, or qualified Advanced Placement courses.
- Current funding for the pilot program is \$1.0 million. Payments are distributed based on a priority order: certificates, internships, pre-apprenticeship programs, and advanced placement courses.

Problem or Opportunity

- Beginning in FY 2017-18, the Department of Education provided a financial incentive that averaged \$553.40 for each student who successfully completed a qualified workforce program offered by a participating school district or charter school during the previous school year.
- Data on the first year of the pilot shows that is successful, and that there is room to expand due to excess demand. Approximately 1,800 credentials were funded, but 1,300 were not due to lack of adequate funding.

Consequences of Problem

- Lack of adequate incentive funding may limit the number of districts willing to participate in the program. During the first year of operation, only 27 school districts participated with 65 percent of the submissions being from the Denver metro area. Increasing the incentive funding available may encourage a larger number of districts to explore opportunities in their local communities to offer qualified workforce programs.
- The priority funding requirement resulted in only industry-recognized certificates receiving the incentive funding. Funding was not available to reimburse school districts for the internships, residency programs, or advanced placement computer courses.

Proposed Solution

- Increasing the appropriation by an additional \$1.0 million will allow the Department to pay incentives based on demand for the program.