MEMORANDUM

JOINT BUDGET COMMITTEE

TO	Members of the Joint Budget Committee
FROM	Craig Harper, JBC Staff (303-866-3481)
DATE	March 1, 2021
SUBJECT	Update on FY 2020-21 Balancing Actions – Assistance to Public Schools Division

Staff has prepared this memo as a supplement to the FY 2021-22 figure setting document for the Department of Education. The figure setting document includes brief discussions to update the Committee on the (FY 2021-22) status of balancing actions that the Committee took for FY 2020-21 in three of the Department's divisions: Management and Administration, Library Programs, and the Colorado School for the Deaf and the Blind. However, given the large number of actions taken in the Assistance to Public Schools division, staff has prepared this separate memo for the Committee's information.

The General Assembly enacted a number of balancing actions in the Assistance to Public Schools division in both the Long Bill and the School Finance Bill (H.B. 20-1418). Those actions included: (1) appropriations reductions, (2) cash fund transfers (of fund balances), and (3) revenue diversions (of new revenues).

APPROPRIATIONS REDUCTIONS

The following table shows the program/line item, the amount reduced by fund source and the status of the reduction in the FY 2021-22 request and the staff recommendation *for the FY 2021-22 Long Bill.*

ASSISTANCE TO PUBLIC SCHOOLS BALANCING ACTIONS UPDATE					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE	FY 2021-22 STATUS IN REQUEST AND STAFF REC.
FY 2020-21 APPROPRIATION BALANCING ITEMS:					
Total Program Reduction					
School Finance Bill (H.B. 20-1418)	(601,115,264)	(721,579,451)	120,464,187	0.0	Reversed in Request/ Not Long Bill rec.
Subtotal - Total Program Adjustments (BSF Increase from FY 2019-20)	**($601,115,264)**	**($721,579,451)**	**$120,464,187**	**0.0**	
FY 2020-21 Appropriation Reductions in Long Bill (H.B. 20-1360)					
Behavioral health care professional grants decrease	($3,000,000)	$0	($3,000,000)	0.0	Continued in both
Eliminate National Board stipends	(2,103,256)	0	(2,103,256)	0.0	Continued in both
Bullying prevention reduction	(1,000,000)	0	(1,000,000)	0.0	Continued in both
Delay ninth grade success program	(800,000)	(800,000)	0	(0.6)	Continued in both
Workforce diploma pilot decrease[a]	(800,000)	(800,000)	0	0.0	Continued in both
Eliminate ELL excellence awards	(500,000)	0	(500,000)	0.0	Continued in both
Reduce computer science education grants	(500,000)	0	(500,000)	0.0	Continued in both
Reduce career development success	(500,000)	(500,000)	0	0.0	Continued in both
Delay local accountability system grants	(494,267)	(494,267)	0	(0.5)	Continued in both
Reduce school leadership pilot	(375,807)	(375,807)	0	0.0	Continued in both
Reduce AP exam fee grants	(280,730)	(280,730)	0	0.0	Continued in both
Delay automatic enrollment in advanced courses grants	(250,000)	(250,000)	0	(0.3)	Continued in both
Reduce financial transparency system maintenance[b]	(138,000)	0	(138,000)	0.0	Continued and expanded in both (R8)
Quality teacher recruitment elimination	(3,000,000)	0	(3,000,000)	0.0	Continued in both

ASSISTANCE TO PUBLIC SCHOOLS BALANCING ACTIONS UPDATE					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE	FY 2021-22 STATUS IN REQUEST AND STAFF REC.
Subtotal - Long Bill Reductions	**($13,742,060)**	**($3,500,804)**	**($10,241,256)**	**(1.4)**	
FY 2020-21 Appropriation Reductions in School Finance Bill (H.B. 20-1418)					
BEST cash grants	(100,000,000)	0	(100,000,000)	0.0	Continued in both
K-5 social and emotional health program	(2,500,000)	0	(2,500,000)	(1.0)	Continued in both
Retaining teachers grant program	(2,500,001)	0	(2,500,000)	(1.0)	Continued in both (repealed)
Local school food purchasing programs	(675,255)	(675,255)	0	(0.4)	Continued in request (R5)/ **Reversed in Long Bill rec.**
Advanced placement incentives pilot	(262,763)	0	(262,763)	(0.3)	Continued in both (repealed)
Counselor corps grant program - student aid application assistance	(250,000)	(250,000)	0	0.0	**Reversed in both.**
Computer science education grants	(250,000)	(250,000)	0	0.0	Continued in request (R5)/ **Reversed in Long Bill rec.**
Grow your own educator program	(22,933)	(22,933)	0	(0.3)	Continued in both
Subtotal - School Finance Bill Reductions	**($106,460,953)**	**($1,198,188)**	**($105,262,763)**	**(3.0)**	
TOTAL - Assistance to Public Schools Balancing Actions	**($721,318,277)**	**($726,278,443)**	**$4,960,168**	**(4.4)**	

[a]Request R6 (Outdated Appropriations and Additional Program Suspensions) proposes to eliminate funding for the Workforce Diploma Pilot Program for FY 2021-22. The JBC staff recommendation would continue to provide $212,222 General Fund and 0.2 FTE in FY 2021-22 (with no change from FY 2020-21). Please note that the State Board of Education has now voted to maintain the funding in FY 2021-22.

[b]On February 26,2021, the State Board of Education voted to indicate its preference to add $13,120 and 1.0 FTE to the Financial Transparency System Maintenance line item above the FY 2021-22 request amount (for a total of $88,120 cash funds from the State Education Fund and 1.0 FTE) to hire a permanent web developer. The Board has also suggested renaming the line item.

CASH FUND (BALANCE) TRANSFERS

In addition to appropriation reductions, the School Finance Bill made a number of transfers (totaling $111.4 million) from several Department of Education cash funds to either the State Education Fund or the State Public School Fund. In some cases, most notably the $100.0 million transfer from the Public School Capital Construction Assistance Fund to the State Public School Fund, the transfers were enabled by the appropriation reductions discussed above. All of these items are assumed to be one-time.

SCHOOL FINANCE BILL - STATUTORY TRANSFERS OF CASH FUNDS	
SOURCE FUND	TRANSFER AMOUNT
Transfers to the State Public School Fund	
Public School Capital Construction Assistance Fund	$100,000,000
Marijuana Tax Cash Fund	2,500,000
High Cost Special Education Trust Fund	2,500,000
Subtotal - Transfers to the State Public School Fund	$105,000,000
Estimated Transfers to the State Education Fund	

SCHOOL FINANCE BILL - STATUTORY TRANSFERS OF CASH FUNDS	
SOURCE FUND	TRANSFER AMOUNT
Early Literacy Fund	$3,500,000
Retaining Teachers Fund	2,500,000
Full-day Kindergarten Capital Construction Fund	185,085
School Cardiopulmonary Resuscitation and Automated Defibrillator Training Fund	98,165
Closing the Achievement Gap Fund	59,205
Great Teachers and Leaders Fund	22,581
Nonpublic School Fingerprint Fund	15,546
Teacher of the Year Fund	11,831
Student Re-engagement Grant Program Fund	9,011
Subtotal - Transfers to the State Education Fund	$6,401,424
TOTAL	**$111,401,424**

The Department's FY 2021-22 request does include additional transfers $4.6 million associated with school capital construction and $2.0 million from the Early Literacy Fund. The Committee should note that the State Board has also voted to eliminate the proposed transfers related to capital construction. JBC Staff recommends that the General Assembly consider those transfers in the context of the School Finance Bill.

REVENUE DIVERSIONS

In addition to the cash fund transfers, the School Finance Bill also included two diversions of "new" FY 2020-21 revenues to assist with budget balancing in FY 2020-21 and FY 2021-22. Please note that both provisions are for FY 2020-21 revenues only.

- First, the bill diverts State Land Board revenues that would otherwise have been credited to the Public School (Permanent) Fund in FY 2020-21 to the State Public School Fund to support school finance. Based on information available at the time, the bill assumed that this provision would make an additional $10.0 million available in FY 2020-21 and appropriated that amount for the state share of districts' total program funding. However, the Department of Natural Resources more recently estimated that this provision would credit $37.7 million to the State Public School Fund in FY 2020-21. Barring midyear adjustments to appropriations, the additional $27.7 million in revenues will be available in the State Public School Fund to assist with budget balancing for FY 2021-22.
- Second, the bill credits a portion of FY 2020-21 marijuana excise tax revenues (any collections above the first $40.0 million) to the State Public School Fund to be available for budget balancing in FY 2021-22. Based on the December 2020 Office of State Planning and Budgeting Revenue Forecast, this provision will credit approximately $63.5 million to the State Public School Fund in FY 2020-21 (or $77.8 million under the September 2020 Legislative Council Staff Revenue Forecast). Again, those revenues will be available to assist with budget balancing for FY 2021-22. Staff will incorporate the Committee's choice of March 2021 revenue forecasts into the final recommendation for the state share of total program funding.

JOINT BUDGET COMMITTEE

STAFF FIGURE SETTING
FY 2021-22

DEPARTMENT OF EDUCATION

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:
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MARCH 1, 2021

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HOW TO USE THIS DOCUMENT

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables. Decision items, both department-requested items and staff-initiated items, are discussed at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

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						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$6,328,385,349	$4,652,659,058	$1,015,987,081	$40,151,896	$619,587,314	612.0
HB 20-1418 (School Finance)	(532,382,433)	(722,777,639)	32,401,424	0	157,993,782	(3.0)
Other legislation	(1,888,565)	(870,498)	(865,899)	(152,168)	0	0.0
HB 20B-1001 (Grants to Improve Internet Access in P-12 Ed)	20,000,000	20,000,000	0	0	0	0.0
Long Bill supplemental	6,071	6,071	0	0	0	0.0
SB 21-053 (Mid-year school funding)	85,194,309	60,194,309	25,000,000	0	0	0.0
TOTAL	**$5,899,314,731**	**$4,009,211,301**	**$1,072,522,606**	**$39,999,728**	**$777,581,096**	**609.0**

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$5,899,314,731	$4,009,211,301	$1,072,522,606	$39,999,728	$777,581,096	609.0
R1/BA1 Total program increase	164,000,822	(37,569,300)	201,570,122	0	0	0.0
R2 Categorical programs increase	6,889,468	0	6,889,468	0	0	0.0
R3 State match for Colorado imagination library	0	0	0	0	0	0.0
R4 Repurpose early intervention funding	0	0	0	0	0	0.0
R5 Maintain FY 2020-21 reductions	0	0	0	0	0	0.0
R6 Outdated appropriations and additional program suspensions	0	0	0	0	0	0.0
R7 Reduce capital construction assistance	0	0	0	0	0	0.0
R8 Personal services and operating reductions	(607,038)	(117,624)	(489,414)	0	0	(1.8)
R9 Return unused appropriations	(250,000)	0	(250,000)	0	0	0.0
Non-prioritized items	0	0	0	0	0	0.0
SI Facility schools adjustment	340,475	0	340,475	0	0	0.0
SI CSDB teacher salary increase restoration	79,329	79,329	0	0	0	0.0
SI School finance admin adjustment	0	3,177,028	0	(3,177,028)	0	0.0
SI Start smart adjustment	(900,000)	(900,000)	900,000	(900,000)	0	0.0
SI School lunch protection adjustment	(550,000)	(550,000)	0	0	0	0.0
Centrally appropriated line items	1,705,984	115,259	177,721	810,021	602,983	0.0
Annualize prior year budget actions	913,216	913,216	0	0	0	0.0
Indirect cost assessments	348,605	0	41,928	0	306,677	0.0
Fund source adjustments	0	(32,730)	0	32,730	0	0.0
Annualize prior year legislation	(237,829,883)	(78,586,759)	(1,401,725)	152,221	(157,993,620)	0.4
Assessment technical adjustment	(704,720)	0	(735,956)	0	31,236	0.0
Other technical adjustments	(294,728)	0	(294,726)	(2)	0	0.0
TOTAL	**$5,832,456,261**	**$3,895,739,720**	**$1,279,270,499**	**$36,917,670**	**$620,528,372**	**607.6**
INCREASE/(DECREASE)	**($66,858,470)**	**($113,471,581)**	**$206,747,893**	**($3,082,058)**	**($157,052,724)**	**(1.4)**
Percentage Change	(1.1%)	(2.8%)	19.3%	(7.7%)	(20.2%)	(0.2%)
FY 2021-22 EXECUTIVE REQUEST	**$6,429,892,832**	**$4,352,212,735**	**$1,295,704,511**	**$40,617,141**	**$741,358,445**	**599.0**
Request Above/(Below) Recommendation	$597,436,571	$456,473,015	$16,434,012	$3,699,471	$120,830,073	(8.6)

DESCRIPTION OF INCREMENTAL CHANGES

FY 2020-21

LONG BILL SUPPLEMENTAL: The recommendation includes an increase of $6,071 General Fund for additional fleet vehicle costs at the School for the Deaf and the Blind in FY 2020-21. The Committee previously approved this increase during the FY 2020-21 supplemental process.

FY 2021-22

R1/BA1 TOTAL PROGRAM INCREASE [REQUIRES LEGISLATION]: The preliminary Long Bill recommendation for the State Share of Districts' Total Program Funding includes an increase of $164.0 million total funds (including a decrease of $37.6 million General Fund that is offset by an increase in cash funds). Pursuant to current law, the recommendation includes the state funding necessary to maintain the budget stabilization factor in FY 2021-22 at the level approved for FY 2020-21, as adjusted by S.B. 21-053 ($1,052,661,912). The Governor's request, which would reduce the dollar value of the budget stabilization factor by $480.3 million, would require separate legislation. If the General Assembly is able to reduce the budget stabilization factor for FY 2021-22, then staff recommends doing so through the School Finance Bill.

R2 CATEGORICAL PROGRAMS INCREASE: The recommendation includes an increase of $6,889,468 cash funds from the State Education Fund in order to increase total *state* spending on categorical programs by 2.0 percent, based on the rate of inflation from CY 2020. The State Constitution requires the General Assembly to increase *total state funding* for all categorical programs (in aggregate) by at least the rate of inflation in FY 2021-22. The following table shows the allocation of the recommended increase among five categorical programs.

R2 STAFF RECOMMENDED INFLATIONARY INCREASES FOR CATEGORICAL PROGRAMS

LONG BILL LINE ITEM	FY 2020-21 APPROPRIATION	STAFF RECOMMENDED CHANGE	FY 2021-22 STAFF REC. (STATE FUNDS)	PERCENT CHANGE
Special Education - Children with Disabilities	$206,223,158	$3,931,475	$210,154,633	1.9%
English Language Proficiency Program	24,105,549	1,152,193	25,257,742	4.8%
Public School Transportation	61,582,729	1,189,233	62,771,962	1.9%
Career and Technical Education Programs	27,778,242	466,119	28,244,361	1.7%
Special Education - Gifted and Talented Children	12,844,494	150,448	12,994,942	1.2%
Expelled and At-risk Student Services Grant Program	9,493,560	0	9,493,560	0.0%
Small Attendance Center Aid	1,314,250	0	1,314,250	0.0%
Comprehensive Health Education	1,131,396	0	1,131,396	0.0%
Total	**$344,473,378**	**$6,889,468**	**$351,362,846**	**2.0%**

R3 COLORADO IMAGINATION LIBRARY: The recommendation does *not* include a requested increase of $410,221 cash funds from the Marijuana Tax Cash Fund to provide a state match for the Colorado Imagination Library Program created in S.B. 20-185 (Colorado Imagination Library Program.). Legislative staff agree that the proposed program does not fit within the currently authorized uses of the Marijuana Tax Cash Fund. Staff is also concerned that the program does not align with the enacted version of S.B. 20-185.

R4 REPURPOSE EARLY INTERVENTION FUNDING: The recommendation does not include any change associated with the proposal to transfer responsibility for early intervention evaluations to the Department of Human Services. The request proposes a "technical legislative change" to correspond with a request to transfer authority for special education early intervention evaluations from the Department of Education to the Department of Human Services. As framed, the request would: (1) transfer early intervention evaluation authority to the Department of Human Services; and (2) make $2.7 million currently dedicated to such evaluations within the Special Education Programs for Children with Disabilities line item available for services provided to students from age 3 to 21 (rather than supporting the evaluations for children between birth and age 2). Please note that this request is contingent upon the approval of a corresponding request in the Department of Human Services (R6 – Early Intervention Program Changes).

R5 MAINTAIN FY 2020-21 REDUCTIONS: The recommendation does not include any reductions related to request R5. Both of the components of this request require statutory change and are not appropriate for inclusion in the Long Bill. Staff is also not recommending proceeding with the requested reductions through separate legislation unless revenue declines force significant reductions during budget balancing. The proposed General Fund reductions would extend statutory changes made through H.B. 20-1418 (School Finance) as budget balancing actions for FY 2020-21 only (current law requires restoration of the appropriations in FY 2021-22). The reductions include:

- $675,255 and 0.4 FTE to further delay implementation of the Local School Food Purchasing Program created in H.B. 19-1132 (School Incentives to Use Colorado Food and Producers).
- $250,000 for Computer Science Education Grants originally required by H.B. 19-1277 (Computer Science Grant Program).

R6 OUTDATED APPROPRIATIONS AND ADDITIONAL PROGRAM SUSPENSIONS: The recommendation does not include any reductions associated with request R6. As with R5, all of the components of this request include statutory changes. The proposals include reductions totaling $1.3 million total funds (including $212,222 General Fund and $1.1 million cash funds) and 0.2 FTE associated with three line items. The proposed reductions include:

- $212,222 General Fund and 0.2 FTE to eliminate the FY 2021-22 appropriation for the *Workforce Diploma Pilot Program* created in H.B. 19-1236 (Workforce Diploma Pilot Program) and a statutory change to suspend the program for one year. Staff believes that the Committee could accomplish the appropriation reduction through the Long Bill but is not recommending that reduction at this time.
- $1,014,000 cash funds from the State Education Fund associated with a proposal to suspend the administration of fourth- and seventh grade *social studies assessments* for FY 2020-21.
- $50,000 cash funds from the State Education Fund to eliminate funding for the *Basic Skills Placement or Assessment Tests* line item originally authorized in H.B. 12-1345 (School Finance).

Staff recommends that the Committee and the General Assembly consider these reductions, if necessary, in the context of the School Finance Bill.

R7 REDUCE CAPITAL CONSTRUCTION ASSISTANCE: The recommendation does not include any adjustments to capital construction funding associated with R7. As with R5 and R6, reducing making these funds available for other uses would require statutory change. Staff recommends that the Committee and the General Assembly consider these reductions, if necessary, in the context of the School Finance Bill. The request includes the following reductions and subsequent transfers to the State Public School Fund to make the resources available for other uses:

- $3.0 million from *cash grants under the Building Excellent Schools Today (B.E.S.T.) program* (from $60.0 million appropriated in FY 2020-21 to $57.0 million in FY 2021-22, a 5.0 percent reduction). The reduction does not require statutory change. However, the proposed transfer to the State Public School Fund would require legislation.
- $1,591,038 from the State Aid to Charter School Facilities line item (also a 5.0 percent reduction below the FY 2020-21 appropriation). This line item provides distributions to charter schools on a formula (per pupil) basis. The reduction in appropriations and the transfer to the State Public School Fund would both require statutory change.

R8 PERSONAL SERVICES AND OPERATING REDUCTIONS: The recommendation includes reductions totaling $642,518 total funds (including $117,624 General Fund) and 1.8 FTE from a variety of line items. These reductions, reflected in the following table, do not require statutory change and staff recommends making those changes to the Long Bill appropriation. Staff has sought to recommend reductions that would have minimal impact on the Department's operations. The following table reflects the recommended adjustments to each line item.

R8 STAFF RECOMMENDATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Programmatic Changes					
Financial transparency system maintenance	($387,000)	$0	($387,000)	$0	0.0
Statewide assessment program	(50,000)	0	(50,000)	0	(1.0)
School finance administration	(24,970)	(24,970)	0	0	(0.5)
Breakfast after the bell	(24,987)	(24,987)	0	0	(0.3)
Reimbursement for juveniles held in jail	0	0	0	0	0.0
Special education programs for gifted and talented	0	0	0	0	0.0
General department and program administration	0	0	0	0	0.0
Library programs administration	0	0	0	0	0.0
Accountability and improvement planning	0	0	0	0	0.0
Reprinting and distributing laws concerning education[a]	0	0	0	0	0.0
Subtotal – Programmatic Changes	**($486,957)**	**($49,957)**	**($437,000)**	**$0**	**(1.8)**
Operating Expenses Reductions					
State Board of Education	($35,417)	($35,417)	$0	$0	0.0
B.E.S.T. financial assistance priority assessment	(15,000)	0	(15,000)	0	0.0
Content specialists	(15,000)	0	(15,000)	0	0.0
ELL technical assistance	(15,000)	(15,000)	0	0	0.0
Information technology services	(10,000)	(10,000)	0	0	0.0
Educator effectiveness unit admin	(12,500)	0	(12,500)	0	0.0
Preschool to postsecondary education alignment	(9,914)	0	(9,914)	0	0.0
Longitudinal analyses of student assessment results	(4,250)	(4,250)	0	0	0.0
General department and program admin	(3,000)	(3,000)	0	0	0.0
Subtotal – Operating Expenses Reductions	**($120,081)**	**($67,667)**	**($52,414)**	**$0**	**0.0**
Centrally Appropriated Items and Common Policy					
Health, life, and dental	$0	$0	$0	$0	0.0
Leased space	0	0	0	0	0.0
Amortization equalization disbursement (AED)	0	0	0	0	0.0
Supplemental amortization equalization disbursement (SAED)	0	0	0	0	0.0
Subtotal – Centrally Appropriated Items	**$0**	**$0**	**$0**	**$0**	**0.0**
TOTAL	**($607,038)**	**($117,624)**	**($489,414)**	**$0**	**(9.8)**

[a] These requests may require separate legislation and statutory change.

R9 RETURN UNUSED FUND BALANCES: The recommendation includes a reduction of $250,000 cash funds from the State Education Fund from the At-risk Supplemental Aid line item to better align the appropriation for At-risk Supplemental Aid with anticipated expenditures in FY 2021-22. Staff does not expect that reduction to affect the amounts distributed by the program.

The recommendation for the Long Bill does not include two components of R9 that require statutory change. Staff recommends that the Committee and the General Assembly consider those proposals, as necessary, in the context of the School Finance Bill. Those proposals include:

- A statutory transfer of $2.0 million in fund balance from the Early Literacy Fund (which supports activities under the READ Act) to the State Education Fund to make those funds available for other uses (such as school finance in FY 2021-22).
- A proposal to revert $750,000 in undistributed funds associated with the Comprehensive Quality Physical Education Instruction Pilot Program created in S.B. 19-246 (School Finance) to the Marijuana Tax Cash Fund (MTCF). Senate Bill 19-246 appropriated $1.1 million from the MTCF

to support the program in FY 2019-20 and made those funds available to the Department through FY 2023-24.[1] According to the Department, $750,000 of that original amount remains undistributed at this time. Based in part on concerns about the Department's ability to ensure fidelity of implementation of the program given the pandemic[2], the request proposes to return the unspent funds to the MTCF. Given that S.B. 19-246 makes the funds available through FY 2023-24, reverting the funds to the MTCF would require statutory change.

NON-PRIORITIZED ITEMS: Consistent with the Committee's common policy, the recommendation does *not* include $12,410 reappropriated funds associated with the Department of Personnel's Statewide Training proposal.

SI FACILITY SCHOOLS ADJUSTMENT: The recommendation includes a staff initiated increase of $340,475 to align the appropriation for facility school funding with estimated attendance and the statutory formula for funding for FY 2021-22.

SI CSDB TEACHER SALARY INCREASE RESTORATION: The recommendation includes a staff initiated increase of $79,329 General Fund to support teacher salary increases awarded at the School for the Deaf and the Blind *in FY 2020-21*. The school absorbed those costs within its existing funding for the current year but staff recommends restoring the funds for FY 2021-22.

SI SCHOOL FINANCE ADMIN ADJUSTMENT: The recommendation includes a staff initiated change to the fund sources supporting the School Finance Administration line item and the associated centrally appropriated amounts. The change would fund those items (totaling $3.2 million) directly from the General Fund rather than withholding funds from the State Share of Districts' Total Program Funding line item.

SI START SMART ADJUSTMENT: The recommendation includes a reduction of $900,000 General Fund from the Start Smart Nutrition Program Fund line item (and a corresponding fund source adjustment for the Start Smart Nutrition Program line item) based on the available fund balance in the cash fund. The Department's expenditures have decreased dramatically in FY 2019-20 and FY 2020-21 as a result of the COVID-19 pandemic. As a result, the cash fund has sufficient funding to support the program entirely in FY 2021-22 without an infusion of additional General Fund.

SI SCHOOL LUNCH PROTECTION ADJUSTMENT: The recommendation includes a staff initiated decrease of $550,000 General Fund from the Child Nutrition School Lunch Protection Program line item to better align the appropriation with anticipated expenditures. Based on the Department's estimated costs, the proposed reduction should not affect any distributions to schools.

CENTRALLY APPROPRIATED LINE ITEMS: The recommendation includes a net increase of $1,705,984 total funds (including $115,259 General Fund) related to employee benefits and other centrally appropriated line items. Several line items are pending the Committee's related common policies. The amounts in the following table represent the requested amounts for pending items.

[1] See section 22-99-105, C.R.S.

[2] According to the Department, of the three recipient schools, one is operating in-person, one is full-time remote, and one is operating under a hybrid model.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	1,309,080	417,551	203,804	170,336	517,389	0.0
Payment to risk management / property funds	314,031	314,031	0	0	0	0.0
Health, life, and dental	285,125	31,185	28,781	158,838	66,321	0.0
Capitol Complex leased space	170,626	51,188	20,440	33,187	65,811	0.0
PERA Direct Distribution	37,405	(467,715)	(2,622)	507,742	0	0.0
Leased space	5,335	(30,069)	34,521	33,067	(32,184)	0.0
Administrative law judges	4,975	0	4,116	859	0	0.0
Vehicle lease payments	4,773	4,773	0	0	0	0.0
Legal services	2,667	1,542	1,057	68	0	0.0
Payments to OIT	(220,942)	(95,138)	(32,898)	(92,906)	0	0.0
CORE operations	(86,403)	(33,466)	(33,473)	(19,464)	0	0.0
Workers' compensation	(70,070)	(31,298)	(9,144)	(4,735)	(24,893)	0.0
Shift differential	(30,214)	(30,214)	0	0	0	0.0
AED	(7,754)	(7,702)	(17,765)	11,622	6,091	0.0
SAED	(7,754)	(7,702)	(17,765)	11,622	6,091	0.0
Short-term disability	(4,896)	(1,707)	(1,331)	(215)	(1,643)	0.0
TOTAL	**$1,705,984**	**$115,259**	**$177,721**	**$810,021**	**$602,983**	**0.0**

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The recommendation includes an increase of $913,216 General Fund to restore Health, Life, and Dental funding that was reduced in lieu of a 5.0 percent personal services base reduction in FY 2020-21.

INDIRECT COST ASSESSMENT ADJUSTMENTS: The recommendation includes a net increase in the Department's indirect cost assessments.

FUND SOURCE ADJUSTMENT: The recommendation includes a net-zero fund source adjustment to align the appropriation for personal services in the Colorado School for the Deaf and the Blind with anticipated facility school revenues.

ANNUALIZE PRIOR YEAR LEGISLATION: The request includes adjustments to reflect the FY 2021-22 impact of legislation impacting prior years, including the adjustments shown in the following table.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 20-1379 (Suspend PERA DD)	$1,220,885	$870,498	$198,219	$152,168	$0	0.0
HB 20-1032 (Timing K12 Education Standards Review)	131,515	131,515	0	0	0	0.0
SB 18-200 PERA unfunded liability	402	131	56	53	162	0.0
HB 20-1418 (School Finance)	(158,418,527)	1,175,255	(1,600,000)	0	(157,993,782)	0.4
SB 21-053 (FY 2020-21 Mid-year School Funding)	(60,764,158)	(60,764,158)	0	0	0	0.0
HB 21B-1001 (Improve Internet Access in Education)	(20,000,000)	(20,000,000)	0	0	0	0.0
TOTAL	**($237,829,883)**	**($78,586,759)**	**($1,401,725)**	**$152,221**	**($157,993,620)**	**0.4**

ASSESSMENT TECHNICAL ADJUSTMENT: The recommendation includes a net reduction of $704,720 total funds (with no General Fund) to align appropriations for the Statewide Assessment Program with anticipated contract costs for FY 2021-22.

OTHER TECHNICAL ADJUSTMENTS: The recommendation includes a reduction of $294,728 total funds (with no General Fund) for three technical adjustments:

- A reduction of $294,715 cash funds to align appropriations for the State Aid for Charter School Facilities line item with available revenues.
- A reduction of $10 from the State Education Fund to align with the State's FY 2021-22 dues for the Interstate Compact on Educational Opportunity for Military Children.
- A reduction of $3 total funds for outreach services at the Colorado School for the Deaf and the Blind.

MAJOR DIFFERENCES FROM THE REQUEST

The recommendation includes the following major differences from the *request*:

- *Budget Stabilization Factor:* A decrease of $479.9 million total funds below the request. Pursuant to current law, the recommendation includes the state funding necessary to maintain the budget stabilization factor in FY 2021-22 at the level approved for FY 2020-21, as adjusted by S.B. 21-053 ($1,052,661,912). The Governor's request, which would reduce the dollar value of the budget stabilization factor by $480.3 million, would require separate legislation
- *Informational Federal Funds:* A decrease of $157.9 million federal funds below the request. The FY 2021-22 request continues to reflect CARES Act funds that were reflected in the FY 2020-21 appropriation for informational purposes (in H.B. 20-1418). The recommendation eliminates those funds for FY 2021-22.
- *B.E.S.T. Cash Grants:* An increase of $3.0 million cash funds above the request for cash grants under the B.E.S.T. program. With request R7, the Department proposes a reduction of $3.0 million below the FY 2020-21 appropriation. The recommendation does not include that reduction.
- *Nutrition Programs:* A decrease of $1.45 million General Fund below the request based on reductions to align appropriations for the Start Smart Nutrition Program and the Child Nutrition School Lunch Protection Program with anticipated fund balances and expenditures for FY 2021-22.

DECISION ITEMS AFFECTING MULTIPLE DIVISIONS

➔ R6 OUTDATED APPROPRIATIONS AND ADDITIONAL PROGRAM SUSPENSIONS

REQUEST: The request proposes reductions totaling $1.3 million total funds (including $212,222 General Fund and $1.1 million cash funds) and 0.2 FTE associated with three line items. The Committee should note that all three reductions require statutory change. The proposed reductions include:

- $1,014,000 cash funds from the State Education Fund associated with a proposal to suspend the administration of fourth- and seventh grade *social studies assessments* (in the Management and Administration section) for FY 2021-22. Under current statute, the Department administers social studies assessments on a sampling basis (one third of fourth- and seventh-grade students take the assessments in a given year). Given current circumstances (budgetary challenges as well as the

pandemic), the Department is proposing to suspend administration for one year, which requires statutory change.

- $212,222 General Fund and 0.2 FTE to eliminate the FY 2021-22 appropriation for the *Workforce Diploma Pilot Program* created in H.B. 19-1236 (Workforce Diploma Pilot Program) in the Assistance to Public School section. The program makes performance payments to qualified providers of dropout recovery services for eligible adult students (residents of Colorado that are at least 21 years old and do not have a high school diploma) who achieve specific education milestones. As discussed in the first issue brief in this document, the General Assembly's FY 2020-21 balancing actions reduced the appropriation for this program by $800,000 General Fund (from $1.0 million in FY 2019-20 to $212,222 in FY 2020-21). Request R6 would eliminate funding for the program in FY 2021-22 and includes a statutory change to suspend the program for one year.
- $50,000 cash funds from the State Education Fund to eliminate funding for the *Basic Skills Placement or Assessment Tests* line item in the Management and Administration section. Originally authorized in H.B. 12-1345 (School Finance), the Basic Skills Placement or Assessment Tests line item reimburses schools for the administration of basic skills placement or assessment tests to high school students. However, since the creation of the line item in 2012, the Department has provided a total of $13,000 in reimbursements (with no payments in most years). The request includes a statutory change to eliminate the requirement that the Department provide reimbursements for the assessments.

RECOMMENDATION: As all of these components require statutory change and the Committee writes the Long Bill based on current law, staff recommends denying the requests *at least for the Long Bill*.

With respect to the specific components of the request as they pertain to potential legislation:

- Staff is not making a specific recommendation on the suspension of the social studies assessments. Staff believes that this is more of a policy decision than a budgetary decision and understands that there are ongoing discussions both within and outside the General Assembly regarding the status of standardized assessments for both FY 2020-21 and FY 2021-22.
- Staff recommends denying the request to eliminate funding for the Workforce Diploma Pilot Program *unless the March 2021 revenue forecast deteriorates enough to force additional significant budget balancing reductions*. Staff contends that, as a program serving adults without a high school diploma, the program is intended to serve a population that may be particularly vulnerable to the economic effects of the COVID-19 pandemic. Therefore, if revenues allow, staff recommends sustaining the (modest) current level of investment in this program.
- Finally, staff recommends that the General Assembly approve the statutory change associated with the Basic Skills Placement or Assessment Tests line item and eliminate the $50,000 appropriation from the State Education Fund. Given the lack of use of the program, staff agrees that repealing the requirement and eliminating the funding is prudent.

To the extent that the Committee and the General Assembly wish to move forward with any of the statutory changes in this request, staff would recommend including those changes in the annual School Finance Bill.

ANALYSIS:
Staff has provided a brief analysis of each component of the request below.

SOCIAL STUDIES ASSESSMENTS

The request proposes a reduction of $1,014,000 cash funds from the State Education Fund to suspend 4th and 7th grade social studies assessments for FY 2021-22. Current law requires the administration of those assessments once in elementary school and once in high school on a sampling basis (according to the request, one-third of the students in those grades in each district take the assessments in a given year). The Department is proposing the reduction in order to achieve budgetary savings. Staff notes the following.

- As the assessments are required by current law, staff is not recommending any reduction to the Long Bill appropriation based on this request. Any reduction should be accomplished through separate legislation.
- As for the merits of the reduction, the request notes the "limited coverage" of the assessments because of the sampling administration. The Department has also indicated that changes to the assessments will be necessary to maintain alignment to changes in the state's academic standards for social studies.
- Although this is submitted as a budgetary request and the legislation would generate savings, staff is aware that there are ongoing conversations both within and outside the General Assembly about the status of assessments in Colorado. Given the improved revenue outlook (relative to the FY 2020-21 balancing process and even relative to the November 1 request), staff recommends that the General Assembly consider social studies assessments as part of the overall discussion of the State's assessment system – and not necessarily as a budget balancing measure.

WORKFORCE DIPLOMA PILOT PROGRAM

House Bill 19-1236 (Workforce Diploma Pilot Program) created this program to provide performance payments to qualified providers of dropout recovery services for eligible adult students (residents of Colorado that are at least 21 years old and do not have a high school diploma) who achieve specific education milestones. The bill requires the Department to review provider qualifications, determine eligibility, and publish a list of providers that meet the necessary criteria.[3]

Qualified providers are eligible for payments for educational outcomes achieved at least 30 days after the Department publishes the list of eligible programs each year. The bill requires the Department to disburse payments to qualified providers in specific amounts for the completion or attainment of specific outcomes by eligible students (e.g., $250 for completion of each half-credit earned, between $250 and $750 for attainment of an industry-recognized employment skills certification (depending on the amount of training required), and $1,000 for the completion of an accredited high school diploma). The bill limits payments to no more than $7,000 per student (to one or more providers). The Department is required to pro-rate payments (reducing all payments by the same percentage) if insufficient funds are available to make the full payments.

House Bill 19-1236 included an appropriation of $1,012,201 General Fund and 0.2 FTE to support the program in FY 2019-20. Facing the budget crisis for FY 2020-21, the General Assembly reduced the appropriation to $212,222 General Fund and 0.2 FTE for FY 2021-22 (a reduction of $799,979 below the FY 2019-20 appropriation) as a budget balancing measure.

[3] For FY 2019-20, the Department has identified six providers: Colorado Mountain College, GlobalEd Solutions, Graduation Alliance, McClain Community High School (Jefferson County Public Schools), Pikes Peak Library District Adult Education, and Pueblo City-County Library District. See: http://www.cde.state.co.us/cdeadult/wdpp

The Department is proposing to eliminate appropriations for the program for FY 2021-22 and to make a statutory change to suspend the program for one year. Staff notes that, under current law, the program repeals July 1, 2022.

- Staff recommends denying the requested decrease for FY 2021-22. Staff suggests that this program is intended to serve a population that may be particularly impacted by the economic conditions associated with the COVID-19 pandemic and recommends maintaining the limited support for these services for FY 2021-22.
- The request notes that these services are not core (kindergarten through 12th grade) functions of the Department, and staff agrees with that point.
- However, the General Assembly created the program in the Department of Education and elected to maintain limited funding for the program even during the balancing actions for FY 2020-21. As a result, staff assumes that the General Assembly has indicated that the program is a priority.
- As noted above, this program was established as a pilot and currently repeals at the end of FY 2021-22. Staff assumes that the General Assembly established the pilot in order to assess the effectiveness of the program. Staff recommends providing the limited resources for FY 2021-22 to provide the final year of data for the program.

BASIC SKILLS PLACEMENT OR ASSESSMENT TEST

House Bill 12-1345 (School Finance) 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.

- Staff notes that current law (Sec. 22-32-109.5 (4)(a), C.R.S.) states that "the Department shall allocate money to each school district to offset the costs incurred in administering each of the test units only once per student…"
- Thus, the Department's costs are not subject to appropriation. For that reason, staff has continued to recommend maintaining the annual appropriation of $50,000 from the State Education Fund in case of requests by school districts even though there has been so little use. The funds simply revert to the State Education Fund at the end of the year.
- Based on the lack of use of the program, staff does recommend that the General Assembly consider repealing the requirement for reimbursement in the context of separate legislation such as the School Finance Bill.

➔ R8 PERSONAL SERVICES AND OPERATING REDUCTIONS

REQUEST: The request proposes includes reductions to 22 line items totaling $1.7 million total funds ($617,981 General Fund, $797,894 cash funds, and $300,248 reappropriated funds) and 9.8 FTE. In contrast to the other decision items proposing balancing adjustments (R4, R5, R6, R7, and R9), the reductions in request R8 focus on the Department's internal/administrative funding and FTE rather

than distributions outside of the Department. The following table summarizes the proposed reductions by line item. Please note that some of the items require statutory change.

R8 PERSONAL SERVICES AND OPERATING REDUCTIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Programmatic Changes					
Financial transparency system maintenance	($387,000)	$0	($387,000)	$0	0.0
Special education programs for gifted and talented	(226,000)	0	(226,000)	0	(1.0)
School finance administration	(224,905)	0	0	(224,905)	(2.5)
General department and program administration	(176,193)	(100,850)	0	(75,343)	(2.0)
Educator effectiveness unit admin	(130,500)	(118,000)	(12,500)	0	(1.0)
Library programs administration	(100,000)	(100,000)	0	0	(1.0)
Accountability and improvement planning	(64,568)	(64,568)	0	0	(1.0)
Statewide assessment program	(50,000)	0	(50,000)	0	(1.0)
Reprinting and distributing laws concerning education[a]	(35,480)	0	(35,480)	0	0.0
Breakfast after the bell	(24,897)	(24,897)	0	0	(0.3)
Subtotal – Programmatic Changes	**($1,419,543)**	**($408,315)**	**($710,980)**	**($300,248)**	**(9.8)**
Operating Expenses Reductions					
State Board of Education	($35,417)	($35,417)	$0	$0	0.0
B.E.S.T. financial assistance priority assessment	(15,000)	0	(15,000)	0	0.0
Content specialists	(15,000)	0	(15,000)	0	0.0
ELL technical assistance	(15,000)	(15,000)	0	0	0.0
Information technology services	(10,000)	(10,000)	0	0	0.0
Reimbursement for juveniles held in jail	(10,000)	0	(10,000)	0	0.0
Preschool to postsecondary education alignment	(9,914)	0	(9,914)	0	0.0
Longitudinal analyses of student assessment results	(4,250)	(4,250)	0	0	0.0
Subtotal – Operating Expenses Reductions	**($114,581)**	**($64,667)**	**($49,914)**	**$0**	**0.0**
Centrally Appropriated Items and Common Policy					
Health, life, and dental	($78,847)	($78,847)	$0	$0	0.0
Leased space	(37,000)	0	(37,000)	0	0.0
Amortization equalization disbursement (AED)	(33,076)	(33,076)	0	0	0.0
Supplemental amortization equalization disbursement (SAED)	(33,076)	(33,076)	0	0	0.0
Subtotal – Centrally Appropriated Items	**($181,999)**	**($144,999)**	**($37,000)**	**$0**	**0.0**
TOTAL	**($1,716,123)**	**($617,981)**	**($797,894)**	**($300,248)**	**(9.8)**

[a] These requests may require separate legislation and statutory change.

RECOMMENDATION: Staff recommends approving reductions totaling $607,038 total funds (including $117,624 General Fund) and 1.8 FTE associated with request R8 *for the Long Bill.* These reductions, reflected in the following table, do not require statutory change and staff recommends making those changes to the Long Bill appropriation. Staff has sought to recommend reductions that would have minimal impact on the Department's operations.

R8 STAFF RECOMMENDATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Programmatic Changes					
Financial transparency system maintenance	($387,000)	$0	($387,000)	$0	0.0
Statewide assessment program	(50,000)	0	(50,000)	0	(1.0)
School finance administration	(24,970)	(24,970)	0	0	(0.5)
Breakfast after the bell	(24,987)	(24,987)	0	0	(0.3)
Reimbursement for juveniles held in jail	0	0	0	0	0.0
Special education programs for gifted and talented	0	0	0	0	0.0
General department and program administration	0	0	0	0	0.0
Library programs administration	0	0	0	0	0.0
Accountability and improvement planning	0	0	0	0	0.0
Reprinting and distributing laws concerning education[a]	0	0	0	0	0.0
Subtotal – Programmatic Changes	**($486,957)**	**($49,957)**	**($437,000)**	**$0**	**(1.8)**
Operating Expenses Reductions					
State Board of Education	($35,417)	($35,417)	$0	$0	0.0
B.E.S.T. financial assistance priority assessment	(15,000)	0	(15,000)	0	0.0
Content specialists	(15,000)	0	(15,000)	0	0.0
ELL technical assistance	(15,000)	(15,000)	0	0	0.0
Information technology services	(10,000)	(10,000)	0	0	0.0
Educator effectiveness unit admin	(12,500)	0	(12,500)	0	0.0
Preschool to postsecondary education alignment	(9,914)	0	(9,914)	0	0.0
Longitudinal analyses of student assessment results	(4,250)	(4,250)	0	0	0.0
General department and program admin	(3,000)	(3,000)	0	0	0.0
Subtotal – Operating Expenses Reductions	**($120,081)**	**($67,667)**	**($52,414)**	**$0**	**0.0**
Centrally Appropriated Items and Common Policy					
Health, life, and dental	$0	$0	$0	$0	0.0
Leased space	0	0	0	0	0.0
Amortization equalization disbursement (AED)	0	0	0	0	0.0
Supplemental amortization equalization disbursement (SAED)	0	0	0	0	0.0
Subtotal – Centrally Appropriated Items	**$0**	**$0**	**$0**	**$0**	**0.0**
TOTAL	**($607,038)**	**($117,624)**	**($489,414)**	**$0**	**(9.8)**

[a] These requests may require separate legislation and statutory change.

Second, staff recommends that the Committee consider including statutory changes for the following reductions in separate legislation (see bullet points below). As with the FY 2020-21 appropriation, staff recommends consolidating any such reductions into separate legislation, preferably the annual school finance bill. Staff is not recommending these changes for JBC bills. In addition to creating fewer bills, consolidating those adjustments into the school finance bill would facilitate the General Assembly's consideration of tradeoffs between separate programs and school finance.

- Staff recommends that the Committee consider eliminating the requirement for the department to print a separate volume of education laws each year (Reprinting and Distributing Education Laws). However, staff notes that doing so would create limited savings (an annual appropriation of $35,480 cash funds from the State Public School Fund) and that staff continues to hear from education stakeholders that they appreciate receiving the books each year. While staff is not certain that the expenditure is necessary and eliminating the requirement may be advisable for efficiency

purposes, staff is also not sure that this statutory change is worth making as a budget balancing measure.

- Staff also recommends that the Committee consider repealing the requirement that General Assembly appropriate money (currently set at $10,000 per year from the State Education Fund) to reimburse school districts for educational services provided to juveniles held in jails. The appropriation does not appear to be necessary as it has not been utilized in years.

ANALYSIS:
Request R8 (Personal Services and Operating Reductions) proposes a total of $1.7 million in reductions ($617,981 General Fund) to line items and funds that directly support the Department's internal operations and administration. As shown in the tables above, the proposed reductions cover 22 different line items and would also eliminate 9.8 FTE. For purposes of discussion, staff has divided the proposed reductions into three categories: (1) programmatic changes that include significant changes in operations and or staff; (2) operating expenses reductions; and (3) centrally appropriated items and common policies.

PROGRAMMATIC CHANGES

The request includes a total of $1.4 million ($408,315 General Fund) and 9.8 FTE in reductions to ten separate line items that JBC Staff has categorized as programmatic changes. Each change is summarized below. **Staff is recommending approval of $486,957 total funds (49,957 General Fund) in reductions in this category.**

FINANCIAL TRANSPARENCY SYSTEM MAINTENANCE: The request includes a reduction of $387,000 cash funds from the State Education Fund associated with a proposal to bring the operations and maintenance of the Financial Transparency System (originally authorized in H.B. 14-1292). An external contractor currently manages and maintains the system, at an estimated cost of $462,000 in FY 2020-21. The Department argues that it can maintain the system internally at a cost of $75,000 per year. **Staff is recommending approval of this reduction. However, staff does have some concerns about the Department's ability to maintain the system with the proposed funding and may return to the Committee with additional information.**

SPECIAL EDUCATION PROGRAMS FOR GIFTED AND TALENTED: The request includes a reduction of $226,000 cash funds from the State Education Fund and 1.0 FTE associated with administration of the gifted and talented categorical program. While the request shows this as an overall budget reduction, the Department has acknowledged that it cannot reduce the overall level of categorical funding. Therefore, if the Committee approves the request then it could consider either moving those funds to a different categorical program or simply leaving the funds in the gifted and talented line item for distribution to schools. If the Committee wishes to approve the request to reduce administrative funding then staff would recommend simply reducing the appropriation by 1.0 FTE with no change to the program's funding. **Staff is not recommending any change to gifted and talented funding associated with this request.**

SCHOOL FINANCE ADMINISTRATION: The request includes a reduction of $224,905 reappropriated funds (originating in the state share of districts' total program funding line item) and 2.5 FTE for public school finance administration. The FTE include: 1.0 FTE school finance fiscal support/accounting advisor (vacant since July 1, 2020); 1.0 FTE school finance pupil count auditor (a

new position that has not been filled); and 0.5 FTE program assistant (for a position that has been restructured). Based on initial feedback from school districts, staff is concerned about the potential impact on services to school districts if the fiscal support and pupil count auditor positions are eliminated. **Staff is recommending approval of a reduction of $24,970 and 0.5 FTE to eliminate the partial program assistant position. It is staff understanding that the position was already restructured and the reduction should not impact operations.**

GENERAL DEPARTMENT AND PROGRAM ADMINISTRATION: The request includes a reduction of $176,193 total funds and 2.0 FTE for the Department's general department and program administration line item. The positions in question include: 1.0 FTE budget analyst and 1.0 FTE data privacy analyst. The reduction also include a 2.5 percent salary reduction for the Commissioner of Education and a $3,000 reduction in operating expenses. Given the small size of the Department's budget office (3.0 filled FTE) relative to the size of the budget, staff does not believe that eliminating the budget position is advisable and expects to recommend against that reduction during figure setting. **Staff is recommending a reduction of $3,000 General Fund for operating expenses. Staff strongly recommends against reducing the budget office FTE and is not recommending the reduction to the data privacy position.**

EDUCATOR EFFECTIVENESS UNIT ADMIN: The request includes a reduction of $130,500 total funds and 1.0 FTE for educator effectiveness unit administration. The request would eliminate an educator effectiveness coordinator position that the Department reports has been vacant since March 2020. **Staff is uncertain about the impact of this proposed reduction and is not recommending taking it at this time.**

LIBRARY PROGRAMS ADMINISTRATION: The request includes a reduction of $100,000 General Fund and 1.0 FTE from library programs administration. The Library Programs Administration line item has a vacancy due to a retirement in 2020. Staff is unable to assess the potential impact of eliminating the position. However, staff contends that Library Programs are already running on a tight budget and is concerned that permanently eliminating the position would impact the program's work. **Staff is not recommending this reduction at this time.**

ACCOUNTABILITY AND IMPROVEMENT PLANNING: The request includes a reduction of $64,568 General Fund and 1.0 FTE for an accountability division evaluation and data manager position. The position is new and was created through a restructure of the program. It has not been filled – and as a result could be eliminated without impacting current operations. However, staff is supportive of the program's efforts to reprioritize within its existing resources (and to prioritize evaluation work within the accountability programs). **If significant reductions are necessary during balancing then staff would recommend considering this reduction. However, staff would recommend allowing the Department to maintain the position at this time.**

STATEWIDE ASSESSMENT PROGRAM: The request includes a reduction of $50,000 cash funds from the State Education Fund and 1.0 FTE to eliminate an administrative assistant position in the statewide assessment program that has been vacant since July 2018. **Staff recommends approving this reduction. The position has been vacant for more than two years.**

REPRINTING AND DISTRIBUTING LAWS CONCERNING EDUCATION: The request includes a reduction of $35,480 cash funds from the State Public School Fund to eliminate funding for the annual printing and distribution of books specific to the State's education statutes. Please note that statute

currently requires this service (see Section 22-2-112 (1)(i), C.R.S.). As a result, eliminating the appropriation would require statutory change. Staff is also aware that, in the past, school district personnel have expressed concern about eliminating the distribution of these books each year. **This reduction requires statutory change and staff recommends that the General Assembly consider it in the context of the School Finance Bill.**

BREAKFAST AFTER THE BELL: The request includes a reduction of $24,987 General Fund and 0.3 FTE to eliminate the separate appropriation of state funds for the administration of the Breakfast After the Bell program. The Department has indicated that it will absorb the administrative costs of this program within other nutrition program line items and that the separate appropriation is no longer necessary given current budgetary constraints. **Staff recommends approving this reduction.**

OPERATING EXPENSES REDUCTIONS

The request and recommendation includes a total of $120,081 in reductions to operating expenses appropriations for 9 different line items. According to the Department, the majority of the operating expenses adjustments are driven by changes in costs associated with the pandemic (e.g., reductions in in-person meetings, travel, trainings, etc.). **Staff is recommending approval of all of the operating expenses reductions.**

CENTRALLY APPROPRIATED ITEMS AND COMMON POLICY

The request includes reductions to Health, Life, and Dental, AED, and SAED that would equate to a 2.5 percent personal services base reduction for General Fund position outside of the School for the Deaf and the Blind. **Staff recommends rejecting all of these requests and setting the Departments centrally appropriated line items using the Committee's common policies for FY 2020-21.**

➔ STAFF INITIATED SCHOOL FINANCE ADMINISTRATION ADJUSTMENT

REQUEST: The Department's request for the School Finance Administration line item includes $1,680,350 total funds and 15.4 FTE. Continuing with the practice in place since 2004, the Department's request consists primarily of reappropriated funds withheld from the State Share of Districts' Total Program Funding line item ($1,592,831 of that amount), with the remaining $87,519 from the State Education Fund. Please note that the request includes a reduction of $224,905 reappropriated funds and 2.5 FTE associated with request R8 (Personal Services and Operating Reductions) that is discussed in the Decision Items Affecting Multiple Divisions section of this document.

RECOMMENDATION: Regardless of the *amount* appropriated for school finance administration for FY 2021-22 (depending on adjustments associated with R8 or otherwise), staff recommends that the Committee change the *source* of the appropriation for this line item and for the associated amounts in centrally appropriated line items. Staff recommends that the Committee discontinue the use of the rescission (withholding) mechanism and support the associated appropriations entirely with direct appropriations from the General Fund and the State Education Fund. Based on the Committee's common policy decisions to date, the staff recommendation would result in a total increase of $3,177,028 General Fund and an identical decrease in reappropriated funds (see table below). Please note that that amount may change depending on the Committee's decisions regarding the School Finance Administration line item as well as any changes to common policies.

STAFF INITIATED SCHOOL FINANCE ADMINISTRATION ADJUSTMENTS BY LINE ITEM			
LINE ITEM	TOTAL FUNDS	GENERAL FUND	REAPPROPRIATED FUNDS
School Finance, Administration	$0	$1,817,001	(1,817,001)
Health, Life, and Dental	0	364,128	(364,128)
PERA Direct Distribution	0	290,521	(290,521)
Payments to OIT	0	211,834	(211,834)
AED	0	129,398	(129,398)
SAED	0	129,398	(129,398)
Capitol Complex	0	89,255	(89,255)
Salary Survey	0	70,926	(70,926)
CORE Operations	0	27,114	(27,114)
Administrative Law Judges	0	25,267	(25,267)
Leased Space	0	9,332	(9,332)
Workers' Compensation	0	8,721	(8,721)
Short Term Disability	0	4,133	(4,133)
Total	**$0**	**$3,177,028**	**(3,177,028)**

ANALYSIS:

Background – School Finance Administration Rescission

Prior to FY 2008-09, the General Assembly funded departmental staff supporting school finance and related programs with General Fund appropriations to the General Department and Program Administration line item within the Management and Administration Division. Beginning in FY 2008-09, the General Assembly separated out the staff related to school finance, the Colorado Preschool Program, and audit-related functions in a new Administration line item within Public School Finance. The FY 2008-09 Long Bill appropriated $1.1 million General Fund and 13.0 FTE for the newly created line item. The 2008 school finance bill (H.B. 08-1388) added $419,116 cash funds from the State Education Fund and 6.0 FTE largely related to the Colorado Preschool Program.

Facing budgetary challenges for FY 2009-10, the General Assembly changed the funding mechanism for School Finance Administration. Rather than appropriating General Fund, the General Assembly instead authorized the use of funds withheld from total program (reflected as reappropriated funds) to support the administration costs. The FY 2009-10 appropriation included a total of $1.5 million reappropriated funds and 18.0 FTE for this purpose. The 2009 School Finance Bill (S.B. 09-215) bill included the following language (see Sec. 22-54-114 (2.3), C.R.S.) authorizing the use of the rescission, subject to appropriation by the General Assembly:

> "(2.3) Notwithstanding any provision of this article to the contrary, of the total amount appropriated by the general assembly in the annual appropriation bill for each budget year to meet the state's share of the total program of all districts and the total funding for all institute charter schools, the department of education may transfer an amount specified by the general assembly in the annual general appropriation bill for that budget year to offset the direct and indirect administrative costs incurred by the department in implementing the provisions of this article. The total program of each district that receives state aid and the total funding for each institute charter school shall be reduced by a percentage determined by dividing the amount of the transfer by the total program of all districts that receive state aid plus the total funding for all institute charter schools. The state aid of each district shall be reduced by the amount of the reduction in the district's total program or the amount of state aid, whichever is less. The department of education shall ensure that the reduction in state aid and institute charter school funding

required by this subsection (2.3) is accomplished prior to the end of the budget year. The reductions described in this subsection (2.3) shall be in addition to any reduction that may be required pursuant to section 22-54-106 (4)(c)."

The rescission mechanism has remained in place since FY 2009-10, with funds taken "off-the-top" of total program each year. The FY 2020-21 appropriation includes $1.8 million reappropriated funds and 17.0 FTE (and $87,494 cash funds from the State Education Fund and 0.9 FTE), in addition to centrally appropriated amounts associated with the FTE. Including those centrally appropriated costs, the Department is assuming a total rescission of $3.0 million in FY 2021-22.

Points to Consider and Staff Recommendation

As discussed during the FY 2021-22 briefing process, the staff recommendation is based on the following concerns:

- *No budget savings:* The rescission mechanism was created as a budget balancing measure to reduce General Fund appropriations. The mechanism worked to reduce General Fund appropriations when the State was able to fully fund total program because the administration costs were taken out of a fixed amount. However, that logic no longer holds with the budget stabilization factor in place. Staff would argue that in the current climate the rescission simply increases the budget stabilization factor actually experienced by the schools by approximately $3.0 million rather than actually saving money.
- *Increased transparency:* Related to the first point, staff contends that it would be more transparent to simply fund the Department's costs directly with General Fund (and increase the budget stabilization factor by that amount). It is staff's understanding that the education stakeholders agree that eliminating the rescission would improve transparency and would support the change.
- *Concerns about staffing:* Staff also has concerns about the Department's use of the rescission funds. First, some of the positions currently supported with these funds appear to have a tangential relationship (at most) to school finance and total program and staff does not believe that total program is a suitable fund source. In addition, some of the positions fit within the original (JBC Staff) descriptions of the line item but do not necessarily appear to fit within the statutory description in Sec. 22-54-114 (2.3), C.R.S. For example, the statute specifies that the funds are for the implementation of Article 54 of Title 22, while the Colorado Preschool Program is located in Article 28. As the preschool program is funded through total program, staff agrees that at least a portion of those staffing costs are appropriate for school finance administration – but they may fall outside of the statute. Staff is not currently recommending adjusting the staffing in the line item – but may return to the Committee with a subsequent recommendation either during "comebacks" or as part of the FY 2022-23 budget process.
- *Concerns about other uses of funds:* Finally, staff is concerned about some of the Department's other uses of the rescission funds. For example, in FY 2019-20, while school finance positions were vacant, the Department spent $32,194 from the rescission to replace drinking fountains and a water line and $9,553 to install a panic alarm system in the Department's building at 201 East Colfax. Staff does not believe that the total program rescission was an appropriate fund source for those costs. Rather, staff contends that those items should have gone through the annual budget process (or at least been funded from a more suitable source within the Department's budget).

Based on discussions with representatives from the "field," the school districts strongly support the recommendation to eliminate the rescission mechanism. The Department has also expressed support for the change during the FY 2021-22 hearing process.

Legislative staff does not believe that statutory change is necessary to directly fund the administration line item, as the current language *allows* for the rescission but does not require it. However, staff intends to work with the Department during the 2021 interim to assess potential statutory changes related to the use of funds appropriated to this line item.

(1) MANAGEMENT AND ADMINISTRATION

This section includes funding for the State Board of Education, the Commissioner of Education, and general department administrative responsibilities including human resources, budgeting, accounting, information technology management, assessments, and data analyses. This section also includes funding for the Office of Professional Services, the Division of On-line Learning, and the State Charter School Institute. The following table summarizes the staff recommendation for this division.

MANAGEMENT AND ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$113,093,498	$22,714,510	$34,867,616	$31,805,844	$23,705,528	169.9
Other legislation	(1,888,565)	(870,498)	(865,899)	(152,168)	0	0.0
TOTAL	**$111,204,933**	**$21,844,012**	**$34,001,717**	**$31,653,676**	**$23,705,528**	**169.9**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$111,204,933	$21,844,012	$34,001,717	$31,653,676	$23,705,528	169.9
R6 Outdated appropriations and additional program suspensions	0	0	0	0	0	0.0
R8 Personal services and operating reductions	(160,561)	(52,667)	(107,894)	0	0	(1.0)
SI School finance admin adjustment	0	1,360,027	0	(1,360,027)	0	0.0
Annualize prior year legislation	1,221,000	870,547	198,242	152,197	14	0.0
Non-prioritized items	917,072	275,056	143,836	73,920	424,260	0.0
Annualize prior year budget actions	863,216	863,216	0	0	0	0.0
Centrally appropriated line items	814,353	(134,356)	33,885	736,101	178,723	0.0
Indirect cost assessments	72,829	0	41,928	0	30,901	0.0
Assessment technical adjustment	(704,720)	0	(735,956)	0	31,236	0.0
TOTAL	**$114,228,122**	**$25,025,835**	**$33,575,758**	**$31,255,867**	**$24,370,662**	**168.9**
INCREASE/(DECREASE)	**$3,023,189**	**$3,181,823**	**($425,959)**	**($397,809)**	**$665,134**	**(1.0)**
Percentage Change	2.7%	14.6%	(1.3%)	(1.3%)	2.8%	(0.6%)
FY 2021-22 EXECUTIVE REQUEST	**$113,090,944**	**$23,187,749**	**$33,143,451**	**$32,494,840**	**$24,264,904**	**164.9**
Request Above/(Below) Recommendation	($1,137,178)	($1,838,086)	($432,307)	$1,238,973	($105,758)	(4.0)

DECISION ITEMS – MANAGEMENT AND ADMINISTRATION

The Department did not submit any decision items that were restricted to this division.

➔ UPDATE ON OTHER FY 2020-21 BALANCING ACTIONS FOR THIS DIVISION

Outside of the impact of the across the board (common policy) reductions to Health, Life, and Dental, and PERA Direct Distribution, the only other FY 2020-21 balancing action directly impacting this division was a decrease of $2.8 million total funds, including $1.4 million General Fund and $1.4 million reappropriated funds, for State Charter School Institute (CSI) mill levy equalization payments. The decrease represents a reduction of 20.0 percent below the FY 2019-20 appropriation.

- The Governor's FY 2021-22 budget request and the staff recommendation both continue this reduction in FY 2021-22.

LINE ITEM DETAIL — MANAGEMENT AND ADMINISTRATION

(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 on 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 an appropriation of $318,820 General Fund and 2.0 FTE, including the following changes from the FY 2020-21 appropriation.

- An increase of increase of $70 General Fund to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of $35,417 General Fund associated with request R8 (Personal Services and Operating Reductions), discussed above.

RECOMMENDATION: Staff recommends approving an appropriation of $318,751 General Fund and 2.0 FTE. The recommendation is $69 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200. The recommendation includes the reduction associated with request R8. As discussed above with request R8, the State Board has saved operating funds as result of the pandemic with virtual meetings, reduced travel, and all electronic materials. The Department has indicated that the State Board intends to absorb this reduction regardless of how conditions change in FY 2021-22. The following table shows the recommended changes from the FY 2020-21 appropriation.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, STATE BOARD OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, STATE BOARD OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 20-1360 (Long Bill)	$354,167	$354,167	$0	$0	$0	2.0
TOTAL	**$354,167**	**$354,167**	**$0**	**$0**	**$0**	**2.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$354,167	$354,167	$0	$0	$0	2.0
Annualize prior year legislation	1	1	0	0	0	0.0
R8 Personal services and operating reductions	(35,417)	(35,417)	0	0	0	0.0
TOTAL	**$318,751**	**$318,751**	**$0**	**$0**	**$0**	**2.0**
INCREASE/(DECREASE)	**($35,416)**	**($35,416)**	**$0**	**$0**	**$0**	**0.0**
Percentage Change	(10.0%)	(10.0%)	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$318,820**	**$318,820**	**$0**	**$0**	**$0**	**2.0**
Request Above/(Below) Recommendation	$69	$69	$0	$0	$0	0.0

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 include indirect cost recoveries and transfers from various cash- and federally-funded line items in other sections of the budget.

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 $4,487,596 total funds (including $1,446,499 General Fund) and 32.6 FTE, including the following changes from the FY 2020-21 appropriation:

- An increase of $1,783 total funds to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of $176,793 total funds (including $100,850 General Fund and $75,343 reappropriated funds) and 2.0 FTE associated with request R8 (Personal Services and Operating Reductions), discussed above.

RECOMMENDATION: Staff recommends approving an appropriation of $4,659,043 total funds (including $1,543,831 General Fund) and 34.6 FTE.

- As discussed above with request R8, the staff recommendation includes a reduction of $3,000 General Fund associated with request R8 (a reduction to operating expenses).
- The recommendation does not include the proposed reductions in personal services and FTE for 1.0 FTE budget analyst (a difference of $75,343 reappropriated funds) and 1.0 FTE data privacy analyst (a difference of $82,241 General Fund), as staff believes those positions remain necessary. The recommendation also does not include a reduction of $15,609 General Fund that was proposed as a reduction in the Commissioner's salary.

- The remainder of the difference from the request is driven by the Committee's common policy adjustment to the annualization of S.B. 18-200.

This line item supports much of the Department's central administration and management staff. While gauging the performance of the various employees and units supported by this line item is difficult based on the Department's performance measures, the roles of these units are essential to the ongoing function of the Department. Staff requests permission to work with Department staff to calculate the allocation of indirect cost recoveries between this line item and the associated centrally appropriated line items if changes are necessary based on the Committee's common policies.[4] The following table shows the recommended changes from the FY 2020-21 appropriation.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, GENERAL DEPARTMENT AND PROGRAM ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$4,662,006	$1,546,820	$186,144	$2,929,042	$0	34.6
TOTAL	**$4,662,006**	**$1,546,820**	**$186,144**	**$2,929,042**	**$0**	**34.6**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$4,662,006	$1,546,820	$186,144	$2,929,042	$0	34.6
Annualize prior year legislation	37	11	1	25	0	0.0
R8 Personal services and operating reductions	(3,000)	(3,000)	0	0	0	0.0
TOTAL	**$4,659,043**	**$1,543,831**	**$186,145**	**$2,929,067**	**$0**	**34.6**
INCREASE/(DECREASE)	**($2,963)**	**($2,989)**	**$1**	**$25**	**$0**	**0.0**
Percentage Change	(0.1%)	(0.2%)	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$4,487,596**	**$1,446,499**	**$186,177**	**$2,854,920**	**$0**	**32.6**
Request Above/(Below) Recommendation	($171,447)	($97,332)	$32	($74,147)	$0	(2.0)

OFFICE OF PROFESSIONAL SERVICES

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

Prior to FY 2011-12, funding for the Office of Professional Services was subject to annual appropriation. However, Section 22-60.5-112 (1) (b) (I), C.R.S. (as modified by H.B. 18-1100 (Educator Licensure Cash Fund, a JBC Bill), continuously appropriates funds in the Educator Licensure Cash Fund to the Department from FY 2011-12 through FY 2020-21. Barring further

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

statutory change during the 2021 Session, the cash fund will again be subject to annual appropriation for FY 2021-22.

STATUTORY AUTHORITY: Sections 22-60.5-101, 22-2-109, and 22-9-101, C.R.S.

REQUEST: The Department requests an appropriation of $2,814,218 cash funds and 25.0 FTE for FY 2021-22. The request includes an increase of $617 above the FY 2020-21 appropriation to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $2,813,614 cash funds from the Educator Licensure Cash fund and 25.0 FTE for FY 2021-22. The recommendation is $604 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200. Staff is aware of concerns about the solvency of the Educator Licensure Cash Fund that may be addressed through separate legislation, including the potential use of other fund sources. However, as current statute requires the use of the Educator Licensure Cash Fund to support this office, the Long Bill recommendation only includes that fund source. As noted above, barring further statutory change, FY 2021-22 will be the first year that the cash fund is subject to annual appropriation.

DIVISION OF ON-LINE LEARNING

Senate Bill 07-215 changed the oversight, structure, and funding of public school on-line education. This act required the State Board of Education to establish quality standards for on-line programs. 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.

STATUTORY AUTHORITY: Section 22-30.7-101 et seq., C.R.S.

REQUEST: The Department requests a continuation appropriation of $379,433 cash funds from the State Education Fund and 3.3 FTE for FY 2021-22. The request includes an increase of $65 to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $379,369 cash funds from the State Education Fund and 3.3 FTE. The recommendation is $64 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

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: The Department requests a continuation appropriation of $10,361,926 total funds (including $335,084 General Fund and $10,026,842 federal funds) and 6.8 FTE for this line item. The request includes an increase of $75 General Fund to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $10,361,853 total funds (including $335,011 General Fund and $10,026,842 federal funds) and 6.8 FTE for FY 2021-22. The recommendation is $73 General Fund below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

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 $6,915,420 total funds (including $2,498,484 General Fund) for FY 2021-22. The request includes:

- An increase of $863,216 General Fund to restore the reduction taken in lieu of a 5.0 percent base reduction in FY 2020-21.
- An increase of $285,124 total funds (including $31185 General Fund) based on OSPB's common policies for health, life, and dental benefits.
- A decrease of $78,847 General Fund associated with request R8 (Personal Services and Operating Reductions). As discussed above with request R8, combined with reductions to Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED), the reduction is proposed in lieu of a 2.5 percent personal services base reduction for FY 2021-22 (for the Department's General Fund personal services appropriations excluding the School for the Deaf and the Blind).

RECOMMENDATION: Staff recommends approving an appropriation of $6,994,268 total funds (including $2,941,459 General Fund), in alignment with the Committee's common policy regarding employer contribution rates for Health, Life, and Dental. In total, the recommendation represents an increase of $1,148,341 total funds (including $1,258,529 General Fund) above the FY 2020-21 appropriation, as shown in the table below.

- In addition to the common policy adjustment, the recommendation also includes an increase of $364,128 General Fund and an identical decrease of reappropriated funds associated with the staff initiated adjustment to school finance administration (discussed above).
- As discussed above with request R8, staff recommends rejecting the reduction associated with request R8 and applying the Committee's common policies to the Department's appropriations for centrally appropriated items.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, HEALTH, LIFE, AND DENTAL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$5,845,927	$1,682,930	$1,028,944	$715,651	$2,418,402	0.0
TOTAL	**$5,845,927**	**$1,682,930**	**$1,028,944**	**$715,651**	**$2,418,402**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$5,845,927	$1,682,930	$1,028,944	$715,651	$2,418,402	0.0
Annualize prior year budget actions	863,216	863,216	0	0	0	0.0
Centrally appropriated line items	285,125	31,185	28,781	158,838	66,321	0.0
SI School finance admin adjustment	0	364,128	0	(364,128)	0	0.0
R8 Personal services and operating reductions	0	0	0	0	0	0.0
TOTAL	**$6,994,268**	**$2,941,459**	**$1,057,725**	**$510,361**	**$2,484,723**	**0.0**
INCREASE/(DECREASE)	**$1,148,341**	**$1,258,529**	**$28,781**	**($205,290)**	**$66,321**	**0.0**
Percentage Change	19.6%	74.8%	2.8%	(28.7%)	2.7%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$6,915,420**	**$2,498,484**	**$1,057,725**	**$874,488**	**$2,484,723**	**0.0**
Request Above/(Below) Recommendation	($78,848)	($442,975)	$0	$364,127	$0	0.0

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 an appropriation of $75,936 total funds (including $24,224 General Fund) for FY 2021-22. The request includes a decrease of $5,231 total funds (including $1,814 General Fund) below the FY 2020-21 appropriation based on OSPB's common policies for short-term disability.

RECOMMENDATION: Staff recommends approving an appropriation of $76,271 total funds (including $28,464 General Fund), in alignment with the Committee's common policy to apply a rate of 0.17 percent of employee base salaries. The recommendation includes an increase of $4,133 General Fund and an identical decrease of reappropriated funds associated with the staff initiated adjustment to school finance administration (discussed above). The recommendation represents a decrease of $4,896 total funds ($1,707 General Fund) below the FY 2020-21 appropriation.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, SHORT-TERM DISABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$81,167	$26,038	$13,206	$10,138	$31,785	0.0
TOTAL	**$81,167**	**$26,038**	**$13,206**	**$10,138**	**$31,785**	**0.0**

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, SHORT-TERM DISABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$81,167	$26,038	$13,206	$10,138	$31,785	0.0
SI School finance admin adjustment	0	4,133	0	(4,133)	0	0.0
Centrally appropriated line items	(4,896)	(1,707)	(1,331)	(215)	(1,643)	0.0
TOTAL	**$76,271**	**$28,464**	**$11,875**	**$5,790**	**$30,142**	**0.0**
INCREASE/(DECREASE)	**($4,896)**	**$2,426**	**($1,331)**	**($4,348)**	**($1,643)**	**0.0**
Percentage Change	(6.0%)	9.3%	(10.1%)	(42.9%)	(5.2%)	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$75,936**	**$24,224**	**$11,823**	**$9,879**	**$30,010**	**0.0**
Request Above/(Below) Recommendation	($335)	($4,240)	($52)	$4,089	($132)	0.0

S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

Pursuant to S.B. 04-257, this line item provides additional funding to increase the state contribution to the Public Employees' Retirement Association (PERA).

STATUTORY AUTHORITY: Section 24-51-411, C.R.S.

REQUEST: The Department requests an appropriation of $2,348,919 total funds (including $729,408 General Fund) for FY 2021-22. The request includes the following changes from the FY 2020-21 appropriation:

- A decrease of $18,241 total funds (including $11,047 General Fund) based on OSPB's common policies for health, life, and dental benefits.
- A decrease of $33,076 General Fund associated with request R8 (Personal Services and Operating Reductions). As discussed above with request R8, combined with reductions to Health, Life, and Dental, Amortization Equalization Disbursement (AED), and Supplemental Amortization Equalization Disbursement (SAED), the reduction is proposed in lieu of a 2.5 percent personal services base reduction for FY 2021-22 (for the Department's General Fund personal services appropriations excluding the School for the Deaf and the Blind).

RECOMMENDATION: Staff recommends approving an appropriation of $2,392,482 total funds (including $895,227 General Fund), based on the Committee's common policy to apply a contribution rate of 5.0 percent of base salaries.

- In addition to the common policy adjustment, the recommendation also includes an increase of $129,398 General Fund and an identical decrease of reappropriated funds associated with the staff initiated adjustment to school finance administration (discussed above).
- As discussed above with request R8, staff recommends rejecting the reduction associated with request R8 and applying the Committee's common policies to the Department's appropriations for centrally appropriated items.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$2,400,236	$773,531	$389,672	$299,139	$937,894	0.0
TOTAL	**$2,400,236**	**$773,531**	**$389,672**	**$299,139**	**$937,894**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$2,400,236	$773,531	$389,672	$299,139	$937,894	0.0
SI School finance admin adjustment	0	129,398	0	(129,398)	0	0.0
R8 Personal services and operating reductions	0	0	0	0	0	0.0
Centrally appropriated line items	(7,754)	(7,702)	(17,765)	11,622	6,091	0.0
TOTAL	**$2,392,482**	**$895,227**	**$371,907**	**$181,363**	**$943,985**	**0.0**
INCREASE/(DECREASE)	**($7,754)**	**$121,696**	**($17,765)**	**($117,776)**	**$6,091**	**0.0**
Percentage Change	(0.3%)	15.7%	(4.6%)	(39.4%)	0.6%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$2,348,919**	**$729,408**	**$370,275**	**$309,396**	**$939,840**	**0.0**
Request Above/(Below) Recommendation	($43,563)	($165,819)	($1,632)	$128,033	($4,145)	0.0

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

Pursuant to S.B. 06-235, this line item provides additional funding to increase the state contribution for PERA.

STATUTORY AUTHORITY: Section 24-51-411, C.R.S.

REQUEST: The Department requests an appropriation of $2,348,919 total funds (including $729,408 General Fund) for FY 2021-22. The request includes the following changes from the FY 2020-21 appropriation:

- A decrease of $18,241 total funds (including $11,047 General Fund) based on OSPB's common policies for health, life, and dental benefits.
- A decrease of $33,076 General Fund associated with request R8 (Personal Services and Operating Reductions). As discussed above with request R8, combined with reductions to Health, Life, and Dental, Amortization Equalization Disbursement (AED), and Supplemental Amortization Equalization Disbursement (SAED), the reduction is proposed in lieu of a 2.5 percent personal services base reduction for FY 2021-22 (for the Department's General Fund personal services appropriations excluding the School for the Deaf and the Blind).

RECOMMENDATION: Staff recommends approving an appropriation of $2,392,482 total funds (including $895,227 General Fund), based on the Committee's common policy to apply a contribution rate of 5.0 percent of base salaries.

- In addition to the common policy adjustment, the recommendation also includes an increase of $129,398 General Fund and an identical decrease of reappropriated funds associated with the staff initiated adjustment to school finance administration (discussed above).
- As discussed above with request R8, staff recommends rejecting the reduction associated with request R8 and applying the Committee's common policies to the Department's appropriations for centrally appropriated items.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$2,400,236	$773,531	$389,672	$299,139	$937,894	0.0
TOTAL	**$2,400,236**	**$773,531**	**$389,672**	**$299,139**	**$937,894**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$2,400,236	$773,531	$389,672	$299,139	$937,894	0.0
R8 Personal services and operating reductions	0	0	0	0	0	0.0
SI School finance admin adjustment	0	129,398	0	(129,398)	0	0.0
Centrally appropriated line items	(7,754)	(7,702)	(17,765)	11,622	6,091	0.0
TOTAL	**$2,392,482**	**$895,227**	**$371,907**	**$181,363**	**$943,985**	**0.0**
INCREASE/(DECREASE)	**($7,754)**	**$121,696**	**($17,765)**	**($117,776)**	**$6,091**	**0.0**
Percentage Change	(0.3%)	15.7%	(4.6%)	(39.4%)	0.6%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$2,348,919**	**$729,408**	**$370,275**	**$309,396**	**$939,840**	**0.0**
Request Above/(Below) Recommendation	($43,563)	($165,819)	($1,632)	$128,033	($4,145)	0.0

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, current law requires the appropriations to return in FY 2021-22.

STATUTORY AUTHORITY: Section 24-51-414, C.R.S.

REQUEST: The Department is requesting an appropriation of $1,258,290 total funds (including $402,783 General Fund) for this line item in FY 2021-22. Please note that the request only reflects the direct distribution directly associated with Department of Education staff – not the education system as a whole.

RECOMMENDATION: Staff recommends approving the requested amount of total funds, which is consistent with the Committee's common policies for FY 2021-22. However, the recommendation includes an increase of $290,521 General Fund and an identical decrease of reappropriated funds associated with the staff initiated adjustment to school finance administration (discussed above). Staff requests permission to adjust the appropriation amount, as necessary, based on the Committee's final decisions regarding common policies.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, PERA DIRECT DISTRIBUTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$1,220,885	$870,498	$198,219	$152,168	$0	0.0
Other legislation	(1,220,885)	(870,498)	(198,219)	(152,168)	0	0.0

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, PERA DIRECT DISTRIBUTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$0	$0	$0	$0	$0	0.0
Annualize prior year legislation	1,220,885	870,498	198,219	152,168	0	0.0
Centrally appropriated line items	37,405	(467,715)	(2,622)	507,742	0	0.0
SI School finance admin adjustment	0	290,521	0	(290,521)	0	0.0
TOTAL	**$1,258,290**	**$693,304**	**$195,597**	**$369,389**	**$0**	**0.0**
INCREASE/(DECREASE)	**$1,258,290**	**$693,304**	**$195,597**	**$369,389**	**$0**	**0.0**
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$1,258,290**	**$402,783**	**$195,597**	**$659,910**	**$0**	**0.0**
Request Above/(Below) Recommendation	$0	($290,521)	$0	$290,521	$0	0.0

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, both of which are discussed below. The FY 2019-20 Long Bill consolidated the line items back into a single Salary Survey line item. There were no appropriations for salary survey in FY 2020-21.

STATUTORY AUTHORITY: Section 24-50-104, C.R.S.

REQUEST: The Department is requesting an appropriation of $1,073,448 total funds (including $342,392 General Fund) for FY 2021-22 based on OSPB's common polices for FY 2021-22.

RECOMMENDATION: Staff recommends approving an appropriation of $1,309,080 total funds ($488,477 General Fund), which is consistent with the Committee's common policies for FY 2021-22. The recommendation includes an increase of $70,926 General Fund and an identical decrease of reappropriated funds associated with the staff initiated adjustment to school finance administration (discussed above). The following table shows the recommended changes from the FY 2020-21 appropriation and the Department's request.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, SALARY SURVEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$0	$0	$0	$0	$0	0.0
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$0	$0	$0	$0	$0	0.0
Non-prioritized items	1,073,448	342,392	167,120	139,676	424,260	0.0

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, SALARY SURVEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated line items	235,632	75,159	36,684	30,660	93,129	0.0
SI School finance admin adjustment	0	70,926	0	(70,926)	0	0.0
TOTAL	**$1,309,080**	**$488,477**	**$203,804**	**$99,410**	**$517,389**	**0.0**
INCREASE/(DECREASE)	**$1,309,080**	**$488,477**	**$203,804**	**$99,410**	**$517,389**	**0.0**
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$1,073,448**	**$342,392**	**$167,120**	**$139,676**	**$424,260**	**0.0**
Request Above/(Below) Recommendation	($235,632)	($146,085)	($36,684)	$40,266	($93,129)	0.0

MERIT PAY

This line item funds pay increases relating to employee performance evaluations.

STATUTORY AUTHORITY: Section 24-50-104 (1) (c), C.R.S.

REQUEST: Pursuant to OSPB's common policies, the Department is not requesting any funding for merit pay increases for FY 2021-22 (with no change from the FY 2020-21 appropriation).

RECOMMENDATION: Pursuant to the Committee's common policies, staff is not recommending a merit pay increase for FY 2021-22.

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 $269,314 total funds (including $120,295 General Fund) for FY 2021-22 based on OSPB's common policies. The request represents a decrease of $58,845 total funds (including a decrease of $26,284 General Fund) below the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving an appropriation of $258,089 total funds (including $124,002 General Fund) for FY 2021-22, which is consistent with the Committee's common policy. The recommendation includes an increase of $8,721 General Fund and an identical decrease of reappropriated funds associated with the staff initiated adjustment to school finance administration (discussed above). The following table shows the recommended changes from the FY 2020-21 appropriation and the Department's request.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, WORKERS' COMPENSATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$328,159	$146,579	$42,823	$22,177	$116,580	0.0
TOTAL	**$328,159**	**$146,579**	**$42,823**	**$22,177**	**$116,580**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$328,159	$146,579	$42,823	$22,177	$116,580	0.0
SI School finance admin adjustment	0	8,721	0	(8,721)	0	0.0
Centrally appropriated line items	(70,070)	(31,298)	(9,144)	(4,735)	(24,893)	0.0
TOTAL	**$258,089**	**$124,002**	**$33,679**	**$8,721**	**$91,687**	**0.0**
INCREASE/(DECREASE)	**($70,070)**	**($22,577)**	**($9,144)**	**($13,456)**	**($24,893)**	**0.0**
Percentage Change	(21.4%)	(15.4%)	(21.4%)	(60.7%)	(21.4%)	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$269,314**	**$120,295**	**$35,144**	**$18,200**	**$95,675**	**0.0**
Request Above/(Below) Recommendation	$11,225	($3,707)	$1,465	$9,479	$3,988	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: Based on preliminary estimates of hourly legal rates from the Department of law, the Department requests $1,177,845 total funds (including $680,847 General Fund) for the purchase of legal services in FY 2021-22, which represents an increase of $2,667 total funds ($1,542 General Fund) above the FY 2020-21 appropriation.

RECOMMENDATION: The staff recommendation for the dollar amount for this line item is pending the Committee's decision regarding the legal rate for FY 2021-22.

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 and reappropriated funds transferred from the Special Education Programs for Children with Disabilities line item.

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

REQUEST: The Department requests $149,858 total funds (including no General Fund) for FY 2021-22, including an increase of $8,445 total funds above the FY 2020-21 appropriation, to align with OSPB's common policies for administrative law judge services.

RECOMMENDATION: Staff recommends approving an appropriation of $146,388 total funds (including $25,267 General Fund) for FY 2021-22, which is consistent with the Committee's common policy.

The recommendation includes an increase of $25,267 General Fund and an identical decrease of reappropriated funds associated with the staff initiated adjustment to school finance administration (discussed above). The following table shows the recommended changes from the FY 2020-21 appropriation and the Department's request.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, ADMINISTRATIVE LAW JUDGE SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$141,413	$0	$117,005	$24,408	$0	0.0
TOTAL	**$141,413**	**$0**	**$117,005**	**$24,408**	**$0**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$141,413	$0	$117,005	$24,408	$0	0.0
Centrally appropriated line items	4,975	0	4,116	859	0	0.0
SI School finance admin adjustment	0	25,267	0	(25,267)	0	0.0
TOTAL	**$146,388**	**$25,267**	**$121,121**	**$0**	**$0**	**0.0**
INCREASE/(DECREASE)	**$4,975**	**$25,267**	**$4,116**	**($24,408)**	**$0**	**0.0**
Percentage Change	3.5%	0.0%	3.5%	(100.0%)	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$149,858**	**$0**	**$123,992**	**$25,866**	**$0**	**0.0**
Request Above/(Below) Recommendation	$3,470	($25,267)	$2,871	$25,866	$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 $721,555 General Fund for FY 2021-22. The request represents an increase of $295,955 above the FY 2020-21 appropriation based on OSPB's common policies.

RECOMMENDATION: Staff recommends approving an appropriation of $730,631 General Fund for FY 2021-22, which is consistent with the Committee's common policy for Payment to Risk Management and Property Funds. The recommendation represents an increase of $314,031 above the FY 2020-21 appropriation and $17,895 above the Department's FY 2021-22 request.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$416,600	$416,600	$0	$0	$0	0.0
TOTAL	**$416,600**	**$416,600**	**$0**	**$0**	**$0**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 Appropriation	$416,600	$416,600	$0	$0	$0	0.0
Centrally appropriated line items	314,031	314,031	0	0	0	0.0
TOTAL	**$730,631**	**$730,631**	**$0**	**$0**	**$0**	**0.0**
INCREASE/(DECREASE)	**$314,031**	**$314,031**	**$0**	**$0**	**$0**	**0.0**
Percentage Change	75.4%	75.4%	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$712,555**	**$712,555**	**$0**	**$0**	**$0**	**0.0**
Request Above/(Below) Recommendation	($18,076)	($18,076)	$0	$0	$0	0.0

STATEWIDE TRAINING [NEW LINE ITEM REQUESTED]

This line item provides funding for payments to the Center for Organizational Effectiveness, which provides professional development and training services for state employees.

STATUTORY AUTHORITY: Section 24-50-122, C.R.S.

REQUEST: The Department requests $12,410 reappropriated funds. The request includes the creation of a new line item to accommodate a new common policy.

RECOMMENDATION: Staff recommends denying the request to create the new line item and to reflect the additional funds. The recommendation is consistent with the Committee's common policy decision.

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.

STATUTORY AUTHORITY: Section 22-2-112, C.R.S.

REQUEST: The Department requests $1,204,882 total funds (including $87,218 General Fund) to support leased space costs in FY 2021-22. The request includes a decrease of $37,000 cash funds from the State Education Fund associated with request R8 (Personal Services and Operating Reductions), discussed above.

RECOMMENDATION: Based on updated lease cost information from the Department, staff recommends approving an appropriation of $1,247,217 total funds (including $66,481 General Fund). The recommendation aligns with the Department's current utilization of leased space, by relevant fund source, and effectively denies the reduction of $37,000 cash funds from the State Education Fund associated with request R8. The recommendation includes an increase of $4,116 General Fund and an identical decrease of reappropriated funds associated with the staff initiated adjustment to school finance administration (discussed above).

The following table shows the Department's lease costs and square footage usage for each of three private lease locations for FY 2020-21 and FY 2021-22. As shown in the table, the Department has

vacated the previously used space at 1580 Lincoln Street. The relevant FTE have moved into Capitol Complex leased space.

SUMMARY OF PROJECTED LEASED SPACE COSTS					
LOCATION	FY 2020-21 LEASE COSTS	SPACE (SQ. FT.)	FY 2021-22 LEASE COSTS	SPACE (SQ. FT.)	APPROXIMATE FTE
1560 Broadway	$1,025,873	38,515	$1,090,360	38,515	127.7
1580 Logan St.	63,672	2,322	0	0	0.0
6000 East Evans Ave.	152,337	9,039	156,857	9,039	28.0
Total	**$1,241,882**	**49,876**	**$1,247,217**	**47,554**	**155.7**

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 $910,446 total funds (including $273,134 General Fund) for FY 2021-22 based on OSPB's common policy for Capitol Complex Leased Space. The request includes an increase of $163,283 total funds (including $48,985 General Fund) above the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving an appropriation of $917,789 total funds (including $364,592 General Fund) for Capitol Complex Leased Space for FY 2021-22, which is consistent with the Committee's common policy. The recommendation includes an increase of $89,255 General Fund and an identical decrease of reappropriated funds associated with the staff initiated adjustment to school finance administration (discussed above). The following table shows the recommended change from the FY 2020-21 appropriation and from the Department's request.

MANAGEMENT AND ADMINISTRATION, ADMINISTRATION AND CENTRALLY-APPROPRIATED LINE ITEMS, CAPITOL COMPLEX LEASED SPACE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$747,163	$224,149	$89,510	$145,323	$288,181	0.0
TOTAL	**$747,163**	**$224,149**	**$89,510**	**$145,323**	**$288,181**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$747,163	$224,149	$89,510	$145,323	$288,181	0.0
Centrally appropriated line items	170,626	51,188	20,440	33,187	65,811	0.0
SI School finance admin adjustment	0	89,255	0	(89,255)	0	0.0
TOTAL	**$917,789**	**$364,592**	**$109,950**	**$89,255**	**$353,992**	**0.0**
INCREASE/(DECREASE)	**$170,626**	**$140,443**	**$20,440**	**($56,068)**	**$65,811**	**0.0**
Percentage Change	22.8%	62.7%	22.8%	(38.6%)	22.8%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$910,446**	**$273,134**	**$109,072**	**$177,081**	**$351,159**	**0.0**
Request Above/(Below) Recommendation	($7,343)	($91,458)	($878)	$87,826	($2,833)	0.0

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.

STATUTORY AUTHORITY: Section 22-2-112 (1)(i), C.R.S.

REQUEST: With request R8 (Personal Services and Operating Reductions, discussed above), the Department is proposing statutory change to eliminate the requirement to print the separate books of education laws and to eliminate the appropriation for FY 2021-22.

RECOMMENDATION: As this appropriation is required by current law, staff recommends approving a Long Bill appropriation of $35,480 cash funds from the State Public School Fund, with no change from the FY 2020-21 appropriation. If the General Assembly elects to eliminate the statutory requirement to print the books then staff would recommend making the associated appropriation reduction in that legislation.

LINE ITEMS INCLUDED IN NUMBERS PAGES BECAUSE OF PRIOR YEAR FUNDING

SALARY SURVEY FOR CLASSIFIED EMPLOYEES

The General Assembly created this line item in the FY 2017-18 Long Bill to reflect salary survey increases (if provided) associated with classified employees at the Department of Education, including the Colorado School for the Deaf and the Blind (CSDB) and the State Charter School Institute (CSI). In FY 2019-20, the General Assembly again consolidated salary survey appropriations for classified and at-will employees into a single Salary Survey line item.

SALARY SURVEY FOR EXEMPT EMPLOYEES

The General Assembly created this line item in the FY 2017-18 Long Bill to reflect salary survey increases (if provided) associated with exempt (at-will) employees at the Department of Education, including the Colorado School for the Deaf and the Blind (CSDB) and the State Charter School Institute (CSI). In FY 2019-20, the General Assembly again consolidated salary survey appropriations for classified and at-will employees into a single Salary Survey line item.

(B) INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY SERVICES

This line item provides funding and staff related to information technology support functions and includes funding and staff that were previously appropriated to the School Accountability Reports and

State Data Reporting System line item, which was merged into the Information Technology Services line item in FY 2011-12.

Senate Bill 00-186 required the Department of Education to establish a state data reporting system, including computer capabilities and procedures, to produce school report cards (later renamed school accountability reports or "SARs"). The bill required the Department to prepare and distribute hard copies of each school's SAR, and to establish and maintain a web site that provides access to each school's SARs.

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

STATUTORY AUTHORITY: Section 22-2-112, C.R.S.

REQUEST: The Department requests $4,564,862 total funds (including $3,930,334 General Fund) and 30.9 FTE for FY 2021-22. The request includes the following changes from the FY 2020-21 appropriation:

- An increase of $947 total funds to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of $10,000 General Fund associated with request R8 (Personal Services and Operating Reductions), discussed above.

RECOMMENDATION: Staff recommends approving an appropriation of $4,563,934 total funds (including $3,929,481 General Fund and $634,453 reappropriated funds) and 30.9 FTE for FY 2021-22. The recommendation is $928 total funds ($853 General Fund) below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200. The recommendation includes the reduction of $10,000 General Fund associated with request R8 (discussed above). The Department is anticipating reduced operating costs going forward. The following table shows the recommended changes from the FY 2020-21 appropriation.

MANAGEMENT AND ADMINISTRATION, INFORMATION TECHNOLOGY, INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$4,573,915	$3,939,464	$0	$634,451	$0	30.9
TOTAL	**$4,573,915**	**$3,939,464**	**$0**	**$634,451**	**$0**	**30.9**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$4,573,915	$3,939,464	$0	$634,451	$0	30.9
Annualize prior year legislation	19	17	0	2	0	0.0
R8 Personal services and operating reductions	(10,000)	(10,000)	0	0	0	0.0
TOTAL	**$4,563,934**	**$3,929,481**	**$0**	**$634,453**	**$0**	**30.9**
INCREASE/(DECREASE)	**($9,981)**	**($9,983)**	**$0**	**$2**	**$0**	**0.0**
Percentage Change	(0.2%)	(0.3%)	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$4,564,862**	**$3,930,334**	**$0**	**$634,528**	**$0**	**30.9**

MANAGEMENT AND ADMINISTRATION, INFORMATION TECHNOLOGY, INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Request Above/(Below) Recommendation	$928	$853	$0	$75	$0	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 $272,095 total funds (including $105,388 General Fund) for FY 2021-22 based on OSPB's common policies. The request represents a decrease of $55,030 total funds below the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving an appropriation of $240,722 total funds (including $120,350 General Fund), which is consistent with the Committee's common policy for CORE Operations for FY 2021-22. The recommendation includes an increase of $27,114 General Fund and an identical decrease of reappropriated funds associated with the staff initiated adjustment to school finance administration (discussed above). The following table shows the recommended change from the FY 2020-21 appropriation and from the Department's request.

MANAGEMENT AND ADMINISTRATION, INFORMATION TECHNOLOGY, CORE OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$327,125	$126,702	$126,731	$73,692	$0	0.0
TOTAL	**$327,125**	**$126,702**	**$126,731**	**$73,692**	**$0**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$327,125	$126,702	$126,731	$73,692	$0	0.0
SI School finance admin adjustment	0	27,114	0	(27,114)	0	0.0
Centrally appropriated line items	(86,403)	(33,466)	(33,473)	(19,464)	0	0.0
TOTAL	**$240,722**	**$120,350**	**$93,258**	**$27,114**	**$0**	**0.0**
INCREASE/(DECREASE)	**($86,403)**	**($6,352)**	**($33,473)**	**($46,578)**	**$0**	**0.0**
Percentage Change	(26.4%)	(5.0%)	(26.4%)	(63.2%)	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$272,095**	**$105,388**	**$105,413**	**$61,294**	**$0**	**0.0**
Request Above/(Below) Recommendation	$31,373	($14,962)	$12,155	$34,180	$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 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request.

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 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request.

PAYMENTS TO OIT

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

STATUTORY AUTHORITY: Section 24-27.5-104, C.R.S.

REQUEST: The Department requests $1,007,531 total funds (including $433,842 General Fund) based on OSPB's common policies. The request represents a decrease of $220,942 total funds ($95,138 General Fund) below the FY 2020-21 appropriation, including the following changes:

- A decrease of $156,376 total funds associated with a non-prioritized decision item (OIT Budget Request Package).
- A decrease of $64,566 total funds for the statewide common policy adjustment for Payments to OIT.

RECOMMENDATION: The staff recommendation for the dollar amount for this line item is pending the Committee's common policy decision for FY 2021-22. Staff requests permission to adjust all pending line items and apply a fund split once the Committee establishes the relevant common policies.

(C) ASSESSMENTS AND DATA ANALYSES

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.

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

The adoption of new standards requires the development of new assessments to measure students' knowledge relative to the new standards. Section 22-7-1006 (1) (a), C.R.S., 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 on December 6, 2010.

Because the Colorado Student Assessment Program (CSAP) was aligned to the former statewide standards and would not be a viable assessment of the new standards, the Department discontinued use of the CSAP (spring 2011 was the final use of the former assessment). The Department used a temporary assessment (Temporary Colorado Assessment Program, or TCAP) for reading, writing, and mathematics in spring 2012, 2013, and 2014 to allow time for: (1) the development of new assessments and (2) local education providers to fully transition to the new standards before being held accountable for teaching the new standards. The TCAP only assessed areas of overlap between the "old" and "new" standards and therefore covered only a subset of both sets of standards.

In order to align the State's system of assessments with the current standards, Colorado moved forward with a new set of assessments, titled the Colorado Measures of Academic Success (CMAS).

- In FY 2013-14, Colorado started administering new state-specific science and social studies assessments. The science assessment replaced the TCAP, and the social studies assessment represents the State's first statewide standardized assessment in social studies.
- In FY 2014-15, Colorado started administering consortium-based assessments for mathematics and English language arts. Pursuant to H.B. 12-1240, Colorado became a governing member of the Partnership for Assessment of Readiness for College and Careers (PARCC) in August 2012. The General Assembly provided additional funds to develop items specific to the Colorado standards in FY 2013-14 and 2014-15. The Department began administering the PARCC assessments, including the items specific to the Colorado standards in spring 2015.

House Bill 15-1323 (Changes to Statewide Assessments), enacted during the 2015 Session, made further changes to the statewide assessment system. Specifically, the bill:

- Eliminates the PARCC/CMAS assessments in mathematics and English Language Arts for grades 10 and 11;
- Requires the Department to administer a 10th grade college entrance preparation exam (the Department is administering the PSAT in FY 2015-16, which replaces the 10th grade PARCC/CMAS assessments in mathematics and English language arts);
- Requires the Department to continue to administer a college entrance exam to students in 11th grade and to administer the writing portion of the exam when requested to do so by students. Please note that the Department continued to administer the ACT to 11th graders in FY 2015-16 but has now transitioned to the SAT.

A second bill enacted during the 2015 Session, S.B. 15-056 (Frequency of Statewide Social Studies Testing) allows the Department to administer the statewide social studies assessment on a sampling basis.

House Bill 17-1181 (Required State Assessment for Ninth-grade Students), enacted in 2017, eliminates the statewide assessments in English language arts and mathematics that were previously administered to ninth grade students and instead requires school districts to administer the pre-college entrance exam that is aligned with the pre-college entrance exam administered in tenth grade and the college entrance exam administered in eleventh-grade. As a result, beginning in FY 2017-18 school districts are administering the PSAT in ninth- and tenth grade and the SAT in eleventh grade. The following table shows the planned assessments for FY 2019-20 by grade level based on current law, as modified by H.B. 15-1323 and H.B. 17-1181, as well as the current federal requirements under the Every Student Succeeds Act.

Most recently, H.B. 20-1135 (Replace High School Social Studies Assessment) eliminated the high school social studies assessment beginning in FY 2020-21, which had previously been administered on a sampling basis.

The Committee should note that the Department is re-procuring the college entrance suite of exams for FY 2021-22. As a result, 10th and 11th graders will take the SAT exams, if those were the tests administered to the students in previous years. However, the 9th grade exam is unknown at this time.

The re-procurement will determine which suite of tests that the class of 2025 (those who are 9th graders in FY 2021-22) will take during high school.

ANTICIPATED FY 2021-22 STATEWIDE ASSESSMENT SCHEDULE		
GRADE	COLORADO MEASURES OF ACADEMIC SUCCESS* (STATE 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 exam math: aligned to CAS and college entrance exam	
11	reading writing 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 (ELP)	English Language Proficiency (ELP)

*The Department also administers alternate assessments for children with the most significant cognitive disabilities who are unable to participate in the general content and ELP assessments, even with accommodations. Alternate assessments are administered in the same grades and subjects as the general content and ELP state assessments. Alternate content assessments, outside of social studies, are partially funded through federal special education funding (IDEA Part B).

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 requests an appropriation of $31,569,615 total funds (including $24,382,329 cash funds from the State Education Fund and $7,187,286 federal funds) and 16.5 FTE for FY 2021-22. The request includes the following changes from the FY 2020-21 appropriation:

- An increase of $800 total funds to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of $1,014,000 cash funds from the State Education Fund associated with request R6 (Outdated Appropriations and Additional Program Suspensions). The request proposes to suspend the administration of fourth- and seventh-grade social studies assessments for FY 2020-21 only. <u>This reduction requires statutory change.</u>
- A decrease of $50,000 cash funds from the State Education Fund and 1.0 FTE associated with request R8 (Personal Services and Operating Reductions). The request proposes to eliminate an administrative assistant position that has previously supported the assessment unit. The Department reports that the position has been vacant since July 2018 and that other staff have absorbed the previous duties of the position.

RECOMMENDATION: Staff recommends approving an appropriation of $31,878,113 total funds, including $24,660,227 cash funds from the State Education Fund and $7,217,885 federal funds and 16.5 FTE.

- The recommendation does not include the requested reduction of $1,014,000 cash funds from the State Education Fund to suspend the administration of fourth- and seventh-grade social studies assessments (associated with request R8) as that request requires statutory change and is not appropriate for inclusion in the Long Bill.
- The recommendation does include a reduction of $50,000 cash funds from the State Education Fund and 1.0 FTE proposed in request R8.
- Finally, staff has also adjusted the recommended appropriation to align with the Department's best available estimates of the cost of the assessment program for FY 2021-22. The major change is a $1.3 million decrease in the anticipated cost of the college entrance suite of exams below the assumption used in the

Below is a detailed discussion of the recommended appropriation for this line item for FY 2021-22, followed by discussions of each major component of the recommendation.

Overview of Line Item Recommendation: The following table provides an overview of the existing FY 2020-21 appropriation and the recommendation for FY 2021-22. The sections following the table provide additional detail for each component shown in the overview.

SUMMARY OF FY 2020-21 RECOMMENDATION FOR STATEWIDE ASSESSMENT PROGRAM LINE ITEM			
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2021-22 ESTIMATE/STAFF REC.	ANNUAL CHANGE
I. CMAS: Contract for developing, scoring, and reporting CMAS (not including alternate assessments) - math and English	**12,477,677**	**12,477,677**	**0**
Cash Funds - State Education Fund	10,776,905	10,776,905	0
Federal Funds	1,700,772	1,700,772	0
II. Alternate Math and English Assessments: Contract for developing, scoring, and reporting Alternate CMAS	**950,000**	**950,000**	**0**
Federal Funds	950,000	950,000	0
III. Science and Social Studies: Contract for developing, scoring, and reporting science and social studies assessments	**6,376,102**	**6,094,179**	**(281,923)**
Cash Funds - State Education Fund	6,085,898	5,803,975	(281,923)
Federal Funds	290,204	290,204	0
IV. Alternate Science and Social Studies: Contract to develop, score, and report Alternate assessments for science and social studies	**1,612,341**	**1,597,719**	**(14,622)**
Cash Funds - State Education Fund	986,919	941,052	(45,867)
Federal Funds	625,422	656,667	31,245
V. English Language Proficiency: Contract for developing, scoring, and reporting the Colorado English Language Assessment /(ACCESS)	**3,007,202**	**3,007,210**	**8**
Cash Funds - State Education Fund	951,351	951,354	3
Federal Funds	2,055,851	2,055,856	5
VI. College Entrance - Cash Funds (State Education Fund)	**5,124,889**	**3,823,091**	**(1,301,798)**
VII. Spanish Language Arts:	**1,785,465**	**1,803,320**	**17,855**
Cash Funds - State Education Fund	1,785,465	1,803,320	17,855
Federal Funds	0	0	0
VIII. Administration: Staff and operating expenses	**2,174,914**	**2,174,914**	**0**
FTE	17.5	16.5	(1)
Cash Funds - State Education Fund	610,528	560,531	(49,997)
Federal Funds	1,564,386	1,564,386	0
Adjustment to Align with Request - Cash Funds	(208,095)	0	n/a
Total	**33,300,495**	**31,878,113**	**(1,422,382)**
FTE	**17.5**	**17.5**	**0**
Cash Funds - State Education Fund	26,113,860	24,660,227	(1,453,633)
Federal Funds	7,186,635	7,217,885	31,250

I. ENGLISH LANGUAGE ARTS AND MATHEMATICS – CONTRACT FOR DEVELOPMENT, SCORING, AND REPORTING RELATED TO CMAS IN MATHEMATICS AND ENGLISH LANGUAGE ARTS IN FY 2018-19 AND FY 2019-20

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 2021-22 reflect the Department's estimates of costs for the CMAS. The following table details the basis for the FY 2021-22 recommendation. The contract shifted from a per-student cost in FY 2017-18 to an itemized cost starting in FY 2018-19. The Department is not expecting any change in the cost of these assessments from FY 2020-21 to FY 2021-22.

MATH AND ENGLISH LANGUAGE ARTS TEST ADMINISTRATION COSTS			
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2021-22 ESTIMATE	ANNUAL CHANGE
Content Development	$3,690,224	$3,690,224	$0
Ancillary Development	580,426	580,426	0
Program Management	1,303,743	1,303,743	0
Information Technology (test management, test admin and reporting systems)	1,194,659	1,194,659	0
Psychometrics	786,808	786,808	0
Quality Assurance/Customer Service	190,460	190,460	0
Product_Mg._Dist	925,204	925,204	0
Receiving/Scanning/Editing	380,156	380,156	0
Reporting	746,514	746,514	0
Scoring	2,118,336	2,118,336	0
Travel and Meetings	561,147	561,147	0
Total Assessments	**$12,477,677**	**$12,477,677**	**$0**
Cash funds - State Education Fund	10,776,905	10,776,905	0
Federal Funds (Assessment & IDEA B)	1,700,772	1,700,772	0

Recommendation I. English Language Arts and Mathematics: As detailed in the above table, staff recommends providing $12,477,677 total funds to cover the costs of mathematics and English language arts administration in FY 2021-22. The recommendation includes $10,776,905 cash funds from the State Education Fund and $1,700,772 federal funds.

II. ALTERNATE ENGLISH LANGUAGE ARTS AND MATHEMATICS – CONTRACT WITH PEARSON TO DEVELOP, SCORE, AND REPORT ALTERNATE ENGLISH LANGUAGE ARTS AND MATHEMATICS ASSESSMENTS FOR STUDENTS WITH COGNITIVE DISABILITIES

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 2020-21 APPROPRIATION	FY 2021-22 STAFF RECOMMENDATION	ANNUAL CHANGE
Totals Alternate Assessments	$950,000	$950,000	$0
Federal Funds (Assessment & IDEA B)	950,000	950,000	0

Recommendation II. Alternate English Language Arts and Math: As shown in the table above, staff recommends reflecting a continuation appropriation of $950,000 federal funds in FY 2021-22 for the development and administration of alternate English language arts and mathematics assessments for students with significant cognitive disabilities, with no change from the FY 2020-21 appropriation.

III. SCIENCE AND SOCIAL STUDIES – CONTRACT FOR SCIENCE AND SOCIAL STUDIES ASSESSMENTS

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 discussed above, the Department is proposing to suspend administration of the social studies assessments in fourth- and seventh-grades for FY 2021-22. However, that proposal requires statutory change and is not assumed in the following table.

SUMMARY OF COSTS ASSOCIATED WITH PEARSON CONTRACT FOR SCIENCE AND SOCIAL STUDIES			
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2021-22 ESTIMATE	ANNUAL CHANGE
Content Development	$1,316,500	1,298,371	($18,129)
Ancillary Development	680,576	679,508	(1,068)
Program Management	604,076	579,873	(24,203)
Information Technology (2019: test management, test admin and reporting systems)	1,216,983	1,157,784	(59,199)
Psychometrics	263,418	239,782	(23,636)
Quality Assurance/Customer Service	112,356	102,274	(10,082)
Product_Mg._Dist	129,926	118,268	(11,658)
Receiving/Scanning/Editing	91,653	83,429	(8,224)
Reporting	421,561	383,735	(37,826)
Scoring	1,318,919	1,250,774	(68,145)
Travel and Meetings	220,134	200,381	(19,753)
Total Assessments	**$6,376,102**	**$6,094,179**	**($281,923)**
Cash funds - State Education Fund	6,085,898	5,803,975	($281,923)
Federal Funds (Assessment & IDEA B)	290,204	290,204	0

Recommendation III. Science and Social Studies: As detailed in the table above, staff recommends appropriating a total of $6,094,179 for the ongoing development and administration of science and social studies assessments in FY 2021-22, including $5,803,975 cash funds from the State Education Fund and $290,204 federal funds. The recommendation for the Long Bill appropriation does not include the proposed reduction to suspend administration of the social studies assessments in FY 2021-22.

IV. ALTERNATE SCIENCE AND SOCIAL STUDIES – CONTRACT TO DEVELOP, SCORE, AND REPORT ALTERNATE SCIENCE AND SOCIAL STUDIES ASSESSMENTS FOR STUDENTS WITH SIGNIFICANT COGNITIVE DISABILITIES

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 the current FY 2020-21 appropriation and the staff recommendation for FY 2021-22.

SUMMARY OF COSTS ASSOCIATED WITH PEARSON CONTRACT FOR ALTERNATE SCIENCE AND SOCIAL STUDIES			
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2021-22 ESTIMATE	ANNUAL CHANGE
Content Development	$282,260	$279,700	($2,560)
Ancillary Development	79,976	79,251	(725)
Program Management	221,586	219,576	(2,010)
Information Technology	270,398	267,946	(2,452)
Psychometrics	235,884	233,745	(2,139)
Quality Assurance/Customer Service	4,252	4,213	(39)
Product_Mg._Dist	21,710	21,513	(6,197)

SUMMARY OF COSTS ASSOCIATED WITH PEARSON CONTRACT FOR ALTERNATE SCIENCE AND SOCIAL STUDIES			
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2021-22 ESTIMATE	ANNUAL CHANGE
Receiving/Scanning/Editing	46,192	45,773	(419)
Reporting	245,483	243,257	(2,226)
Travel and Meetings	204,600	202,744	(1,856)
Totals Alternate Assessments	**$1,612,341**	**$1,597,719**	**($20,622)**
Cash funds - State Education Fund	986,919	941,052	(45,867)
Federal Funds (Assessment & IDEA B)	625,422	656,667	31,245

Recommendation IV. Alternate Science and Social Studies: As detailed in the table above, staff recommends appropriating a total of $1,597,719 for the development and administration of alternate science and social studies assessments for students with significant cognitive disabilities in FY 2021-22, including $941,052 cash funds from the State Education Fund and $656,667 federal funds.

V. 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 2021-22. For the past several years, the State has contracted with the University of Wisconsin to administer the ACCESS assessments. The Department began using a revised version of the assessment in FY 2015-16. The revised version includes both a paper-based form and an on-line form. The following table shows the FY 2020-21 appropriation and the FY 2021-22 recommendation for this component.

SUMMARY OF ENGLISH LANGUAGE PROFICIENCY COSTS ASSOCIATED WITH ACCESS CONTRACT WITH UNIVERSITY OF WISCONSIN			
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2021-22 ESTIMATE	ANNUAL CHANGE
Online Price per Student	$27.75	$27.75	$0
Paper Price per Student	$27.75	$27.75	0
Alternate Price per Student	$141.25	$141.25	0
Total Population Estimate	105,000	105,000	0
Online Population Estimate	*91,300*	*91,300*	0
Paper Population Estimate	*12,500*	*12,500*	0
Alternate Population Estimate	1,200	1,200	0

SUMMARY OF ENGLISH LANGUAGE PROFICIENCY COSTS ASSOCIATED WITH ACCESS CONTRACT WITH UNIVERSITY OF WISCONSIN			
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2021-22 ESTIMATE	ANNUAL CHANGE
Online Cost Estimate	$2,533,575	$2,533,575	$0
Paper Cost Estimate	346,8745	346,875	0
Alternate Cost Estimate	169,500	169,500	0
Additional Cost for Students Requiring Braille	2,252	2,260	8
Discount	(45,000)	(45,000)	0
Totals	**$3,007,202**	**$3,007,210**	**$8**
Cash funds - State Education Fund	951,351	951,354	3
Federal Funds	2,055,851	2,055,856	5

Recommendation V. English Language Proficiency (ACCESS): As detailed in the table above, staff recommends appropriating $3,007,210 total funds (including $951,354 cash funds from the State Education Fund and $2,055,856 federal funds) to support English language proficiency assessments in FY 2021-22.

VI. COLLEGE ENTRANCE SUITE – FUNDING FOR ADMINISTRATION OF SPRING 2022 COLLEGE ENTRANCE AND COLLEGE ENTRANCE PREPARATION

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. The Department administered the ACT to all 11th graders from 2001 (following the passage of S.B. 00-186) through 2016. However, under the requirements enacted in H.B. 15-1323, FY 2015-16 was the Department's final year administering the ACT, and the Department transitioned to the College Board entrance exam (SAT) and preparation exam (PSAT). Please note that the Department is re-procuring the college entrance exam for FY 2021-22. Depending on the procurement process, the test *could* change for students entering 9th grade in FY 2021-22. The estimates for this component include a decrease in cost below the amounts assumed in the FY 2020-21 appropriation – but there is additional uncertainty in this cost estimate for FY 2021-22.

The following table details the basis for the existing FY 2020-21 appropriation and staff's recommendation for FY 2021-22 for the college entrance suite of tests.

SUMMARY OF COSTS ASSOCIATED WITH COLLEGE ENTRANCE SUITE			
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2021-22 ESTIMATE	ANNUAL CHANGE
College Entrance Test 22-7-1006.3 (2)(b) -- *Required*			
Estimated # of students	*60,840*	*61,314*	*474*
Price per student	$52.00	$33.50	($18.50)
Subtotal:	**$3,163,680**	**$2,054,019**	**($1,109,661)**
College Entrance Test 22-7-1006.3 (2)(b) -- Student Request			
Estimated # of Students	*12,168*	*12,263*	*95*
Price per student	$16.00	$9.20	(6.80)
Subtotal:	**$194,688**	**$112,818**	**(81,870)**
10th Grade Test -- 22-7-1006.3(2)(a.5)*			
Estimated # of students	*62,280*	*62,847*	*567*

SUMMARY OF COSTS ASSOCIATED WITH COLLEGE ENTRANCE SUITE			
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2021-22 ESTIMATE	ANNUAL CHANGE
Price per student	$14.00	$12.00	($2.00)
Subtotal:	**$871,920**	**$754,164**	**($117,756)**
9th Grade Test -- 22-7-1006.3(2)(a)*			
Estimated # of students	*63,900*	*64,435*	*535*
Price per student	$14.00	$14.00	$0
Subtotal:	**$894,600**	**$902,090**	**$7,490**
TOTAL	**$5,124,888**	**$3,823,091**	**($1,301,797)**

Recommendation VI. College Entrance Suite: As detailed in the table above, the staff recommends appropriating $3,823,091 cash funds from the State Education Fund for the college entrance suite contract for FY 2021-22.

VII. SPANISH LANGUAGE ARTS – SUPPORT ADMINISTRATION OF A SPANISH LANGUAGE ARTS ASSESSMENT ALIGNED TO THE CURRENT STATEWIDE STANDARDS

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.[5] For eligible students, the Spanish reading and writing assessments substitute for the CMAS English language arts assessments. The following table shows the FY 2020-21 appropriation and FY 2021-22 staff recommendation for this component.

SUMMARY OF SPANISH LANGUAGE ARTS (READING AND WRITING)		
	FY 2020-21 APPROPRIATION	FY 2021-22 STAFF RECOMMENDATION
Totals - Spanish Language Arts	**$1,785,465**	**$1,803,320**
Administration of Assessment - CF - State Education Fund	1,785,465	1,803,320

Recommendation VII. Spanish Language Arts: As detailed in the table above, staff recommends appropriating $1,803,320 cash funds from the State Education Fund for Spanish language arts assessments in FY 2021-22.

VIII. ADMINISTRATION – SUPPORT FOR STATE STAFF THAT ADMINISTER ASSESSMENTS

The following table displays the personal services and operating expenses components of the Department's administration of the statewide assessment program, including the FY 2020-21 appropriation and the FY 2021-22 staff recommendation. With request R8 (Personal Services and Operating Reductions), the Department is proposing a reduction of $50,000 cash funds from the State Education Fund and 1.0 FTE to eliminate an administration assistant position that has been vacant since July 2018. The staff recommendation includes approval of that reduction, as well as adjustments based on the annualization of S.B. 18-200.

[5] According to the Department, eligible students: (1) must be in grade 3 or 4; (2) must have had instruction in an English language proficiency program three years or less; and must have had instruction and assessments in their native language in reading and writing in the current or previous school year. In FY 2018-19, 2,910 students took these assessments, including 1,734 in grade 3 and 1,176 in grade 4.

SUMMARY OF COSTS ADMINISTRATION PORTION OF STATE ASSESSMENT LINE ITEM			
DESCRIPTION	FY 2020-21 APPROP.	FY 2021-22 ESTIMATE	ANNUAL CHANGE
Subtotal Personal Services	$2,086,766	$2,036,783	($49,983)
FTE	17.5	16.5	$0
Cash funds - State Education Fund	568,448	518,451	($49,997)
Federal Funds	1,518,318	1,518,332	$14
Subtotal: Operating Expenses	**$88,148**	**$88,148**	**($0)**
Cash funds - State Education Fund	42,080	42,080	0
Federal Funds	46,068	46,068	(0)
Total Administration Costs	**$2,174,914**	**$2,124,931**	**($49,983)**
FTE	**17.5**	**16.5**	**0.0**
Cash funds - State Education Fund	610,528	560,531	(49,997)
Federal Funds	1,564,386	1,564,400	14

Recommendation VIII. Administration: As detailed in the table above, staff recommends appropriating $2,124,931 total funds and 16.5 FTE for expenditures related to staff who administer the statewide assessment program in FY 2021-22. The recommendation aligns with anticipated expenditures in FY 2021-22 and includes the proposed reduction of $50,000 cash funds and 1.0 FTE associated with request R8 (discussed above). Given that the position has been vacant since July 2018 and the Department has indicated that other staff have absorbed the administrative workload, staff recommends approving that reduction. The fund sources in the staff recommendation are based on information provided by the Department.

LONGITUDINAL ANALYSES OF STUDENT ASSESSMENT RESULTS

This line item provides funding and staff for longitudinal analyses of student assessment results, including the assignment of individual student identifiers for all students in public schools, including preschool children participating in the Colorado Preschool Program and disabled preschool children receiving special education services. The General Assembly has provided General Fund to support 4.1 FTE within this line item for ongoing work associated with the longitudinal data system. In addition, the Department received a federal grant to improve state longitudinal data systems in FY 2010-11, and used those funds through FY 2013-14. The Department used the federal grant to replace the state's data collection system, link student data from prekindergarten to the workforce, and provide additional enhancements to the state's data systems. In FY 2014-15, H.B. 14-1298 (School Finance) appropriated $298,000 cash funds from the State Education Fund to support the creation and assignment of unique student identifiers for children receiving state- or federally- subsidized early childhood education services. The General Assembly has continued that amount each year since then, including FY 2020-21.

STATUTORY AUTHORITY: Section 22-2-134, C.R.S.

REQUEST: The Department an appropriation of $761,832 total funds (including $463,832 General Fund and $298,000 cash funds from the State Education Fund) and 4.1 FTE for FY 2021-22. The request includes the following changes from the FY 2019-20 appropriation.

- An increase of $109 General Fund to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

- A decrease of $4,250 General Fund associated with request R8 (Personal Services and Operating Reductions). The request proposes to reduce the operating expenses by that amount.

RECOMMENDATION: Staff recommends approving an appropriation of $761,725 total funds (including $463,725 General Fund and $298,000 cash funds from the State Education Fund) and 4.1 FTE. The recommendation includes the requested reduction of $4,250 General Fund associated with request R8. The $107 difference from the request is based on the Committee's common policy adjustment to the annualization of S.B. 18-200. The following table shows the recommended changes from the FY 2020-21 appropriation.

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, LONGITUDINAL ANALYSES OF STUDENT ASSESSMENT RESULTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$765,973	$467,973	$298,000	$0	$0	4.1
TOTAL	**$765,973**	**$467,973**	**$298,000**	**$0**	**$0**	**4.1**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$765,973	$467,973	$298,000	$0	$0	4.1
Annualize prior year legislation	2	2	0	0	0	0.0
R8 Personal services and operating reductions	(4,250)	(4,250)	0	0	0	0.0
TOTAL	**$761,725**	**$463,725**	**$298,000**	**$0**	**$0**	**4.1**
INCREASE/(DECREASE)	**($4,248)**	**($4,248)**	**$0**	**$0**	**$0**	**0.0**
Percentage Change	(0.6%)	(0.9%)	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$761,832**	**$463,832**	**$298,000**	**$0**	**$0**	**4.1**
Request Above/(Below) Recommendation	$107	$107	$0	$0	$0	0.0

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.

STATUTORY AUTHORITY: Section 22-32-109.5, C.R.S.

REQUEST: With request R6 (Outdated Appropriations and Additional Program Suspensions, discussed above), the Department is proposing to eliminate this appropriation for FY 2021-22 based on the lack of use of the program.

RECOMMENDATION: Staff recommends approving a continuation appropriation of $50,000 cash funds from the State Education Fund for the Long Bill. Given that current law requires the State to provide the reimbursements if requested, maintaining the appropriation in the Long Bill seems appropriate. However, staff does recommend including statutory change in separate legislation (possibly the School Finance Bill) to repeal this program and eliminate the appropriation. Should the program and the appropriation remain in place, any unused funds will revert to the State Education Fund and be available for appropriation in FY 2022-23.

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: The Department requests an appropriation of $662,949 total funds (including $37,316 General Fund and $625,633 cash funds from the State Education Fund) and 4.0 FTE for FY 2021-22. The request includes the following changes from the FY 2020-21 appropriation.

- An increase of increase of $191 total funds to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of $9,914 cash funds from the State Education Fund associated with request R8 (Personal Services and Operating Reductions, discussed above). The proposed reduction would decrease the program's appropriation for operating expenses.

RECOMMENDATION: Staff recommends approving an appropriation of $662,762 total funds (including $37,309 General Fund and $625,453 cash funds from the State Education Fund) and 4.0 FTE. The recommendation includes the reduction of $9,914 cash funds from the State Education Fund associated with request R8. Finally, the recommendation is $187 total funds below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200. The following table shows the recommended changes from the FY 2020-21 appropriation.

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, PRESCHOOL TO POSTSECONDARY EDUCATION ALIGNMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$672,672	$37,309	$635,363	$0	$0	4.0
TOTAL	**$672,672**	**$37,309**	**$635,363**	**$0**	**$0**	**4.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$672,672	$37,309	$635,363	$0	$0	4.0
Annualize prior year legislation	4	0	4	0	0	0.0
R8 Personal services and operating reductions	(9,914)	0	(9,914)	0	0	0.0
TOTAL	**$662,762**	**$37,309**	**$625,453**	**$0**	**$0**	**4.0**

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, PRESCHOOL TO POSTSECONDARY EDUCATION ALIGNMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	**($9,910)**	**$0**	**($9,910)**	**$0**	**$0**	**0.0**
Percentage Change	(1.5%)	0.0%	(1.6%)	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$662,949**	**$37,316**	**$625,633**	**$0**	**$0**	**4.0**
Request Above/(Below) Recommendation	$187	$7	$180	$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).

STATUTORY AUTHORITY: Section 22-9-104, C.R.S.

REQUEST: The Department requests an appropriation of $1,881,315 total funds (including $1,757,031 General Fund and $124,284 cash funds from the State Education Fund) and 11.5 FTE for FY 2021-22. The request includes the following changes from the FY 2020-21 appropriation.

- An increase of $558 total funds to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of $130,500 total funds ($118,000 General Fund and $12,500 cash funds from the State Education Fund) and 1.0 FTE associated with request R8 (Personal Services and Operating Reductions, discussed above). The proposed reduction includes: (1) $110,000 General Fund associated with an educator effectiveness coordinator FTE that has been vacant since March 2020; and (2) $12,500 cash funds from the State Education Fund for operating expenses.

RECOMMENDATION: Staff recommends approving an appropriation of $1,998,769 total funds (including $1,874,530 General Fund and $124,239 cash funds from the State Education Fund) and 12.5 FTE. The recommendation includes the proposed reduction of $12,500 cash funds from the State Education Fund for operating expenses. However, staff recommends denying the requested reduction of $118,000 General Fund and 1.0 FTE at this time (as discussed above with request R8). If additional reductions are necessary for budget balancing then staff would recommend that the Committee revisit the position proposed for elimination in this line item.

The remainder of the difference from the request is due to the Committee's common policy adjustment to the annualization of S.B. 18-200. The following table shows the recommended changes from the FY 2020-21 appropriation.

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, EDUCATOR EFFECTIVENESS UNIT ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$2,011,257	$1,874,519	$136,738	$0	$0	12.5
TOTAL	**$2,011,257**	**$1,874,519**	**$136,738**	**$0**	**$0**	**12.5**

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, EDUCATOR EFFECTIVENESS UNIT ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$2,011,257	$1,874,519	$136,738	$0	$0	12.5
Annualize prior year legislation	12	11	1	0	0	0.0
R8 Personal services and operating reductions	(12,500)	0	(12,500)	0	0	0.0
TOTAL	**$1,998,769**	**$1,874,530**	**$124,239**	**$0**	**$0**	**12.5**
INCREASE/(DECREASE)	**($12,488)**	**$11**	**($12,499)**	**$0**	**$0**	**0.0**
Percentage Change	(0.6%)	0.0%	(9.1%)	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$1,881,315**	**$1,757,031**	**$124,284**	**$0**	**$0**	**11.5**
Request Above/(Below) Recommendation	($117,454)	($117,499)	$45	$0	$0	(1.0)

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.

STATUTORY AUTHORITY: Section 22-11-201, C.R.S.

REQUEST: The Department requests a continuation appropriation of $1,720,318 total funds (including $1,169,986 General Fund and $550,332 federal funds) and 10.4 FTE for FY 2021-22. The request includes the following changes from the FY 2020-21 appropriation.

- An increase of increase of $235 General Fund to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of $64,568 General Fund and 1.0 FTE associated with request R8 (Personal Services and Operating Reductions, discussed above). The proposal would eliminate the funding an FTE related to a vacant Accountability Division and Evaluation Manager position. The Department reports that this is a new position and has not been filled.

RECOMMENDATION: Staff recommends approving an appropriation of $1,784,656 total funds, including $1,234,324 General Fund and $550,332 federal funds, and 11.4 FTE for FY 2021-22. The recommendation does not include the reduction of $64,568 General Fund and 1.0 FTE associated with request R8, though staff recommends that the Committee revisit that position if significant reductions become necessary during balancing. The remainder of the difference from the request is based on the Committee's common policy adjustment to the annualization of S.B. 18-200. The following table shows the recommended changes from the FY 2020-21 appropriation.

MANAGEMENT AND ADMINISTRATION, ASSESSMENTS AND DATA ANALYSES, ACCOUNTABILITY AND IMPROVEMENT PLANNING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$1,784,651	$1,234,319	$0	$0	$550,332	11.4
TOTAL	**$1,784,651**	**$1,234,319**	**$0**	**$0**	**$550,332**	**11.4**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$1,784,651	$1,234,319	$0	$0	$550,332	11.4
Annualize prior year legislation	5	5	0	0	0	0.0
R8 Personal services and operating reductions	0	0	0	0	0	0.0
TOTAL	**$1,784,656**	**$1,234,324**	**$0**	**$0**	**$550,332**	**11.4**
INCREASE/(DECREASE)	**$5**	**$5**	**$0**	**$0**	**$0**	**0.0**
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$1,720,318**	**$1,169,986**	**$0**	**$0**	**$550,332**	**10.4**
Request Above/(Below) Recommendation	($64,338)	($64,338)	$0	$0	$0	(1.0)

(D) STATE CHARTER SCHOOL INSTITUTE

Background Information: This subsection 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.]

Similar to a school district, the SCSI is authorized to use a portion of its charter schools' per pupil revenues to cover its expenditures related to authorizing and overseeing charter schools. Thus, 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 will be shown in the FY 2020-21 Long Bill 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).

There are currently 40 Institute charter schools, located in 15 different school districts and serving more than 20,000 students (19,500 funded pupils). The CSI is currently estimating a total pupil count of 20,743 funded pupils in FY 2021-22 (an increase of 1,243 (6.4 percent)).

STATE CHARTER SCHOOL INSTITUTE ADMINISTRATION, OVERSIGHT, AND MANAGEMENT

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

STATUTORY AUTHORITY: Section 22-30.5-501 et seq., C.R.S. and Section 22-30.5-513, C.R.S.

REQUEST: The Department requests an appropriation of $3,500,000 reappropriated funds and 11.7 FTE for FY 2021-22, with no change from the 2020-21 appropriation. The funds are continuously appropriated to the Department and are shown in the Long bill for informational purposes only.

RECOMMENDATION: Staff recommends approving the requested informational appropriation.

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.

As noted above, 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. The statute requires the SCSI to distribute any amount above $750,000 remaining in the fund at the end of the year to all SCSI schools on an equal per pupil basis and continuously appropriates the excess balance to the SCSI. Thus, while the FY 2018-19 appropriation included only $460,000 from the fund, the SCSI actually spent a total of $1,689,635 from the fund to remain under the $750,000 limit at the end of the fiscal year.

STATUTORY AUTHORITY: Section 22-30.5-515.5, C.R.S.

REQUEST: The Department requests a continuation appropriation of $460,000 cash funds from the Institute Charter School Assistance Fund, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request, while noting that the appropriation underestimates likely expenditures from the fund based on the balance limitations discussed above.

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 SCSI.

STATUTORY AUTHORITY: Section 22-30.5-513 (9) (a), C.R.S.

REQUEST: The Department requests an informational appropriation of $9,000,000 reappropriated funds for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request for an informational appropriation of $9,000,000. Staff notes that recent expenditures have exceeded that amount (e.g., $23.8 million in FY 2019-20). As a result, the Committee may wish to consider increasing the informational appropriation to better align with actual expenditures.

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: The Department requests a continuation appropriation of $7,600,000 reappropriated funds and 4.5 FTE, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request, to be shown in the Long Bill for informational purposes only. Similar to the previous line item, staff notes that actual expenditures have been well above the appropriation amount in recent years (e.g., $17.1 million in FY 2019-20). As a result, the Committee may wish to consider increasing the informational appropriation to better align with actual expenditures.

DEPARTMENT IMPLEMENTATION OF SECTION 22-30.5-501 ET SEQ., C.R.S.

This line item authorizes the Department to spend a portion of SCSI 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: The Department requests a continuation appropriation of $240,110 reappropriated funds and 1.6 FTE, including the following increases above the FY 2020-21 appropriation.

- An increase of $118 to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $239,994 reappropriated funds and 1.6 FTE for FY 2021-22. The recommendation is $116 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200. The (non-SCSI) 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.

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 SCSI 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, SCSI 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: The Department requests a continuation appropriation of $11,200,000 total funds (including $5,600,000 General Fund to be appropriated into the Mill Levy Equalization Fund and $5,600,000 reappropriated funds to appropriate that amount out of the cash fund for distribution to SCSI schools), with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. Staff notes that the FY 2020-21 appropriation for this line item was reduced by $2.8 million total funds ($1.4 million General Fund) below the FY 2019-20 appropriation as a budget balancing action. The Department's request and the staff recommendation would continue that reduction for FY 2021-22.

(E) INDIRECT COST ASSESSMENT

INDIRECT COST ASSESSMENT

Pursuant to the Committee's common policy to improve the transparency of the treatment of indirect costs, the FY 2013-14 Long Bill included a new 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 $841,213 total funds (including $484,298 cash funds and $356,915 federal funds) for FY 2021-22. The request represents an increase of $56,456 total funds above the FY 2020-21 appropriation based on the Department's projections of indirect cost assessments for FY 2021-22.

RECOMMENDATION: Based on updated information provided by the Department, staff recommends approving an appropriation of $857,586 total funds (including $493,724 cash funds and $363,862 federal funds) for FY 2021-22. However, staff also requests permission to revise the amount if necessary based on the Committee's common policy decisions. The following table shows the recommended change from the FY 2020-21 appropriation.

MANAGEMENT AND ADMINISTRATION, INDIRECT COST ASSESSMENT, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$784,757	$0	$451,796	$0	$332,961	0.0
TOTAL	**$784,757**	**$0**	**$451,796**	**$0**	**$332,961**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$784,757	$0	$451,796	$0	$332,961	0.0
Indirect cost assessments	72,829	0	41,928	0	30,901	0.0
TOTAL	**$857,586**	**$0**	**$493,724**	**$0**	**$363,862**	**0.0**
INCREASE/(DECREASE)	**$72,829**	**$0**	**$41,928**	**$0**	**$30,901**	**0.0**
Percentage Change	9.3%	0.0%	9.3%	0.0%	9.3%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$841,213**	**$0**	**$484,298**	**$0**	**$356,915**	**0.0**
Request Above/(Below) Recommendation	($16,373)	$0	($9,426)	$0	($6,947)	0.0

(2) ASSISTANCE TO PUBLIC SCHOOLS

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

ASSISTANCE TO PUBLIC SCHOOLS	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 Appropriation						
HB 20-1360 (Long Bill)	$6,188,918,145	$4,612,447,384	$979,762,053	$4,118,845	$592,589,863	226.8
HB 20-1418 (School Finance)	(532,382,433)	(722,777,639)	32,401,424	0	157,993,782	(3.0)
HB 20B-1001 (Grants to Improve Internet Access in P-12 Ed)	20,000,000	20,000,000	0	0	0	0.0
SB 21-053 (Mid-year school funding)	85,194,309	60,194,309	25,000,000	0	0	0.0
TOTAL	**$5,761,730,021**	**$3,969,864,054**	**$1,037,163,477**	**$4,118,845**	**$750,583,645**	**223.8**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$5,761,730,021	$3,969,864,054	$1,037,163,477	$4,118,845	$750,583,645	223.8
R1/BA1 Total program increase	164,000,822	(37,569,300)	201,570,122	0	0	0.0
R2 Categorical programs increase	6,889,468	0	6,889,468	0	0	0.0
R4 Repurpose early intervention funding	0	0	0	0	0	0.0
R5 Maintain FY 2020-21 reductions	0	0	0	0	0	0.0
R6 Outdated appropriations and additional program suspensions	0	0	0	0	0	0.0
R7 Reduce capital construction assistance	0	0	0	0	0	0.0
R8 Personal services and operating reductions	(481,957)	(64,957)	(417,000)	0	0	(0.8)
R9 Return unused appropriations	(250,000)	0	(250,000)	0	0	0.0
SI Facility schools adjustment	340,475	0	340,475	0	0	0.0
SI School finance admin adjustment	0	1,817,001	0	(1,817,001)	0	0.0
SI Start smart adjustment	(900,000)	(900,000)	900,000	(900,000)	0	0.0
SI School lunch protection adjustment	(550,000)	(550,000)	0	0	0	0.0
Indirect cost assessments	275,776	0	0	0	275,776	0.0
Annualize prior year budget actions	50,000	50,000	0	0	0	0.0
Annualize prior year legislation	(239,050,977)	(79,457,378)	(1,599,969)	18	(157,993,648)	0.4
Other technical adjustments	(294,725)	0	(294,725)	0	0	0.0
TOTAL	**$5,691,758,903**	**$3,853,189,420**	**$1,244,301,848**	**$1,401,862**	**$592,865,773**	**223.4**
INCREASE/(DECREASE)	**($69,971,118)**	**($116,674,634)**	**$207,138,371**	**($2,716,983)**	**($157,717,872)**	**(0.4)**
Percentage Change	(1.2%)	(2.9%)	20.0%	(66.0%)	(21.0%)	(0.2%)
FY 2021-22 EXECUTIVE REQUEST	**$6,290,132,812**	**$4,311,643,685**	**$1,260,793,339**	**$3,894,835**	**$713,800,953**	**219.8**
Request Above/(Below) Recommendation	$598,373,909	$458,454,265	$16,491,491	$2,492,973	$120,935,180	(3.6)

DECISION ITEMS - ASSISTANCE TO PUBLIC SCHOOLS

➔ R1/BA1 TOTAL PROGRAM INCREASE [REQUIRES LEGISLATION]

REQUEST: As modified by BA1, the Department's request for school finance for FY 2021-22 targets a $480.3 million reduction to the budget stabilization factor (from $1.05 billion in the adjusted FY 2020-21 appropriation to a proposed $572.4 million in FY 2021-22). The proposal represents a

reduction of $601.1 million below the level of the budget stabilization factor in the original FY 2020-21 appropriation. In doing so, the request proposes to restore the budget stabilization factor to the dollar amount from FY 2019-20, before the impact of the pandemic and recession.

The following table shows the FY 2020-21 appropriation (as adjusted by S.B. 21-053), the proposed fund sources for FY 2021-22, and the requested change from the FY 2020-21 appropriation.

REQUESTED FUND SOURCES FOR THE STATE SHARE OF DISTRICTS' TOTAL PROGRAM			
FUND SOURCE	FY 2020-21 APPROPRIATION (ADJUSTED)	FY 2020-21 REQUEST	ANNUAL CHANGE
General Fund	$3,752,935,918	$4,133,824,788	$380,888,870
Annual Percent Change	*-9.92%*	*10.15%*	
Cash Funds (State Education Fund)	297,944,140	534,473,258	236,529,118
Annual Percent Change	*-26.74%*	*79.39%*	
Cash Funds (State Public School Fund)	173,817,958	154,399,013	(19,418,945)
Annual Percent Change	*212.15%*	*-11.17%*	
Total State Funds	**$4,224,698,017**	**$4,822,697,059**	**$597,999,042**

RECOMMENDATION: Pursuant to current law, staff's preliminary recommendation *for the Long Bill appropriation for total program* would hold the budget stabilization factor constant at $1.053 billion. As the Long Bill is written to current law, the staff recommendation does not include any change in the budget stabilization factor and assumes that the General Assembly would accomplish any such change through the School Finance Bill.

Based on estimates of local revenues for FY 2021-22, staff recommends approving an appropriation of $4,342,793,552 total funds. The preliminary staff recommendation includes $3,674,461,332 General Fund, $499,783,947 cash funds from the State Education Fund, and $168,548,273 cash funds from the State Education Fund. Please note that the fund sources are certain to change based on the March 2021 revenue forecasts as well the Committee's decisions affecting available fund balances in the State Education Fund and State Public School Fund. Staff will address those changes through a staff "comeback."

ANALYSIS:
Consistent with the Governor's November 2020 budget request, the revised request proposes to reduce the budget stabilization factor to the FY 2019-20 level ($572.4 million), a reduction of $479.7 million below the proposed (and recommended) level for FY 2020-21 and $601.1 million below the level in the original FY 2020-21 appropriation. The revised request incorporates a variety of updates and changes to assumptions underlying total program appropriations for FY 2021-22.

- *Pupil Counts and Inflation:* The revised request decreases the funded pupil count and the at-risk student count relative to the levels assumed in the November 1 request. In addition, the revised request reflects the actual inflation rate for CY 2020 of 2.0 percent, as compared to the 2.5 percent rate assumed in the Governor's November 2020 request. Each of these adjustments *decreases* the cost of total program funding <u>before</u> the application of the budget stabilization factor, resulting in a total decrease of $168.4 million relative to the assumptions in the November request.
- *Local Revenues:* The revised estimates for FY 2021-22 anticipate an overall increase of $3.7 million in local revenues relative to the amounts assumed in the Governor's November request. This

change reduces the state funding *required at any given level of budget stabilization factor by* $3.7 million relative to the assumptions in the November 1 request.

- *State Education Fund Balance:* The November 1 request targeted a balance of $140.0 million in the State Education Fund at the end of FY 2021-22. However, the January 15 submission increases the targeted ending balance to $460 million in an effort to keep those funds available for education in FY 2022-23 and mitigate the risk of an increase to the budget stabilization factor in that year. The request notes that an improved revenue outlook, including increased deposits to the State Education Fund associated with H.B. 20-1427 and H.B. 20-1420, enable the increased target balance.
- *School Finance Reform:* As discussed above, the Governor's proposal would reduce the budget stabilization factor to $572.4 million (a decrease of $480.3 million from the adjusted appropriation for FY 2020-21, assuming enactment of S.B. 21-053). In addition, the request proposes that the General Assembly use any additional funding (beyond the amount required for the budget stabilization factor reduction) to support school finance reforms to improve equity in the school finance system. The request states that the pandemic has exposed inequities in the school finance system, including support of high needs districts, at-risk students, English language learners, and students with disabilities. In response, the request proposes that the General Assembly consider using any additional funds for "reforms similar to the proposal developed by the 2019 Interim School Finance Committee".

Combined, the changes in data allow appropriations for the state share of total program funding to decrease by $172.0 million below the amount assumed in the November request and still achieve the targeted level of the budget stabilization factor in FY 2021-22.

FY 2021-22 LONG BILL

For the purposes of the Long Bill, which is written to current law, staff notes that current law simply states that the budget stabilization factor shall not increase (as a dollar amount) from FY 2020-21 to FY 2021-22.

- Staff therefore anticipates making a Long Bill recommendation that would hold the budget stabilization factor constant at the level approved through S.B. 21-053 ($1,052,661,912).
- Staff assumes that the General Assembly would accomplish any further change to the budget stabilization factor, such as the reduction proposed by the Governor, through the annual School Finance Bill.

The following table compares the proposed FY 2020-21 appropriation (including S.B. 21-053), the Governor's November request for FY 2021-22, the Governor's revised request, and current law requirements. Please note that the "current law" column:

- Holds the budget stabilization factor constant at $1.05 billion (the level requested and recommended through the FY 2020-21 supplemental), which is $480.3 million higher than in the Governor's request for FY 2021-22.
- Maintains 500 ASCENT slots for FY 2021-22, with no change from the FY 2020-21 appropriation (and as requested by the Governor).
- Targets an ending balance of $460.0 million in the State Education Fund at the end of FY 2021-22, as requested by the Governor. Staff anticipates recommending approval of that target balance during figure setting for FY 2021-22. The main difference from the "Governor's Revised Request" column is that the preliminary recommendation column uses the revenue estimates from the

December 2020 Legislative Council Staff Revenue Forecast (rather than the OSPB forecast assumed in the Governor's request).

- Targets an ending balance of $43.2 million in the State Public School Fund at the end of FY 2021-22, consistent with the statutory requirement that the General Assembly spend marijuana tax revenues credited to the State Public School Fund in the year following the year of collection. The targeted ending balance represents the estimated $38.2 million in marijuana revenues to be credited to the State Public School Fund in FY 2021-22, plus a "buffer" of $5.0 million to account for additional forecast error. The Committee should note that the projected appropriation from the State Public School Fund includes $107.4 million in one-time funding associated with revenue diversions (from State Land Board revenues and marijuana taxes) to the State Public School Fund in FY 2020-21. Barring further statutory change to extend those revenue diversions in FY 2021-22, the amount available from the State Public School Fund will decrease in subsequent years.
- As shown in the table, holding the budget stabilization factor constant at $1.053 billion with the assumed appropriations from the State Education Fund and the State Public School Fund would allow the General Fund appropriation to *decrease* by $78.5 million *below the adjusted FY 2020-21 appropriation* and $459.4 million below the Governor's request for FY 2021-22. To the extent that the revenues are available, staff expects to recommend using General Fund to make any reductions to the budget stabilization factor and/or adjustments to the school finance formula (as requested by the Governor).

FY 2021-22 TOTAL PROGRAM FUNDING - GOVERNOR'S REVISED REQUEST AND PRELIMINARY RECOMMENDATION

	FY 2020-21 APPROPRIATION (WITH S.B. 21-053)	GOVERNOR'S NOVEMBER 2020 REQUEST	GOVERNOR'S REVISED (JANUARY 15) REQUEST	PRELIM. RECOMM. (REVISED DATA AND CONSTANT BUDGET STAB. FACTOR)	CHANGE FROM GOVERNOR'S REVISED REQUEST
Funded Pupil Count	891,119	895,025	888,512	888,557	45
Inflation Rate	1.9%	2.5%	2.0%	2.0%	0.0%
Statewide Base Per Pupil Funding	$7,084	$7,261	$7,225.28	$7,225.28	$0
Total Program Funding					
Total Program before Budget Stab. Factor	$8,291,005,431	$8,610,847,260	$8,442,509,365	$8,442,870,876	$361,511
Budget Stabilization Factor	(1,052,661,912)	(572,396,894)	(572,396,894)	(1,052,661,912)	(480,265,018)
Budget Stabilization Factor as Percentage	*-12.70%*	*-6.65%*	*-6.78%*	*-12.47%*	*-5.69%*
Adjusted Total Program	$7,238,343,519	$8,038,450,366	$7,870,112,471	$7,390,208,964	($479,903,507)
Statewide Average Per Pupil	$8,122.76	$8,981	$8,858	$8,317	($541)
Local And State Shares					
Local Share	$3,013,645,502	$3,043,748,502	$3,047,415,412	$3,047,415,412	$0
Property Tax	2,809,928,968	2,848,721,359	2,852,388,269	2,852,388,269	0
Specific Ownership Tax	203,716,534	195,027,143	195,027,143	195,027,143	0
State Share	$4,224,698,017	$4,994,701,864	$4,822,697,059	$4,342,793,552	($479,903,507)
General Fund	3,752,935,919	4,290,501,712	4,133,824,788	3,674,461,332	(459,363,456)
Cash Funds (SEF)	297,944,140	605,816,209	534,473,258	499,783,947	(34,689,311)
Cash Funds (SPSF)	173,817,958	98,383,943	154,399,013	168,548,273	14,149,260
Annual General Fund Increase		**537,565,793**	**380,888,869**	**($78,474,587)**	**($459,363,456)**
Statutory Change Required		Yes	Yes	Yes	

As noted above, the March 2021 revenue forecasts will affect the amounts anticipated to be available in the State Education Fund and the State Public School Fund and therefore change the fund sources shown here. In addition, staff notes the following with respect to FY 2021-22:

- *Pupil Count Uncertainty:* As the situation in FY 2020-21 has highlighted, changes in pupil counts can drive major changes in school finance. Staff notes that the current (December 2020) projection of the funded pupil count reflects a decrease below the actual level for FY 2020-21. However, if the students that either left the system or delayed entry to the system in FY 2020-21 return in FY 2021-22, then the pupil count could come in significantly higher than expected. In contrast to the mid-year change for the current year, that scenario would increase the cost of total program funding in FY 2021-22 and require the General Assembly to add revenue at mid-year to avoid an increase in the budget stabilization factor.
- *At-risk Count:* Similarly, the current projections for FY 2021-22 assume a total of 307,457 at-risk students, an increase of 6,854 (2.3 percent) above the actual count for FY 2020-21. Given the uncertainty surrounding the at-risk data for FY 2020-21 (and discussed in detail with S.B. 21-053), staff believes there is also increased uncertainty in the projections for FY 2021-22. For example, with a return to more "normal" circumstances (in-person learning and normal requirements to qualify for free lunch) the at-risk count could increase significantly if the current counts for FY 2020-21 have missed students that would have been counted under the normal circumstances.
- *Distribution of Students and In-person vs. On-line:* Finally with respect to pupil counts, if students that have shifted into multi-district on-line programs in FY 2020-21 return to in-person settings in FY 2021-22 then each of those students will increase the cost of total program funding because the formula funds multi-district on-line students at a lower level. The current projections for FY 2021-22 assume a total of 26,208 student FTE will attend multi-district on-line programs, a decrease of 1,643 (5.9 percent) below the actual count in FY 2020-21 but still an increase of 6,241 (31.3 percent) above the count from FY 2019-20.
- *Economic Conditions and Revenues:* Economic conditions obviously affect the revenues available for school finance. Changes in assessed values will impact the local revenues available and the state resources necessary to support total program. In addition, the projections outlined above include assumptions for federal mineral lease and marijuana revenues deposited to the State Public School Fund and income tax and nicotine tax revenues diverted to the State Education Fund. Changes in any of those revenue streams will affect the *General Fund* necessary to achieve any given level of total program funding. Staff will revise those assumptions based on the March 2021 Revenue Forecast – and the Committee's choice of forecast for balancing purposes.

➔ R2 CATEGORICAL PROGRAMS INCREASE

REQUEST: Amendment 23 requires the General Assembly to increase *total state funding* for all categorical programs (in aggregate) by at least the rate of inflation in FY 2021-22. Request R2 proposes an increase of $8,611,834 cash funds from the State Education Fund based OSPB's September 2020 revenue forecast's projected inflation rate for CY 2020 (2.5 percent). The request allocates the proposed increase among six categorical programs in FY 2021-22. The following table shows the requested changes from the FY 2020-21 appropriation.

R2 REQUESTED INCREASES IN *STATE* FUNDING FOR CATEGORICAL PROGRAMS

LONG BILL LINE ITEM	FY 2020-21 APPROPRIATION	FY 2021-22 REQUEST	CHANGE IN STATE FUNDING	PERCENT CHANGE
Special Education - Children with Disabilities	$206,223,158	$211,086,792	$4,863,634	2.4%
English Language Proficiency Program	24,105,549	25,569,664	1,464,115	6.1%
Public School Transportation	61,582,729	63,093,912	1,511,183	2.5%
Career and Technical Education Programs	27,778,242	28,370,549	592,307	2.1%

R2 REQUESTED INCREASES IN *STATE* FUNDING FOR CATEGORICAL PROGRAMS				
LONG BILL LINE ITEM	FY 2020-21 APPROPRIATION	FY 2021-22 REQUEST	CHANGE IN STATE FUNDING	PERCENT CHANGE
Special Education - Gifted and Talented Children	12,844,494	13,021,531	177,037	1.4%
Expelled and At-risk Student Services Grant Program	9,493,560	9,493,560	0	0.0%
Small Attendance Center Aid	1,314,250	1,317,226	2,976	0.2%
Comprehensive Health Education	1,131,396	1,131,978	582	0.1%
Total	**$344,473,378**	**$353,085,212**	**$8,611,834**	**2.5%**

RECOMMENDATION: Based on the actual Denver-Aurora-Lakewood change in the consumer price index for CY 2020 (2.0 percent as compared to the 2.5 percent assumed in the request), staff recommends approving the an increase of $6,889,468 cash funds from the State Education Fund. Using a similar allocation methodology to the request, staff recommends allocating the increase among six categorical programs, as shown in the following table.

R2 STAFF RECOMMENDED INFLATIONARY INCREASES FOR CATEGORICAL PROGRAMS				
LONG BILL LINE ITEM	FY 2020-21 APPROPRIATION	STAFF RECOMMENDED CHANGE	FY 2021-22 STAFF REC. (STATE FUNDS)	PERCENT CHANGE
Special Education - Children with Disabilities	$206,223,158	$3,931,475	$210,154,633	1.9%
English Language Proficiency Program	24,105,549	1,152,193	25,257,742	4.8%
Public School Transportation	61,582,729	1,189,233	62,771,962	1.9%
Career and Technical Education Programs	27,778,242	466,119	28,244,361	1.7%
Special Education - Gifted and Talented Children	12,844,494	150,448	12,994,942	1.2%
Expelled and At-risk Student Services Grant Program	9,493,560	0	9,493,560	0.0%
Small Attendance Center Aid	1,314,250	0	1,314,250	0.0%
Comprehensive Health Education	1,131,396	0	1,131,396	0.0%
Total	**$344,473,378**	**$6,889,468**	**$351,362,846**	**2.0%**

The major difference between the recommendation and request is the updated inflation rate (2.0 percent vs. 2.5 percent in the request), which decreases the total inflationary increase by $676,101 below the request. Staff has used a similar methodology to allocate the increases among programs – but each increase is smaller because of the change in the inflation rate. Staff also notes the following (relatively minor) differences from the request:

- *Small Attendance Center Aid.* The staff recommendation does not include the requested increase of $2,976 for Small Attendance Center Aid. Staff notes that the Committee added $237,700 to that line item in FY 2019-20 in order to align with the statutory maximum for FY 2017-18 (the most recent year for which actual data were available). The staff recommendation would hold that line item constant at the level of the FY 2020-21 appropriation. Staff notes that aligning this line item with the statutory maximum from FY 2020-21 (the most recent year with actual data) would require an increase of $316,553 above the FY 2020-21 appropriation. If the Committee chose to do so then staff would recommend reducing the increases allocated to the other categorical line items (using the same methodology) to stay within the total inflationary increase of $6,889,468.
- *Comprehensive Health Education:* The staff recommendation also does not include the $582 requested for the Comprehensive Health Education Program. Similar to Small Attendance Center Aid, if the Committee chose to allocate the requested increase to this line item then staff would recommend adjusting the allocations to the other categorical program line items to stay within the total inflationary increase.

ANALYSIS:

Background - Constitutional Funding Requirement: Programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation) have traditionally been referred to as "categorical" programs. Unlike public school finance funding, there is no legal requirement that the General Assembly increase funding commensurate with the number of students eligible for any particular categorical program. However, Section 17 of Article IX of the Colorado Constitution requires the General Assembly to increase *total state funding* for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years. For example, in calendar year 2019 the percentage change in the Denver-Aurora-Lakewood consumer price index was 1.9 percent, so the General Assembly was required to increase state funding for categorical programs by at least that amount ($6,422,958) for FY 2020-21.

The General Assembly determines on an annual basis how to allocate the required increase among the various categorical programs. Since FY 2000-01, the General Assembly has increased annual state funding for categorical programs by $202.3 million. In certain fiscal years, the General Assembly elected to increase state funding by more than the minimum constitutionally required amount, resulting in appropriations that are now $92.8 million higher than the minimum amount that would have otherwise been required. The following table details the allocation of the $202.3 million among categorical programs.

INCREASES IN STATE FUNDING FOR CATEGORICAL PROGRAMS SINCE FY 2000-01				
LONG BILL LINE ITEM	FY 2000-01 APPROPRIATION	FY 2020-21 APPROPRIATION	TOTAL INCREASE IN ANNUAL APPROPRIATION OF STATE FUNDS SINCE FY 2000-01	
Special education - children with disabilities	$71,510,773	$206,223,158	$134,712,385	188.4%
English Language Proficiency Program	3,101,598	24,105,549	21,003,951	677.2%
Public school transportation	36,922,227	61,582,729	24,660,502	66.8%
Career and technical education programs	17,792,850	27,778,242	9,985,392	56.1%
Special education - gifted and talented children	5,500,000	12,844,494	7,344,494	133.5%
Expelled and at-risk student services grant program	5,788,807	9,493,560	3,704,753	64.0%
Small attendance center aid	948,140	1,314,250	366,110	38.6%
Comprehensive health education	600,000	1,131,396	531,396	88.6%
Total	**$142,164,395**	**$344,473,378**	**$202,308,983**	**142.3%**

The constitution also requires that money from the State Education Fund not supplant the level of General Fund appropriations existing on December 28, 2000, for categorical programs [see Section 17 (5) of Article IX of the Colorado Constitution]. Staff's recommendations for this section maintain $163,765,474 in General Fund appropriations to comply with this requirement. This provision actually requires the General Assembly to maintain an appropriation of at least $141,765,474 General Fund (the amount appropriated as of December 28, 2000); however, the General Assembly added $22.0 million General Fund to the Special Education Programs for Children with Disabilities line item in FY 2019-20 (appropriated in S.B. 19-246 (School Finance)).

Finally, please note that pursuant to Section 22-55-107 (3), C.R.S., for the 2008-09 budget year and each budget year thereafter, on or before February 15, "the education committees of the house of representatives and senate, or any successor committees, may submit to the joint budget committee of the general assembly a joint recommendation regarding the allocation of the increase in total state funding for all categorical programs as required by subsection (1) of this section for the next budget year. The joint budget committee shall consider but shall not be bound by any joint recommendations

made pursuant to this subsection (3) when developing the annual general appropriation bill for the budget year for which the joint recommendation is made". To date, these Committees have not made any such recommendation.

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

Allocation of Required Funding Increase for FY 2021-22: As noted above, the Constitution requires the General Assembly to increase total state funding for all categorical programs annually by at least the rate of inflation (based on the change in the Denver-Aurora-Lakewood Consumer Price Index for calendar year 2020) for FY 2021-22.

Based on the actual change in the CPI for CY 2020 (2.0 percent), the Constitution requires and staff recommends adding a total of $6,889,468 state funds for categorical programs for FY 2021-22. Consistent with prior years, staff's recommendation would appropriate all of the recommended increases as cash funds from the State Education Fund.

The Constitution requires the General Assembly to provide at least the recommended increase in FY 2021-22. Given the "base building" nature of categorical program increases (any increase becomes part of the base and requires additional inflationary increase), staff's recommendation includes the minimum level of funding required by the Constitution. Based on the Constitutional requirement for the increase, the General Assembly's key decision each year is how to allocate the required increase among categorical programs. Since December 2006, staff has recommended that the Committee consider four factors when allocating state funds among categorical programs:

1. Are districts statutorily required to provide the services?

2. If the program has a statutory reimbursement formula, how close does state funding come to the maximum statutory reimbursement?

3. What percent of districts' actual expenditures are covered by state and federal funds?

4. Are districts' expenditures for providing the service proportionate, or are certain districts impacted significantly more than others?

For the past several years, the Department and staff have used similar mechanisms to allocate the Constitutionally-required increases among categorical line items, based on the difference between state and federal funding provided for a program and school districts' actual expenditures. Thus, programs with a larger gap between state and federal funds and total district expenditures (those for which school districts are absorbing the greatest cost within their budgets) receive the largest increase. The FY 2021-22 request and recommendation continue that methodology.

The following pages include three tables associated with categorical funding.

- Table A shows the gap between state and federal funding and actual local expenditures in FY 2018-19 (the most recent year for which the necessary data are available).
- Table B shows the gap between FY 2019-20 funding levels and "full funding" for the programs with statutory formulas for that year.
- Table C summarizes the allocation recommended by staff, the allocation requested by the Department, and two other potential options for illustrative purposes.

TABLE A: CATEGORICAL PROGRAM REVENUES AND EXPENDITURES: FY 2018-19

LONG BILL LINE ITEM	(A) STATE FUNDS	(B) FEDERAL FUNDS	(C) = (A) + (B) TOTAL STATE AND FEDERAL FUNDS	(D) TOTAL DISTRICT EXPENDITURES	(E) = (C)/(D) STATE/FEDERAL SHARE OF EXPENDITURES	(F) = (D) - (C) LOCAL SHARE OF EXPENDITURES
District Programs Required by Statute						
Special Education - Children with Disabilities[a]	$233,801,754	$143,685,499	$377,487,253	$1,092,519,518	34.6%	$715,032,265
English Language Proficiency Program[b]	45,936,114	9,247,056	55,183,170	264,736,870	20.8%	209,553,700
Other Categorical Programs						
Public School Transportation	59,697,814	0	59,697,814	275,988,233	21.6%	216,290,419
Career and Technical Education	34,064,487	6,027,378	40,091,865	124,866,741	32.1%	84,774,876
Special Education - Gifted and Talented Children	11,862,055	0	11,862,055	39,224,632	30.2%	27,362,577
TOTAL						**$1,253,013,837**

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

[b] State funding includes money provided through the English Language Learners Professional Development and Student Support Program.

TABLE A: Maximum Amount of State Funds Districts Were Statutorily Eligible to Receive for FY 2019-20

Long Bill Line Item	Description of What Determines Maximum State Funding	Total State Funds	Maximum State Funding	Percent of Maximum Covered by State Funds	Estimated Increase Required to Fund Statutory maximum
District Programs Required by Statute					
Special Education - Children With Disabilities[a]	Driven by the number of children requiring special education services, characteristics of the children eligible for such services, and the cost of such services	$200,208,612	$272,241,750	73.5%	$72,033,138
English Language Proficiency Program[b]	Driven by the number of eligible students and statewide average per pupil operating revenue	49,994,436	114,132,688	43.8%	64,138,252
Other Categorical Programs (with specified statutory reimbursement levels)					
Public School Transportation	Driven by total miles traveled and total transportation-related costs (excluding capital outlay expenses)	60,798,417	106,367,732	57.2%	45,569,315
Colorado Vocational Distributions Act	Driven by the number of students participating in vocational education programs and the costs of such services per FTE in relation to each districts per pupil operating revenue	27,933,575	34,061,167	82.0%	6,127,592
Small Attendance Center Aid	Driven by the number of eligible schools, such schools' enrollment, and eligible districts' per pupil funding	1,314,250	1,357,587	96.8%	43,337
TOTAL					$187,911,634

[a] The estimated increase to fund the statutory maximum for special education for children with disabilities is based on the following: $130,563,750 ($1,250 for each student with disabilities); $137,178,000 (assuming districts received $6,000 per student for 100 percent of the 22,863 students with specified disabilities, rather than for 31.2 percent of these students); $4,000,000 for high cost grants; and $500,000 for "educational orphans." Staff has not attempted to estimate the costs of "fully funding" the high cost grant program.

[b] The State funds provided for the English Language Proficiency Program in FY 2019-20 include $22,994,436 provided through the English Language Proficiency Program categorical program and $27,000,000 distributed through the English Language Learners Professional Development and Student Support program which is outside of the categorical program but offsets districts' costs to provide services to English language learners.

TABLE C: Required Increase in *State* Funding for Categorical Programs in FY 2021-22									
		Examples of Options for Allocating Required Increase							
Long Bill Line Item	FY 20-21 Approp.	A: Staff Recomm.	%	B: Dept. Request	%	C	%	D	%
Special education programs for children with disabilities	$206,223,158	$3,931,475	1.9%	$4,863,634	2.4%	$6,168,436	3.0%	$4,124,463	2.0%
English language proficiency programs	24,105,549	1,152,193	4.8%	1,464,115	6.1%	$721,032	3.0%	482,111	2.0%
Public school transportation	61,582,729	1,189,233	1.9%	1,511,183	2.5%	0	0.0%	1,231,655	2.0%
Career and technical education	27,778,242	466,119	1.7%	592,307	2.1%	0	0.0%	555,565	2.0%
Special education programs for gifted and talented children	12,844,494	150,448	1.2%	177,037	1.4%	0	0.0%	256,890	2.0%
Expelled and at-risk student services grant program	9,493,560	0	0.0%	0	0.0%	0	0.0%	189,871	2.0%
Small attendance center aid	1,314,250	0	0.0%	2,976	0.2%	0	0.0%	26,285	2.0%
Comprehensive health education	1,131,396	0	0.0%	582	0.1%	0	0.0%	22,628	2.0%
Totals (may not sum due to rounding)	$344,473,378	$6,889,468	2.0%	$8,611,834	2.5%	$6,889,468	2.0%	$6,889,468	2.0%

Description of Potential Allocation Options

A: Staff recommendation, based on actual 2.0 percent inflation rate.
B: Department's request, based on OSPB December Revenue Forecast inflation rate (2.5 percent).

C: Provide a 3.0% increase for children with disabilities and English language proficiency programs (programs required by statute).

D: Provide the same percentage increase for all programs.

➔ R4 REPURPOSING EARLY INTERVENTION EVALUATION FUNDING [REQUIRES LEGISLATION]

REQUEST: The request proposes a "technical legislative change" to correspond with a request to transfer authority for special education early intervention evaluations from the Department of Education to the Department of Human Services. As framed, the request would: (1) transfer early intervention evaluation authority to the Department of Human Services; and (2) make $2.7 million currently dedicated to such evaluations within the Special Education Programs for Children with Disabilities line item available for services provided to students from age 3 to 21 (rather than supporting the evaluations for children between birth and age 2). Please note that this request is contingent upon the approval of a corresponding request in the Department of Human Services (R6 – Early Intervention Program Changes).

RECOMMENDATION: Staff recommends denying the request as part of the FY 2021-22 budget process, as there is no action to be taken in the Long Bill for this request. Staff notes the following:

- As noted above, the request requires separate legislation and is therefore not appropriate for inclusion in the Long Bill.
- In addition, as the Education funds in question are categorical program funding, the request does not require any adjustment to the Department of Education's Funding. Thus, this is simply not a Long Bill issue for the Department of Education.
- Finally, staff remains concerned that the proposal represents more of a policy question (whether to transfer these responsibilities to the Department of Human Services) than a budgetary issue.
- Staff recognizes that the issue originated as a Joint Budget Committee discussion and bill (based on input from the Department of Human Services). However, based on the complexities involved (timing and phases of such a transfer, etc.), staff is not recommending that the Committee carry this legislation as a Joint Budget Committee Bill.

ANALYSIS:

This request follows on a Joint Budget Committee bill from 2018. House Bill 18-1333 (Part C Child Find Responsibilities of CDE and DHS) required the departments of Education and Human Services to enter into an intergovernmental agreement to study the administration of early intervention evaluations under the Child Find Program and to report to the Joint Budget Committee on the findings of the study.

- Under current law (from 2007), the Department of Education administers the early intervention *evaluations* for children from birth to age 2, while the Department of Human Services administers the *services* to children identified for services through the evaluations. Local education administrative units actually conduct the evaluations under the program administered by the Department of Education.
- After age 2, local education administrative units provide services to children still requiring support (at that point the child transfers from "Part C" to "Part B" services).

For several years, the Department of Human Services has pursued statutory change to transfer the responsibility for the administration of evaluations under Part C from the Department of Education to the Department of Human Services. Those efforts resulted in a JBC Staff recommendation to

sponsor legislation in 2018 to study the program and make recommendations (resulting in H.B. 18-1333).

The two departments completed the study required by the H.B. 18-1333, which recommended transferring authority for the evaluations from the Department of Education to the Department of Human Services. However, staff is aware of concerns from the Education community about their representation and participation in that process.

Points to Consider:

- Although this was submitted as a budget request in both departments, this is not really a budgetary issue in the Department of Education. It could make funds that are currently dedicated to Part C evaluations available for either Part B evaluations or other special education services – but staff would contend that this is really more of a policy question than a budget question.
- Staff does not have the expertise to evaluate which agency is best suited to conduct these evaluations in the interest of improving services to the children involved. While the report has recommended transferring the services, and many in the education community appear to have accepted that outcome, staff is also aware of a variety of concerns from education stakeholders, including concerns about the feasible timing of any transfer of responsibility without interrupting evaluations and services for children.
- Staff notes that the fact that many children will transfer from Part C services to Part B services (provided by the education agencies) gives the education community a vested interest in the identification and service of children before they reach Part B. Education stakeholders have indicated that conducting the Part C evaluations allows them to build relationships with families that will come back to them for services under Part B.
- Conversely, the Department of Human Services has contended that the current system (being evaluated by the education agency but then served by Human Services (or the CCBs) is confusing and that it would be preferable to have Human Services responsible for all of Part C. At times, the Department of Human Services has also argued that federal law requires a single agency to be responsible for Part C. However, it is staff's understanding that the federal agencies have indicated that Colorado's system would satisfy federal requirements as long as there is a formal agreement between the two agencies.
- Staff is not making a recommendation on the transfer of responsibility proposed in the DHS and Education decision items. However, given the complexity of the policy issues involved, staff would recommend that any legislation on this topic include significant stakeholder input on both whether the transfer should take place and the best timeline for any transfer.

➔ R5 MAINTAIN FY 2020-21 REDUCTIONS [REQUIRES LEGISLATION]

REQUEST: The request proposes to continue two FY 2020-21 budget balancing reductions totaling $925,255 General Fund and 0.4 FTE. The 2020 School Finance Bill (H.B. 20-1418) suspends both of these programs *for FY 2020-21 only*. As a result, both components of R5 would require statutory change. The proposed General Fund reductions include:

- $675,255 and 0.4 FTE to further delay implementation of the Local School Food Purchasing Program created in H.B. 19-1132 (School Incentives to Use Colorado Food and Producers). House Bill 19-1132 created two grant programs to promote the use of Colorado food products in school meal programs. As a budget balancing action for FY 2020-21, H.B. 20-1418 delays

implementation of the program for one year (until FY 2021-22). Request R5 proposes to extend the suspension of the program.

- $250,000 for Computer Science Education Grants originally required by H.B. 19-1277 (Computer Science Grant Program). As created in H.B. 19-1277, the program would provide grants to public schools to increase participation of traditionally underrepresented students in computer science education. The bill requires an annual appropriation of $250,000 General Fund to support the program. House Bill 20-1418 eliminates the requirement to appropriate those funds in FY 2020-21 but would require the appropriation again in FY 2021-22. Again, the request would extend the suspension of the program.

The Department's request does not specify a time-period for the program suspensions and has proposed that the General Assembly "continue these reductions into FY 2021-22, and consider restoring the programs when the state's economy improves."

RECOMMENDATION: Staff recommends denying both components of the request as part of the FY 2021-22 budget process because continuing these reductions requires statutory change. As enacted in H.B. 20-1418 (School Finance), current law requires both of these appropriations to return in FY 2021-22. Because the Long Bill is written to current law, staff recommends including the necessary appropriations in the FY 2021-22 Long Bill.

- Staff further recommends that the General Assembly consider these reductions and the associated statutory changes in the context of the FY 2021-22 School Finance Bill. At that point, the General Assembly will have updated information on the State's revenue situation (based on the March 2021 revenue forecasts) will be able to consider the inherent tradeoffs with school finance and other education funding in the context of the School Finance Bill.
- Given that the General Assembly specified that both of these program suspensions were for FY 2020-21 only, staff assumes that the General Assembly intended to restore funding to these programs in FY 2021-22. Based on that assumption of clear legislative intent, staff would be hesitant to recommend eliminating the funding unless revenue challenges will force significant additional reductions during balancing.

ANALYSIS:

LOCAL SCHOOL FOOD PURCHASING PROGRAMS

House Bill 19-1132 (School Incentives to Use Colorado Food and Producers) created two new grant 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. Under the program, the Department is expected to contract with a

House Bill 19-1132 included an appropriation of $168,942 General Fund and 0.3 FTE for FY 2019-20 to allow the Department to establish the programs and to begin contracting for the Local School Food Purchasing Technical Assistance and Education Grant Program in FY 2019-20 (grants under

the Colorado Food Products Purchasing Incentives Grant Program were scheduled to begin in FY 2020-21). During figure setting for FY 2020-21, the Committee approved a continuation appropriation of $675,255 General Fund and 0.4 FTE to support these programs, which aligned with the Final Legislative Council Staff Fiscal Note for the bill.

- *FY 2020-21 Balancing Action:* House Bill 20-1418 changed statute to suspend both programs for one year (FY 2020-21) and eliminated the entire Long Bill appropriation. Current law requires the General Assembly to restore the programs in FY 2021-22. Request R5 proposes to extend the suspension of the program through at least FY 2021-22.

COMPUTER SCIENCE EDUCATION GRANTS

The Computer Science Education Grants line item supports two programs: (1) the Computer Science Education Grants for Teachers Program; and (2) The Computer Science Education Grant Program. Both programs were subjects of budget balancing reductions for FY 2020-21.

Senate Bill 17-296 (School Finance) created the Computer Science Education Grants for Teachers program to provide 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).

- *FY 2020-21 Balancing Action:* The FY 2020-21 *Long Bill* reduced the appropriation for this program by $500,000 cash funds from the State Education Fund as a budget balancing action to make those funds available for school finance. The reduction returned funding for this program to FY 2017-18 levels (before the General Assembly added $500,000 in the FY 2018-19 Long Bill). The Department's request for FY 2021-22 continues this reduction – though it is not called out in request R5 and does not require statutory change.

House Bill 19-1277 (Computer Science Grant Program) created the Computer Science Education Grant Program to provide grants to public schools to increase the participation of traditionally underrepresented students in computer science education. The bill requires the Department to prioritize applicants that demonstrate a low number of computer science educational activities, expose students to diverse professionals in the computer science industry, or demonstrate how the grant money will serve a high-poverty student population, a high percentage of minority or female students, or students in a rural area. Although H.B. 19-1277 did not include an appropriation for FY 2019-20, the bill required the General Assembly to appropriate $250,000 per year to support grants for FY 2020-21 through FY 2022-23.

- *FY 2020-21 Balancing Action:* While the FY 2020-21 Long Bill appropriated the $250,000 required by H.B. 19-1277, H.B. 20-1418 (School Finance) suspended the program for one year and eliminated the appropriation for FY 2020-21. Current law (again enacted in H.B. 20-1418) requires the General Assembly to restore this funding for FY 2021-22. Request R5 is proposing to extend the program suspension and continue the reduction of $250,000 General Fund in FY 2021-22.

POINTS TO CONSIDER

As noted above, both of the components of this request require statutory change and are not appropriate for inclusion in the Long Bill. Current law requires the General Assembly to restore funding for both components of the request and the staff recommendation would include the associated funding in the Long Bill.

Given that the General Assembly specifically made these reductions on a one-time basis with the clear statutory requirement to restore the funding in FY 2021-22, staff is reluctant to recommend maintaining the reductions (with additional statutory change) unless revenue challenges require extending the reductions. As a result, staff recommends that the General Assembly consider these reductions in the context of the School Finance Bill. At that time, the General Assembly will be in a better position to assess the tradeoffs between restoring funding for these programs and other needs (such as providing additional support for total program funding).

➔ R7 REDUCE CAPITAL CONSTRUCTION ASSISTANCE [REQUIRES LEGISLATION]

REQUEST: The request includes reductions to two capital construction-related programs totaling $4.6 million cash funds from the Public School Capital Construction Assistance Fund (PSCCAF). The Committee should note that the request requires statutory change. The proposed reductions include:

- $3.0 million from *cash grants under the Building Excellent Schools Today (B.E.S.T.) program* (from $60.0 million appropriated in FY 2020-21 to $57.0 million in FY 2021-22, a 5.0 percent reduction). The General Assembly reduced the appropriation for cash grants in FY 2020-21 by $100.0 million (from $160.0 million required under previous law to $60.0 million in H.B. 20-1418) and transferred $100.0 million from the PSCCAF to the State Public School Fund to support school finance in FY 2020-21. The request would further reduce cash grants in FY 2021-22. The reduction does not require statutory change. However, the transfer to the State Public School Fund would require legislation.
- $1,591,038 from the State Aid to Charter School Facilities line item (also a 5.0 percent reduction below the FY 2020-21 appropriation). This line item provides distributions to charter schools on a formula (per pupil) basis. The reduction in appropriations and the transfer to the State Public School Fund would both require statutory change.

RECOMMENDATION: Staff recommends denying the request as part of the FY 2021-22 budget process. As noted above, the requests requires separate legislation to actually make the revenues available for other uses. While the Committee could reduce the cash grants appropriation in the Long Bill, the money would not be available for any other use absent a statutory transfer. Similar to request R5 (above), staff recommends that the General Assembly consider both of these proposals in the context of the School Finance Bill.

ANALYSIS:
Both of the components of request R8 require statutory change in order to make the funds available for any other use.

- While the Committee could reduce the appropriation for B.E.S.T. cash grants in the long bill (by $3.0 million or some other amount), transferring those funds out of the Public School Capital Construction Assistance Fund to make them available for other uses would require separate legislation.
- The allocation and distribution of funds for charter school capital construction is driven directly by statute. As a result, reducing that appropriation below the amount required by statute would also require separate legislation.

Given that using the funds for any other purpose would inherently require separate legislation, staff recommends that the Committee defer those decisions to other legislation such as the annual School

Finance Bill. If the Committee identifies a "placeholder" amount for the School Finance Bill during the budget balancing process (either a positive or negative amount) then the discussions of tradeoffs to stay within the placeholder amount can happen in the context of that bill, allowing the General Assembly to consider potential reductions to the capital construction programs alongside total program funding (or other uses). Thus, staff recommends denying the requested reductions at this time and allowing the General Assembly to assess the need for potential reductions in the School Finance Bill.

➔ R9 RETURN UNUSED FUND BALANCES [PORTIONS REQUIRE LEGISLATION]

REQUEST: Request R9 includes three components to assist with budget balancing in FY 2021-22:

- A reduction of $250,000 cash funds from the State Education Fund to better align the appropriation for At-risk Supplemental Aid with anticipated expenditures in FY 2021-22. This component of the request does not require statutory change and could be accomplished through the Long Bill.
- A statutory transfer of $2.0 million of existing fund balance from the Early Literacy Fund ELF to the State Education Fund to make those funds available for other uses (such as school finance) in FY 2021-22. This transfer would require separate legislation and would have out-year impacts on early literacy funding.
- A proposal to revert $750,000 in undistributed funds associated with the Comprehensive Quality Physical Education Instruction Pilot Program created in S.B. 19-246 (School Finance) to the Marijuana Tax Cash Fund (MTCF). Senate Bill 19-246 appropriated $1.1 million from the MTCF to support the program in FY 2019-20 and made those funds available to the Department through FY 2023-24.[6] According to the Department, $750,000 of that original amount remains undistributed at this time. Based in part on concerns about the Department's ability to ensure fidelity of implementation of the program given the pandemic[7], the request proposes to return the unspent funds to the MTCF. Given that S.B. 19-246 makes the funds available through FY 2023-24, reverting the funds to the MTCF would require statutory change.

RECOMMENDATION: Staff's recommendations for the three components are below:

- Staff recommends that the Committee approve the proposed reduction of $250,000 cash funds from the State Education Fund for the At-risk Supplemental Aid line item. As noted above, this component of the request is appropriate for the Long Bill. It would better align the appropriation with anticipated expenditures of the program and make the $250,000 available for other uses such as school finance.
- If significant additional balancing actions are needed during balancing then staff would recommend that the Committee consider the proposed transfer of $2.0 million from the Early Literacy Fund to the State Education Fund. As this component requires statutory change, it is not appropriate for the Long Bill. In addition, staff is somewhat concerned about out-year impacts on early literacy funding, as current appropriations from the Early Literacy Fund exceed the annual transfer from the State Education Fund to the Early Literacy Fund (and therefore rely on the available fund balance from prior years). Based on those concerns and the need for additional

[6] See section 22-99-105, C.R.S.

[7] According to the Department, in the fall of 2020, of the three recipient schools, one is operating in-person, one is full-time remote, and one is operating under a hybrid model in the current year.

legislation, staff recommends that the General Assembly consider the proposed transfer in the context of the School Finance Bill.

- Staff is also uncertain about the proposed termination of the Comprehensive Quality Physical Education Pilot Program (and related reversion to the Marijuana Tax Cash Fund), which also requires statutory change. Staff recommends that the General Assembly consider that action in the context of the School Finance Bill.

ANALYSIS:
A *brief* analysis of each component follows:

AT-RISK SUPPLEMENTAL AID
House Bill 12-1345 created this program to provide supplemental assistance to charter schools serving increased numbers of at-risk students. The appropriation has provided $5,094,358 cash funds from the State Education Fund per year since FY 2014-15. However, and the Department reports that reversions have averaged $547,410 per year for the past three years. The request would reduce the appropriation by $250,000 to make those funds available for other uses (such as school finance) in FY 2021-22.

- Staff agrees that the request would better align appropriations with anticipated expenditures and make the $250,000 available for other uses. Thus, staff recommends approving this portion of the request (for the Long Bill).

EARLY LITERACY FUND TRANSFER
Current law makes an *annual* transfer of $34.0 million from the State Education Fund to the Early Literacy Fund to support appropriations related to the READ Act. Since the program's inception, the Early Literacy Fund had accumulated a balance as a result of reversions from previous appropriations. Recognizing that excess funds were available, the FY 2020-21 balancing actions included a transfer of $3.5 million from the Early Literacy Fund to the State Education Fund. According to the Department, the ongoing pandemic has limited the Department's use of additional funds for in-person activities such as training and the Department anticipates an available balance of at least $2.0 million at the end of FY 2020-21.

- Staff agrees that there appears to be a balance available in the fund. However, staff also notes that annual *appropriations from* the fund exceed the annual transfer *to* the fund (e.g., appropriations of $34.3 million in FY 2020-21). Thus, if the program fully expends its appropriations then it will (over time) deplete the fund balance. As a result, transferring the fund balance now would have out-year impacts, reducing the amount available for early literacy activities (or requiring an additional infusion of funds).
- If significant additional budget balancing actions are required for FY 2021-22 (or FY 2022-23) then staff recommends that the General Assembly consider the proposed transfer at that time and in the context of the School Finance Bill.

COMPREHENSIVE QUALITY PHYSICAL EDUCATION PILOT PROGRAM
Senate Bill 19-246 created this program, appropriated $1.1 million from the Marijuana Tax Cash Fund to support the program in FY 2019-20, and made those funds available to the Department through FY 2023-24.[8] According to the Department, $750,000 of that original amount remains undistributed at this time. Based in part on concerns about the Department's ability to ensure fidelity of

[8] See section 22-99-105, C.R.S.

implementation of the program given the pandemic[9], the request proposes to return the unspent funds to the MTCF. Given that S.B. 19-246 makes the funds available through FY 2023-24, reverting the funds to the MTCF would require statutory change.

- Similar to the discussion of the Early Literacy Fund transfer above, staff recommends that the General Assembly consider this component in the context of budget balancing requirements in the School Finance Bill. Staff is reluctant to recommend eliminating the program based on the available information but also recognizes the Department's concerns about the fidelity of implementation. Based on those uncertainties, and the fact that the proposal requires statutory change to revert the funds to the Marijuana Tax Cash Fund, staff recommends deferring this component of the request to the School Finance Bill.

➔ STAFF INITIATED FACILITY SCHOOLS ADJUSTMENT

REQUEST: The Department requested a continuation level of funding ($17,024,650 cash funds from the State Education Fund) for the Facility Schools Funding line item for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving an appropriation of $17,365,125 cash funds from the State Education Fund for this line item for FY 2021-22. The recommendation represents an increase of $340,475 above the FY 2020-21 appropriation (and the Department's request). While facility school student counts are down significantly in FY 2020-21, the recommendation assumes that student counts in FY 2021-22 will return to the levels assumed in the original FY 2020-21 appropriation and accounts for per-student cost increases required by statute. Staff notes that there is *significant* uncertainty in projections of facility school attendance for FY 2021-22. However, particularly given the challenges facing facility schools (as discussed by the Committee during the FY 2020-21 and FY 2021-22 budget processes), staff recommends that the Committee ensure that the Department has sufficient funding to support pre-pandemic levels of attendance. As the funds are distributed on a per-pupil basis, any excess money would simply revert to the State Education Fund if attendance remains low.

ANALYSIS:

BACKGROUND – 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.[10] In 2008, the General Assembly modified the method of funding facility schools and certain state programs by:

- Removing pupils educated by facility schools from districts' pupil enrollment counts for purposes of funding.[11]

[9] According to the Department, in the fall of 2020, of the three recipient schools, one is operating in-person, one is full-time remote, and one is operating under a hybrid model in the current year.

[10] 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.

[11] Districts continue to include students who reside in a facility or group home and attend a district school in their October count for purposes of funding. Further, students in "out-of-district" placements who attend public school are included in the pupil count of the district of attendance.

- Requiring facility schools and state programs to report information directly to the Department's Facility Schools Unit concerning individual students, including the student's district of residence and the actual number of days of attendance each month.
- Allowing facility schools to bill the Department for statewide average per pupil revenues times 1.33, and allowing facility schools to bill for an additional one-third of per pupil revenue to support Summer school programs. In 2013, the General Assembly modified this provision to provide statewide base per pupil funding times 1.73 in an effort to increase funding for facility schools.

The General Assembly also created a Facility Schools Board to adopt curriculum standards, accountability measures, and graduation requirements for facility schools. This act also created the Facility Schools Unit within the Department of Education 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.

The Facility Schools Funding line item provides funding for the Department to make payments to facility schools as required by Section 22-54-129, C.R.S. Under current law, as adjusted by S.B. 13-260, facility schools receive statewide *base* per pupil funding amount times 1.73; this amount is translated into a daily rate, and each facility school receives a daily rate for each child in attendance for up to 235 days each school year.

FY 2021-22 FACILITY SCHOOLS FUNDING

The Department's FY 2021-22 budget request assumes flat funding for the Facility Schools Funding line item, with no change from the FY 2020-21 appropriation. The request does not adjust for any changes in the two variables that determine the necessary amount of funding: the facility school pupil count and the per pupil funding amount for facility schools. The staff recommendation seeks to adjust for both of those variables:

- *Pupil count:* Staff is recommending that the Committee assume the same *average* facility school student FTE count as in the original FY 2020-21 appropriation (1,362 student FTE) in FY 2020-21. As shown in the table below, the actual count for FY 2020-21 is well below the assumption in the original appropriation largely as a result of the COVID-19 pandemic (the Department is now projecting an average count of 1,028 FTE for the current year). Staff recognizes that there is significant uncertainty in any estimate of the facility school student count for FY 2021-22 but recommends that the Committee assume that attendance may return to pre-pandemic levels. Any unused funds would revert to the State Education Fund.
- *Per pupil funding amount:* Facility 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. Given the actual inflation rate from CY 2020 (2.0 percent), statewide base per pupil funding will increase from $7,083.61 in FY 2020-21 to $7,225.28 in FY 2021-22. Per Pupil Facility School funding increases from $12,254.65 in FY 2020-21 to $12,499.73 in FY 2021-22 (an increase of $245.08).

As shown in the following table, the recommended assumptions increase payments to facility schools by $333,799 above the FY 2020-21 appropriation. Consistent with prior years, staff has included a "buffer" (equal to 2.0 percent of facility school funding) to account for potential fluctuations in placement and attendance, increasing the total recommended appropriation to the Facility School Funding line item to $17,365,125 (an increase of $340,475 above the FY 2020-21 appropriation). The recommendation for FY 2021-22 also includes the following anticipated transfers to the Colorado School for the Deaf and the Blind ($1,669,300) and the Mental Health Institute at Pueblo ($151,674).

FACILITY SCHOOL FUNDING: FY 2021-22				
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2020-21 CURRENT PROJECTION	FY 2021-22 STAFF REC.	CHANGE FROM FY 2020-21 APPROP.
Projected Average Facility Schools FTE	1,362	1,028	1,362	0
Multiplied by: Statewide Base Per Pupil Funding X 1.73	$12,254.65	$12,254.65	$12,499.73	$245.08
Total Estimated Facility School payments	**$16,690,833**	**$12,597,780**	**$17,024,632**	**$333,799**
Plus: Additional Funding (approximately 2.0 percent) to account for placement and attendance fluctuations	333,817	251,956	340,493	6,676
Recommendation for Facility School Funding line item	**$17,024,650**	**$12,849,736**	**$17,365,125**	**$340,475**
Estimated portion of the above amount transferred to state agencies:				
Department of Education: **Colorado School for the Deaf and the Blind**	**$1,636,570**	**$1,417,391**	**$1,669,300**	**$32,730**
Department of Human Services: **Mental Health Institutes (Pueblo only)**	**$148,700**	**$68,089**	**$151,674**	**$2,974**

➔ STAFF INITIATED START SMART ADJUSTMENT

REQUEST: The Department requested a continuation level of funding for the two Start Smart Nutrition Program line items, with no change from the FY 2020-21 appropriation. The request includes:

- $900,000 General Fund appropriated to the Start Smart Nutrition Program Fund line item.
- $1,150,000 total funds for the Start Smart Nutrition Program, including $900,000 reappropriated funds (reflecting the $900,000 General Fund appropriated into the cash fund) and $250,000 cash funds from the existing fund balance.

RECOMMENDATION: Staff recommends eliminating the General Fund appropriation for FY 2021-22 (a reduction of $900,000 General Fund below the request) and adjusting the Start Smart Nutrition Program appropriation to reflect $1,150,000 cash funds from the fund balance. Changes in federal nutrition policy for FY 2020-21 have dramatically reduced Start Smart Nutrition Program expenditures in the current year, resulting in a projected fund balance of more than $1.4 million for FY 2021-22. As a result, the additional General Fund appropriation is unnecessary; the staff recommendation will not reduce the funds available for the Start Smart Nutrition Program in FY 2021-22 at all.

ANALYSIS:

BACKGROUND – 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.

The annual appropriation for the program generally consists of two line items: (1) the Start Smart Nutrition Program Fund line item appropriates General Fund into the program's cash fund; and (2) the Start Smart Nutrition Program line item appropriates from the cash fund to support the program's expenditures. In years where the General Assembly appropriates General Fund into the cash fund, the second line item includes both reappropriated funds (reflecting the money appropriated as General Fund in that year) and cash funds from the fund balance.

- The FY 2020-21 appropriation and the Department's FY 2021-22 request each include $900,000 General Fund appropriated into the cash fund and a total of $1,150,000 appropriated out of the cash fund to support the program.

CHANGES FOR FY 2020-21 AND FY 2021-22

The COVID-19 pandemic and associated changes in federal school nutrition policy have dramatically decreased the program's expenditures in FY 2020-21.

- First, many students have been attending school remotely for significant portions of the school year, which has probably reduced the use of school breakfasts.
- Second, federal policy extended the Summer Food Service Program throughout the school year, which allows participating schools to serve free meals to all students at a higher federal reimbursement rate. According to the Department, only five of Colorado's 178 school districts are participating in the School Breakfast Program, as the districts are taking advantage of the extended Summer Food Service Program. The state funding is not available to (or used by) the districts participating in the Summer Food Service Program.

As a result of those changes, Start Smart Nutrition Program expenditures have declined from more than $900,000 in FY 2018-19 to $721,450 in FY 2020-21 (presumably associated with the early impacts of the pandemic) and an estimated $35,492 in FY 2021-22. As a result, the Department projects that the program's cash fund will end FY 2020-21 with a balance of more than $1.4 million (see table below).

START SMART NUTRITION PROGRAM FUND					
	FY 17-18 ACTUAL	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ESTIMATE	FY 21-22 ESTIMATE
Beginning Fund Balance	$389,201	$327,405	$350,356	$563,578	$1,447,600
General Fund Appropriation to the Cash Fund	900,000	900,000	900,000	900,000	0
Interest Earnings	14,773	19,063	19,514	19,514	19,514
Unrealized Gain/Loss	(4,755)	6,826	15,158	0	0
Program Expenditures	(971,814)	(902,938)	(721,450)	(35,492)	(740,457)
Ending Fund Balance	**$327,405**	**$350,356**	**$563,578**	**$1,447,600**	**$726,657**
Spending Authority (Annual Appropriation from the Cash Fund)	$1,300,000	$1,300,000	$1,150,000	$1,150,000	$1,150,000
Appropriation Exceeds/(Falls Short of) Expenditures	$328,186	$397,062	$428,550	$1,114,508	$409,543

Thus, staff expects the cash fund to have more than enough fund balance to support the entire program for FY 2021-22, eliminating the need for any General Fund appropriation (a savings of

$900,000 General Fund below the request). Staff and the Department will assess the need for General Fund appropriations for FY 2022-23.

➔ STAFF INITIATED SCHOOL LUNCH PROTECTION ADJUSTMENT

REQUEST: The Department requested a continuation appropriation of $2,878,116 total funds (including $2,027,374 General Fund and $850,742 cash funds from the State Education Fund) for the Child Nutrition School Lunch Protection Program for FY 2021-22.

RECOMMENDATION: As discussed above (Staff Initiated School Lunch Protection Adjustment), staff recommends approving an appropriation of $2,328,105 total funds, including $1,477,374 General Fund and $850,731 cash funds from the State Education Fund. The recommendation is $550,000 below the request in an effort to better align the appropriation with anticipated expenditures. Based on estimates provided by the Department, staff is anticipating less than $2.1 million in expenditures for FY 2021-22 (including $2,047,651 in reimbursements estimated by the Department and approximately $41,000 in administrative cost). Based on those estimates, the staff recommendation would still leave $239,501 available to accommodate potential growth in expenditures. Thus, the recommendation should allow for $550,000 in General Fund savings <u>with no effect on the program's operations or expenditures.</u>

ANALYSIS:

BACKGROUND – 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 <u>pre-kindergarten through twelfth grade</u> 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 has expanded the program multiple times since 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.

The following table provides data related to districts' school lunch programs and the Child Nutrition School Lunch Protection Program. As shown in the table, expansion of the program over the past several years increased both the cost of the program and the share of reduced-price meals that are

eligible for reimbursement through FY 2018-19 prior to the impact of the COVID-19 pandemic. Participation and expenditures decreased in FY 2019-20 presumably as a result of school closures related to COVID-19. As with the Start Smart discussion above, federal policy changes associated with the COVID-19 pandemic that have allowed schools to access summer nutrition programs during the school year (dramatically decreasing district participation in the standard school lunch program and the costs of the Child Nutrition School Lunch Protection Program). The Department currently expects participation and expenditures to rebound in FY 2021-22.

DATA CONCERNING DISTRICTS' SCHOOL LUNCH PROGRAMS AND THE CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM

	FY 17-18 ACTUAL	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ESTIMATE	FY 21-22 ESTIMATE
Total number of reduced priced lunches served (all grade levels)	6,275,880	6,078,032	4,872,415	397,650	4,999,098
Number of above meals for which state reimbursement is available	3,774,059	5,137,719	4,849,843	337,260	4,975,939
Estimated number of students who benefit from Child Nutrition School Lunch Protection Program subsidy	21,440	31,852	39,360	125	40,383
Child Nutrition School Lunch Protection Program Expenditures (including administration costs of up to 2.0 percent)	$1,541,491	$2,099,631	$1,992,819	$134,904	$2,088,604
Annual percent change	*2.3%*	*36.3%*	*(5.7%)*	*(93.0%)*	*1,417%*

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.). Prior to H.B. 19-1171, the statute had specified a necessary range of appropriations for each year (e.g., between $850,000 and $2.5 million to support pre-K through fifth grade). However, H.B. 19-1171 eliminated the specific ranges and simply requires the General Assembly to appropriate funds sufficient to cover the program's costs.

While the Department is anticipating a rebound in expenditures for FY 2021-22, the staff recommendation would still leave a "buffer" of nearly $240,000 to accommodate higher-than-expected participation in FY 2021-22. Based on the Department's estimates, the staff recommendation should allow for savings of $550,000 <u>without any effect on the programs actual operations and expenditures.</u>

LINE ITEM DETAIL - ASSISTANCE TO PUBLIC SCHOOLS

(A) PUBLIC SCHOOL FINANCE

ADMINISTRATION

This line item includes funding to support Department staff who administer the School Finance Act, the Colorado Preschool Program, and full-day kindergarten programs. This unit oversees the Financial Policy and Procedures Advisory Committee, and provides technical assistance to school districts related to preschool and full-day kindergarten programs, as well as statutory and regulatory budgetary, accounting, and reporting requirements. This unit works with the State Treasurer's Office to intercept charter school debt payments, and with the Department of Human Services to withhold School to

Work Alliance Program matching funds for vocational rehabilitation. This unit also distributes funding for other programs, including facility school funding, transportation reimbursements, small attendance center aid, grant writing funds for boards of cooperative services, and concurrent enrollment funding.

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

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

STATUTORY AUTHORITY: Sections 22-2-112, 22-2-113, and 22-54-114 (2.3), C.R.S.

REQUEST: The Department requests a continuation appropriation of $1,680,350 total funds and 15.4 FTE for FY 2021-22. The request includes $1,592,831 reappropriated funds (originating from the State Share of Districts' Total Program Funding line item) and $87,519 cash funds from the State Education Fund. The request includes the following changes from the FY 2020-21 appropriation:

- An increase of $775 total funds to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of $224,905 reappropriated funds and 2.5 FTE associated with request R8 (Personal Services and Operating Reductions).

RECOMMENDATION: Staff recommends approving an appropriation of $1,879,526 total funds, including $1,792,031 General Fund and $87,495 cash funds from the State Education Fund, and 17.4 FTE for FY 2021-22. The recommendation includes the following changes:

- As discussed above with the Staff Initiated School Finance Administration Adjustment, staff recommends shifting the primary fund source for this line item from reappropriated funds to the General Fund rather than continuing to support the line item with funds withheld from total program.
- Staff recommends approving a reduction of $24,970 General Fund and 0.5 FTE associated with request R8 to eliminate a portion of a program assistant position that the Department has restructured.
- Staff recommends denying the remaining $199,998 and 2.0 FTE in reductions proposed through R8 because staff contends that those positions (a pupil count auditor and a school finance fiscal support position) represent a core function of the Department and that those positions should be funded and filled.
- Finally, the recommendation includes the Committee's common policy adjustment to the annualization of S.B. 18-200 (a reduction of $759 total funds below the requested annualization).

The following table shows the recommended changes from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, PUBLIC SCHOOL FINANCE, ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$1,904,480	$0	$87,494	$1,816,986	$0	17.9
TOTAL	**$1,904,480**	**$0**	**$87,494**	**$1,816,986**	**$0**	**17.9**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$1,904,480	$0	$87,494	$1,816,986	$0	17.9
Annualize prior year legislation	16	0	1	15	0	0.0
SI School finance admin adjustment	0	1,817,001	0	(1,817,001)	0	0.0
R8 Personal services and operating reductions	(24,970)	(24,970)	0	0	0	(0.5)
TOTAL	**$1,879,526**	**$1,792,031**	**$87,495**	**$0**	**$0**	**17.4**
INCREASE/(DECREASE)	**($24,954)**	**$1,792,031**	**$1**	**($1,816,986)**	**$0**	**(0.5)**
Percentage Change	(1.3%)	0.0%	0.0%	(100.0%)	0.0%	(2.8%)
FY 2021-22 EXECUTIVE REQUEST	**$1,680,350**	**$0**	**$87,519**	**$1,592,831**	**$0**	**15.4**
Request Above/(Below) Recommendation	($199,176)	($1,792,031)	$24	$1,592,831	$0	(2.0)

FINANCIAL TRANSPARENCY SYSTEM MAINTENANCE

The General Assembly added this line item to the FY 2018-19 Long Bill to support the ongoing maintenance of the financial transparency system authorized in H.B. 14-1292 (Student Success Act). The original legislation transferred $3.0 million cash funds from the State Education Fund to the newly created Financial Reporting Fund and continuously appropriated those funds to the Department for FY 2014-15 through FY 2017-18 to create a financial transparency system allowing for the comparison of expenditures across schools, districts, and other local education providers.[12] Money remaining in the Financial Reporting Fund ($1.1 million at the end of FY 2017-18 and an estimated $492,507 at the end of FY 2018-19) is subject to legislative appropriation in FY 2018-19 and subsequent years. The Final Fiscal Note for H.B. 14-1292 assumes ongoing expenses of $600,000 per year to maintain the system. For FY 2020-21, the General Assembly reduced the appropriation to $462,000 total funds based on revised contract information.

STATUTORY AUTHORITY: Sections 22-44-105, C.R.S.

REQUEST: The Department is requesting an appropriation of $75,000 cash funds from the State Education Fund for FY 2021-22, a reduction of $387,000 below the FY 2020-21 appropriation. With request R8, the Department is proposing to eliminate the external contract for the system and begin to operate and maintain the system "in house." The request assumes that doing so would reduce the cost of operating and maintaining the system by $387,000.

RECOMMENDATION: As discussed above with request R8, staff recommends approving the requested reduction and the proposal to support the financial transparency system within the Department.

SCHOOL FINANCE AUDIT PAYMENTS (NEW LINE ITEM REQUESTED)

[12] The system website is available at: https://coloradok12financialtransparency.com/#/

The General Assembly made a specific appropriation for audit payments to school districts pursuant to Sec. 22-2-113 (10(j), C.R.S., in H.B. 20-1418 (School Finance). The Department makes these payments to make up for previous underpayments to school districts and schools that are discovered through the audit process. In prior years, the Department had made audit payments *to* districts from audit revenues collected *from* districts and deposited to the State Public School Fund. The payments out to districts were not specifically appropriated and were effectively off budget. However, in FY 2020-21, the anticipated payments exceeded anticipated revenues, requiring an additional appropriation. The Department is requesting the addition of the new line item to the Long Bill to reflect anticipated audit payments on a more transparent basis.

STATUTORY AUTHORITY: Section 22-2-113 (1)(j), C.R.S.

REQUEST: The Department requests an appropriation of $600,000 cash funds from the State Public School Fund (originating as audit recoveries), a reduction of $1.6 million below the FY 2020-21 appropriation included in H.B. 20-1418.

RECOMMENDATION: Staff recommends approving the request, which is consistent with discussions from the FY 2020-21 budget process. Staff notes that the Department has reported significant fluctuations in audit payments in recent years, with large increases in the payments in FY 2020-21 relative to previous years. Staff will continue to work with the Department in an attempt to develop a more predictable system to fund these payments. The following table shows the recommended change from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, PUBLIC SCHOOL FINANCE, SCHOOL FINANCE AUDIT PAYMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1418 (School Finance)	$2,200,000	$0	$2,200,000	$0	$0	0.0
TOTAL	**$2,200,000**	**$0**	**$2,200,000**	**$0**	**$0**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$2,200,000	$0	$2,200,000	$0	$0	0.0
Annualize prior year legislation	(1,600,000)	0	(1,600,000)	0	0	0.0
TOTAL	**$600,000**	**$0**	**$600,000**	**$0**	**$0**	**0.0**
INCREASE/(DECREASE)	**($1,600,000)**	**$0**	**($1,600,000)**	**$0**	**$0**	**0.0**
Percentage Change	(72.7%)	0.0%	(72.7%)	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$600,000**	**$0**	**$600,000**	**$0**	**$0**	**0.0**
Request Above/(Below) Recommendation	$0	$0	$0	$0	$0	0.0

STATE SHARE OF DISTRICTS' TOTAL PROGRAM FUNDING

The State Share of Districts' Total Program Funding line item provides for the State's share of funding under the statutory school finance formula; the appropriation does not reflect the local share of funding. A brief discussion of this line item is above, with the discussion of R1/BA1 (Total Program Increase).

STATUTORY AUTHORITY: Section 22-54-101, et seq., C.R.S.

REQUEST: The Department's request for the state share of districts' total program funding for FY 2021-22 would provide $4,822,697,059 total funds (including $4,133,824,788 General Fund). The request represents an increase of $598.0 million total funds above the FY 2020-21 appropriation as adjusted by S.B. 21-053 (Adjustments to School Funding for FY 2020-21). The request includes the following adjustments:

- *R1/BA1 (Total Program Increase):* Add sufficient state funding to reduce the budget stabilization factor by $480.3 million below the adjusted FY 2020-21 level (from $1.053 billion in FY 2020-21 to $572.4 million in FY 2021-22). The request would return the budget stabilization factor to the same dollar amount as in FY 2019-20.

RECOMMENDATION: Pursuant to current law, staff's preliminary recommendation *for the Long Bill appropriation for total program* would hold the budget stabilization factor constant at $1.053 billion. As the Long Bill is written to current law, the staff recommendation does not include any change in the budget stabilization factor and assumes that the General Assembly would accomplish any such change through the School Finance Bill.

Based on estimates of local revenues for FY 2021-22, staff recommends approving an appropriation of $4,342,793,552 total funds. The preliminary staff recommendation includes $3,674,461,332 General Fund, $499,783,947 cash funds from the State Education Fund, and $168,548,273 cash funds from the State Education Fund. Please note that the fund sources are certain to change based on the March 2021 revenue forecasts as well the Committee's decisions affecting available fund balances in the State Education Fund and State Public School Fund. Staff will address those changes through a staff "comeback." The following table shows the (preliminary) recommended changes from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, PUBLIC SCHOOL FINANCE, STATE SHARE OF DISTRICTS' TOTAL PROGRAM FUNDING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$4,784,907,994	$4,433,610,083	$351,297,911	$0	$0	0.0
SB 21-053 (Mid-year school funding)	$40,905,287	$40,905,287	$0	$0	$0	0.0
HB 20-1418 (School Finance)	(601,115,264)	(721,579,451)	120,464,187	0	0	0.0
TOTAL	**$4,224,698,017**	**$3,752,935,919**	**$471,762,098**	**$0**	**$0**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$4,224,698,017	$3,752,935,919	$471,762,098	$0	$0	0.0
R1/BA1 Total program increase	159,000,822	(37,569,300)	196,570,122	0	0	0.0
Annualize prior year legislation	(40,905,287)	(40,905,287)	0	0	0	0.0
TOTAL	**$4,342,793,552**	**$3,674,461,332**	**$668,332,220**	**$0**	**$0**	**0.0**
INCREASE/(DECREASE)	**$118,095,535**	**($78,474,587)**	**$196,570,122**	**$0**	**$0**	**0.0**
Percentage Change	2.8%	(2.1%)	41.7%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$4,822,697,059**	**$4,133,824,789**	**$688,872,270**	**$0**	**$0**	**0.0**
Request Above/(Below) Recommendation	$479,903,507	$459,363,457	$20,540,050	$0	$0	0.0

FEDERAL CARES ACT FUNDS

House Bill 20-1418 reflected informational appropriations of federal funds provided through the CARES Act for FY 2019-20 ($510.0 million) and FY 2020-21 ($37.0 million). Those were one-time funds – as result there is no request or recommendation for FY 2021-22.

DISTRICT PER PUPIL REIMBURSEMENT FOR JUVENILES HELD IN JAIL

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

This line item has historically provided funding for two types of expenses:

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

STATUTORY AUTHORITY: Section 22-32-141, C.R.S.

REQUEST: With request R8 (Personal Services and Operating Reductions, discussed above), the Department is proposing to eliminate this line item, a reduction of $10,000 cash funds from the State Education Fund below the FY 2020-21 appropriation. The appropriation has not been used in recent years.

RECOMMENDATION: Staff recommends approving a continuation appropriation of $10,000 cash funds from the State Education Fund for the Long Bill. Staff agrees that the appropriation does not appear to be necessary at this point. However, current law requires the Department to provide reimbursement if requested and the General Assembly has maintained the appropriation for that reason. Staff recommends that the General Assembly consider eliminating the statutory requirement (and the appropriation) as part of separate legislation such as the School Finance Bill. Should the appropriation remain in place, any unspent moneys will remain in the State Education Fund and be available for appropriation in subsequent years.

AT-RISK SUPPLEMENTAL AID

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

statutory calculation, and the appropriation has remained at that level in subsequent years (with expenditures remaining below the appropriation).

STATUTORY AUTHORITY: Section 22-30.5-112.2, C.R.S.

REQUEST: The Department requests an appropriation of $4,844,358 cash funds from the State Public School Fund, a reduction of $250,000 below the FY 2020-21 appropriation. The reduction is proposed in request R9 (Return Unused Fund Balances, discussed above) and is based on recent expenditures under the program/line item.

RECOMMENDATION: Staff recommends approving the request, including the reduction proposed in request R9. Based on recent expenditures, the request appears to be sufficient to support likely costs for FY 2021-22. Any unspent amounts will remain in the State Public School Fund for appropriation in subsequent years.

AT-RISK PER PUPIL ADDITIONAL FUNDING

Created in S.B. 15-267 (School Finance) and first funded in FY 2015-16, this line item provides additional funding to school districts and Institute charter schools for at-risk pupils. The program provides funding on a per pupil basis, calculated as $5.0 million divided by the number of at-risk pupils statewide for the applicable budget year. In order to support the program, S.B. 15-267 increased the transfer of interest and income earned on the Public School (Permanent) Fund to the State Public School Fund by $5.0 million per year (see Section 22-41-102 (3) (e), C.R.S.) and dedicated that funding to the At-risk Per Pupil Additional Funding program beginning in FY 2015-16. The bill sets the $5.0 million level of funding in statute and directs the General Assembly to appropriate that amount of funding for the program each year beginning in FY 2015-16.

STATUTORY AUTHORITY: Section 22-54-136, C.R.S.

REQUEST: The Department requests a continuation appropriation of $5.0 million cash funds from the State Public School Fund (from interest and income earned on the Permanent Fund that is transferred to the State Public School Fund), with no change from the FY 2020-21 appropriation and as required by current statute.

RECOMMENDATION: Staff recommends approving the request, which is consistent with current law as enacted in S.B. 15-267. That bill permanently increased transfers of interest and income earned on the Permanent Fund to the State Public School Fund and directs that the funds be used for this program.

ADDITIONAL FUNDING FOR RURAL DISTRICTS AND INSTITUTE CHARTER SCHOOLS (NEW LINE ITEM REQUESTED)

The Department is requesting the creation of this line item in the FY 2021-22 Long Bill to support additional per pupil payments to rural school districts and institute charter schools pursuant to H.B. 20-1427 (Cigarette Tobacco & Nicotine Products Tax) and Proposition EE (adopted by the voters at the November 2020 election). Senate Bill 21-053 (Adjustments to School Funding for FY 2020-21) includes an appropriation of $25.0 million from the Rural Schools Cash Fund for FY 2020-21, as

required by H.B. 20-1427. That bill requires distributions of $30.0 million in FY 2021-22 and $35.0 million in FY 2022-23.

Similar to "one-time" distributions provided in FY 2018-19 and FY 2019-20, the bill directs per pupil distributions to rural school districts and institute charter schools on the following basis:

- 55.0 percent of the total funding is distributed to large rural districts (districts that the Department has identified as rural that have between 1,000 and 6,500 pupils in kindergarten through 12th grade) and to institute charter schools located in those districts.
- 45.0 percent of the total funding is distributed to small rural districts (districts that the Department has identified as rural that have less than 1,000 pupils in kindergarten through 12th grade). Although it is less than half of the total funds, the per pupil distributions for these districts are higher because that amount of funding is applied to a smaller number of pupils.

STATUTORY AUTHORITY: Section 22-54-142, C.R.S.

REQUEST: With Budget Amendment 1 (discussed above), the Department is requesting an appropriation of $30.0 million cash funds from the Rural School Cash Fund for FY 2021-22. The request represents an increase of $5.0 million cash funds, consistent with H.B. 20-1427.

RECOMMENDATION: Staff recommends approving the request, which is consistent with H.B. 20-1427 and Proposition EE. The following table shows the recommended change from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, PUBLIC SCHOOL FINANCE, ADDITIONAL FUNDING FOR RURAL DISTRICTS AND INSTITUTE CHARTER SCHOOLS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$0	$0	$0	$0	$0	0.0
SB 21-053 (Mid-year school funding)	25,000,000	0	25,000,000	0	0	0.0
TOTAL	**$25,000,000**	**$0**	**$25,000,000**	**$0**	**$0**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$25,000,000	$0	$25,000,000	$0	$0	0.0
R1/BA1 Total program increase	5,000,000	0	5,000,000	0	0	0.0
TOTAL	**$30,000,000**	**$0**	**$30,000,000**	**$0**	**$0**	**0.0**
INCREASE/(DECREASE)	**$5,000,000**	**$0**	**$5,000,000**	**$0**	**$0**	**0.0**
Percentage Change	20.0%	0.0%	20.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$30,000,000**	**$0**	**$30,000,000**	**$0**	**$0**	**0.0**
Request Above/(Below) Recommendation	$0	$0	$0	$0	$0	0.0

HOLD-HARMLESS FULL-DAY KINDERGARTEN FUNDING

Current law [Section 22-28-104 (2) (a) (III), C.R.S.] authorizes a total of 29,360 half-day preschool slots for the Colorado Preschool Program (CPP) for FY 2018-19, including 9,200 slots for the Early Childhood At-risk Enhancement (ECARE) program created in S.B. 13-260. Pursuant to H.B. 08-1388, schools can no longer use standard (non-ECARE) CPP slots to provide full-day kindergarten. For those districts that had previously elected to use CPP slots to provide full-day kindergarten, H.B.

08-1388 included a "hold harmless" provision [Section 22-54-130, C.R.S.]. Thus, these 60 districts receive 0.58 FTE funding for all kindergarten students, plus an additional amount of per pupil funding (0.42 FTE) based on the number of kindergarten students previously served through CPP.

STATUTORY AUTHORITY: Section 22-28-104 (2) (a) (III), C.R.S.

REQUEST: The enactment of H.B. 19-1262 eliminated the need for this line item as well as the FY 2019-20 appropriation. As a result, the Department is not requesting an appropriation for this line item for FY 2021-22.

RECOMMENDATION: Staff recommends approving the request. This line item is no longer necessary.

(B) CATEGORICAL PROGRAMS

(I) DISTRICT PROGRAMS REQUIRED BY STATUTE

SPECIAL EDUCATION PROGRAMS FOR CHILDREN WITH DISABILITIES

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

In addition to total program funds districts receive to provide educational services to children with disabilities (including three- and four-year-old children[13]), districts are statutorily eligible to receive reimbursement for additional costs incurred in providing educational services to school-age children with disabilities. These reimbursements include federal funding and state funding (subject to available appropriations). Federal funds are generally allocated based on the total number of elementary and secondary students within the boundaries of each administrative unit, with a portion of the funding allocated based on the number of children living in poverty.

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

- "Tier A": Administrative units receive $1,250 for each child with a disability who was reported on the prior year special education count.

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

- "Tier B": Administrative units receive an additional $6,000 per student for a percentage of the children reported on the prior year special education count with the following disabilities: intellectual disability; serious emotional disability; hearing impairment, including deafness; vision impairment, including blindness; deaf-blindness; autism spectrum disorders; traumatic brain injury, and multiple disabilities. The percentage is determined by the appropriation.
- "Tier C": Administrative units receive grants for reimbursement of high costs incurred in providing special education services to a child in the preceding fiscal year. These grants are distributed based on recommendations from the Colorado Special Education Fiscal Advisory Committee, taking into consideration the magnitude of the high costs incurred by a unit in relation to its budget. A total of $4.0 million is allocated for this purpose, including $2 million for costs incurred to serve students within the school district, and $2 million for costs incurred to serve students outside the district.
- Child Find: Administrative units receive funds to offset the costs incurred in conducting child find activities under Part C of IDEA for children who are less than three years of age (e.g., screening and evaluation of children with disabilities from birth through two years of age). The total dollar amount allocated for this purpose increases each year based on the lesser of the rate of inflation or the annual percentage change in state funding for special education services, and the number of children evaluated by administrative units in the preceding budget year. Please note that request R4 proposes to transfer responsibility for these evaluations to the Department of Human Services.
- "Educational Orphans": Up to $500,000 is used to reimburse administrative units for excess costs paid to eligible facilities within the unit's boundaries for "educational orphans", those students with disabilities: (a) for whom parental rights have been relinquished or terminated; (b) the parents of whom are incarcerated or cannot be located; (c) the parents of whom reside out of the state but the Department of Human Services has placed such children within the administrative unit; or (d) who are legally emancipated.

STATUTORY AUTHORITY: Sections 22-20-114 and 114.5, C.R.S.

REQUEST: The Department's request for FY 2021-22 includes a total of $211.1 million state funds (including $93.6 million General Fund and $117.5 million cash funds from the State Education Fund), an increase of $4.9 million (2.4 percent) in state funding. The Department's request also reflects $191,090 reappropriated funds and 1.0 FTE from funds transferred from the Department of Labor and Employment, Division of Vocational Rehabilitation, and $156.3 million in federal funds that are anticipated to be available to reimburse administrative units and support 62.0 federally-funded Department FTE. The request includes the following increases above the FY 2020-21 appropriation:

- $4,863,634 cash funds from the State Education Fund) to provide the inflationary increase required by Amendment 23 (request R2, discussed above).
- $3,584 federal funds to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends reflecting a total appropriation of $366,612,241, including $93,572,347 General Fund; $116,582,286 cash funds from the State Education Fund (a 1.9 percent annual increase in *state* funding associated with the inflationary increase required by Amendment 23); $191,090 reappropriated funds; and $156,266,518 federal funds. Staff also recommends reflecting the

requested 63.0 FTE. The recommendation includes the following changes from the FY 2020-21 appropriation:

- An increase of $3,931,475 cash funds from the State Education Fund associated with the inflationary increase required by Amendment 23 (request R2). The recommendation is 932,519 below the request primarily based on the decreased inflation rate relative to the assumptions in the request.
- An increase of $74 federal funds to reflect the FY 2021-22 impact of S.B. 18-200. The adjustment is $3,510 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

The following table shows the recommended changes from the FY 2020-21 appropriation for the Special Education Programs for Children with Disabilities categorical program.

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, SPECIAL EDUCATION - CHILDREN WITH DISABILITIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$362,680,692	$93,572,347	$112,650,811	$191,090	$156,266,444	63.0
TOTAL	**$362,680,692**	**$93,572,347**	**$112,650,811**	**$191,090**	**$156,266,444**	**63.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$362,680,692	$93,572,347	$112,650,811	$191,090	$156,266,444	63.0
R2 Categorical programs increase	3,931,475	0	3,931,475	0	0	0.0
Annualize prior year legislation	74	0	0	0	74	0.0
R4 Repurpose early intervention funding	0	0	0	0	0	0.0
TOTAL	**$366,612,241**	**$93,572,347**	**$116,582,286**	**$191,090**	**$156,266,518**	**63.0**
INCREASE/(DECREASE)	**$3,931,549**	**$0**	**$3,931,475**	**$0**	**$74**	**0.0**
Percentage Change	1.1%	0.0%	3.5%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$367,547,910**	**$93,572,347**	**$117,514,445**	**$191,090**	**$156,270,028**	**63.0**
Request Above/(Below) Recommendation	$935,669	$0	$932,159	$0	$3,510	0.0

ENGLISH LANGUAGE PROFICIENCY PROGRAM

Pursuant to the federal *No Child Left Behind Act* [Title III - Language Instruction for Limited English Proficient and Immigrant Students], the federal *Civil Rights Act of 1964* [Title VI], and the English Language Proficiency Act [Article 24 of Title 22, C.R.S.], districts are required to identify and provide programs for students with limited English proficiency.

Some federal funding is available for such programs, and, with the enactment of H.B. 14-1298 (School Finance), the State now provides assistance to districts through three mechanisms. First, districts receive "at-risk" funding through the School Finance Act for some students with limited English proficiency. Second, districts receive funding through the English Language Proficiency Act (ELPA) categorical program for students with limited English proficiency. As enacted in H.B. 14-1298, Section 22-24-104 (2) (a), C.R.S., limits state ELPA funding to a maximum of five years per student (prior to FY 2014-15, statute limited payments to no more than two years per student). Third, beginning in FY 2014-15, districts receive additional funding (a total of $27.0 million per year since FY 2014-15)

through the English Language Learners Professional Development and Student Support Program created in H.B. 14-1298.

The Department has provided data detailing the number of students eligible for state funding as well as the number receiving English language learner (ELL) services who are not eligible for state funding, by grade level. With the five-year limit on ELPA funding eligibility, the majority (71.6 percent) of ELL students receiving state funding in FY 2020-21 are in kindergarten through fourth grade. Those kindergarten through fourth-grade students represent 44.0 percent of the total number of ELL students statewide in FY 2020-21 It is important to note that it often takes more than five years for students to progress out of English language services and that state and federal law require school districts to continue to provide services beyond the five-year window based on the needs of the student.

- For example, in FY 2020-21, school districts are providing English language services to 47,194 students that are no longer eligible for state funding, representing 38.5 percent of the 122,495 students receiving ELL services.
- School districts must absorb those costs within their operating budgets, increasing the gap between state and federal funds available for ELL services and the school districts' total costs for those services. In FY 2018-19, school districts spent $209.1 million more on ELL services than was available in state and federal funding. That gap between available funds and district costs drives the Committee's allocation of the constitutionally required increases in categorical funding.

House Bill 18-1379 (School Finance) adjusted the allocation of the categorical funding.

- Prior law had required the Department to allocate three-quarters of the total appropriation to districts serving students considered non-English proficient (NEP), defined as students who: (a) speak languages other than English and do not comprehend or speak English; or (b) students who comprehend or speak some English, but whose primary comprehension or speech is in a language other than English. The remaining 25 percent of the amount appropriated was distributed to districts serving students considered limited-English proficient (LEP), defined as students who comprehend and speak English and one or more other languages but whose English language development and comprehension is either (1) at or below the district mean or below the mean or equivalent on a nationally standardized test; or (2) below the acceptable proficiency level based on the instrument or technique developed and approved by the Department.
- House Bill 18-1379 adjusted the allocation so that the Department distributes funds based on the proportion of eligible students in each category. As under prior law, the statute limits per pupil funding for each classification of students (the greater of $400 or 20.0 percent of statewide average per pupil funding for NEP students and $200 or 10.0 percent of statewide average per pupil funding for LEP students.

STATUTORY AUTHORITY: Section 22-24-106, C.R.S.

REQUEST: The Department's FY 2021-22 request seeks $36.8 million total funds, including $25.6 million state funds (including $3.1 million General Fund and $22.5 million cash funds from the State Education Fund) and $11.3 million federal funds. The request reflects continuation of 4.6 federally funded FTE. The request includes the following increases above the FY 2020-21 appropriation:

- $1,464,115 cash funds from the State Education Fund associated with request R2 (Categorical Programs Increase, discussed above) to provide the inflationary increase required by Amendment 23. The request represents a 6.1 percent increase in state funding.
- An increase of $112 federal funds to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends a total appropriation of $36,522,049, including $3,101,598 General Fund and $22,156,144 cash funds from the State Education Fund, and 4.6 FTE. The recommendation includes an increase of $1,111,113 (4.8 percent) in state funding from the State Education Fund associated with the inflationary increase required by Amendment 23 (request R2). Staff recommends reflecting $11,264,307 federal funds and 4.6 federally funded FTE in this line item.

- The state funding is $311,922 below the request based on the decreased inflation rate relative to the assumption in the request.
- The federal funding is $110 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

The following table shows the recommended change from the FY 2020-21 appropriation for the English Language Proficiency Program.

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, ENGLISH LANGUAGE PROFICIENCY PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$35,369,854	$3,101,598	$21,003,951	$0	$11,264,305	4.6
TOTAL	**$35,369,854**	**$3,101,598**	**$21,003,951**	**$0**	**$11,264,305**	**4.6**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$35,369,854	$3,101,598	$21,003,951	$0	$11,264,305	4.6
R2 Categorical programs increase	1,152,193	0	1,152,193	0	0	0.0
Annualize prior year legislation	2	0	0	0	2	0.0
TOTAL	**$36,522,049**	**$3,101,598**	**$22,156,144**	**$0**	**$11,264,307**	**4.6**
INCREASE/(DECREASE)	**$1,152,195**	**$0**	**$1,152,193**	**$0**	**$2**	**0.0**
Percentage Change	3.3%	0.0%	5.5%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$36,834,081**	**$3,101,598**	**$22,468,066**	**$0**	**$11,264,417**	**4.6**
Request Above/(Below) Recommendation	$312,032	$0	$311,922	$0	$110	0.0

(II) OTHER CATEGORICAL PROGRAMS

PUBLIC SCHOOL TRANSPORTATION

Pursuant to Section 22-32-113, C.R.S., a school district <u>may</u> provide transportation for students to and from school. However, a school district <u>must</u> provide transportation for students who fall under the federal *Individuals with Disabilities Education Act* or Section 504 of the federal *Rehabilitation Act of 1973*, as well as homeless students. The Department indicates that one of Colorado's 178 school districts (San Juan – Silverton) does not provide transportation services. Statewide, approximately 39 percent of students are transported. In recent years prior to FY 2019-20, school districts travelled a

total of almost 60 million miles each year for routes (home to school, school to school, and school to home) and activity trips. During the 2019-20 school year, total miles traveled decreased to approximately 41 million miles as a result of the Spring 2020 impacts of the COVID-19 pandemic.

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

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

STATUTORY AUTHORITY: Section 22-51-104, C.R.S.

REQUEST: The Department's FY 2021-22 request includes a total of $63,543,973, including $63,093,973 in state funding (a 2.5 percent increase in state funding) and 2.0 FTE and a continuation appropriation of $450,000 cash funds from the State Public School Transportation Fund, which consists of money recovered by the Department when it identifies a transportation-related overpayment to a district. The requested appropriation from the State Public School Transportation Fund would allow the Department to re-distribute money recovered in the current fiscal year in FY 2021-22. The request includes the following increases above the FY 2020-21 appropriation:

- $1,511,183 cash funds from the State Education Fund to provide inflationary the inflationary increase required by Amendment 23 (request R2).
- $61 cash funds from the State Education Fund to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends a total appropriation of $63,221,962 and 2.0 FTE. The recommendation includes $36,922,227 General Fund, $26,299,735 cash funds from the State Education Fund, and $450,000 cash funds from the State Public School Transportation Fund, representing a 1.9 percent increase in state funding. The recommendation includes an increase of

[14] Districts include: Arapahoe – Byers, Boulder - Boulder Valley, Eagle, Gilpin, Grand - East Grand, Las Animas - Primero, Rio Blanco - Rangely, Routt – Hayden, Routt – South Routt, San Miguel - Telluride, and Summit.

[15] Districts collecting fees include: Adams - Brighton, Douglas, El Paso – Academy, El Paso – Lewis Palmer, El Paso - Falcon, Jefferson, Summit, and Teller – Woodland Park.

$1,189,233 cash funds from the State Education Fund associated with request R2 (discussed above) to provide the inflationary increase required by Amendment 23.

In a change from the request (but consistent with prior years), staff does not recommend providing additional state funding to annualize S.B. 18-200. Staff does not recommend including additional base building funds (under Amendment 23) in the appropriation for those purposes. Instead, staff recommends that the Department absorb those costs within the recommended inflationary increase as part of the cost of operating the program. The following table shows the recommended change from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, PUBLIC SCHOOL TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$62,032,729	$36,922,227	$25,110,502	$0	$0	2.0
TOTAL	**$62,032,729**	**$36,922,227**	**$25,110,502**	**$0**	**$0**	**2.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$62,032,729	$36,922,227	$25,110,502	$0	$0	2.0
R2 Categorical programs increase	1,189,233	0	1,189,233	0	0	0.0
Annualize prior year legislation	0	0	0	0	0	0.0
TOTAL	**$63,221,962**	**$36,922,227**	**$26,299,735**	**$0**	**$0**	**2.0**
INCREASE/(DECREASE)	**$1,189,233**	**$0**	**$1,189,233**	**$0**	**$0**	**0.0**
Percentage Change	1.9%	0.0%	4.7%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$63,543,973**	**$36,922,227**	**$26,621,746**	**$0**	**$0**	**2.0**
Request Above/(Below) Recommendation	$322,011	$0	$322,011	$0	$0	0.0

TRANSFER TO THE DEPARTMENT OF HIGHER EDUCATION FOR DISTRIBUTION OF STATE ASSISTANCE FOR CAREER AND TECHNICAL EDUCATION

The State Board for Community Colleges and Occupational Education is responsible for approving career and technical education programs, as well as distributing state funds to school districts with students enrolled in approved programs [see Article 8 of Title 23, C.R.S.]. The state funds are distributed to school districts to partially reimburse costs related to personnel, books and supplies, and equipment for approved programs. Specifically, state funding is available to a district if its approved program cost per full-time equivalent student exceeds 70 percent of the district's per pupil operating revenues for the same fiscal year. A district is eligible to receive reimbursement for 80 percent of the first $1,250 in "excess costs" incurred, and 50 percent of any excess costs above $1,250.

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

STATUTORY AUTHORITY: Section 23-8-102, C.R.S.

REQUEST: The Department requests a total of $28,370,549 in state funding, including $17,792,850 General Fund and $10,577,699 cash funds from the State Education Fund, for FY 2021-22. The request includes an increase of $592,307 cash funds from the State Education Fund (a 2.1 percent increase in state funding) associated with request R2.

RECOMMENDATION: Staff recommends a total appropriation of $28,244,361 state funds, including $17,792,850 General Fund and $10,451,511 cash funds from the State Education Fund (a 1.7 percent increase in state funding). The recommendation reflects an increase of $466,119 cash funds from the State Education Fund associated with requests R2 (discussed above). The following table shows the recommended change from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, TRANSFER TO THE DEPARTMENT OF HIGHER EDUCATION FOR DISTRIBUTION OF STATE ASSISTANCE FOR CAREER AND TECHNICAL EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$27,778,242	$17,792,850	$9,985,392	$0	$0	0.0
TOTAL	**$27,778,242**	**$17,792,850**	**$9,985,392**	**$0**	**$0**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$27,778,242	$17,792,850	$9,985,392	$0	$0	0.0
R2 Categorical programs increase	466,119	0	466,119	0	0	0.0
TOTAL	**$28,244,361**	**$17,792,850**	**$10,451,511**	**$0**	**$0**	**0.0**
INCREASE/(DECREASE)	**$466,119**	**$0**	**$466,119**	**$0**	**$0**	**0.0**
Percentage Change	1.7%	0.0%	4.7%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$28,370,549**	**$17,792,850**	**$10,577,699**	**$0**	**$0**	**0.0**
Request Above/(Below) Recommendation	$126,188	$0	$126,188	$0	$0	0.0

SPECIAL EDUCATION PROGRAMS FOR GIFTED AND TALENTED CHILDREN

The state *Exceptional Children's Educational Act* defines a gifted child as one whose "aptitude or competence in abilities and talents and potential for accomplishments in one or more domains, as defined by state board rule, are so outstanding that he or she requires special provisions to meet his or her educational needs" [see Section 22-20-202 (11), C.R.S.]. Pursuant to Section 22-20-204, C.R.S. (as amended by H.B. 14-1102 (Gifted Education Programs)), each administrative unit is required to adopt and implement a program to identify and serve gifted children. The plan must be implementable within the local, state, and federal resources available for gifted education programs. State funding for gifted programs must supplement, not supplant, programs for students with disabilities.

State distributions may be used for universal screening of students, employing a gifted education coordinator, teacher salaries for appropriately licensed and endorsed personnel, programming options and counseling related to serving gifted children, materials used in serving gifted children, professional development for personnel who serve gifted children, and direct administrative costs incurred in implementing the gifted education program. In order to receive funding, an administrative unit (district, multi-district administrative unit, or board of cooperative service) must submit a comprehensive program plan and annual proposed budget for gifted education identification, programming, personnel, and accountability. The Department uses the appropriation: (a) for

administrative unit per pupil distributions; (b) for "hold-harmless" allocations for certain rural school districts and boards of cooperative services that provide services to multiple school/rural districts; (c) to support ten regional grants for gifted education consultants and professional development; and (d) for state administration.

STATUTORY AUTHORITY: Section 22-26-101, C.R.S.

REQUEST: The Department requests a total of $12,795,628 in state funding, including $5,500,000 General Fund and $7,295,628 cash funds from the State Education Fund and 0.5 FTE in FY 2021-22 (representing a net decrease of $48,963 and 0.4 percent below the FY 2020-21 appropriation). The request includes the following changes from the FY 2020-21 appropriation:

- An increase of $177,037 cash funds from the State Education Fund associated with request R2 (Categorical Programs Increase), discussed above.
- An increase of $97 cash funds from the State Education Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of $226,000 cash funds from the State Education Fund and 1.0 FTE associated with request R8 (Personal Services and Operating Reductions), discussed above in the "Decision Items Affecting Multiple Divisions" section of this document.

RECOMMENDATION: Staff recommends a total appropriation of $12,994,942 and 1.5 FTE, including $5,500,000 General Fund and $7,494,942 cash funds from the State Education Fund (a 1.2 percent increase in state funding). The recommendation includes an increase of $466,119 cash funds from the State Education Fund associated with request R2 (discussed above). The recommendation does not include any reduction related to request R8 (discussed in the Decision Items Affecting Multiple Divisions section of this document). The General Assembly is unable to reduce total categorical funding and staff is not recommending reallocating funds away from this program. To the extent that the Department believes that it could better manage the program with reduced FTE (and distribute additional funds to schools), the Department can do so within the existing appropriation.

As with Public School Transportation (discussed above), staff does not recommend providing additional state funding to S.B. 18-200. Staff does not recommend including additional base building funds (under Amendment 23) in the appropriation for that purpose. Instead, staff recommends that the Department absorb those costs within the recommended inflationary increase as part of the cost of operating the program. The following table shows the recommended change from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, SPECIAL EDUCATION PROGRAMS FOR GIFTED AND TALENTED CHILDREN						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$12,844,494	$5,500,000	$7,344,494	$0	$0	1.5
TOTAL	**$12,844,494**	**$5,500,000**	**$7,344,494**	**$0**	**$0**	**1.5**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$12,844,494	$5,500,000	$7,344,494	$0	$0	1.5
R2 Categorical programs increase	150,448	0	150,448	0	0	0.0
Annualize prior year legislation	0	0	0	0	0	0.0
R8 Personal services and operating reductions	0	0	0	0	0	0.0

ASSISTANCE TO PUBLIC SCHOOLS, CATEGORICAL PROGRAMS, SPECIAL EDUCATION PROGRAMS FOR GIFTED AND TALENTED CHILDREN						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	**$12,994,942**	**$5,500,000**	**$7,494,942**	**$0**	**$0**	**1.5**
INCREASE/(DECREASE)	**$150,448**	**$0**	**$150,448**	**$0**	**$0**	**0.0**
Percentage Change	1.2%	0.0%	2.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$12,795,628**	**$5,500,000**	**$7,295,628**	**$0**	**$0**	**0.5**
Request Above/(Below) Recommendation	($199,314)	$0	($199,314)	$0	$0	(1.0)

EXPELLED AND AT-RISK STUDENT SERVICES GRANT PROGRAM

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

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

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

The Department is also authorized to retain: (a) up to one percent of moneys appropriated for the purpose of annually evaluating the program; and (b) up to two percent of moneys appropriated for the purpose of partnering with organizations and agencies that provide services and supports designed to reduce the number of truancy cases requiring court involvement and that also reflect the best interests of students and families.

For FY 2009-10, the General Assembly increased funding for this program by approximately $1.0 million and required the Department to use half of that increase ($500,000) on an ongoing basis (annually) to support applicants providing services and supports to reduce the number of truancy cases. The General Assembly provided additional increases of $150,000 in FY 2010-11 and $2.0 million in FY 2018-19 (for a total appropriation of $9,493,560 in FY 2018-19 and FY 2019-20).

STATUTORY AUTHORITY: Sections 22-33-205 and 22-38-101 et seq., C.R.S.

REQUEST: The Department requests an appropriation of $9,493,671 state funds (including $5,788,807 General Fund and $3,704,864 cash funds from the State Education Fund) and 1.0 FTE in FY 2021-

22. The request includes an increase of $111 cash funds from the State Education Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $9,493,560 total funds (including $5,788,807 General Fund and $3,704,753 cash funds from the State Education Fund) and 1.0 FTE, with no change from the FY 2020-21 appropriation. Similar to the recommendations for other categorical programs, staff does not recommend funding the requested increases to annualize to annualize S.B. 18-200. Instead, staff recommends that the Department absorb those costs, particularly in light of the significant increase provided in FY 2018-19.

SMALL ATTENDANCE CENTER AID

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

Similar to other categorical programs, whether a school district eligible for Small Attendance Center Aid actually receives the maximum reimbursement allowable is subject to appropriation. From FY 1998-99 through FY 2007-08, the appropriation for this line item was sufficient to reimburse eligible districts for the full amount statutorily allowed. For FY 2008-09 through FY 2014-15, the appropriation fell short of full funding. For FY 2015-16, the General Assembly increased funding for the program by $117,171 cash funds from the State Education Fund in order to fully fund the estimated need as of FY 2014-15. For FY 2019-20, the General Assembly added $237,700 based on the actual shortfall below full funding for FY 2018-19. The following table details the allocation of small attendance center aid for FY 2020-21. On average, eligible schools are receiving an additional $1,527 per pupil in FY 2020-21.

SMALL ATTENDANCE CENTER AID: FY 2020-21 CALCULATIONS

SCHOOL DISTRICT	SCHOOL	20-21 ENROLLMENT	FULL FUNDING PER FORMULA	AMOUNT DISTRIBUTED	DISTRIBUTION PER FTE
Gunnison	Marble Charter School	42.0	142,801	115,083	2,740
Huerfano	Gardner School	68.0	153,910	124,036	1,824
La Plata - Durango	Fort Lewis Mesa Elementary	97.5	228,787	184,380	1,891
Larimer - Poudre	PSD Mountain Schools / Red Feather Elementary	102.5	167,129	134,690	1,314
Logan - Valley	Caliche Elementary	132.5	129,505	104,368	788
Logan - Valley	Caliche Jr./Sr. High	127.0	136,968	110,383	869
Mesa - Mesa Valley	Gateway School	26.0	92,152	74,265	2,856
Moffat	Maybell Charter School	15.0	56,525	45,554	3,037
Montrose - West End	Paradox Valley Charter School	31.5	64,995	52,380	1,663
Park	Guffey Community Charter School	33.0	101,894	82,117	2,488
Park	Lake George Charter School	114.5	189,185	152,464	1,332
Pueblo 70	Beulah School	71.0	166,933	134,531	1,895
Totals		**860.5**	**$1,630,783**	**$1,314,250**	**$1,527**

STATUTORY AUTHORITY: Section 22-54-122, C.R.S.

REQUEST: The Department requests an appropriation of $1,317,226 state funds (including $787,645 General Fund and $529,581 cash funds from the State Education Fund). The request includes an increase of $2,976 cash funds from the State Education Fund (a 0.2 percent increase) associated with request R2.

RECOMMENDATION: Staff recommends approving an appropriation of $1,314,250 total funds (including $787,645 General Fund and $526,605 cash funds from the State Education Fund), with no change from the FY 2020-21 appropriation. Staff is not recommending the $2,976 increase requested by the Department based on the minimal nature of the increase. Staff notes that an increase of $316,533 would align the appropriation with the statutory calculation for FY 2020-21 (see table above). Based on that gap, the General Assembly may wish to consider adding more funding to better align with the statutory formula. However, staff is not recommending such an increase at this time in part because of the significant additional funding going to rural schools pursuant to H.B. 20-1427.

COMPREHENSIVE HEALTH EDUCATION

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

This line item provides funding for grants to school districts, facility schools, and boards of cooperative services to implement local comprehensive health education and student wellness programs, and for 1.0 FTE to administer the program and perform the duties required by the act. The Department of Education works with the Department of Public Health and Environment to review applications for state funding, and the State Board of Education allocates available funds. The comprehensive health grant program started a new three-year grant cycle in FY 2019-20 (which will end in FY 2021-22), and the wellness program will begin a new three-year cycle in FY 2021-22.

STATUTORY AUTHORITY: Section 22-25-101, C.R.S.

REQUEST: The Department requests an appropriation of $1,132,058 state funds (including $300,000 General Fund and $832,058 cash funds from the State Education Fund) and 1.0 FTE for FY 2021-22. The request includes the following increases above the FY 2020-21 appropriation:

- $582 cash funds from the State Education Fund associated with request R2 (Categorical Programs Increase), discussed above.
- $80 cash funds from the State Education Fund to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving a continuation appropriation of $1,131,396 state funds (including $300,000 General Fund and $831,396 cash funds from the State Education Fund) and 1.0 FTE, with no change from the FY 2020-21 appropriation. Staff notes that the General Assembly added $126,000 to this line item for FY 2018-19. Staff is not recommending the $582 increase requested by the Department as part of request R2 based on the minimal nature of the

increase. Similar to the other categorical programs discussed above, staff does not recommend approving the (minimal) increase to annualize S.B. 18-200.

(C) GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE

(I) HEALTH AND NUTRITION

Background Information - Federal School Lunch Program: The National School Lunch Program provides low cost or free meals (breakfast, lunch, and after school snacks) to children. Public or non-profit private schools and residential 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 (e.g., $34,060 for a family of four in FY 2020-21) are eligible.
- *Reduced price* meals: Families with incomes between 130% and 185% of the federal poverty level (e.g., between $34,060 and $48,470 for a family of four in FY 2020-21) are eligible.

Federal per meal reimbursements differ depending on whether the meal was served to a child who is eligible for free, reduced, or "full" price meals. For example, for school breakfasts, most schools currently receive $1.89 for each free meal served, $1.59 for each reduced price meal served, and $0.32 for each full price meal served. Absent other state funding, children receiving a reduced price meal would be charged the difference between the federal reimbursements for free and reduced price meals (e.g., $0.30 per reduced price breakfast). However, under current law the State reimburses school districts for that difference (through the Start Smart Nutrition Program for breakfasts and the Child Nutrition School Lunch Protection Program for lunches, both of which are discussed in the line item detail below).

In Colorado, the Department of Education administers a multitude of school nutrition programs, the largest being the National School Lunch and Breakfast Program, and operates the programs through agreements with local school food authorities (usually school districts). Families are asked to complete a meal application to determine eligibility for free or reduced price meals. This information is confidential and is not shared with any other state or local agencies unless allowed by federal regulation. In FY 2020-21, per the October 1 pupil count, a total of 295,313 children are eligible for free meals, and another 59,678 children are eligible for reduced price meals. The percentage of students who are eligible for *free* meals is used as a factor to determine the level of per pupil funding for each school district, so districts have a financial incentive to encourage families to complete these forms even if they do not plan to participate in the school's lunch or breakfast program.

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

DATA CONCERNING NATIONAL SCHOOL LUNCH PROGRAM IN COLORADO					
	FY 17-18 ACTUAL	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ESTIMATE*	FY 21-22 ESTIMATE*
Children *eligible* for free meals	308,382	300,044	298,139	295,313	293,417
Annual % Change	*-1.4%*	*-2.7%*	*-0.6%*	*-0.9%*	*-1.6%*
Children *eligible* for reduced price meals	71,076	71,282	73,665	59,678	75,554
Annual % Change	*4.1%*	*0.3%*	*3.3%*	*-19.0%*	*2.6%*
Children eligible for free or reduced price meals	379,458	371,326	371,804	354,991	368,971
Percent of children eligible for reduced price meals who *participate* in lunch program	52.6%	51.9%	52.9%	53.9%	55.0%
Percent of children eligible for reduced price meals who *participate* in breakfast program	26.7%	25.1%	25.6%	30.3%	30.0%

* Note: The eligible counts are actuals from the October 2019 Pupil Count. The participation percentages are estimates from prior year and using a three-year average.

FEDERAL NUTRITION PROGRAMS

This line item reflects (for informational purposes) all federal funding that is available for nutrition programs. The federal funds and a small amount of General Fund included in this line item support 9.0 FTE who administer the various state and federal nutrition programs. It is staff's understanding that the state funding in this line item is required to comply with a federal maintenance of effort requirement associated with these federal funds. With the implementation of the Breakfast After the Bell Program (created in H.B. 13-1006 and discussed below), the federal grant reflected in this line item also includes the federal funds associated with Breakfast After the Bell.

STATUTORY AUTHORITY: Federal nutrition program statutes.

REQUEST: The Department requests a continuation appropriation of $156,679,185 total funds (including $97,865 General Fund and $156,581,320 federal funds) and 9.0 FTE. The request includes an increase of $505 total funds ($35 General Fund) to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $156,678,691 total funds, including $97,831 General Fund and $156,580,860 federal funds, and 9.0 FTE for FY 2021-22. The recommendation is $494 total funds below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

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. Districts may only use funds provided by this line item for the school lunch program, and districts that have previously used their own general fund moneys to subsidize school lunch

service are not allowed to use moneys received from this line item to supplant that level of subsidy. Senate Bill 01-129 included an appropriation of $2,472,644 from the State Public School Fund for FY 2001-02, and the General Assembly has appropriated the same amount annually in subsequent fiscal years. Subsequently, the federal government has indicated that states are required to meet the MOE requirement each school year as a condition of the state's receipt of federal "general cash assistance" funds, and the intent of this requirement is that a minimum amount of state revenues be provided to supplement the federal funds provided to schools to support the overall aim of the National School Lunch Program (which is to provide lunches to children in school). States are required to "ensure that State revenues, and State revenues only, can be shown to have been transferred into the school food service accounts of participating schools, or that school food service expenses have been borne by State revenues where these are to be counted in meeting the revenue match".

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 2021-22, unchanged from the FY 2020-21 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 moneys must be appropriated or used specifically for National School Lunch Program purposes (excluding state-level administrative expenses). It is possible that the State would risk the loss of about $18 million in federal funds if this appropriation were eliminated. Staff recommends continuing to reflect this appropriation as cash funds -- interest and investment income earned on the Public School (Permanent) Fund that is credited to the State Public School Fund.

CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM

Pursuant to S.B. 08-123 [Section 22-82.9-101 et seq., C.R.S.], the Child Nutrition School Lunch Protection Program provides state funding to reimburse school districts for each lunch served to a child in 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 has expanded the program multiple times since 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.

The following table provides data related to districts' school lunch programs and the Child Nutrition School Lunch Protection Program. As shown in the table, expansion of the program over the past several years has increased both the cost of the program and the share of reduced-price meals that are eligible for reimbursement through FY 2018-19 prior to the impact of the COVID-19 pandemic. Participation and expenditures decreased in FY 2019-20 as a result of school closures related to COVID-19. As with several of the federal nutrition programs, participation and costs are down significantly in 2020-21 based on federal policy changes associated with the COVID-19 pandemic that have allowed schools to access summer nutrition programs during the school year (dramatically decreasing district participation in the standard school lunch program). The Department currently expects participation and expenditures to rebound in FY 2021-22.

DATA CONCERNING DISTRICTS' SCHOOL LUNCH PROGRAMS AND THE CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM

	FY 17-18 ACTUAL	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ESTIMATE	FY 21-22 ESTIMATE
Total number of reduced priced lunches served (all grade levels)	6,275,880	6,078,032	4,872,415	397,650	4,999,098
Number of above meals for which state reimbursement is available	3,774,059	5,137,719	4,849,843	337,260	4,975,939
Estimated number of students who benefit from Child Nutrition School Lunch Protection Program subsidy	21,440	31,852	39,360	125	40,383
Child Nutrition School Lunch Protection Program Expenditures (including administration costs of up to 2.0 percent)	$1,541,491	$2,099,631	$1,992,819	$134,904	$2,088,604
Annual percent change	*2.3%*	*36.3%*	*(5.7%)*	*(93.0%)*	*1,417%*

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.). Prior to H.B. 19-1171, the statute had specified a necessary range of appropriations for each year (e.g., between $850,000 and $2.5 million to support pre-K through fifth grade). However, H.B. 19-1171 eliminated the specific ranges and simply requires the General Assembly to appropriate funds sufficient to cover the program's costs.

STATUTORY AUTHORITY: Section 22-82.9-101 et seq., C.R.S.

REQUEST: The Department requests continuation funding of $2,878,116 total funds (including $2,027,374 General Fund and $850,742 cash funds from the State Education Fund) for FY 2021-22. The request includes an increase of $11 cash funds from the State Education Fund to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: As discussed above (Staff Initiated School Lunch Protection Adjustment), staff recommends approving an appropriation of $2,328,105 total funds, including $1,477,374 General Fund and $850,731 cash funds from the State Education Fund. The recommendation is $550,000 below the request in an effort to better align the appropriation with anticipated expenditures. Based on estimates provided by the Department, staff is anticipating less than $2.1 million in expenditures

for FY 2021-22 (including $2,047,651 in reimbursements estimated by the Department and approximately $41,000 in administrative cost). Based on those estimates, the staff recommendation would still leave $239,501 available to accommodate potential growth in expenditures. The following table shows the recommended change from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, CHILD NUTRITION SCHOOL LUNCH PROTECTION PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$2,878,105	$2,027,374	$850,731	$0	$0	0.0
TOTAL	**$2,878,105**	**$2,027,374**	**$850,731**	**$0**	**$0**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$2,878,105	$2,027,374	$850,731	$0	$0	0.0
Annualize prior year legislation	0	0	0	0	0	0.0
SI Nutrition program adjustments	(550,000)	(550,000)	0	0	0	0.0
TOTAL	**$2,328,105**	**$1,477,374**	**$850,731**	**$0**	**$0**	**0.0**
INCREASE/(DECREASE)	**($550,000)**	**($550,000)**	**$0**	**$0**	**$0**	**0.0**
Percentage Change	(19.1%)	(27.1%)	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$2,878,116**	**$2,027,374**	**$850,742**	**$0**	**$0**	**0.0**
Request Above/(Below) Recommendation	$550,011	$550,000	$11	$0	$0	0.0

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.

The following table provides data related to districts' school breakfast programs and the Start Smart Nutrition Program. As shown in the table and discussed above (Staff Initiated Start Smart Adjustment), participation and expenditures declined dramatically in FY 2020-21 as a result of the COVID-19 pandemic and associated changes in federal policy.

DATA CONCERNING DISTRICTS' SCHOOL BREAKFAST PROGRAMS AND THE START SMART NUTRITION PROGRAM					
	FY 17-18 ACTUAL	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ESTIMATE*	FY 21-22 ESTIMATE*
Number of *school districts* that offer a school breakfast program	170	169	168	5	169

DATA CONCERNING DISTRICTS' SCHOOL BREAKFAST PROGRAMS AND THE START SMART NUTRITION PROGRAM					
	FY 17-18 ACTUAL	FY 18-19 ACTUAL	FY 19-20 ACTUAL	FY 20-21 ESTIMATE*	FY 21-22 ESTIMATE*
Number of *schools* that offer a school breakfast program	1,486	1,502	1,481	15	1,490
Number of reduced price breakfasts served (and reimbursed by State)	3,189,574	2,946,779	2,353,644	118,305	2,414,839
Estimated number of students who benefit from Start Smart subsidy	18,986	17,875	19,523	49	20,024
Start Smart expenditures*	$956,872	$902,938	$721,450	$35,492	$740,457
Annual percent change	*0.2%*	*(7.1%)*	*(20.1%)*	*(95.1%)*	*2.6%*

STATUTORY AUTHORITY: Section 22-82.7-101 et seq., C.R.S.

REQUEST: The Department requests an appropriation of $900,000 General Fund to the Start Smart Nutrition Program Fund in FY 2021-22, with no change from the FY 2020-21 appropriation. The request also includes a total appropriation of $1,150,000 (including $900,000 reappropriated funds and $250,000 cash funds) to support the Start Smart Nutrition Program in FY 2021-22 (again with no change from the FY 2020-21 appropriation.

RECOMMENDATION: As discussed above with the Staff Initiated Start Smart Adjustment, staff recommends eliminating the $900,000 General Fund appropriation to the Start Smart Nutrition Fund for FY 2021-22 and converting the entire appropriation for the Start Smart Nutrition Program line item to cash funds. As outlined above (and shown in the table above), changes to federal policy for FY 2020-21 have dramatically reduced the program's expenditures for the current year and the Department's projections indicate that the Start Smart Nutrition Program Fund will end FY 2020-21 with a balance of more than $1.4 million. That amount is more than enough to cover the requested appropriation of $1.15 million. Staff and the Department will assess the need to restore a General Fund appropriation for FY 2022-23.

LOCAL SCHOOL FOOD PURCHASING PROGRAMS (NEW LINE ITEM REQUIRED BY CURRENT LAW)

This line item would support the following two grant programs created in H.B. 19-1132 (School Incentives to Use Colorado Food and Producers):

- 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. Under the program, the Department is expected to contract with a

The bill provided an appropriation of $168,942 General Fund and 0.3 FTE for FY 2019-20 to allow the Department to establish the programs and to begin contracting for the Local School Food

Purchasing Technical Assistance and Education Grant Program in FY 2019-20 (grants under the Colorado Food Products Purchasing Incentives Grant Program were set to begin in FY 2020-21).

- The Final Legislative Council Staff Fiscal Note for H.B. 19-1132 anticipated a need for $675,255 General Fund and 0.4 FTE to support these programs in FY 2020-21, representing an increase of $506,313 General Fund (and not including an estimated $5,251 for centrally appropriated line items associated with the 0.4 FTE).
- However, H.B. 20-1418 (School Finance) modified statute to delay implementation of the programs until FY 2021-22 as a budget balancing action.

REQUEST: As discussed above, current law (as modified by H.B. 20-1418) requires an appropriation of $675,255 General Fund and 0.4 FTE in FY 2021-22 to support these two programs. However, with request R5 (Maintain FY 2020-21 Reductions, discussed above), the Department is proposing to further delay implementation of the programs and to eliminate any appropriation in FY 2021-22.

RECOMMENDATION: Because current law requires the appropriation, staff recommends that the *Long Bill* include an appropriation of $675,255 General Fund and 0.4 FTE for FY 2021-22. However, if revenues continue to require reductions then staff would recommend pursuing statutory change to delay the program (as requested in R5). As discussed above, similar to the General Assembly's action for FY 2020-21, staff would recommend including that statutory change in other legislation such as the 2021 School Finance Bill. The following table shows the recommended change from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, LOCAL SCHOOL FOOD PURCHASING PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$675,255	$675,255	$0	$0	$0	0.4
HB 20-1418 (School Finance)	(675,255)	(675,255)	0	0	0	(0.4)
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$0	$0	$0	$0	$0	0.0
Annualize prior year legislation	675,255	675,255	0	0	0	0.4
R5 Maintain FY 2020-21 reductions	0	0	0	0	0	0.0
TOTAL	**$675,255**	**$675,255**	**$0**	**$0**	**$0**	**0.4**
INCREASE/(DECREASE)	**$675,255**	**$675,255**	**$0**	**$0**	**$0**	**0.4**
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
Request Above/(Below) Recommendation	($675,255)	($675,255)	$0	$0	$0	(0.4)

BREAKFAST AFTER THE BELL

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

in small rural districts with fewer than 1,000 total students. Schools may choose the method and time to offer breakfast, so long as it occurs after the first bell of the school day. Schools where at least 90 percent of students ride to bus to school may choose to offer breakfast on the bus rather than at school. Federal nutrition funds associated with the program (approximately $29.4 million per year) are reflected in the Federal Nutrition Programs line item (discussed above).

STATUTORY AUTHORITY: Sections 22-82.8-101 through 104, C.R.S.

REQUEST: With request R8 (Personal Services and Operating Reductions, discussed above), the Department is proposing reduce to eliminate the separate appropriation of state funds for this program in FY 2021-22 (a reduction of $24,897 General Fund and 0.3 FTE below the FY 2020-21 appropriation). The Department has indicated that it will absorb the necessary administrative expenses within other nutrition program funding. The official request indicates that the line item would provide an appropriation of $90 – however, it is staff's understanding that this was a data entry error.

RECOMMENDATION: Staff recommends eliminating the appropriation and the line item for FY 2021-22. Based on communication with the department, staff agrees that the Department should be able to absorb these costs within existing funding. According to the Department, the separate appropriation of state funds is not necessary to continue to receive the federal funds associated with this program.

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 services[16] provided to Medicaid-eligible students. In order to do so, districts and BOCES must certify local expenditures on health care services in order to claim and receive federal Medicaid funding.

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

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

[16] 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).

the Department of Education, and the remainder is paid directly to districts and BOCES for the provision of health care services.

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

STATUTORY AUTHORITY: Section 25.5-5-318, C.R.S.

REQUEST: The Department requests an appropriation of $180,749 reappropriated funds and 1.4 FTE for FY 2021-22 for this line item. The request includes an increase of $41 to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $180,709 reappropriated funds and 1.4 FTE for the S.B. 97-101 Public School Health Services line item. The recommendation is $40 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200. For the Committee's information, the following table reflects the Department's *total* anticipated costs (and the total anticipated transfer from HCPF) associated with this program for FY 2021-22, including both this line item and the centrally appropriated amounts associated with the program.

HCPF INTERAGENCY AGREEMENT	
LINE ITEM	FY 2021-22 STAFF REC.
S.B. 97-101 Public School Health Services	$152,657
Indirect Costs (included in this line item)	28,052
Health, Life, and Dental	6,896
Short-term Disability	78
AED	2,450
SAED	2,450
Salary Survey	1,343
Total	$193,926

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.

STATUTORY AUTHORITY: Sections 22-96-101 through 105, C.R.S.

REQUEST: The Department requests a continuation appropriation of $11,948,174 cash funds from the Marijuana Tax Cash Fund and 5.0 FTE for FY 2021-22. The request maintains the reduction approved for FY 2020-21 and includes an increase of $148 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $11,948,029 cash funds form the Marijuana Tax Cash Fund and 5.0 FTE for FY 2021-22. The recommendation is $145 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200. Consistent with the request, the staff recommendation continues the $3.0 million reduction approved as a budget balancing action for FY 2020-21.

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 includes an appropriation of $116,550 General Fund and 0.9 FTE for the Department of Education for FY 2019-20. As anticipated in the Final Legislative Council Staff Fiscal Note for H.B. 19-1120, the FY 2020-21 appropriation reduced funding by $69,842 General Fund and 0.3 FTE below the FY 2019-20 appropriation to eliminate one-time funds provided to establish the resource bank in the first year.

STATUTORY AUTHORITY: Section 22-2-107.9, C.R.S.

REQUEST: The Department requests a continuation appropriation of $46,733 General Fund and 0.6 FTE for FY 2021-22. The request includes an increase of $25 General Fund to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $46,709 General Fund and 0.6 FTE for FY 2021-22. The recommendation is $24 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

K-5 SOCIAL AND EMOTIONAL HEALTH PILOT PROGRAM

The Department proposed to create this line item for 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 is 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 extends the program.

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). Beginning with the FY 2020-21 school year, the bill would have 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 professional. The bill requires the Department to adopt rule for the program and to employ or contract with a pilot program coordinator and to contract for preliminary and final program evaluations.

While the original bill authorized appropriations from the Marijuana Tax Cash Fund (up to a maximum of $2.5 million in FY 2020-21), the General Assembly delayed implementation of the program in H.B. 20-1418 as a budget balancing action. The Department's FY 2021-22 request continues that reduction and does not request funding for the program.

STATUTORY AUTHORITY: Sections 22-2-101 through 108, C.R.S.

REQUEST: The Department is not requesting any appropriation for this program for FY 2021-22.

RECOMMENDATION: Staff recommends approving the request.

(II) 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, or more if required to make lease payments under the terms of lease-purchase agreements ($77.8 million in FY 2019-20).
- Recreational marijuana excise tax revenues ($89.8 million in FY 2019-20). Pursuant to H.B. 19-1055 (Public School Capital Construction Financial Assistance), statute credited *all* marijuana excise tax revenues to the PSCCA Fund (previous legislation had increased the share of excise taxes going to the PSCCA Fund from 50.0 percent to 90.0 percent in FY 2018-19). As a one-time adjustment, H.B. 20-1418 (School Finance) credits 50.0 percent of excise taxes to the fund in FY 2020-21 and diverts the remaining 50.0 percent to the State Public School Fund as a budget balancing measure.
- A portion of the interest and income earned on investment of the Public School (Permanent) Fund ($0.7 million in FY 2019-20). Under S.B. 16-035 (The Public School Fund), interest and income earned on the Permanent Fund over and above the $21.0 million already distributed under current law is deposited into the PSCCA Fund, up to a limit of $10.0 million in FY 2017-18 and $20.0 million in FY 2018-19 and subsequent years.
- Local matching moneys for COP projects ($28.5 million in FY 2019-20).
- Lottery proceeds that would otherwise be transferred to the General Fund ($0.8 million in FY 2019-20).
- Interest and investment income earned on the PSCCA Fund ($8.7 million in FY 2019-20).

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.

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: The Department requests a continuation appropriation of $1,475,982 cash funds from the Public School Capital Construction Assistance Fund and 15.0 FTE for FY 2021-22. The request includes an increase of $453 above the FY 2020-21 appropriation to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $1,475,538 cash funds from the Public School Capital Construction Assistance Fund and 15.0 FTE for FY 2021-22. The recommendation is $444 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

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.
- Most recently, H.B. 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.

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 2021-22, with no change from the FY 2020-21 appropriation (as adjusted by H.B. 20-1418). The request aligns with the current cap on COP payments under statute.

RECOMMENDATION: Staff recommends approving the request, which aligns with the statutory cap on COP payments approved by the General Assembly during the 2020 Session. Staff's recommendation assumes that the General Assembly intends to provide the Department with the flexibility to support payments up to the statutory cap. Staff notes, however, that the Department has indicated that the program only anticipates $93.4 million in total COP payments (including $53.9 million in state funds and $39.4 million in local funds). Given that statute effectively limits the state share of the COP payments to no more than 50.0 percent of the statutory cap ($62.5 million in state funds based on a cap of $125.0 million in total payments), it does not appear to be plausible that the program would reach the statutory cap of $125 million in total payments.

Staff further recommends delaying significant increases in the program's C.O.P. commitments until there is increased certainty regarding the program's revenues and the Department has updated the program's priority assessment.

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. However, H.B. 19-1055 added $50.0 million for FY 2019-20 (for a total appropriation of $135.0 million). The 2019 bill also called for an appropriation of $160.0 million for FY 2020-21. However, in response to the revenue challenges created by the pandemic, the General Assembly reduced that requirement by $100.0 million and appropriated $60.0 million for cash grants in FY 2020-21.

STATUTORY AUTHORITY: Section 22-43.7-104, C.R.S.

REQUEST: The Department requests an appropriation of $57.0 million cash funds from the Public School Capital Construction Assistance Fund for FY 2021-22. Request R7 (Reduce Capital Construction Assistance, discussed above) proposes a reduction of $3.0 million below the FY 2020-21 appropriation of $60.0 million (and a related transfer of those funds to support school finance).

RECOMMENDATION: Staff recommends approving a continuation appropriation of $60.0 million for the *Long Bill* appropriation for cash grants with no change from the FY 2020-21 appropriation. If significant additional reductions are necessary during budget balancing, then staff would recommend that the General Assembly consider reducing appropriations for cash grants to make resources available. However, as any transfer from the program's cash fund would require separate legislation

to make the funds available for other uses such as school finance, staff recommends that the Committee approve a continuation appropriation for the Long Bill and adjust the appropriation as necessary in separate legislation making the transfer (such as the School Finance Bill). Doing so will allow the General Assembly to assess the tradeoffs between programs in that legislation.

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: The Department requests an appropriation of $135,000 cash funds from the Public School Capital Construction Assistance Fund. The request includes a reduction of $15,000 below the FY 2020-21 appropriation associated with request R8 (Personal Services and Operating Reductions, discussed above).

RECOMMENDATION: Staff recommends approving the request, including the $15,000 reduction associated with request R8 (discussed above). While that reduction alone would not make those funds available for balancing purposes, it does not appear that the money is necessary for the priority assessment for FY 2021-22.

STATE AID FOR CHARTER SCHOOL FACILITIES

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

Subsequently, the General Assembly modified this program in two significant ways. First, the amount appropriated for the program is now specified in statute [see Section 22-54-124 (3) (a) (III) (A), C.R.S.]. Second, with the exception of a charter school that operates within a state facility, any charter school with "capital construction costs" is eligible to receive funding. The current system allocates annual appropriations among charter schools on a per pupil basis, except that any charter school operating in a school district facility that does not have ongoing financial obligations to repay the outstanding costs of new construction undertaken for the charter school's benefit receives one-half the amount

per pupil that other charter schools receive. With the enactment of H.B. 14-1292 (Student Success Act), the General Assembly made the following changes to funding for the program:

- 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 Committee should note that H.B. 20-1418 changed the allocation of marijuana excise taxes <u>for FY 2020-21 only.</u> For that year, the bill deposits the first $40.0 million into the Public School Capital Construction Assistance Fund (with a share going to the Charter Schools Facilities Account based on the calculations from H.B. 19-1055) and credits any excise taxes above that amount to the State Public School Fund.

STATUTORY AUTHORITY: Section 22-54-124 (3) (a) (III) (A), C.R.S.

REQUEST: The Department requests an appropriation of $30,229,724 cash funds (including $28,839,093 from the State Education Fund and $9,390,631 million from the Charter School Facilities Assistance Account, originally from marijuana excise taxes). The request includes a decrease of $1,591,038 cash funds from the State Education Fund associated with request R7 (Reduce Capital Construction Assistance, discussed above).

RECOMMENDATION: Staff recommends approving an appropriation of $31,526,047 total funds based on current estimates of the revenues available based on the calculations created in H.B. 19-1055. The recommendation includes $22,829,962 from the State Education Fund and $8,696,085 from the Charter School Facilities Account. Please note that the amount from the Charter School Facilities account includes an estimated $5,768,000 from FY 2020-21 excise tax revenues and $2,928,085 in existing fund balance. The use of that fund balance in FY 201-22 is mitigating the reduction that would have otherwise been required as a result of the revenue diversion in H.B. 20-1418.

As discussed with request R7, the recommendation does *not* include the proposed $1.6 million reduction. That reduction would require statutory change and is not appropriate for inclusion in the Long Bill. If revenue declines force significant reductions during budget balancing, then staff would recommend that the General Assembly consider the proposed reduction in the context of the School Finance Bill.

Staff requests permission to adjust that allocation from the Charter School Facilities Assistance Account based on the March 2020 Revenue Forecast. The following table shows a history of per pupil funding amounts for this line item from FY 2005-06 through the FY 2021-22 recommendation.

STATE FUNDING FOR CHARTER SCHOOL CAPITAL CONSTRUCTION COSTS				
FISCAL YEAR	TOTAL APPROPRIATION	TOTAL FUNDING PER PUPIL FOR ELIGIBLE SCHOOLS [a]	STATE EDUCATION FUND APPROP.	DEDICATED MARIJUANA EXCISE TAX FUNDING [c]
2006-07	$5,000,000	$145.09	$5,000,000	
2007-08	$7,800,000	$201.17	$7,800,000	
2008-09 [b]	5,000,000	115.77	5,000,000	
2009-10	5,135,000	107.47	5,135,000	
2010-11	5,000,000	97.64	5,000,000	
2011-12	5,000,000	90.06	5,000,000	
2012-13	5,000,000	78.98	5,000,000	
2013-14	6,000,000	87.67	6,000,000	
2014-15	7,000,000	94.40	7,000,000	
2015-16	13,500,000	169.29	13,500,000	
2016-17	22,000,000	258.48	20,000,000	2,000,000
2017-18	25,000,000	263.18	20,000,000	5,000,000
2018-19	29,250,000	299.87	20,000,000	9,250,000
2019-20	28,607,917	278.85	20,656,559	7,951,358
2020-21	31,820,762	302.56	22,430,131	9,390,631
2021-22 estimate	31,526,047	291.85	22,829,962	8,696,085

[a] These figures represent the amount that most eligible schools receive; eligible schools *operating in a district facility* receive one-half this amount per student.
[b] Of the amount appropriated, $135,000 was allocated to a charter school for the deaf.
c/ Based on estimate of 12.5 percent of marijuana excise tax revenues credited to the Public School Capital Construction Assistance Fund in the preceding fiscal year for FY 2016-17 through FY 2018-19. For FY 2019-20 and FY 2020-21, the percentage of marijuana excise tax collections (from the prior year) is based on the statewide charter school enrollment as a percentage of total student enrollment in the prior school year.

(III) READING AND 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 two 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).
- $7.5 million (in FY 2020-21) appropriated directly from the Marijuana Tax Cash Fund to support the Early Literacy Competitive Grant Program. Prior to the enactment of H.B. 16-1408 (Cash Fund Allocations for Health-related Programs), these funds were from 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 excise tax funds. House Bill 18-1393 (Effective Implementation of READ Act) increased the FY 2018-19 appropriation from the Marijuana Tax Cash Fund for the Early Literacy Competitive Grant Program from $4.4 million provided in the Long Bill to $5.5 million.

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. The bill established additional reporting requirements for districts receiving funding under the READ Act as well as additional constraints on the eligible uses of funding. 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. Continuing the adjustments made in for FY 2019-20, the FY 2020-21 appropriation included the following cash funds appropriations:

- $1,709,570 from the Early Literacy Fund and 12.0 FTE for the Department's administration of the Early Literacy Program and the provision of technical assistance to local education providers under the bill.
- $7,500,000 (including $5,378,678 from the Marijuana Tax Cash Fund and $2,121,322 from the Early Literacy Fund) for the Early Literacy Competitive Grant Program.
- $2,702,557 from the Early Literacy Fund to support evidence based training provided to teachers by the Department. As adjusted by S.B. 19-199, current law Department to provide such training free of charge to teachers in districts that request the training.
- $750,000 from the Early Literacy Fund to support an independent evaluation of the program and student outcomes under the program.
- $500,000 from the Early Literacy Fund and 0.5 FTE to support a public information campaign on the importance of reading.
- $26,261,551 from the Early Literacy Fund for per pupil intervention funding.

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: The Department requests a continuation appropriation of $1,709,948 cash funds from the Early Literacy Fund and 12.0 FTE. The request includes an increase of $378 to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $1,709,578 cash funds form the Early Literacy Fund and 12.0 FTE for FY 2021-22. The recommendation is $370 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200. In alignment with the request, staff recommends maintaining separate appropriations for the various activities required by the READ Act (as adjusted by S.B. 19-199) to maintain transparency into the use of funds for the Early Literacy Program.

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 appropriation continued that level of funding.

STATUTORY AUTHORITY: Sections 22-7-1210 (4)(d)(I)(C) and 22-7-1211, C.R.S.

REQUEST: The Department requests a continuation appropriation of $7,500,000 cash funds (including $5,378,678 from the Marijuana Tax Cash Fund and $2,121,322 from the Early Literacy Fund), with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. Staff recommends that the Committee continue to monitor results under the READ Act as modified by S.B. 19-199. In previous years, the competitive grant recipients have shown stronger results and greater improvement in early literacy outcomes than education providers that did not receive the grants (but received per pupil intervention funds under the READ Act). Should that trend continue, staff may recommend shifting additional funds toward the competitive grant program in the future.

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 requires 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.

The bill 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 Department reports that, as of early February 2021, 735 K-3 teachers have met the training requirement, representing only about 3.1 percent of K-3 teachers. However, the Department reports that an additional 10,195 teachers have enrolled in the on-line course and 315 teachers have enrolled in the (virtual) face-to-face course. Based on those enrollments, roughly 48.0 percent of K-3 teachers have completed or are on track to complete the requirement.

Staff also notes that, to date, only eight teachers have completed the requirement through another mechanism, including five that completed training using a different vendor approved by the Department and three that have completed the requirement via university credit.

STATUTORY AUTHORITY: Section 22-7-1208 (6)(c), C.R.S.

REQUEST: The Department requests a continuation appropriation of $2,702,557 cash funds from the Early Literacy Fund, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies. Staff notes that the complications associated with the COVID-19 pandemic have impacted the Department's (and teachers) plans for this training. Those changes reduced the Department's expenditures in FY 2019-20 and FY 2020-21 because of the reduction in in-person training events. Staff will work with the Department going forward to assess the amount necessary to support these efforts under the bill.

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 ton 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.

STATUTORY AUTHORITY: Section 22-7-1209 (8)(a), C.R.S.

REQUEST: The Department requests a continuation appropriation of $750,000 cash funds from the Early Literacy Fund, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. The Department reports that it still expects the first evaluation to be available by July 1, 2021, as required by the bill. Unfortunately, the COVID-19 pandemic has limited reading assessments and will decrease some of the data available for the initial evaluation; however, the Department is hopeful that the evaluation will still be informative.

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 underway (for more information see the campaign's website at: https://readwithme.today/).

STATUTORY AUTHORITY: Section 22-7-1209 (7), C.R.S.

REQUEST: The Department requests a continuation appropriation of $500,027 cash funds from the Early Literacy Fund and 0.5 FTE for FY 2021-22. The request includes an increase of $27 to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $500,001 cash funds from the Early Literacy Fund and 0.5 FTE. The recommendation is $26 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

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).

STATUTORY AUTHORITY: Sections 22-7-1210 (4)(d)(I)(D) and 22-7-1210.5, C.R.S.

REQUEST: The Department requests 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 2020-21, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. As discussed above with the Early Literacy Competitive Grant Program line item, staff recommends that the General Assembly continue to monitor results and student outcomes under the early literacy program (as modified by S.B. 19-199). Prior to the original requirements established in S.B. 19-199, student outcomes associated with per pupil intervention funding raised questions about local education providers' use of the funds and effectiveness of the program overall. The Department has indicated to staff that it is seeing promising changes in activities in the field that related to the changes made in S.B. 19-199, and staff is hopeful that results will improve. In addition, staff notes that the COVID-19 pandemic has both delayed implementation of some of the requirements and likely added to challenges for struggling readers. Staff recommends that the Committee continue to monitor outcomes from this program and is hopeful that the external evaluation discussed above will support those efforts.

EARLY LITERACY ASSESSMENT TOOL PROGRAM

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

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

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

The Department transitioned from the diagnostic assessment that the state provided in FY 2013-14 ("Burst") to the "DIBELS Deep" diagnostic assessment in FY 2014-15 (the program used both assessments in FY 2014-15 but transitioned fully to DIBELS Deep in FY 2015-16). The Department contracted with Amplify to supply the ELAT for FY 2015-16 through FY 2017-18. Starting in FY 2018-19, the Department is contracting with both Amplify and Istation to provide two options for participating districts. Since its inception in FY 2013-14, participation has grown from 123 districts (plus the State Charter School Institute), covering 417 schools and approximately 90,500 students to 146 districts (plus the State charter School Institute), covering 643 schools and more than 133,000 students in FY 2020-21.

STATUTORY AUTHORITY: Section 22-2-141, C.R.S.

REQUEST: The Department requests a continuation appropriation of $2,997,072 cash funds form the State Education Fund, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request, which the Department expects to be sufficient for FY 2021-22. Staff notes that the program has continued to show promising results in terms of improving the percentage of students reading at benchmark levels in each applicable grade (kindergarten through third), although staff has also noted some apparent "backsliding" between grades. Staff has generally included tables displaying results under the program in figure setting documents since the initiation of the program. However, those results were not available for the FY 2021-22 document. Staff intends to work with the Department to ensure that the data will be available for FY 2022-23 and subsequent years.

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.

STATUTORY AUTHORITY: Section 22-10-104, C.R.S.

REQUEST: The Department requests a continuation appropriation of $970,768 General Fund and 1.0 FTE for FY 2021-22, including an increase of $29 to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $970,740 General Fund and 1.0 FTE for FY 2021-22. The recommendation is $28 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

(IV) PROFESSIONAL DEVELOPMENT AND INSTRUCTIONAL SUPPORT

CONTENT SPECIALISTS

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

During the 2019 Session, to bills added funding for this line item for FY 2019-20:

- H.B. 19-1192 (Inclusion of American Minorities in Teaching Civil Government) added an *ongoing* appropriation of $37,495 cash funds from the State Education Fund.
- H.B. 19-1110 (Media Literacy) added a *one-time* appropriation of $19,816 General Fund for FY 2019-20.

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. Because the bill accelerates the first review to 2022, the Legislative Council Staff Final Fiscal Note for the bill anticipates an appropriation of $131,515 General Fund for FY 2021-22.

STATUTORY AUTHORITY: Section 22-7-1005, C.R.S.

REQUEST: The Department requests an appropriation of $662,569 total funds (including $131,515 General Fund and $531,014 cash funds from the State Education Fund) and 5.0 FTE for FY 2021-22. The request includes the following changes from the FY 2020-21 appropriation:

- An increase of $131,515 General Fund to reflect the FY 2021-22 impact of H.B. 20-1032.
- An increase of $153 cash funds from the State Education Fund to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

- A decrease of $15,000 cash funds from the State Education Fund as an operating expenses reduction associated with request R8 (Personal Services and Operating Reductions, discussed above).

RECOMMENDATION: Staff recommends approving an appropriation of $662,379 total funds (including $131,515 General Fund and $530,864 cash funds from the State Education Fund) and 5.0 FTE for FY 2021-22. The recommendation includes the requested reduction of $15,000 General Fund associated with request R8. The difference from the request is based on the Committee's common policy adjustment to the annualization of S.B. 18-200. The following table shows the recommended changes from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, CONTENT SPECIALISTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$545,861	$0	$545,861	$0	$0	5.0
TOTAL	**$545,861**	**$0**	**$545,861**	**$0**	**$0**	**5.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$545,861	$0	$545,861	$0	$0	5.0
Annualize prior year legislation	131,518	131,515	3	0	0	0.0
R8 Personal services and operating reductions	(15,000)	0	(15,000)	0	0	0.0
TOTAL	**$662,379**	**$131,515**	**$530,864**	**$0**	**$0**	**5.0**
INCREASE/(DECREASE)	**$116,518**	**$131,515**	**($14,997)**	**$0**	**$0**	**0.0**
Percentage Change	21.3%	0.0%	(2.7%)	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$662,529**	**$131,515**	**$531,014**	**$0**	**$0**	**5.0**
Request Above/(Below) Recommendation	$150	$0	$150	$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 appropriations, H.B. 11-1254 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. The bill also requires the Department 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.[17]

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. Please note that a single district can receive grants for more than one school.

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 (form the Marijuana Tax Cash Fund) for FY 2020-21, a reduction of $1.0 million below the FY 2019-20 appropriation.

STATUTORY AUTHORITY: Sections 22-93-101 through 106, C.R.S.

REQUEST: The Department requests a continuation appropriation of $1,000,000 cash funds from the Marijuana Tax Cash Fund to the School Bullying Prevention and Education Cash Fund for FY 2021-22, with no change from the FY 2020-21 appropriation. As a result, the request would continue the 50.0 percent reduction enacted as a budget balancing measure for FY 2020-21.

RECOMMENDATION: Staff recommends approving the request based on the assumption that the General Assembly intends to continue to fund the program. The data from previous years has appeared to be promising. The Department reports that data for FY 2019-20 and FY 2020-21 are

[17] The Department's resources are available at: http://www.cde.state.co.us/mtss/bullying/bestpractices

limited because many schools have been unable to survey students due to the lack of in-person learning.

OFFICE OF DROPOUT PREVENTION AND STUDENT REENGAGEMENT

House Bill 09-1243 [Section 22-14-101 et. seq., C.R.S.] created the Office of Dropout Prevention and Student 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 54 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.

Although the Office supports the administration and implementation of five separate programs,[18] the funding associated with four of those programs is reflected elsewhere in the budget. The funding reflected in this line item ($3.0 million in FY 2020-21) supports two purposes:

- $2.0 million cash funds from the Marijuana Tax Cash Fund and 1.2 FTE 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.
- $1.0 million General Fund and 1.0 FTE for the Educational Stability Grant Program 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 bill requires the Department to hire a permanent foster care education coordinator as well as a partial position to administer the new grant program. 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.

STATUTORY AUTHORITY: Section 22-14-109, C.R.S.

REQUEST: The Department requests a continuation appropriation of $3,048,598 total funds, including $1,042,499 General Fund and $2,006,099 cash funds from the Marijuana Tax Cash Fund, and 2.2 FTE

[18] Programs include: 21st Century Community Learning Centers (a federal program), the Expelled and At Risk Student Services Grant Program (a categorical program discussed above), Foster Care Education (a collaborative effort with the Department of Human Services), the federal McKinney-Vento Homeless Education Program, and the Student Re-engagement Grant Program.

for FY 2021-22. The request includes an increase of $43 total funds ($32 General Fund and $11 cash funds) to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $3,048,556 total funds, including $1,042,468 General Fund and $2,006,088 cash funds from the Marijuana Tax Cash Fund, and 2.2 FTE for FY 2021-22. The recommendation is $42 total funds below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

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 each year from FY 2014-15 through FY 2017-18 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 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: The Department requests an appropriation of $389,026 total funds (including $333,336 General Fund and $55,690 cash funds from the State Education Fund) and 5.0 FTE for FY 2020-21. The request includes the following changes from the FY 2020-21 appropriation:

- An increase of $94 total funds ($88 General Fund) to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).
- A decrease of $15,000 General Fund as an operating expenses reduction in request R8 (Personal Services and Operating Reductions).

RECOMMENDATION: Staff recommends approving an appropriation of $388,934 total funds (including $332,250 General Fund and $55,684 cash funds form the State Education Fund and 5.0 FTE for FY 2021-22. The recommendation includes the proposed reduction of $15,000 General Fund associated with request R8. The $92 difference from the request is based on the Committee's common policy adjustment to the annualization of S.B. 18-200. The following table shows the recommended change from the FY 2019-20 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, ENGLISH LANGUAGE LEARNERS TECHNICAL ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$403,932	$348,248	$55,684	$0	$0	5.0
TOTAL	**$403,932**	**$348,248**	**$55,684**	**$0**	**$0**	**5.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$403,932	$348,248	$55,684	$0	$0	5.0
Annualize prior year legislation	2	2	0	0	0	0.0
R8 Personal services and operating reductions	(15,000)	(15,000)	0	0	0	0.0
TOTAL	**$388,934**	**$333,250**	**$55,684**	**$0**	**$0**	**5.0**
INCREASE/(DECREASE)	**($14,998)**	**($14,998)**	**$0**	**$0**	**$0**	**0.0**
Percentage Change	(3.7%)	(4.3%)	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$389,026**	**$333,336**	**$55,690**	**$0**	**$0**	**5.0**
Request Above/(Below) Recommendation	$92	$86	$6	$0	$0	0.0

ENGLISH LANGUAGE PROFICIENCY ACT EXCELLENCE AWARDS PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the English Language Proficiency Act Excellence Award Program created in H.B. 14-1298 (School Finance). Created in Section 22-24-107, C.R.S., the program awards grants to local education providers and charter schools that achieve the highest growth and academic achievement for English language learners (ELLs) and the highest academic achievement for ELLs who transition out of the English Language Proficiency Program. The line item received annual appropriations of $500,000 cash funds from the State Education Fund for FY 2014-15 through FY 2019-20. <u>However, the General Assembly eliminated the appropriation for FY 2020-21 as a budget balancing measure.</u>

STATUTORY AUTHORITY: Section 22-24-107, C.R.S.

REQUEST: The Department is not requesting an appropriation for this line item for FY 2021-22 (and is continuing the reduction enacted in FY 2020-21 as a budget balancing measure).

RECOMMENDATION: Staff recommends approving the request. Based on the anecdotal data available, the program appears to provide an additional incentive for schools and districts to seek out best practices that could improve achievement and staff would recommend restoring funding when sustainable revenues allow the General Assembly to do so. However, given current uncertainty surrounding the State's revenues, staff recommends maintaining the reduction for FY 2021-22.

ENGLISH LANGUAGE LEARNERS PROFESSIONAL DEVELOPMENT AND STUDENT SUPPORT PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the English Language Learners Professional Development and Student Support Program created in H.B. 14-1298 (School Finance). House Bill 14-1298 repeals and reenacts the English Language Proficiency Act and creates the Professional Development and Student Support Program to allocate moneys to local

education providers to offset costs incurred in complying with the English Language Proficiency Act. House Bill 14-1298 appropriated $27.0 million to support the program in FY 2014-15, and the General Assembly has provided that amount in each subsequent year. The program is created outside of the English Language Proficiency Program categorical program and distributes funds on a per pupil basis ($362.44 per pupil in FY 2019-20) based on the percentage of eligible students (those that are within the first five years of ELL services) that fall into the following categories:

- Students who do not comprehend or speak English or who comprehend and speak some English, but whose primary language is something other than English. With 66,032 students in this category in FY 2019-20, this group represented 88.6 percent of eligible students which equated to $23.9 million in total funding and $362.44 per pupil.
- Students who comprehend and speak English, but whose proficiency is below acceptable levels. With 8,464 students in this category in FY 2019-20, this group represented 11.4 percent of eligible students which equates $3.1 million in total funding and to $362.44 per pupil.

Prior to FY 2020-21, statute dedicated 75.0 percent of the program's funds to the first category and 25.0 percent to the second category. Senate Bill 19-246 (School Finance) adjusted the statute to align the distribution of funds with each group's share of the eligible population (and with the current distribution of categorical funding under the English Language Proficiency Act).

STATUTORY AUTHORITY: Section 22-24-108, C.R.S.

REQUEST: The Department requests a continuation appropriation of $27.0 million cash funds from the State Education Fund for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. The Department does not collect or track information related to specific expenditures related to this program and cannot directly attribute gains among English language learners to the additional funding and support. However, the Department has seen signs of improvement as measured by English learners' average scores on assessments relative to the statewide student population as a whole. For example, from 2015 to 2019, statewide elementary school students' English language arts assessment scores rose by an average of 4.0 points while English learners scores increased by 4.2 points over that period. Staff will continue to work with the Department to evaluate the impact of the program going forward.

Staff recommends maintaining funding for the program at this time as it is providing services to vulnerable students that may be particularly impacted by the COVID-19 pandemic and its effects on schools

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 authorizes the working group to meet up to ten times in FY 2019-20 and four times in FY 2020-21 and includes appropriations to support travel and expenses for both working

group participants and Department staff. Authorized expenses also include venue rentals and catering, 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 requires 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.

STATUTORY AUTHORITY: Sections 22-20.5-103, C.R.S.

REQUEST: The Department requests a continuation appropriation of $40,616 General Fund to support the working group's activities in FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies and with the Final Legislative Council Staff Fiscal Note for H.B. 19-1134.

DYSLEXIA MARKERS PILOT PROGRAM

The General Assembly added this line item to the FY 2020-21 Long Bill to support the Dyslexia Markers Pilot Program created in H.B. 19-1134 to identify markers of dyslexia and to enable effective interventions. The bill directs the Department to consult with the working group (discussed in the previous line item) in designing the pilot program and to select up to five local education providers that volunteer to participate. Following the 2022-23 school year, the bill requires the Department to evaluate the implementation of the pilot program and the effectiveness of the piloted strategies to identify and support dyslexic students. The Department must prepare a report to the General Assembly no later than December 31, 2022, and the pilot program is repealed July 1, 2023.

House Bill 19-1134 includes an appropriation of $116,453 General Fund to the Department of Education to support the pilot program in FY 2019-20.

STATUTORY AUTHORITY: Sections 22-20.5-104, C.R.S.

REQUEST: The Department requests a continuation appropriation of $127,973 General Fund to support pilot program in FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies and with the Final Legislative Council Staff Fiscal Note for H.B. 19-1134.

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 requires 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 requires 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 requires 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 must report to the General Assembly, including detailing actual participation, an evaluation of the program's impact, and a recommendation concerning the program's consideration.

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 anticipates an appropriation of $751,615 General Fund per year in FY 2020-21 and beyond (not including associated centrally appropriated amounts).

The General Assembly reduced the appropriation by $375,807 General Fund (50.0 percent) for FY 2020-21 as a budget balancing measure.

STATUTORY AUTHORITY: Section 22-13-201 through 205, C.R.S.

REQUEST: The Department requests a continuation appropriation of $375,846 General Fund and 1.0 FTE for this line item for FY 2021-22. The request continues the reduction enacted for FY 2020-21 but includes an increase of $38 General Fund above the FY 2020-21 appropriation to reflect the FY 2021-22 impact of S.B. 18-200.

*RECOMMENDATION: S*taff recommends approving an appropriation of $375,809 General Fund and 1.0 FTE for FY 2021-22. The recommendation is $37 below the Department's request based on the Committee's common policy adjustment to the annualization of S.B. 18-200. Like the request, the recommendation maintains the reduction enacted for FY 2020-21.

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.[19] 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 schoolwide 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 as the "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.

STATUTORY AUTHORITY: Section 22-13-103, C.R.S.

REQUEST: The Department requests a continuation appropriation of $4,436,085 total funds (including $2,431,278 General Fund and $2,004,807 cash funds from the State Education Fund) and 3.0 FTE for FY 2021-22. The request includes an increase of $90 total funds ($57 General Fund) to reflect the FY 2021-22 impact of S.B. 18-200.

RECOMMENDATION: Staff recommends approving a continuation appropriation of $4,435,997 total funds (including $2,431,222 General Fund and $2,004,775 cash funds from the State Education Fund) and 3.0 FTE for FY 2021-22. The recommendation is $88 total funds below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

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 the 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).

[19] Approved providers include: Catapult School Leadership, Generation Schools Network, Promethean/University of Florida, Relay Graduate School of Education, University of Denver, and University of Virginia. Although the State Board approved Promethean/University of Florida as a provider, no participants attended that program, and the provider has terminated involvement with the School Turnaround Leaders Development Program.

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. The bill specifies the information that applicants must include in a grant application and requires the Department to prioritize applicants that demonstrate a low number of computer science educational activities, expose students to diverse professionals in the computer science industry, or demonstrate how the grant money will serve a high-poverty student population, a high percentage of minority or female students, or students in a rural area. Although H.B. 19-1277 did not include an appropriation for FY 2019-20, the bill required the General Assembly to appropriate $250,000 per year to support grants for FY 2020-21 through FY 2022-23.

The General Assembly enacted two reductions to this line item for FY 2020-21:

- First, the Long Bill reduced the appropriation for the Computer Science Education Grants for Teachers Program by $500,000 cash funds from the State Education Fund (a 47.7 percent reduction below the FY 2019-20 appropriation.
- Second, H.B. 20-1418 (School Finance) suspended the Computer Science Grant Program for FY 2020-21 and eliminated the appropriation of $250,000 General Fund for that year. The bill does require the appropriation to return in FY 2021-22, however.

STATUTORY AUTHORITY: Section 22-97-101 through 103 and 22-97-201 through 205, C.R.S.

REQUEST: The Department requests an appropriation of $551,693 cash funds from the State Education Fund and 0.4 FTE for FY 2021-22. The recommendation maintains the reduction to the Computer Science Education Grants for Teachers program. In addition, with request R5 (Maintain FY 2020-21 Reductions), the request proposes statutory change to extend the suspension of the Computer Science Grant Program (a reduction of $250,000 General Fund below the current law requirement). Finally, the request includes an increase of $36 based on OSPB's common policy annualization of S.B. 18-200.

RECOMMENDATION: Staff recommends approving a Long Bill appropriation of $801,658 total funds (including $250,000 General Fund and $551,658 cash funds from the State Education Fund) and 0.4 FTE for FY 2021-22. The Committee should note:

- As discussed above with request R5, staff is not recommending the additional suspension of the Computer Science Education Grants program based on the General Assembly's clear intent to restore the program in FY 2021-22 (though if revenues decline then staff would recommend that the General Assembly consider the suspension).
- Like the request, the staff recommendation does maintain the reduction to the Computer Science Education Grants for Teachers Program.
- Finally, the remainder of the difference from the request is based on the Committee's common policy adjustment to the annualization of S.B. 18-200. The following table shows the recommended changes from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, COMPUTER SCIENCE EDUCATION GRANTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, COMPUTER SCIENCE EDUCATION GRANTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 20-1360 (Long Bill)	$801,657	$250,000	$551,657	$0	$0	0.4
HB 20-1418 (School Finance)	(250,000)	(250,000)	0	0	0	0.0
TOTAL	**$551,657**	**$0**	**$551,657**	**$0**	**$0**	**0.4**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$551,657	$0	$551,657	$0	$0	0.4
Annualize prior year legislation	250,001	250,000	1	0	0	0.0
R5 Maintain FY 2020-21 reductions	0	0	0	0	0	0.0
TOTAL	**$801,658**	**$250,000**	**$551,658**	**$0**	**$0**	**0.4**
INCREASE/(DECREASE)	**$250,001**	**$250,000**	**$1**	**$0**	**$0**	**0.0**
Percentage Change	45.3%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$551,693**	**$0**	**$551,693**	**$0**	**$0**	**0.4**
Request Above/(Below) Recommendation	($249,965)	($250,000)	$35	$0	$0	0.0

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 as the Accelerated College Opportunity Exam Fee Program in the FY 2020-21 Long Bill to align with the 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.

STATUTORY AUTHORITY: Section 22-95.5-102, C.R.S.

REQUEST: The Department requests a continuation appropriation of $280,741 General Fund and 0.4 FTE for FY 2021-22. The request continues the 50.0 percent reduction enacted in FY 2020-21 but does include an increase of $10 to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $280,731 General Fund and 0.4 FTE for FY 2021-22. The recommendation is $10 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

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 has 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. Based on that schedule, the line item would require an appropriation of $75,000 in FY 2021-22.

STATUTORY AUTHORITY: Section 22-2-503, C.R.S.

REQUEST: The Department requests an appropriation of $75,000 General Fund for FY 2021-22. The recommendation is $50,000 above the FY 2020-21 appropriation based on the transition to the two-year cycle discussed above.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's decisions from FY 2019-20.

LINE ITEMS INCLUDED IN THE NUMBERS PAGES BECAUSE OF PRIOR YEAR FUNDING

NINTH GRADE SUCCESS GRANT PROGRAM

The Department is requesting the creation of this line item to support 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.

STATUTORY AUTHORITY: Section 22-14-109.5, C.R.S.

REQUEST: Continuing the reduction from FY 2020-21 (which eliminated the appropriation for FY 2020-21), the Department is not requesting an appropriation for the Ninth Grade Success Grant Program for FY 2021-22.

RECOMMENDATION: Staff recommends approving the request (for no appropriation). However, if revenues allow for additional program restorations, then staff would recommend that the Committee consider restoring funding for this program.

STIPENDS FOR NATIONALLY BOARD CERTIFIED TEACHERS

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

House Bill 12-1261 included an appropriation of $604,800 cash funds from the State Education Fund based on an estimate of the number of eligible teachers in low-performing, high needs schools. Under the bill, if appropriations are insufficient to provide stipends to all qualified teachers, then the Department only provides the increased stipends to teachers in low- performing, high needs schools. In FY 2013-14, the General Assembly appropriated $1,617,600 cash funds from the State Education Fund to provide stipends to eligible teachers outside of low-performing, high needs schools. The FY 2014-15 Long Bill reduced the appropriation to $1,580,800 based on actual utilization of the program, and the FY 2016-17 Long Bill further reduced the appropriation to $1,384,000.

House Bill 19-1036 (Annual Stipends for Certified School Professionals) added school psychologists who hold a certification from the National Association of School Psychologists and meet the other program requirements to the list of school personnel that qualify for the stipends. The bill also clarifies that school counselors holding a certification from the NBPTS are eligible for the stipends, which aligned with the Department's existing practice.

For FY 2019-20, the General Assembly added $719,256 through a FY 2020-21 Long Bill "add-on" to allow payments based on the expanded eligibility created by H.B. 19-1036. However, the General Assembly eliminated the entire appropriation for FY 2020-21 as a budget balancing measure in response to the revenue shortfalls associated with the COVID-19 pandemic.

STATUTORY AUTHORITY: Section 22-2-504, C.R.S.

REQUEST: Maintaining the reduction from FY 2020-21, the Department is not requesting an appropriation for this line item for FY 2021-22.

RECOMMENDATION: Staff recommends approving the request for no appropriation in FY 2021-22.

GROW YOUR OWN EDUCATOR PROGRAM

The General Assembly added this line item to the FY 2019-20 Long Bill to support the Grow Your Own Educator Program created in H.B. 18-1309 (Programs Addressing Educator Shortages). The bill requires the Departments of Education and Higher Education to create a framework for grow your own educator programs, including collaborations between local education providers and institutions of higher education and specified required components for the frameworks. The bill required the Department of Education to administer grants to districts or schools that employed participating students under such a program, with grants intended to cover the payment of the student's share of in-state tuition for up to 36 credit hours.

House Bill 18-1309 appropriated $1.0 million General Fund for the program in FY 2018-19 but made those funds available for grants for the duration of the program (through FY 2022-23). The FY 2020-21 Long Bill appropriated $22,933 General Fund and 0.3 FTE to support administration of the program in FY 2020-21. <u>However, H.B. 20-1418 (School Finance) repealed the program as a budget balancing measure and eliminated the FY 2020-21 appropriation.</u> During the FY 2020-21 budget process, the Department reported that it had received *no* applications for funding under the program's grant criteria and was unlikely to make any grants as the program had been structured.

STATUTORY AUTHORITY: Section 22-60.5-208.5, C.R.S.

REQUEST: Given that H.B. 20-1418 repealed the program, the Department is not requesting any appropriation for this program for FY 2021-22.

RECOMMENDATION: Staff recommends approving the request for no appropriation.

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.

Please note that 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.

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 has submitted five reports to date (the most recent report is from June 2020).

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 has utilized federal COVID-19 funds to "wind down" the state support of the program. The General Assembly did not appropriate any funds for the program in FY 2020-21.

STATUTORY AUTHORITY: Section 22-94-102, C.R.S.

REQUEST: The Department is not requesting any funding for this line item for FY 2021-22.

RECOMMENDATION: Staff recommends approving the request (for no funding in FY 2021-22).

RETAINING TEACHERS FUND

The General Assembly added this line item to the FY 2019-20 Long Bill to make a one-time appropriation of $3.0 million General Fund into the Retaining Teachers Fund to support the Retaining Teachers Grant Program created in H.B. 18-1412 (Retaining Teachers Grant Program). The appropriation in FY 2019-20 was requested as a one-time appropriation into the fund (to be spent out of the fund over two years. House Bill 20-1418 repealed the program and the cash fund as a budget balancing measure for FY 2020-21 and transferred the fund balance to the State Education Fund.

STATUTORY AUTHORITY: 22-98-102, C.R.S.

REQUEST: The Department is not requesting any funding for this line item for FY 2021-22.

RECOMMENDATION: Staff recommends approving the request. The program and the cash fund have been repealed.

RETAINING TEACHERS GRANT PROGRAM

The General Assembly added this line item to the FY 2019-20 Long Bill to support the Retaining Teachers Grant Program created in H.B. 18-1412 (Retaining Teachers Grant Program). House Bill 18-1412 included a one-time appropriation of $3.0 million General Fund into the Retaining Teachers Fund (fund, discussed above) for FY 2018-19, to be spent over a three-year period (FY 2018-19 through FY 2020-21). As discussed above, the FY 2019-20 Long Bill appropriated an additional $3.0 million General Fund into the fund on a one-time basis, with the expectation that the Department would spend the money over two years (FY 2019-20 and FY 2020-21).

House Bill 20-1418 repealed the program and the cash fund as a budget balancing measure for FY 2020-21 and transferred the fund balance to the State Education Fund.

STATUTORY AUTHORITY: 22-98-102, C.R.S.

REQUEST: The Department is not requesting any appropriation for this line item for FY 2021-22.

RECOMMENDATION: Staff recommends approving the request.

CAREER COUNSELING PROFESSIONAL DEVELOPMENT

The General Assembly added this line item to the FY 2019-20 Long Bill to provide statewide training to improve career counseling. The Department requested, and the General Assembly approved, a one-time appropriation of $1.5 million General Fund to support the training efforts (planned as a collaboration between the Departments of Education, Higher Education, and Labor and Employment) in FY 2019-20.

The General Assembly reduced the FY 2019-20 appropriation by $500,000 as a budget balancing measure because the COVID-19 pandemic eliminated many of the trainings that were planned for the Spring of 2020.

STATUTORY AUTHORITY: Section 22-10-103 (11)(a), C.R.S.

REQUEST: The Department is not requesting any appropriation for this line item for FY 2021-22. This was a one-time appropriation in FY 2019-20.

RECOMMENDATION: Staff recommends approving the request for no appropriation.

TRANSFER TO THE DEPARTMENT OF HIGHER EDUCATION FOR RURAL TEACHER RECRUITMENT, RETENTION, AND PROFESSIONAL DEVELOPMENT

The General Assembly added this line item to the FY 2019-20 Long Bill to reflect funding transferred from the Department of Education to the Department of Higher Education as a result of S.B. 18-085 (Financial Incentives for Education in Rural Areas). Senate Bill 18-085 appropriated $240,000 cash funds from the State Education Fund to the Department of Education for FY 2018-19 and then transferred those funds to the Department of Higher Education to support the Department of Higher

Education's activities under the bill (paying stipends to teachers that are pursuing certification by the National Board). The General Assembly approved the addition of the new line item to the Long Bill to continue that structure in FY 2019-20. However, beginning in FY 2020-21, the General Assembly funded this program with a direct appropriation of General Fund to the Department of Higher Education. As a result, the line item is no longer necessary.

ADVANCED PLACEMENT INCENTIVES PILOT PROGRAM

The General Assembly added this line item to the FY 2015-16 Long Bill to support the Advanced Placement Incentives Pilot Program created in H.B. 14-1118 (Advanced Placement Incentives Pilot Program). The program is intended to expand access to advanced placement (AP) courses in rural schools, and particularly for low income students. Only school districts that the Department identifies as rural may participate, and the bill caps participation in the pilot program at 475 students. The bill specifies requirements for schools and districts to participate.

The program provides eligible local education providers $500 per student that completes an AP course and takes the AP exam. Participating schools or districts may use the funds to: (1) implement school-wide or district-wide AP programs; (2) provide professional development to administrators regarding the content required in non-AP classes to help students prepare for success in AP courses; (3) pay AP exam fees for students participating in the federal school lunch program, provided the fees are not paid with other federal grant moneys; and (4) provide teachers and mentors of AP courses with bonus payments of $50 for each student who completes an AP course and takes the corresponding exam (up to a maximum of $2,000 per teacher per year).

Originally set to expire at the end of FY 2017-18, H.B. 18-1193 (Extend Advanced Placement Incentives) extended the program through FY 2020-21. However, H.B. 20-1418 (School Finance) repealed the program at the end of FY 2019-20 as a budget balancing measure.

STATUTORY AUTHORITY: Sections 22-95-101 through 104, C.R.S.

REQUEST: The Department is not requesting an appropriation for this program for FY 2021-22, as the program was repealed by H.B. 20-1418.

RECOMMENDATION: Staff recommends approving the request. The program is now repealed.

COMPREHENSIVE QUALITY PHYSICAL EDUCATION PILOT PROGRAM

The Department is requesting the creation of this line item to support the Health and Wellness Through Comprehensive Quality Physical Education Instruction Pilot Program. Created in S.B. 19-246 (School Finance), the program will provide three-year grants to eligible schools or school districts to implement a program of comprehensive physical education instruction. Grants under the pilot may cover FY 2020-21 through FY 2022-23. Grantees may use the funds to address resource needs creating barriers to implementing a comprehensive program. The bill requires grantees to ensure that supported physical education programs include specific components.

Senate Bill 19-246 included an appropriation of $1,100,000 cash funds from the Marijuana Tax Cash Fund and 0.7 FTE to support the program. Section 22-99-105, C.R.S., makes those funds available to the Department through FY 2023-24.

STATUTORY AUTHORITY: Section 22-99-101, C.R.S.

REQUEST: The Department is not requesting an appropriation for this program for FY 2021-22 and is proposing statutory change to revert the remaining funding (estimated at $750,000) to the Marijuana Tax Cash Fund (with request R9 – Return Unused Fund Balances).

RECOMMENDATION: Staff recommends approving the request for no appropriation and recommends considering the proposed statutory change in the context of the School Finance Bill.

(V) FACILITY SCHOOLS

While most children in Colorado receive public education services through school districts or schools that are authorized by the State Charter School Institute, some children receive their education through schools operated by community-based facilities or state-operated programs.[20] In 2008, the General Assembly modified the method of funding facility schools and certain state programs by:

- Removing pupils educated by facility schools from districts' pupil enrollment counts for purposes of funding.[21]
- Requiring facility schools and state programs to report information directly to the Department's Facility Schools Unit concerning individual students, including the student's district of residence and the actual number of days of attendance each month.
- Allowing facility schools to bill the Department for statewide average per pupil revenues times 1.33, and allowing facility schools to bill for an additional one-third of per pupil revenue to support Summer school programs. In 2013, the General Assembly modified this provision to provide statewide base per pupil funding times 1.73 in an effort to increase funding for facility schools.

The General Assembly also created a Facility Schools Board to adopt curriculum standards, accountability measures, and graduation requirements for facility schools. This act also created the Facility Schools Unit within the Department of Education 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.

[20] 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.

[21] Districts continue to include students who reside in a facility or group home and attend a district school in their October count for purposes of funding. Further, students in "out-of-district" placements who attend public school are included in the pupil count of the district of attendance.

- 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.

FACILITY SCHOOLS UNIT AND FACILITY SCHOOLS BOARD

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

STATUTORY AUTHORITY: Sections 22-2-401 through 22-2-408, C.R.S.

REQUEST: The Department requests a continuation appropriation of $322,672 reappropriated funds and 3.0 FTE for FY 2021-22. The request includes an increase of $104 above the FY 2020-21 appropriation to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability) based on OSPB's common policy.

RECOMMENDATION: Staff recommends approving an appropriation of $322,570 reappropriated funds and 3.0 FTE. The recommendation is $102 below the request based on the Committee's common policy adjustment related to the annualization of S.B. 18-200.

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 2013-14, this provision authorized the payment of the state average per pupil revenue times 1.33. Senate Bill 13-260 changed the formula for facility school funding to provide the statewide *base* per pupil funding amount times 1.73; this amount is translated into a daily rate, and each facility school receives a daily rate for each child in attendance for up to 235 days each school year.

STATUTORY AUTHORITY: Section 22-54-129, C.R.S.

REQUEST: The Department requests a continuation appropriation of $17,024,650 cash funds from the State Education Fund for FY 2021-22, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: As discussed above (Staff Initiated Facility Schools Adjustment), staff recommends approving an appropriation of $17,365,125 cash funds from the State Education Fund for this line item for FY 2021-22. The recommendation represents an increase of $340,475 above the FY 2020-21 appropriation (and the Department's request). As discussed with the staff initiated item above, the recommendation assumes the same number of student FTE that were assumed in the original FY 2020-21 appropriation (though that amount is above the Department's current projections for FY 2020-21 as a result of the pandemic). The intent of the recommendation is to allow the system to accommodate the additional students anticipated in the facility school system if student counts return to pre-pandemic levels in FY 2021-22.

There are currently 34 facility schools and two state programs that receive funding through this line item. These programs are allowed to receive reimbursement for each child in attendance for up to 235

days each year. Based on current law (as adjusted by S.B. 15-267), with statewide base per pupil funding at $7,225.28, these programs will receive up to $12,499.73 per child per year ($7,225.28 X 1.73) for FY 2021-22 (or $53.19 per student per school day). While the Mental Health Institutes and most facility schools provide year-round education programs; the Colorado School for the Deaf and the Blind and some facility schools do not provide year-round educational programs. The following table provides an estimate of the amount of funding required for this line item for FY 2021-22, and the portions that will be transferred to other state agencies.

FACILITY SCHOOL FUNDING: FY 2021-22			
DESCRIPTION	FY 2020-21 APPROPRIATION	FY 2021-22 STAFF REC.	CHANGE FROM FY 2020-21 APPROP.
Projected Average Facility Schools FTE	1,362	1,362	0
Multiplied by: Statewide Base Per Pupil Funding X 1.73	$12,254.65	$12,499.73	$245.08
Total Estimated Facility School payments	**$16,690,833**	**$17,024,632**	**$333,799**
Plus: Additional Funding (approximately 2.0 percent) to account for placement and attendance fluctuations	333,817	340,493	6,676
Recommendation for Facility School Funding line item	**$17,024,650**	**$17,365,125**	**$340,475**
Estimated portion of the above amount transferred to state agencies:			
Department of Education: **Colorado School for the Deaf and the Blind**	**$1,636,570**	**$1,669,300**	**$32,730**
Department of Human Services: **Mental Health Institutes (Pueblo only)**	**$148,700**	**$151,674**	**$2,974**

As in prior years, the staff recommendation leaves a cushion (representing 2.0 percent of funding) to cover potential increases in the number of students placed in facility schools and school attendance fluctuations. Please note that because the facility school funding formula in Section 22-54-129, C.R.S., uses statewide *base* per pupil funding as the basis of the formula, total funding for facility schools no longer changes based on adjustments to the school finance formula that do not affect base per pupil funding. Prior to FY 2013-14, if separate legislation changed statewide *average* per pupil funding, facility school funding changed as well. Those adjustments are no longer necessary.

Finally, staff recommends reflecting the following transfers of reappropriated funds to other state agencies that receive funding from this line item for educational programs:

- $1,669,300 to the Colorado School for the Deaf and the Blind (CSDB), School Operations.
- $151,674 to the Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes, for the Mental Health Institute at Pueblo.

The following table shows the recommended change from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, FACILITY SCHOOL FUNDING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$17,024,650	$0	$17,024,650	$0	$0	0.0
TOTAL	**$17,024,650**	**$0**	**$17,024,650**	**$0**	**$0**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$17,024,650	$0	$17,024,650	$0	$0	0.0
SI Facility Schools Adjustment	340,475	0	340,475	0	0	0.0
TOTAL	**$17,365,125**	**$0**	**$17,365,125**	**$0**	**$0**	**0.0**

ASSISTANCE TO PUBLIC SCHOOLS, GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, FACILITY SCHOOL FUNDING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
INCREASE/(DECREASE)	**$340,475**	**$0**	**$340,475**	**$0**	**$0**	**0.0**
Percentage Change	2.0%	0.0%	2.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$17,024,650**	**$0**	**$17,024,650**	**$0**	**$0**	**0.0**
Request Above/(Below) Recommendation	($340,475)	$0	($340,475)	$0	$0	0.0

(VI) OTHER ASSISTANCE
APPROPRIATED SPONSORED PROGRAMS

This line item reflects federal funding anticipated to be received by the Department. This section also provides cash funds spending authority for the Department to receive fees related to conferences, some grant funds, and transfers from other agencies. The vast majority of funds reflected in this section are distributed directly to local school districts, and the balance is utilized by the Department to fund state-wide efforts, to provide technical assistance to school districts, and to cover Department administrative costs. Matching requirements for the federal funds, where required, are generally met by using other Department funds, school district funds, and other "non-state" funds. Thus, no General Fund appropriation is included in this line item.

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

REQUEST: The Department requests a continuation appropriation of $426,750,915 (including $2,751,139 cash funds, $651,922 reappropriated funds, and $423,347,854 federal funds) and 62.1 FTE for FY 2021-22. The request includes an increase of $2,479 total funds to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability). The request continues to reflect $157,993,782 federal funds received from the CARES Act that were reflected in H.B. 20-1418 (School Finance) for informational purposes in FY 2020-21. (Please note that JBC Staff reflected $120,993,782 of that FY 2020-21 appropriation in this line item and the remaining $37,000,000 in the Federal CARES Act line item in the Public School Finance subdivision.)

RECOMMENDATION: Staff recommends approving an appropriation of $268,754,705 total funds (including $2,750,987 cash funds, $651,922 reappropriated funds, and $265,351,796 federal funds) and 62.1 FTE for FY 2021-22. The recommendation is $157,993,782 federal funds below the request because the request continues to reflect that amount of federal funds from the CARES Act that were appropriated (for informational purposes) in FY 2020-21 in H.B. 20-1418. As those funds were already captured in the informational appropriation for FY 2020-21, the staff recommendation does not reflect the same funds again for FY 2021-22. The remainder of the difference form the request is driven by the Committee's common policy adjustment to the annualization of S.B. 18-200. The following table shows the estimated components of the FY 2020-21 appropriation for Appropriated Sponsored Programs.

APPROPRIATED SPONSORED PROGRAMS: FY 2021-22 ESTIMATES		
	STAFF RECOMMENDATION	
DISTRIBUTION	AMOUNT	FTE
Cash Funds:		

APPROPRIATED SPONSORED PROGRAMS: FY 2021-22 ESTIMATES		
	STAFF RECOMMENDATION	
DISTRIBUTION	AMOUNT	FTE
Private Gifts, Grants and Donations	790,051	1.0
Interagency Agreements	461,838	0.0
Allowance for Additional Grants	1,499,098	0.0
Subtotal: Cash Funds	**$2,750,987**	**1.0**
Reappropriated Funds:		
Federal Child Care Block Grant Funds transferred from the Department of Human Services	$651,922	6.0
Subtotal: Reappropriated Funds	**$651,922**	**6.0**
Federal Funds:		
Title I Programs	$207,599,328	25.1
Title II Programs	29,692,065	10.5
After School Learning Centers	12,502,652	5.0
Adult Education - WIA	7,041,872	8.0
Mathematics and Science Partnerships	2,205,159	1.0
Educate Homeless Children	880,554	1.3
Even Start	557,982	0.1
Project AWARE	1,353,221	2.1
Other	3,518,963	2.0
Subtotal: Federal Funds	**$265,351,796**	**55.1**
Total	**$268,754,705**	**62.1**

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 criteria[22]. 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 General

[22] 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.

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 requires the State Board of Education to distribute the appropriated funds to local education providers that receive a school counselor corps grant. Recipients must use the additional funding to: (1) develop and distribute information regarding the process for and benefits of completing the Free Application for Federal Student Aid (FAFSA) and state financial aid applications; (2) train school counselors on best practices to support students and families in the completion of applications, with an emphasis on communities with historically low completion rates; and (3) organize opportunities for students and families to meet with stakeholders who assist with the completion of aid applications.

House Bill 20-1418 suspends the requirement for the $250,000 General Fund appropriation for FY 2020-21 as a budget balancing. However, current law still requires the appropriation for FY 2021-22.

STATUTORY AUTHORITY: Section 22-91-101, et seq., C.R.S.

REQUEST: The Department requests an appropriation of $10,250,072 total funds (including $250,000 General Fund and $10,000,072 cash funds from the State Education Fund) and 2.0 FTE for FY 2021-22. The request includes the following increases above the FY 2020-21 appropriation:

- $250,000 General Fund to reinstate the funding required by H.B. 19-1187 (and annualize H.B. 20-1418).
- $72 from the State Education Fund to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $10,250,000 total funds (including $250,000 General Fund and $10,000,000 cash funds from the State Education Fund. The recommendation provides the increase of $250,000 General Fund to annualize H.B. 20-1418 (as requested). The recommendation is $72 below the request to align with the $10.0 million statutory limit on appropriations to the Counselor Corps Grant Program (see Sec. 22-91-104 (5)(a), C.R.S.). Staff notes that, over time, increasing personnel and administration costs (e.g., salary survey) will decrease the amount available for grants under the program and the General Assembly may wish to revisit the existing cap on appropriations. **If the General Assembly wishes to avoid the erosion of grant funds available to recipient schools and districts, then staff recommends either eliminating or raising the cap on appropriations to the program.**

The Department made significant changes to the program for FY 2013-14, including: (1) providing limited funding for the first year of the grant to support planning; (2) requiring reporting at the end of the planning year and using that reporting to determine whether to continue funding; (3) eliminating repeat funding for individual schools; and (4) increasing annual reporting and accountability required of grant recipients. Staff continues to support the Department's changes to the program and believes the additional reporting information and oversight by the Department will allow for a more informed evaluation of the program in future years. Staff also notes that the program has been recognized nationally as a best practice by the Reach Higher Initiative.

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. The Department reports using funds to support the implementation of: educator effectiveness; accountability and improvement planning; standards and assessments; and early literacy efforts under H.B. 12-1238.

STATUTORY AUTHORITY: Section 25-2-122, C.R.S.

REQUEST: The Department requests a continuation appropriation of $3,318,316 cash funds from the State Education Fund and 1.0 FTE for FY 2021-22. The request includes an increase of $37 cash funds from the State Education Fund to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $3,318,280 cash funds from the State Education Fund and 1.0 FTE. The recommendation is $36 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

CONTINGENCY RESERVE FUND

The Contingency Reserve Fund, created in Section 22-54-117 (1) (a), C.R.S., provides a fund source for the State Board of Education to assist school districts facing specific circumstances. Section 22-54-117 (1), C.R.S., authorizes the State Board to approve payments from the Contingency Reserve Fund to assist school districts under the following circumstances:

- (a) (I): financial emergencies caused by an act of God or arising from extraordinary problems in the collection of taxes;
- (a) (II): financial emergencies caused by nonpayment of property taxes pending the outcome of an administrative appeal or litigation or both challenging the inclusion of the value of certain property in a county's abstract of assessment, which resulted from a change in the applicable state law;
- (a) (III): revenues are insufficient to make abatements and refunds of property taxes;
- (a) (IV): unforeseen contingencies (e.g., reductions in valuation exceeding 20 percent);
- (a) (V): unusual financial burden caused by the instruction of court-ordered or agency-placed non-resident children;
- (a) (VI): unusual financial burden caused by the instruction of children who move into the district following the pupil count date (applies to small districts only);
- (a) (VII): unusual financial burden caused by a significant enrollment decline pursuant to a reorganization;
- (a) (VIII): beginning in FY 2016-17, unusual financial burden caused by a significant reduction in assessed value within a district whose state share of total program prior to the application of the negative factor was less than 0.5 percent of total program funding in the previous budget year and the reduction in assessed value is causing a negative factor reduction in the budget year; and

- (b): in cases of extreme emergency, other factors that affect the ability of the district to maintain its schools without additional financial assistance.

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

Please note that pursuant to Section 22-54-117 (1) (c), C.R.S., when a school district reimburses the State for supplemental assistance received from the Contingency Reserve, the reimbursement is credited to the Contingency Reserve Fund rather than the General Fund. Thus, these repayments may then be made available to meet other districts' needs.

STATUTORY AUTHORITY: Section 22-54-117, C.R.S.

REQUEST: The Department requests a continuation appropriation of $1.0 million cash funds from the Contingency Reserve Fund, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. To date, the Department has not identified a need to use the Contingency Reserve Fund in the current year. Without use of the fund in FY 2020-21, the $1.0 million currently in the fund would be available for appropriation in FY 2021-22. As a result, additional General Fund does not appear to be necessary in FY 2021-22. The recommendation will allow the Department to access the fund balance if needed in FY 2021-22.

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 reports significant increases in enrollment in this program since 2015, with course enrollments increasing from 432 in FY 2015-16 to more than 3,604 in FY 2019-20. Similarly, the number of different *students* using the courses has increased: the program enrolled 296 individual students in FY 2015-16 but has 1,326 students had enrolled in the Spring 2020 semester alone (and a total of 2,859 students in FY 2019-20). Staff is also aware that the program has seen

dramatic increases in participation in FY 2020-21 with the impact of the COVID-19 pandemic. Staff may return to the Committee with additional information at a later date.

STATUTORY AUTHORITY: Section 22-5-119, C.R.S.

REQUEST: The Department requests a continuation appropriation of $1,220,000 cash funds from the State Public School Fund for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies. Federal mineral lease revenues (which are deposited into the State Public School Fund) that are not appropriated for this purpose could instead be appropriated for the State Share of Districts' Total Program Funding, thereby mitigating any reduction to school districts' total program funding. However, staff continues to see this program model as a cost-effective way to ensure that schools – particularly rural school districts – are able to purchase on-line courses to supplement their course offerings and help students comply with higher education admission guidelines. In addition, it would appear that the program has been especially important during the COVID-19 pandemic as enrollments have surged well beyond any of the historic use of the program.

The Department has noted a potential need for additional state funds in FY 2021-22 and staff may return to the Committee during staff comebacks with an additional recommendation for this program.

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 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 $21,308 cash funds from the State Education Fund for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Based on updated information from the staff with the Interstate Compact, staff recommends approving an appropriation of $21,298 cash funds from the State Education Fund for FY 2021-22 a decrease of $10 below the FY 2020-21 appropriation. The recommendation reflects Colorado's dues for FY 2021-22.

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) modifies 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.

STATUTORY AUTHORITY: Section 22-2-136, C.R.S.

REQUEST: The Department requests an appropriation of $226,693 General Fund and 2.4 FTE for FY 2021-22. The request includes an increase of $73 above the FY 2020-21 appropriation to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability) based on OSPB's common policies.

RECOMMENDATION: Staff recommends approving an appropriation of $226,622 General Fund and 2.4 FTE for FY 2021-22. The recommendation is $71 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

WORKFORCE DIPLOMA PILOT PROGRAM

The General Assembly added this this line item to the FY 2020-21 Long Bill to support the Workforce Diploma Pilot Program created in H.B. 19-1236 (Workforce Diploma Pilot Program). As authorized in the bill, the program provides performance payments to qualified providers of dropout recovery services for eligible adult students (residents of Colorado that are at least 21 years old and do not have a high school diploma) who achieve specific education milestones. The bill requires the Department to review provider qualifications, determine eligibility, and publish a list of providers that meet the necessary criteria.[23]

[23] For FY 2019-20, the Department has identified six providers: Colorado Mountain College, GlobalEd Solutions, Graduation Alliance, McClain Community High School (Jefferson County Public Schools), Pikes Peak Library District Adult Education, and Pueblo City-County Library District. See: http://www.cde.state.co.us/cdeadult/wdpp

Qualified providers are eligible for payments for educational outcomes achieved at least 30 days after the Department publishes the list of eligible programs each year. The bill requires the Department to disburse payments to qualified providers in specific amounts for the completion or attainment of specific outcomes by eligible students (e.g., $250 for completion of each half-credit earned, between $250 and $750 for attainment of an industry-recognized employment skills certification (depending on the amount of training required), and $1,000 for the completion of an accredited high school diploma). The bill limits payments to no more than $7,000 per student (to one or more providers). The Department is required to pro-rate payments (reducing all payments by the same percentage) if insufficient funds are available to make the full payments.

House Bill 19-1236 included an appropriation of $1,012,201 General Fund and 0.2 FTE to support the program in FY 2019-20. Facing the budget crisis for FY 2020-21, the General Assembly reduced the appropriation to $212,222 General Fund and 0.2 FTE for FY 2021-22 (a reduction of $799,979 below the FY 2019-20 appropriation) as a budget balancing measure. With request R6 (Outdated Appropriations and Additional Program Suspensions, discussed in the Decision Items Affecting Multiple Divisions section of this document), the Department is proposing to eliminate appropriations for the program for FY 2021-22 and to make a statutory change to suspend the program for one year. Staff notes that, under current law, the program repeals July 1, 2022.

STATUTORY AUTHORITY: Section 22-10.3-101 through 105, C.R.S.

REQUEST: As noted above, with request R6 (Outdated Appropriations and Additional Program Suspensions), the Department is proposing to eliminate funding for this program for FY 2021-22. While the Department indicates that the pilot program is promising, it has also stated that the program "is not tied to K-12 core academic instruction" (because it is serving adults). Based on that criterion, the Department has proposed to suspend the program for one year (with accompanying statutory change).

RECOMMENDATION: Staff recommends denying the request to eliminate the program and instead maintaining a continuation appropriation of $212,222 General Fund and 0.2 FTE. As discussed with request R6, staff believes that this program is intended to serve a vulnerable population that may be particularly impacted by the economic effects of the COVID-19 pandemic.

CONCURRENT ENROLLMENT EXPANSION AND INNOVATION GRANT PROGRAM

The General assembly added this line item to the FY 2020-21 Long Bill to support the Concurrent Enrollment Expansion and Innovation Grant Program 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.

STATUTORY AUTHORITY: Section 22-35-114, C.R.S.

REQUEST: The Department requests an appropriation of $1,476,896 cash funds from the Marijuana Tax Cash Fund for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request, assuming that the General Assembly intends to continue the program in FY 2021-22.

HIGH SCHOOL INNOVATIVE LEARNING PILOT PROGRAM

The General Assembly added this line item to the FY 2020-21 Long Bill to support the High School Innovative Learning Pilot Program created in S.B. 19-216 (High School Innovative Learning Pilot) to increase innovative learning opportunities for high school students. The bill defines 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 requires the State Board of Education to adopt rules for the program, including application requirements and timelines. Local education providers may submit applications to the Department in FY 2019-20, with participation actually beginning in FY 2020-21. The bill specifies criteria for the selection of pilot program participants, with a goal of 100 percent participation by FY 2025-26. The program repeals July 1, 2025.

Senate Bill 19-216 included an appropriation of $129,563 General Fund and 0.3 FTE to support the program in FY 2019-20.

STATUTORY AUTHORITY: Section 22-35.6-101 through 107, C.R.S.

REQUEST: The Department requests a continuation appropriation of $127,095 General Fund and 0.3 FTE for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies.

PARENTS ENCOURAGING PARENTS CONFERENCES

The General Assembly added this line item to the FY 2020-21 Long Bill to support the Parents Encouraging Parents (PEP) conferences authorized in 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 will now 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: The Department requests a continuation appropriation of $68,000 General Fund for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Final Legislative Council Staff Fiscal Note for S.B. 19-215.

CAREER DEVELOPMENT SUCCESS PROGRAM

The Committee added this line item to the FY 2017-18 Long Bill to support the Career Development Success Pilot Program created in H.B. 16-1289 (Incentives to Complete Career Development Courses). The bill establishes 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. Beginning in FY 2017-18, the bill authorizes 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 requires 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. For FY 2020-21, the General Assembly reduced the appropriation to $4.5 million General Fund as a budget balancing measure ($0.5 million below the FY 2019-20 appropriation and $1.5 million below the amount initially approved by the Committee during figure setting for FY 2020-21).

STATUTORY AUTHORITY: Section 22-54-138, C.R.S.

REQUEST: The Department requests a continuation appropriation of $4.5 million General Fund for FY 2021-22, with no change from the FY 2020-21 appropriation. The request continues the budget balancing reduction enacted for FY 2020-21.

RECOMMENDATION: Staff recommends approving the request.

LINE ITEMS INCLUDED IN NUMBERS PAGES BECAUSE OF PRIOR YEAR FUNDING

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 did not change statute and the program remains authorized for restoration when revenues allow.

STATUTORY AUTHORITY: Section 22-95.5-201 through 204, C.R.S.

REQUEST: The Department is not requesting an appropriation for the program for FY 2021-22.

Recommendation: STAFF RECOMMENDS APPROVING THE REQUEST.

COLORADO STUDENT LEADERS INSTITUTE

Senate Bill 15-290 (Colorado Student Leaders Institute) creates the Colorado Student Leaders Institute, a competitive summer residential education program for high school students. The program will operate for four weeks each summer on the campus of an institution of higher education for FY 2015-16 through FY 2018-19. The bill creates an executive governing board for the institute, sets

conditions for the board's composition and selection and sets minimum standards for program curriculum and activities. The bill limits participation to 100 students annually. The bill authorizes appropriations from the State Education Fund to support the program. The bill appropriated $218,825 cash funds from the State Education Fund to the Department of Education for FY 2015-16 and reappropriated that amount to the Office of the Lieutenant Governor (along with 1.0 FTE) to operate the program. The General Assembly continued that level of funding in Long Bill appropriations for FY 2016-17 and FY 2017-18. Pursuant to Sec. 23-77-106, C.R.S., the program repealed at the end of FY 2018-19.

CONNECTING COLORADO STUDENTS GRANT PROGRAM FUND

House Bill 20B-1001 (Grants to Improve Internet Access in P-12 Ed) made a one-time appropriation of $20.0 million General Fund to the Connecting Colorado Students Grant Program Fund in FY 2020-21 to support grants to improve internet access for K-12 education.

STATUTORY AUTHORITY: Section 22-103-101 through 106, C.R.S.

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 did not change statute and the program remains authorized for restoration when revenues allow.

STATUTORY AUTHORITY: Section 22-95.5-201 through 204, C.R.S.

REQUEST: The Department is not requesting an appropriation for the program for FY 2021-22.

RECOMMENDATION: Staff recommends approving the request.

(D) 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: The Department requests an appropriation of $2,756,885 total funds, with no change from the FY 2019-20 appropriation.

RECOMMENDATION: Based on updated information provided by the Department, staff recommends approving an appropriation of $3,482,863 total funds, including an increase of $275,776 federal funds above the FY 2020-21 appropriation. However, staff also requests permission to revise the amount if necessary based on the Committee's subsequent common policy decisions. The following table shows the recommended change from the FY 2020-21 appropriation.

ASSISTANCE TO PUBLIC SCHOOLS, INDIRECT COST ASSESSMENT, INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$3,207,087	$0	$25,000	$55,571	$3,126,516	0.0
TOTAL	**$3,207,087**	**$0**	**$25,000**	**$55,571**	**$3,126,516**	**0.0**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$3,207,087	$0	$25,000	$55,571	$3,126,516	0.0
Indirect cost assessments	275,776	0	0	0	275,776	0.0
TOTAL	**$3,482,863**	**$0**	**$25,000**	**$55,571**	**$3,402,292**	**0.0**
INCREASE/(DECREASE)	**$275,776**	**$0**	**$0**	**$0**	**$275,776**	**0.0**
Percentage Change	8.6%	0.0%	0.0%	0.0%	8.8%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$3,417,905**	**$0**	**$25,000**	**$55,571**	**$3,337,334**	**0.0**
Request Above/(Below) Recommendation	($64,958)	$0	$0	$0	($64,958)	0.0

(3) LIBRARY PROGRAMS

Background Information: Public libraries are managed and operated locally based on revenues raised from local sources.[24] The State provides no direct state funding to libraries other than those provided through the State Grants to Publicly-Supported Libraries program and has no authority over public library operations. However, the Commissioner of Education is designated as the ex officio State Librarian, and the State Library is a division within the Department of Education. The State Librarian has a number of statutory duties and responsibilities, including the following [see Section 24-90-105, C.R.S.]:

- to promote and coordinate the sharing of resources and cooperative relationships among all Colorado libraries to reduce costs at the local level;
- to ensure equal access to information for all Coloradans;
- to furnish library or information services to state officials, departments, institutional libraries, and persons who are blind and physically disabled;
- to further library development and to promulgate service standards for school, public, and institutional libraries; and
- to receive and administer federal funds for libraries.

The State Library provides technical support, professional development, and resource sharing opportunities for publicly-supported libraries throughout the state. The State Library cooperatively manages the Colorado Virtual Library, a statewide, Internet-based library network that provides several services to Colorado residents, 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

[24] Publicly supported libraries include public, school, and academic libraries. The Department indicates that Colorado has 113 public library jurisdictions with 263 public library buildings. 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 30 libraries have enacted policies that eliminate fines on all or some materials. Most public library jurisdictions serve rural populations, with 83 percent (94 jurisdictions) serving populations under 50,000, and 40 percent (45 jurisdictions) serving fewer than 5,000 people. In addition to the typical items checked out, Colorado's libraries provide a variety of additional services, including: summer reading programs for children (94 percent); technology training (90 percent); free Wi-Fi access (96 percent); and an educational backpack for families with free state parks passes for checkout (100 percent participation), a joint program with Colorado Parks and Wildlife.

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

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

LIBRARY PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 Appropriation						
HB 20-1360 (Long Bill)	$9,204,590	$4,915,255	$287,412	$710,000	$3,291,923	38.1
TOTAL	**$9,204,590**	**$4,915,255**	**$287,412**	**$710,000**	**$3,291,923**	**38.1**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$9,204,590	$4,915,255	$287,412	$710,000	$3,291,923	38.1
R3 State match for Colorado imagination library	0	0	0	0	0	0.0
R8 Personal services and operating reductions	0	0	0	0	0	0.0
Annualize prior year legislation	22	7	1	0	14	0.0
TOTAL	**$9,204,612**	**$4,915,262**	**$287,413**	**$710,000**	**$3,291,937**	**38.1**
INCREASE/(DECREASE)	**$22**	**$7**	**$1**	**$0**	**$14**	**0.0**
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$9,515,844**	**$4,815,594**	**$697,662**	**$710,000**	**$3,292,588**	**37.1**
Request Above/(Below) Recommendation	$311,232	($99,668)	$410,249	$0	$651	(1.0)

DECISION ITEMS - LIBRARY PROGRAMS

➔ R3 STATE MATCH FOR COLORADO IMAGINATION LIBRARY

REQUEST: The request includes an increase of $410,221 cash funds from the Marijuana Tax Cash Fund (MTCF) for FY 2021-22 (increasing to $907,140 in FY 2022-23) to provide a state match for the Colorado Imagination Library Program created in S.B. 20-185 (Colorado Imagination Library Program). This request originated in the Governor's Office but the State Board of Education did vote unanimously to support the request.

RECOMMENDATION: Staff recommends denying the request for a Long Bill appropriation to support the program. Staff does not believe that the request is appropriate for inclusion in the Long Bill for the following reasons:

- First, the request proposes to use the MTCF to support the program. However, JBC Staff and Office of Legislative Legal Services Staff agree that this program does not fall within the currently authorized uses of the MTCF. Authorizing the use of the MTCF for this purpose would require statutory change. If the Committee wishes to fund the program through the FY 2021-22 Long Bill then staff believes that the General Fund would be the appropriate fund source. Given the

uncertain budgetary situation for FY 2021-22 and FY 2022-23, staff is hesitant to recommend approval of a General Fund increase for the new program at this time.

- Second, the request appears to go beyond the scope of the bill as it was enacted by the General Assembly. The introduced version of S.B. 20-185 authorized the State to cover the Colorado contractor's portion of the cost of books and directed the General Assembly to appropriate those funds. However, the bill was amended before passage (presumably in response to the declining revenue situation) to eliminate the language about a state match to provide funds to purchase the books. As enacted, the bill simply states that the contractor "shall pay to the national nonprofit foundation fifty percent of the statewide cost to provide books to eligible children enrolled in the program, as determined by the national foundation." Based on that change (and the resulting change in the Legislative Council Staff Fiscal Note), staff is not certain that the request aligns with the legislative intent of the bill as it was enacted.
- Thus, if the General Assembly intends for the State to cover those additional costs (as well as the external evaluation proposed in the request but not contemplated in the original bill), staff recommends that the General Assembly enact new legislation to authorize the use of the MTCF and to clarify the intent of the legislation.

ANALYSIS:

Background: Senate Bill 20-185 creates the Colorado Imagination Library Program to distribute books to participating children from birth to age 5 free of charge. Modeling the program on efforts from other states, the program would distribute one free book per month to the participating children. Subject to available appropriations, the bill requires 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. [25]

As noted above, the bill makes the requirements subject to available appropriations. Because the bill did not provide state funding for the program for FY 2020-21, the requirements have not taken effect. Although the bill authorized the Department to accept gifts, grants, or donations for the program, it is staff's understanding that the Department has not received external funding to operate the program.

- As a result, while similar programs are operating in parts of Colorado (the Department reports that 27 local affiliates in 31 counties are working with the Dolly Parton Imagination Library in Colorado and serving approximately 11,500 children[26]), the Department has not proceeded with the statewide program due to the lack of funding.
- Local affiliates currently participating in the program must pay the full cost of each book distributed ($2.10 per child per month), with no matching funds from either the State or a Colorado nonprofit. The Governor's Office and the Department contend that this has reduced participation in the program below what would be viable with matching funds from another source.

[25] For information on the Dolly Parton Imagination Library (a national non-profit which could meet the requirements of the bill), see: https://imaginationlibrary.com/

[26] Staff notes that the Final Legislative Council Staff Fiscal Note for S.B. 20-185 states that

Staff notes that the Department reports a significant evidence base for the benefits of imagination library programs for participating children in other states, including increases in kindergarten readiness, improvements in third grade reading, increased parent and family engagement, and increased engagement with public libraries.

Request R3: Request R3 proposes an increase of $410,221 cash funds from the Marijuana Tax Cash Fund to support the program in FY 2021-22 based on estimated participation in the program. The request anticipates that funding would increase to $907,140 in FY 2022-23, with additional increases likely in subsequent years.

- According to the Department, the 26 local affiliates in Colorado that are currently working with the Dolly Parton Imagination Library are serving roughly 11,500 children. The request anticipates that an additional 32,305 children would participate in year one of the statewide effort.
- The request includes funding to support the RFP process, contractor staffing and operating costs to operate the program, the public relations campaign, an external evaluation of the program, and matching funds to cover 50.0 percent of the cost of actually providing the books (the match is assumed to be $1.05 per child per month). The majority of the funding ($348,851) is expected to cover the match for books, with an estimated $68,370 available for the other expenses.

The request two major justifications for the proposed funding, based in part on the evidence of effectiveness from other states:

- *Improved Early Literacy:* According to the request, other states have seen and documented (through quality evaluations) improvements in early literacy for children participating in the Dolly Parton Imagination Library. As the Committee is aware, early literacy has been a priority for the General Assembly and for the Joint Budget Committee, and the request is framed as a promising path to improve literacy for participating children. Although the services are provided from birth to age five, the request indicates that studies in other states have shown increased school readiness and improved reading scores for participating children. Staff does not have the expertise to evaluate the quality of the research from other states but does agree that the evidence for the benefits of caregivers reading early and frequently to children are compelling. To the extent that the imagination library increases parental engagement and reading with children, it is logical that it would help with children when they reach school.
- *COVID-19 Impacts:* The request also points to concerns about the COVID-19 pandemic causing further problems for early literacy, particularly for early grade students that may have already been struggling with reading and fallen farther behind because of the impact of the pandemic and remote learning. Staff agrees that there are certainly valid concerns about the impact of current circumstances on early literacy. However, staff is uncertain about the connection to this particular request, as most of the children that would be eligible for this program in FY 2021-22 (from birth to age five in that year) were not of school age in either FY 2019-20 or FY 2020-21. As a result, remote learning is probably not as much of an issue for these children (though early childhood education closures may have an impact).

Staff Concerns and Points to Consider: Staff agrees that a statewide implementation of an imagination library program (as called for in S.B. 20-185) could be a promising mechanism to increase parental engagement and improve early literacy for Colorado children. However, staff has two significant concerns (and one less significant concern) with the request as it relates to current law:

- First, the request proposes to use the MTCF to support the program rather than, for example, the General Fund. JBC Staff and Office of Legislative Legal Services Staff agree that this program is not an authorized use of the MTCF. The Governor's Office has pointed to Sec. 39-28.8-501 (2)(b)(IV)(B), C.R.S., which authorizes the use of the MTCF "to provide services for adolescents and school-aged children in school settings or through community-based organization." However, the participating children (from birth to age 5) are generally *not* school-aged. While the Governor's Office and the Department have indicated that the request would benefit those children once they become school-aged, JBC staff would argue that the same logic could apply to any number of services to infants and toddlers that could improve school readiness. Therefore, staff does not believe that the current statute would cover the proposed program. If the General Assembly wishes to use the MTCF for this purpose, then staff believes that additional legislation would be necessary.
- Second, staff is concerned that the request is not aligned with the enacted version of S.B. 20-185. The introduced version of the bill included language requiring the General Assembly to provide matching funds to cover the contractor's costs of purchasing the books (as assumed in the request). However, the bill was then amended to eliminate that requirement and, as enacted, states that the contractor "shall pay to the national nonprofit foundation fifty percent of the statewide cost to provide books to eligible children enrolled in the program, as determined by the national nonprofit foundation" (see Sec. 24-90-120 (4)(a), C.R.S.). Amending the bill to eliminate the requirement that General Assembly provide matching funds reduced the fiscal impact of the bill, and staff assumes that the General Assembly took that action in response to the revenue challenges for FY 2020-21. However, given that the General Assembly eliminated any reference to providing matching funds before the bill was enacted, staff is uncertain whether the proposed solution fits within the legislative intent of S.B. 20-185.
- Finally, on a less significant note, staff also notes that the request includes funds for an independent evaluation but the bill does not mention an external evaluation. While staff agrees that a quality evaluation would be beneficial if the State makes this size of investment, staff would suggest that statutory language outlining what the General Assembly wishes to see measured could be beneficial.

Based on those concerns, staff recommends that the Committee deny the request for a Long Bill appropriation for request R3. Rather, if the General Assembly intends to provide funds as requested in R3, staff would recommend pursuing separate legislation that would authorize the use of the MTCF (if desired) and clarify the role of the State to provide the matching funds (if desired). Staff is not recommending this as a Joint Budget Committee bill.

➔ UPDATE ON OTHER FY 2020-21 BALANCING ACTIONS FOR THIS DIVISION

Outside of the impact of the across the board (common policy) reductions to Health, Life, and Dental, and PERA Direct Distribution, the only other FY 2020-21 balancing action directly impacting this division is a $500,000 General Fund reduction to the State Grants to Publicly-supported Libraries Program (from $3,001,519 General Fund in FY 2019-20 to $2,501,519 General Fund in FY 2020-21).

The Department's request and the staff recommendation both continue this reduction in FY 2021-22. As a result, restoring funding would require a separate action by the Committee.

LINE ITEM DETAIL - LIBRARY PROGRAMS

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: The Department requests an appropriation of $1,081,038 total funds (including $813,597 General Fund and $267,441 cash funds) and 13.3 FTE for FY 2021-22. The request includes the following changes from the FY 2020-21 appropriation:

- An increase of $346 total funds (including $317 General Fund) to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability) based on OSPB's common policies.
- A decrease of $100,000 General Fund and 1.0 FTE associated with request R8 (Personal Services and Operating Reductions), which is discussed in the "Decision Items Affecting Multiple Divisions" section at the beginning of this document.

RECOMMENDATION: Staff recommends approving an appropriation of $1,180,700 total funds (including $913,287 General Fund and $267,413 cash funds) and 14.3 FTE.

- As discussed with request R8 (in the Decision Items Affecting Multiple Divisions section of this document), the recommendation does not include the requested reduction of $100,000 General Fund and 1.0 FTE for this line item. If General Fund revenue expectations deteriorate then staff would recommend considering the proposed reduction. While staff understands that the division currently has a vacant position as a result of a retirement, this division has seen very little increase in staffing in years. The State Library effectively uses a relatively small amount of state funding to leverage federal funding, reduce public library costs, and ensure equal access to information for underserved and vulnerable populations. Staff does not recommend reducing the program's funding and staffing unless revenues deteriorate significantly.
- The remainder of the difference from the Department's request is based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

LIBRARY PROGRAMS, ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$1,180,692	$913,280	$267,412	$0	$0	14.3
TOTAL	**$1,180,692**	**$913,280**	**$267,412**	**$0**	**$0**	**14.3**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$1,180,692	$913,280	$267,412	$0	$0	14.3
Annualize prior year legislation	8	7	1	0	0	0.0
R8 Personal services and operating reductions	0	0	0	0	0	0.0
TOTAL	**$1,180,700**	**$913,287**	**$267,413**	**$0**	**$0**	**14.3**
INCREASE/(DECREASE)	**$8**	**$7**	**$1**	**$0**	**$0**	**0.0**
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

LIBRARY PROGRAMS, ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 EXECUTIVE REQUEST	**$1,081,038**	**$813,597**	**$267,441**	**$0**	**$0**	**13.3**
Request Above/(Below) Recommendation	($99,662)	($99,690)	$28	$0	$0	(1.0)

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: The Department requests a continuation appropriation of $3,237,261 federal funds and 23.8 FTE. The request includes an increase of $665 federal funds above the FY 2020-21 appropriation to reflect the FY 2021-22 impact of S.B. 18-200 based on OSPB's common policies.

RECOMMENDATION: Staff recommends approving an appropriation of $3,236,610 federal funds for FY 2021-22. The recommendation is $651 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

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.[27] 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.
- Identifying and supporting initiatives to strengthen the Colorado library community.

The Consortium's projected $2.9 million budget in FY 2020-21 consists of state funding provided through this line item ($1.0 million General Fund annually since FY 2006-07), courier income ($925,000), administrative fees ($180,300), AspenCat integrated library system fees ($147,000), continuing education fees ($12,000), book recycling ($8,000), and other miscellaneous sources such as grants, cooperative projects, and reserve carryover ($639,800). The statewide courier system transports 3 million items annually. The AspenCat integrated union-catalog serves 125 primarily small, rural public and school libraries. On average, each AspenCat member library holds 15,000 items in its respective collection but its patrons have access to more than 1.4 million items in the shared collection.

[27] 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.

Consortium staff provide schools, public, and academic libraries statewide with consulting, training, and continuing education.

STATUTORY AUTHORITY: Section 24-90-105, C.R.S.

REQUEST: The Department requests a continuation appropriation of $1.0 million General Fund, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. This appropriation ensures that the Consortium can offer public libraries a cooperative purchasing program and a statewide courier service at a reasonable cost, reducing public library expenses and facilitating resource sharing.

COLORADO VIRTUAL LIBRARY

Pursuant to Section 24-90-302 et seq., C.R.S., the State Librarian is responsible for providing electronic resources through libraries to all Colorado residents, to students and staff at higher education institutions and public schools. The Colorado Virtual Library is thus a statewide, Internet-based library network that provides free access to:

- On-line catalogs of the holdings of Colorado libraries.
- Locally produced databases.
- Digitized collections of Colorado resources.
- Indexes and full text database products.
- An interlibrary loan system facilitating resource sharing throughout Colorado.
- 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: The Department requests a continuation appropriation of $379,796 total funds (including $359,796 General Fund) for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request.

COLORADO TALKING BOOK LIBRARY, BUILDING MAINTENANCE, AND UTILITY EXPENSES

Background Information: The Colorado Talking Book Library is part of a national library program providing Braille, audio, and large-print books for individuals of all ages who are unable to read standard print material due to visual, physical, or learning disabilities. Colorado has, on average, 7,000 eligible patron each year, representing every county in the State. 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). In FY 1997-98 the General Assembly appropriated $238,607 from the Capital Construction Fund to replace the roof of 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. The FY 2020-21 Long Bill continued the appropriation from the Colorado Telephone Users with Disabilities Fund in FY 2020-21 but reduced the amount by $50,000 (to an appropriation of $200,000).

State funds currently support a portion of the operating expenses and some staff. The balance is supported through federal funds, The Friends of the Colorado Talking Book Library, and volunteers. In addition, the National Library for the Blind and Physically Handicapped (NLS), within the Library of Congress, provides playback equipment and some supplies, Braille and recorded books and magazines 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.

In addition to supporting a portion of the Talking Book Library staff and operating expenses (through the Administration line item), this appropriation covers the library's maintenance and utility expenses.

STATUTORY AUTHORITY: Section 24-90-105 (1) (e), C.R.S.

REQUEST: The Department requests a continuation appropriation of $290,660 total funds (including $90,660 General Fund and $200,000 reappropriated funds originating from the Colorado Telephone Users with Disabilities Fund) for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies for FY 2020-21. Based on the General Assembly's actions last year, the recommendation assumes that the General Assembly intends to continue the appropriation from the Colorado Telephone Users with Disabilities Fund.

READING SERVICES FOR THE BLIND

Background Information: Pursuant to Sections 40-17-103 and 104, C.R.S., the Public Utilities Commission (PUC) is required to administer a contract for the provision of telecommunications relay services (which allow individuals who have a hearing or speech disability to communicate by wire or radio). The PUC is required to recover the costs of providing these services by assessing a monthly surcharge on each telephone access line to cover the following costs:

- The PUC's costs of developing, implementing, and administering telecommunications relay services (not to exceed 3.0 percent of the total costs).
- The cost to local exchange companies of imposing and collecting the surcharge.
- The costs of providers rendering telecommunications relay services.

The PUC adjusts this surcharge annually, when necessary. Current law credits funds collected by the local exchange companies to the Colorado Telephone Users with Disabilities Fund and authorizes three different departments to use the funds. The FY 2020-21 Long Bill appropriations to the Department of Regulatory Agencies include the following appropriations from the Fund to make the following annual appropriations from the Fund (the following reflects the FY 2020-21 Long Bill appropriations to the Department of Regulatory Agencies):

- for the PUC's administration of the Fund ($286,556);
- to the Reading Services for the Blind Cash Fund, for use by the State Librarian in support of privately operated reading services for the blind ($510,000);
- to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund ($1,992,589); and
- for support of the Colorado Talking Book Library ($200,000).

The annual Long Bill appropriates cash funds for each of these purposes to the PUC, and corresponding appropriations appear in the other relevant state agencies' budgets. Money in the Fund not used for the above purposes is continuously appropriated to the PUC for the reimbursement of providers who render telecommunications services (estimated to be $837,350 in the FY 2020-21 Long Bill).

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. 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 Department uses the remaining funds 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. 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).

STATUTORY AUTHORITY: Section 24-90-105.5, C.R.S.

REQUEST: The Department requests a continuation appropriation of $560,000 total funds (including $50,000 General Fund and $410,000 cash funds) for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. The total recommendation includes $440,000 for the AINC and $120,000 for the NFB programs.

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 2002-13 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, thereby returning funding to the same level as in FY 2018-19.

The program has awarded $2,439,000 to 315 grantees statewide (representing 96.6 percent of 326 potential applicants) in FY 2020-21, with a base amount of $3,500 per grantee. The Department has implemented a tiered structure, providing base amounts of $3,500 for grantees serving populations of less than 1,000 individuals, $4,000 for entities serving populations between 1,000 and 4,999, and $4,500 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 had used the $500,000 increase provided in FY 2019-20 to increase the base amount by $1,000 for all population tiers but then eliminated that adjustment for FY 2020-21 based on the reduction in funding.

The Department reports that grantees are using the funds to: launch new e-book resources for parents and families, create new collections for toddler story time, buy online resources, and enhance collections related to early childhood development and other topics associated with early literacy and educational materials.

STATUTORY AUTHORITY: Sections 24-90-401 through 408, C.R.S.

REQUEST: The Department requests a continuation appropriation of $2,501,541 General Fund for FY 2021-22. The request includes an increase of $22 above the FY 2020-21 appropriation to reflect the FY 2021-22 impact of S.B. 18-200 based on OSPB's common policies.

RECOMMENDATION: Staff recommends approving an appropriation of $2,501,519 General Fund for FY 2021-22, with no change from the FY 2020-21 appropriation. The recommendation is $22 below the request based on implementation of the Committee's common policy regarding the annualization of S.B. 18-200.

COLORADO IMAGINATION LIBRARY PROGRAM (NEW LINE ITEM REQUESTED)

Senate Bill 20-185 created the Colorado Imagination Library Program to provide books free of charge to children under the age of five years (see discussion of request R3 above). Subject to available appropriations, the bill requires 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.

As noted above, the bill makes the requirements subject to available appropriations. However, the bill did not provide state funding for the program for FY 2020-21. Although the bill authorized the Department to accept gifts, grants, or donations for the program, it is staff's understanding that the Department has not received external funding to operate the program. While similar programs are operating in parts of Colorado, the Department has not established the statewide program due to the lack of funding.

STATUTORY AUTHORITY: Sections 24-90-120, C.R.S.

REQUEST: With request R3, the Department is requesting the creation of this line item and an appropriation of $410,221 cash funds from the Marijuana Tax Cash Fund for FY 2020-21 to provide a state match to establish the program. As discussed with request R3 above, that amount would annualize to $907,140 in FY 2022-23, with additional increases anticipated in subsequent years as participation grows.

RECOMMENDATION: As discussed above with request R3, staff recommends denying the request for a Long Bill appropriation from the Marijuana Tax Cash Fund for this purpose because staff does not believe that the Imagination Library fits within the authorized uses of the Marijuana Tax Cash Fund

(see Section 39-28.8-501 (2)(b)(IV), C.R.S.) and the request for a state match does not appear to align with the enacted version of S.B. 20-185. If the Committee wishes to fund the program in the Long Bill, then staff believes a General Fund appropriation would be necessary.

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: The Department requests a continuation appropriation of $55,327 federal funds, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. The indirect cost assessment for Library Programs is fixed based on the federal grantor's limitation on the amount of grant funding used for administration purposes. Thus, there will be no change from the FY 2020-21 appropriation.

(4) SCHOOL FOR THE DEAF AND THE BLIND

Background Information: The Colorado School for the Deaf and the Blind (CSDB) is a state-funded school that was established for the purpose of providing comprehensive educational services for children under the age of twenty-two who are blind and/or deaf. Originally named the "Colorado Institute for the Education of Mutes", the School opened in a rented house in April 1874 with an appropriation from the Territorial Legislature. The student population rapidly outgrew the space available and in 1876 the School moved to its current campus, made possible with a donation of ten acres by the founder of the city of Colorado Springs. The CSDB received its initial accreditation from the Department of Education in 1961, and in 1977, the CSDB was transferred from the Department of Institutions to the Department of Education. 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 200 students (ages 3 to 21) in the 2019-20 school year, an decrease of 9 students below the 2018-19 school year. The on-campus enrollment included 127 deaf/hard of hearing students and 73 blind/low vision students. Of the 200 total students, an average of 63 resided at CSDB (returning home on weekends) and the remaining 137 students only attended classes during the day.

COLORADO SCHOOL FOR THE DEAF AND THE BLIND: FY 2019-20 ENROLLMENT		
	ON-CAMPUS STUDENTS	
DESCRIPTION	NUMBER	*ANNUAL % CHANGE*
Deaf/ Hearing Impaired	127	*(4.5%)*
Blind/ Visually Impaired	73	*(3.9%)*
Total Enrollment	**200**	***(4.3%)***
Number of Residential Students	63	*(10.0%)*
Number of FTE for Whom Facility School Funding is Received	171	*(3.9%)*
Percent of FTE for Whom Per Pupil Operating Revenues are Transferred from Districts	*91.3*	

In addition to the on-campus enrollment, the school provided in-home services to 476 children from birth to age 3 (and their families) through the early intervention (CO-Hears) program and 166 children from birth to age 8 through the Early Literacy Development Initiative (ELDI). The school also provided "outreach" services to 125 school-age students being served in local districts, supported in part by fees paid by the local school districts.

The following table summarizes the staff recommendation for the Colorado School for the Deaf and the Blind.

SCHOOL FOR THE DEAF AND THE BLIND						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 Appropriation						
HB 20-1360 (Long Bill)	$17,169,116	$12,581,909	$1,070,000	$3,517,207	$0	177.2
Long Bill supplemental	6,071	6,071	0	0	0	0.0
TOTAL	**$17,175,187**	**$12,587,980**	**$1,070,000**	**$3,517,207**	**$0**	**177.2**
FY 2021-22 RECOMMENDED APPROPRIATION						
FY 2020-21 Appropriation	$17,175,187	$12,587,980	$1,070,000	$3,517,207	$0	177.2
SI CSDB teacher salary increase restoration	79,329	79,329	0	0	0	0.0
Annualize prior year legislation	72	65	1	6	0	0.0
Fund source adjustments	0	(32,730)	0	32,730	0	0.0
Centrally appropriated line items	(25,441)	(25,441)	0	0	0	0.0
Other technical adjustments	(3)	0	(1)	(2)	0	0.0
TOTAL	**$17,229,144**	**$12,609,203**	**$1,070,000**	**$3,549,941**	**$0**	**177.2**
INCREASE/(DECREASE)	**$53,957**	**$21,223**	**$0**	**$32,734**	**$0**	**0.0**
Percentage Change	0.3%	0.2%	0.0%	0.9%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$17,153,232**	**$12,565,707**	**$1,070,059**	**$3,517,466**	**$0**	**177.2**
Request Above/(Below) Recommendation	($75,912)	($43,496)	$59	($32,475)	$0	0.0

DECISION ITEMS - SCHOOL FOR THE DEAF AND THE BLIND

The Department did not submit any decision items related to the School for the Deaf and the Blind. However, staff is proposing one staff initiated adjustment.

➔ STAFF INITIATED TEACHER SALARY RESTORATION

REQUEST: The Department did not request the restoration of teacher salary survey funding that was denied in FY 2021-22. Based in part on the timing of the General Assembly's budget balancing decisions for FY 2020-21, the School did provide $79,329 in teacher salary increases for FY 2020-21 based on the increases provided in Colorado Springs District 11 in FY 2019-20 (equating to an average increase of 2.3 percent). The School absorbed those increases within its existing funding using vacancy savings in FY 2020-21.

RECOMMENDATION: If revenues allow for this type of restoration, staff recommends approving an increase of $79,329 General Fund for FY 2021-22 to "backfill" the salary increases provided in FY 2020-21. Staff believes that the school could continue to absorb the increase within its existing funding if necessary. However, if revenues allow, staff would recommend building those funds into the "base" for teacher salaries going forward. If revenues deteriorate such that the Committee reverses the current common policy providing salary survey increases for other state employees then staff would recommend not restoring the increase to the School.

Staff notes that the School has elected to use the flexibility provided by its salary policies to not provide salary increases to its teachers in FY 2021-22 (the increase provided by Colorado Springs District 11 for FY 2020-21 would have required an increase of $47,006 General Fund for FY 2021-22, equating to an average increase of 1.5 percent). As a result, the School's teachers will have received a salary survey increase in FY 2020-21 (when classified state employees at the School did not receive salary survey increases) but not for FY 2021-22 (when the current common policy would provide the increase).

ANALYSIS: 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." For example, the FY 2019-20 appropriation for the CSDB included an increase of $396,307 to align with the District 11 salary schedule *for FY 2018-19*.

In FY 2019-20, District 11 modified its salary schedule to provide a 0.7 percent base salary increase as well as experience "step" increases. The Department's FY 2020-21 budget request included an increase of $79,329 General Fund to apply those changes to the CSDB's teachers for FY 2020-21. Although the Committee initially approved the request, the increase was eliminated in response to the revenue challenges for FY 2020-21. However, based in part of the timing of that decision, the school provided the salary increases for the current year and absorbed that amount within its existing funding primarily through the use of vacancy savings.

Staff noted during budget balancing discussions for FY 2020-21 that staff expected to recommend that the Committee restore the funding if and when revenues would allow it. Thus, if revenues allow for the restoration in FY 2021-22 then staff would recommend funding the increase. However, if the updated revenue outlook for FY 2021-22 (or possibly FY 2022-23) requires significant additional reductions (as were anticipated in the Department's request) then staff would recommend eliminating the increase and maintaining the reduction until revenues improve sufficiently to support the increase.

The Committee should also note that the School absorbed two balancing actions within its FY 2020-21 appropriation. In addition to the $79,329 addressed in this item, the School absorbed the vast majority (approximately $600,000 General Fund) of the Department's 5.0 percent reduction to Health, Life, and Dental because the School represents such a large share of the Department's FTE supported by General Fund. The School was able to absorb the larger reduction because of high levels of vacancy savings, particularly associated with reduced use of the School's dormitories during FY 2020-21. If the School's operations return to a more "normal" place for FY 2021-22 then staff does not believe that the School could absorb that magnitude of reduction again without significant impacts on operations and services for students.

LINE ITEM DETAIL - SCHOOL FOR THE DEAF AND THE BLIND

(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: The Department requests an appropriation of $11,476,805 total funds (including $9,805,235 General Fund and $1,671,570 reappropriated funds) and 153.1 FTE for FY 2021-22. The request includes an increase of $2,897 General Fund above the FY 2020-21 appropriation to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $11,553,296 total funds (including $9,848,996 General Fund and $1,704,300 reappropriated funds) and 153.1 FTE for FY 2021-22. The recommendation includes:

- An increase of $79,329 General Fund for the staff initiated increase to restore the funding for teacher salary increases from FY 2020-21.
- An increase of $59 General Fund to annualize S.B. 18-200 (a decrease of $2,838 below the request based on the Committee's common policy adjustment that annualization).
- A net-zero fund source adjustment to reflect an anticipated increase of $32,730 reappropriated funds originating from the Facility School Funding line item (above the amount assumed in the FY 2020-21 appropriation) that is offset by a decrease of that amount of General Fund.

The following table shows recommended changes from the FY 2019-20 appropriation.

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 APPROPRIATION						
HB 20-1360 (Long Bill)	$11,473,908	$9,802,338	$0	$1,671,570	$0	153.1
TOTAL	**$11,473,908**	**$9,802,338**	**$0**	**$1,671,570**	**$0**	**153.1**
FY 2021-22 RECOMMENDED APPROPRIATION						

SCHOOL FOR THE DEAF AND THE BLIND, SCHOOL OPERATIONS, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 Appropriation	$11,473,908	$9,802,338	$0	$1,671,570	$0	153.1
SI CSDB teacher salary increase restoration	79,329	79,329	0	0	0	0.0
Annualize prior year legislation	59	59	0	0	0	0.0
Fund source adjustments	0	(32,730)	0	32,730	0	0.0
TOTAL	**$11,553,296**	**$9,848,996**	**$0**	**$1,704,300**	**$0**	**153.1**
INCREASE/(DECREASE)	**$79,388**	**$46,658**	**$0**	**$32,730**	**$0**	**0.0**
Percentage Change	0.7%	0.5%	0.0%	2.0%	0.0%	0.0%
FY 2021-22 EXECUTIVE REQUEST	**$11,476,805**	**$9,805,235**	**$0**	**$1,671,570**	**$0**	**153.1**
Request Above/(Below) Recommendation	($76,491)	($43,761)	$0	($32,730)	$0	0.0

Funding Sources. Prior to FY 2008-09, CSDB students were included in the pupil count of each student's home school district, and the Department transferred the statewide average per pupil operating revenue from the State Share of Districts' Total Program Funding line item to the CSDB for each eligible enrolled student. The CSDB now receives funds transferred from the Facility School Funding line item. Specifically, pursuant to the changes made in S.B. 13-260 (and discussed above in the Facility Schools section of this document) the CSDB receives statewide base per pupil funding times 1.73 to cover the costs of facilities that provide year-round educational services. This amount is translated into a daily rate, and the CSDB receives a daily rate for each child in attendance for up to 235 days each school year (with a 10-day extension to the CSDB school year approved by the General Assembly, the CSDB currently operates on a 184-day calendar).

Staff's calculations concerning the recommended fund splits in the above table are detailed in the following two tables.

PROJECTED FY 2021-22 FACILITY SCHOOLS FUNDING FOR CSDB	
Projected statewide base per pupil funding (based on current law)	$7,225.28
Facility school funding for year-round educational programs (1.73 x base PPR)	$12,500
Total days the increased rate applies	235
Daily rate (state average PPR increased by one-third/Total days)	$53.19
Estimated student-days billed by CSDB (average daily attendance (170.55 projected) x 184 instructional days)	31,383
Projected Transfer to CSDB (Daily rate x Student-days)	**$1,669,300**

CSDB PERSONAL SERVICES – FY 2021-22 FUNDING SPLITS	
Total Recommended Funding	$11,553,296
Less: Estimated Transfer from the Facility Schools Funding Line item	($1,669,300)
Less: Federal Nutritional Funds transferred from the Appropriated Sponsored Programs line item	($35,000)
General Fund portion of appropriation	$9,848,996

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: The Department requests a continuation appropriation of $1,281,265 General Fund and 10.0 FTE for FY 2021-22. The request includes an increase of $271 to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability).

RECOMMENDATION: Staff recommends approving an appropriation of $1,281,000 General Fund and 10.0 FTE for FY 2021-22. The recommendation is $265 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200.

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 uses 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 requests an appropriation of $86,754 General Fund for FY 2021-22, including a decrease of $30,214 below the FY 2020-21 appropriation based on OSPB's common policy to provide 100.0 percent of the prior year's actual expenditures for shift differential.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies for FY 2020-21.

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 outlay[28], custodial services, equipment rental, storage, dues and subscriptions, and printing.

STATUTORY AUTHORITY: Section 22-80-101.5 et seq., C.R.S.

REQUEST: The Department requests a continuation appropriation of $668,291 General Fund for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policies.

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 vehicles[29] that are all utilized at the CSDB.

STATUTORY AUTHORITY: Section 24-30-1104 (2), C.R.S.

REQUEST: The Department requests an appropriation of $37,040 General Fund pursuant to OSPB's common policies.

RECOMMENDATION: Staff recommends approving the request, which is consistent with the Committee's common policy for vehicle lease payments for FY 2021-22.

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.

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[28] 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.

[29] Currently, these vehicles include: six vans, four sedans, two buses, and two trucks.

REQUEST: The Department requests a continuation appropriation of $687,122 General Fund for FY 2021-22, with no change from the FY 2020-21 appropriation. The request includes an increase of $59,542 General Fund associated with request R4 (CSDB Utilities, discussed above).

RECOMMENDATION: Staff recommends approving the request. The General Assembly approved an increase of $59,542 General Fund for the school's utilities in FY 2020-21. The current year expenditures are coming in below that level largely because of the periods of time that the campus has been closed due to COVID-19. However, the request and recommendation assume that the school will return to full-time in-person learning for all of FY 2021-22. Based on current estimates, JBC Staff and CSDB staff believe that the request will be sufficient to cover utilities costs in FY 2021-22. The following table shows actual utilities expenses for FY 2017-18 through FY 2019-20 and current estimates for FY 2020-21 and FY 2021-22.

CSDB UTILITIES COSTS FY 2017-18 THROUGH FY 2021-22					
UTILITY TYPE	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21 Est.	FY 2021-22 Est.
Natural Gas	$103,962	$123,005	$85,856	$95,447	$113,484
Electric	210,951	203,268	186,232	204,347	230,411
Water	100,825	114,093	81,230	93,348	107,459
Energy Performance Contract	179,178	203,775	209,302	218,543	235,768
Special Project	0	0	0	0	0
Total Expenditures	**$594,916**	**$644,141**	**$562,620**	**$611,685**	**$687,122**
Annual Utilities Appropriation/Recommendation	$602,580	$602,580	$627,580	$687,122	$687,122
Expenditures Above/(Below) Appropriation	($7,664)	$41,561	($64,960)	($75,437)	$0

ALLOCATION OF STATE AND FEDERAL CATEGORICAL PROGRAM FUNDING

The CSDB receives an allocation of state and federal moneys available for special education services for children with disabilities based on its December pupil count. In addition, the CSDB may receive allocations from other categorical programs (e.g., in recent years the CSDB has received allocations related to the English language proficiency program, special education for gifted and talented children, and the Expelled and At-risk Student Services Grant Program). 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: The Department requests a continuation appropriation of $170,000 reappropriated funds spending authority and 0.4 FTE for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. The disbursements of categorical funding are based on the CSDB's annual student count and, as a result, fluctuate some from year to year. The recommendation is intended to allow the CSDB to receive and spend all categorical funding for which it is eligible. The continuation level of funding is appropriate.

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: The Department requests a continuation appropriation of $425,818 reappropriated funds spending authority and 1.5 FTE for FY 2021-22. The request includes an increase of $181 to reflect the FY 2020-21 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability) pursuant to OSPB's common policies.

RECOMMENDATION: Staff recommends approving a continuation appropriation of $425,818 reappropriated funds, which is consistent with the Committee's common policies. The recommendation is $177 below the request based on the Committee's common policy adjustment to the annualization of S.B. 18-200. As in prior years, the recommendation intended to allow the CSDB to receive and spend all of the Medicaid funding for which it is eligible.

(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: The Department requests a continuation appropriation of $120,000 cash funds for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. Staff recommends maintaining the appropriation at its current level despite the low levels of expenditures in recent years (e.g., $75,030 in FY 2019-20), 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 a continuation appropriation of $1,000,137 total funds (including $750,059 cash funds and $250,078 reappropriated funds) and 6.2 FTE for FY 2021-22. The request an increase of $137 total funds above the FY 2020-21 appropriation to reflect the FY 2021-22 impact of S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability) based on OSPB's common policies.

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 2021-22 appropriation. Given that actual revenues and expenditures for the program continue to remain below the appropriation (including a total of $464,331 and 3.6 FTE in FY 2019-20), 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 cannot be appropriately served in their home school district. Wyoming does not have a state school to serve children who are deaf and/or blind. Prior to FY 2007-08, the CSDB required Wyoming to pay their students' tuition using federal funds (available under the federal *Individuals with Disabilities Education Act*), which were treated as cash funds but are not subject to the limitation on state fiscal year spending imposed by Section 20 of Article X of the State Constitution ("TABOR"). Beginning in FY 2007-08, the CSDB has been authorized to accept tuition payments from other states for up to four students using state, rather than federal funds. This authorization ensures that children from neighboring states can be served at the CSDB (given available space) if it is determined that it is the best setting for the child.

STATUTORY AUTHORITY: Section 22-80-110, C.R.S.

REQUEST: The Department requests a continuation appropriation of $200,000 cash funds spending authority for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. While the Department had not used the appropriation the past several years, CSDB had two out of state students (from Wyoming) in FY 2016-17 and has had one out of state student for FY 2017-18 through FY 2020-21. Staff recommends continuing the appropriation at its current level to allow the CSDB to serve any students deemed appropriate, which benefits both the student and the CSDB. The CSDB will only be able to spend funds actually received as tuition from out-of-state students.

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: The Department requests a continuation appropriation of $1,000,000 reappropriated funds and 6.0 FTE for FY 2021-22, with no change from the FY 2020-21 appropriation.

RECOMMENDATION: Staff recommends approving the request. Staff recommends maintaining the appropriation at its current level despite the low levels of expenditures in recent years ($525,951 and 3.9 FTE in FY 2019-20), as the recommendation is intended to allow the Department to receive and spend any revenues received under the line item.

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

LONG BILL FOOTNOTES

Staff recommends **ELIMINATING** the following footnote:

7 Department of Education, Management and Administration, Administration and Centrally-Appropriated Line Items, Health, Life, and Dental – The General Fund appropriation includes a decrease of $863,216 that is equal to 5.0 percent of the General Fund portion of estimated base salary for the Department. The reduction in this General Fund appropriation is in lieu of a 5.0 percent personal services base reduction and provides the Department with increased flexibility to absorb the reduction and engage in more considered targeted reductions across all department divisions and programs. This reduction is not intended to reduce the Health, Life, and Dental benefit provided to state employees. It is the General Assembly's intent that Health, Life, and Dental costs for employees, as approved in budget actions, be fully paid within personal services appropriations augmented by Department allocations from central benefits appropriations.

COMMENT: The General Assembly added this footnote to the FY 2020-21 Long Bill to implement a General Fund base reduction. As that is not the common policy currently adopted for FY 2021-22, staff recommends eliminating the footnote.

Staff recommends **REINSTATING** the following footnote:

X Department of Education, Assistance to Public Schools, Public School Finance, State share of Districts' Total Program Funding -- It is the intent of the General Assembly that a portion of the amount appropriated for this line item, not to exceed $250,000 for fiscal year FY 2021-22, shall be transferred to the Legislative Council for the purpose of funding the biennial cost of living analysis pursuant to Section 22-54-104 (5)(c)(III)(B), C.R.S.

COMMENT: Section 22-54-104 (5) (c) (III) (A), C.R.S., requires the Legislative Council Staff to conduct a biennial study concerning the relative cost of living in each school district. The results of the study are then to be used to adjust each school district's cost of living factor for purposes of calculating per pupil funding for the following two fiscal years. The results of the study are then to be used to adjust each school district's cost of living factor for purposes of calculating per pupil funding for the following two fiscal years. Last conducted in FY 2019-20, statute requires another study in FY 2021-22. The results of the study conducted in FY 2021-22 will impact funding requirements for FY 2022-23 and FY 2023-24.

Current law (Sec. 22-54-104 (5)(c)(III)(B), C.R.S.) requires the Department of Education to transfer the amount necessary to complete the study to Legislative Council Staff (and requires those funds to originate from the State Share of Districts' Total Program Funding line item). As discussed earlier in this document (Staff Initiated Refinance of School Finance Administration), staff is recommending that the Committee consider changing statute to allow for a direct appropriation of Genera Fund to Legislative Council Staff to support the study.

However, as current law requires the transfer from the Department to Legislative Council Staff, the Long Bill needs to include this footnote. Should the General Assembly decide to move forward with a direct appropriation, that legislation would adjust the appropriation and presumably strike the footnote.

Staff recommends **CONTINUING** the following footnotes:

8 Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding -- Pursuant to Section 22-35-108 (2) (a), C.R.S., the purpose of this footnote is to specify what portion of this appropriation is intended to be available for the Accelerating Students Through Concurrent Enrollment (ASCENT) Program for ~~FY 2020-21~~ FY 2021-22. It is the intent of the General Assembly that the Department of Education be authorized to utilize up to ~~$3,725,000~~ $_____ of this appropriation to fund qualified students designated as ASCENT Program participants. This amount is calculated based on an estimated 500 FTE participants funded at a rate of ~~$7,450~~ $_____ per FTE pursuant to Section 22-54-104 (4.7), C.R.S.

COMMENT: House Bill 19-1319[30] created the ASCENT Program for students who voluntarily extend their high school education beyond 12th grade in order to attend college courses ("fifth year" students). The stated objectives of the program include: (1) increasing the percentage of students who participate in higher education, especially among low-income and traditionally under-served populations; (2) decreasing the number of high school dropouts; (3) decreasing the time required for a student to complete a postsecondary degree; (4) reducing state expenditures for public education; and (5) increasing the number of educational pathways available to students.

Similar to students participating in multi-district online programs and the Colorado Preschool Program, ASCENT students are counted and funded through the School Finance Act formula. However, the ASCENT Program is subject to available appropriations. As funding for ASCENT is calculated as part of school districts' total program funding, state funding for ASCENT students is included within the State Share of Districts' Total Program Funding line item. This footnote thus provides the mechanism for the General Assembly to limit the appropriation for ASCENT.

In addition to state funding appropriated to the Department of Education, similar to other concurrent enrollment programs, higher education institutions include ASCENT students in determining the number of full time equivalent students enrolled in the institution. The higher education institution receives tuition from ASCENT students' home school districts, as well as College Opportunity Fund Program stipend payments.

In the current year, a total of 444.0 FTE students are participating in the ASCENT Program. The Department expects 56.0 slots to be carried forward from FY 2020-21 to FY 2021-22 (as allowed by S.B. 15-138), meaning that an appropriation of 500 *new* slots for FY 2021-22 would make a total of 556.0 slots available for the year. School districts have until the end of this fiscal year to encumber any funds associated with unused slots in FY 2020-21 to provide ASCENT slots in FY 2021-22, and that funding is in addition to the amounts assumed in the

[30] See Section 22-35-108, C.R.S.

FY 2021-22 appropriation. Participating districts must remit any FY 2020-21 ASCENT funds remaining unencumbered by the end of the fiscal year to the Department. The Department will credit such funds to the State Public School Fund.

As discussed above with request R1/BA1 (Total Program Increase), the staff recommendation for FY 2021-22 includes 500 new ASCENT slots for FY 2020-21 (a continuation of the number of slots approved in the FY 2020-21 appropriation). Staff requests permission to finalize the appropriation and per pupil amounts in the footnote based on the Committee's final decisions regarding total program funding and the allocation of ASCENT slots in FY 2021-22.

9 Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, 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 ~~2022-23~~ 2023-24 fiscal year, whichever comes first.

COMMENT: The General Assembly added this footnote to the FY 2015-16 Long Bill to allow the Department to spend cash grants provided through the B.E.S.T. Program over a three-year period in order to allow for project completion.

10 Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, 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: The General Assembly added this footnote to the FY 2019-20 Long Bill. The Department is using the funding to support the development and support TEACH Colorado, a statewide public-private partnership designed to attract additional people to the teaching profession with an online digital recruitment platform. The platform serves as a "one-stop shop" to engage possible teacher candidates and facilitate their research of (and application to) educator preparation programs. The site is available at: https://colorado.teach.org/

11 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 $440,000 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: The General Assembly includes this footnote in the Long Bill to express the intent of the appropriation. The Department annually spends a portion of the appropriation, specified at $440,000 in the current (FY 2020-21) footnote, to contract with Audio Information Network of Colorado (AINC) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. Broadcasts are provided in Boulder, Louisville, and Lafayette and are available on local cable as a standard radio frequency at 98.9 KHzs. AINC is working through cable associations with the cities to expand local coverage. The services provided by AINC are also made available through the internet, telephone, and podcasts.

The remaining amount ($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 e mail. Newsline services now include television listings (based on an individual's zip code); the NFB indicates that this additional service has increased use of their Newsline service nationwide significantly. Anyone who is a patron of the Colorado Talking Book Library (CTBL) is eligible to access Newsline services. The CTBL is able to sign patrons up for the Newsline service through their existing database.

REQUESTS FOR INFORMATION

Staff recommends continuing and **ADDING** the following request for information:

X 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, 2021, 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 independent program review was completed in 2019. This request seeks detail on the Department's and the CSDB's progress and planning to implement the variety of recommendations included in the program review.

Staff recommends **ELIMINATING** the following request for information:

2 Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance – The Department is requested to provide information to the Joint Budget Committee by November 1, 2020, concerning the allocation of funding to eligible boards of cooperative services (BOCES) pursuant to Section 22-2-122 (3), C.R.S. Specifically, the Department is requested to detail the sources of funds and the allocations made to each BOCES in fiscal years 2018-19 and 2019-20.

COMMENT: This request has ensured that the Joint Budget Committee receives information about a distribution of state funds that occurs off-budget. A provision added by H.B. 02-1053 requires the Department to annually allocate funds to those boards of cooperative services (BOCES) that provide a wide range of services to their member school districts, or school districts with student populations of less than four thousand students [see Section 22-2-122 (3), C.R.S.]. Specifically, up to $250,000 is to be allocated annually using 1.0 percent of amounts appropriated "to all education grant programs for that fiscal year"; moneys are to be allocated proportionately on a per school district basis, based on the total number of school districts that have student populations of less than four thousand students and are members of eligible BOCES. The BOCES that receive allocations are required to use such moneys to assist member school districts and schools in applying for grants. The above language (from the FY 2020-21 budget) requests data for both FY 2018-19 and FY 2019-20.

Staff agrees that transparency into funding that is effectively off-budget is beneficial. If the Committee uses this information then staff would recommend retaining the request. However, staff has not recently used this information in the formulation of recommendations to the Committee. In the interest of reducing the number of requests for information that are not informing staff recommendations to the Committee, staff is recommending elimination of the request.

Staff recommends **CONTINUING AND MODIFYING** the following requests for information:

2 Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S. – The Department of Education is requested to work with the Department of Higher Education and to provide to the Joint Budget Committee information concerning the distribution of state funds available for each categorical program, excluding grant programs. The information for special education programs for children with disabilities, English language proficiency programs, public school transportation, career and technical education, and small attendance center aid is requested to include the following: (a) a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year ~~2019-20~~ 2020-21 and the maximum allowable distribution pursuant to state law and/or State Board of Education rule; and (b) a comparison of the state and federal funding distributed to each district or administrative unit for each program in fiscal year ~~2018-19~~ 2019-20 and actual district expenditures for each program in fiscal year ~~2018-19~~ 2019-20. The information for special education programs for gifted and talented children is requested to include a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year ~~2018-19~~ 2019-20 and actual district expenditures in fiscal year ~~2018-19~~ 2019-20.

COMMENT: This request provides the Joint Budget Committee with data that is used to annually determine the allocation of the required increase in state funding for categorical programs. The data provided through this request are essential to the formulation of recommendations for categorical program funding.

1 Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding – The Department is requested to provide to the Joint Budget Committee, on or before November 1, ~~2020~~ 2021, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year ~~2019-20~~ 2020-21: (a) data reflecting the ratio of the total funded pupil count for the Program to the total funded pupil count for kindergarten; (b) data indicating the number of three-year-old children who participated in the Program; (c) data indicating the number of children who participated in the Program for a full-day rather than a half-day; and (d) the state and local shares of total program funding that are attributable to the Program.

COMMENT: Funding for the Colorado Preschool Program (CPP) is included in the State Share of Districts' Total Program Funding line item. This request provides the Joint Budget Committee with data related to CPP, including the costs of the program, how many existing

slots are being used to serve three-year-old children or to provide a full day of preschool to an individual child, and the adequacy of the number of authorized slots.

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 "Ind*irect Cost Base*", and an "*Indirect Cost Rate*". The following discussion reflects the calculations underlying the Department's indirect cost process for FY 2020-21. The Department will be negotiating an indirect cost plan with the U.S. Department of Education late in the Spring of 2021 and the data that will support those discussions are not yet available. As a result, the following information (pertaining the rate for FY 2020-21) is the most current available, with the exception of the final table that outlines the Department's estimates of assessments in 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. As a result of a change in the federal policy (and a reversion to previous practice), the Department is again negotiating 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 2017-18 are the basis of the FY 2019-20 federal indirect rate of 13.4 percent. 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 collection of indirect costs from contracts over $25,000. 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. Similar to the federal rate, the Department has set a fixed cash fund rate of 13.5 percent for cash fund indirect cost recoveries for FY 2019-20 and carried that rate forward to FY 2020-21. The following data provided the basis for the calculations in the FY 2020-21 appropriation. As discussed above, the information for the FY 2021-22 calculations was not available for this document.

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, 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 2018-19 ACTUAL
Statewide Indirect Costs for FY 2018-19	**$498,246**
Management and Administration	
Human Resources	395,376
Accounting and Purchasing	1,105,599
Department Overhead	983,480
COFRS Modernization	278,197
Sick and Annual Leave Payouts	434,504
Budget	303,361
Information Management	3,078,126
Total Departmental Indirect Cost Pool	**$6,578,643**
Other Costs	
Depreciation	846,427
State Auditor	201,593
Carryforward Adjustment	1,266,815
Total Other Costs	**2,314,835**
Total Indirect Cost Pool	**$9,391,724**

INDIRECT COST BASE

The Ind*irect 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 2017-18 actuals that provided the base for the current federal rate.

TABLE 2: DEPARTMENT OF EDUCATION INDIRECT COST BASE	
	FY 2017-18 ACTUAL
CDE salaries, fringe benefits, operating expenses	$99,653,601
Less: Expenditures Excluded by USDE	($36,861,076)
Less: Departmental Indirect Costs	($6,578,643)
Total Indirect Cost Base	**$56,213,882**

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 Department is still negotiating a rate for FY 2020-21, so that rate has yet to be determined. The following table shows the calculated rate for FY 2019-20 (16.7 percent using this methodology) and the actual negotiated rate for FY 2019-20 and FY 2020-21 (13.4 percent).

TABLE 3: DEPARTMENT OF EDUCATION INDIRECT COST RATE	
FEDERAL RATE = INDIRECT COST POOL / DIRECT COST BASE	
DIVISION	FY 2017-18 ACTUAL
Indirect Cost Pool	$9,391,724
Indirect Cost Base	$56,213,882
Calculated Indirect Cost Base	16.7%
Negotiated Federal Rate (Actual Rate)	13.4%

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 indirect cost limits. For example, the Library Service and Technology Act (LSTA) grant limits indirect cost recoveries to 4 percent, regardless of the negotiated indirect cost rate for other federal funds.

The Department also does not charge indirect costs to General Fund expenditures, some cash funded expenditures (most importantly those supported by the State Education Fund), or reappropriated fund expenditures. 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 2021-22**.

TABLE 4: DEPARTMENT INDIRECT COST ASSESSMENT RECOMMENDATION				
DIVISION	TOTAL	CF	RF	FF
Management and Administration	$857,586	$493,724	$0	$363,862
Assistance to Public Schools	3,482,863	25,000	55,571	3,402,292
Library Programs	55,327	0	0	55,327
Total FY 2021-22 Recommendation	**$4,395,776**	**$518,724**	**$55,571**	**$3,821,481**
Management and Administration	$784,757	$451,796	$0	$332,961
Assistance to Public Schools	3,207,087	25,000	55,571	3,126,516
Library Programs	55,327		0	55,327
Total FY 2020-21 Appropriation	**$4,047,171**	**$476,796**	**$55,571**	**$3,514,804**
Difference (FY 20 - FY 21)	**$348,605**	**$41,928**	**$0**	**$306,677**

Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation	
DEPARTMENT OF EDUCATION **Dr. Katy Anthes, Commissioner**						
(1) MANAGEMENT AND ADMINISTRATION						
This section provides funding and staff for: the State Board of Education; the administration of a variety of education-related programs and for the general department administration, including human resources, budgeting, accounting, information management, and facilities maintenance. This section also includes funding for the Office of Professional Services, the Division of On-line Learning, as well as funding associated with the State Charter School Institute. The primary source of cash funds is the Educator Licensure Cash Fund. The major sources of reappropriated funds are indirect cost recoveries and transfers of funds from various cash- and federally-funded line items. Federal funds are from a variety of sources.						
(A) Administration and Centrally-Appropriated Line Items						
State Board of Education	361,910	294,522	354,167	318,820	318,751	*
FTE	1.8	2.0	2.0	2.0	2.0	
General Fund	361,910	294,522	354,167	318,820	318,751	
General Department and Program Administration	4,088,033	4,181,081	4,662,006	4,487,596	4,659,043	*
FTE	34.0	36.3	34.6	32.6	34.6	
General Fund	1,818,159	1,820,748	1,546,820	1,446,499	1,543,831	
Cash Funds	107,105	77,449	186,144	186,177	186,145	
Reappropriated Funds	2,162,769	2,282,884	2,929,042	2,854,920	2,929,067	
Office of Professional Services	2,003,479	2,443,199	2,813,601	2,814,218	2,813,614	
FTE	23.1	21.8	25.0	25.0	25.0	
Cash Funds	2,003,479	2,443,199	2,813,601	2,814,218	2,813,614	
Division of On-line Learning	362,742	283,811	379,368	379,433	379,369	
FTE	1.6	2.0	3.3	3.3	3.3	
Cash Funds	362,742	283,811	379,368	379,433	379,369	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation	
Schools of Choice	0	267,613	10,361,851	10,361,926	10,361,853	
FTE	0.0	2.4	6.8	6.8	6.8	
General Fund	0	267,613	335,009	335,084	335,011	
Federal Funds	0	0	10,026,842	10,026,842	10,026,842	
Health, Life, and Dental	3,065,997	5,213,689	5,845,927	6,915,420	6,994,268	*
General Fund	2,044,487	1,984,124	1,682,930	2,498,484	2,941,459	
Cash Funds	569,373	583,786	1,028,944	1,057,725	1,057,725	
Reappropriated Funds	452,137	415,036	715,651	874,488	510,361	
Federal Funds	0	2,230,743	2,418,402	2,484,723	2,484,723	
Short-term Disability	40,542	62,726	81,167	75,936	76,271	*
General Fund	24,700	22,885	26,038	24,224	28,464	
Cash Funds	8,125	7,757	13,206	11,823	11,875	
Reappropriated Funds	7,717	6,776	10,138	9,879	5,790	
Federal Funds	0	25,308	31,785	30,010	30,142	
S.B. 04-257 Amortization Equalization Disbursement	1,262,134	1,969,087	2,400,236	2,348,919	2,392,482	*
General Fund	770,715	681,647	773,531	729,408	895,227	
Cash Funds	252,297	229,150	389,672	370,275	371,907	
Reappropriated Funds	239,122	200,200	299,139	309,396	181,363	
Federal Funds	0	858,090	937,894	939,840	943,985	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	1,262,134	1,969,089	2,400,236	2,348,919	2,392,482	*
General Fund	770,715	681,647	773,531	729,408	895,227	
Cash Funds	252,297	229,150	389,672	370,275	371,907	
Reappropriated Funds	239,122	200,202	299,139	309,396	181,363	
Federal Funds	0	858,090	937,894	939,840	943,985	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
PERA Direct Distribution	0	1,288,681	0	1,258,290	1,258,290
General Fund	0	935,444	0	402,783	693,304
Cash Funds	0	201,941	0	195,597	195,597
Reappropriated Funds	0	151,296	0	659,910	369,389
Federal Funds	0	0	0	0	0
Salary Survey	0	1,343,727	0	1,073,448	1,309,080 *
General Fund	0	435,558	0	342,392	488,477
Cash Funds	0	156,428	0	167,120	203,804
Reappropriated Funds	0	130,463	0	139,676	99,410
Federal Funds	0	621,278	0	424,260	517,389
Merit Pay	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Workers' Compensation	317,235	305,684	328,159	269,314	258,089
General Fund	231,999	133,826	146,579	120,295	124,002
Cash Funds	65,719	0	42,823	35,144	33,679
Reappropriated Funds	19,517	13,383	22,177	18,200	8,721
Federal Funds	0	158,475	116,580	95,675	91,687
Legal Services	750,801	901,288	1,175,178	1,177,845	1,177,845
General Fund	433,996	520,985	679,305	680,847	680,847
Cash Funds	297,541	357,178	465,720	466,777	466,777
Reappropriated Funds	19,264	23,125	30,153	30,221	30,221

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation	
Administrative Law Judge Services	208,286	233,596	141,413	149,858	146,388	
General Fund	0	0	0	0	25,267	
Cash Funds	172,333	193,277	117,005	123,992	121,121	
Reappropriated Funds	35,953	40,319	24,408	25,866	0	
Payment to Risk Management and Property Funds	212,856	448,387	416,600	712,555	730,631	
General Fund	212,856	448,387	416,600	712,555	730,631	
Leased Space	298,639	827,146	1,241,882	1,204,882	1,247,217	*
General Fund	61,525	0	87,218	87,218	66,481	
Cash Funds	224,010	65,082	262,844	225,844	297,365	
Reappropriated Funds	13,104	0	13,798	13,798	37,533	
Federal Funds	0	762,064	878,022	878,022	845,838	
Capitol Complex Leased Space	475,305	411,335	747,163	910,446	917,789	
General Fund	232,175	0	224,149	273,134	364,592	
Cash Funds	103,558	45,632	89,510	109,072	109,950	
Reappropriated Funds	139,572	98,263	145,323	177,081	89,255	
Federal Funds	0	267,440	288,181	351,159	353,992	
Reprinting and Distributing Laws Concerning Education	30,818	31,759	35,480	0	35,480	*
Cash Funds	30,818	31,759	35,480	0	35,480	
Statewide training	0	0	0	12,410	0	*
Reappropriated Funds	0	0	0	12,410	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Salary Survey for Classified Employees	94,449	0	0	0	0
General Fund	54,429	0	0	0	0
Cash Funds	20,549	0	0	0	0
Reappropriated Funds	19,471	0	0	0	0
Federal Funds	0	0	0	0	0
Salary Survey for Exempt Employees	659,124	0	0	0	0
General Fund	379,688	0	0	0	0
Cash Funds	143,451	0	0	0	0
Reappropriated Funds	135,985	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (A) Administration and Centrally-Appropriated Line Items	15,494,484	22,476,420	33,384,434	36,820,235	37,468,942
FTE	60.5	64.5	71.7	69.7	71.7
General Fund	7,397,354	8,227,386	7,045,877	8,701,151	10,131,571
Cash Funds	4,613,397	4,905,599	6,213,989	6,513,472	6,656,315
Reappropriated Funds	3,483,733	3,561,947	4,488,968	5,435,241	4,442,473
Federal Funds	0	5,781,488	15,635,600	16,170,371	16,238,583
(B) Information Technology					
Information Technology Services	3,662,683	3,932,677	4,573,915	4,564,862	4,563,934 *
FTE	25.8	27.4	30.9	30.9	30.9
General Fund	3,562,317	3,824,465	3,939,464	3,930,334	3,929,481
Cash Funds	0	0	0	0	0
Reappropriated Funds	100,366	108,212	634,451	634,528	634,453

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
CORE Operations	278,197	246,047	327,125	272,095	240,722
General Fund	105,658	105,604	126,702	105,388	120,350
Cash Funds	34,831	36,636	126,731	105,413	93,258
Reappropriated Funds	137,708	103,807	73,692	61,294	27,114
Information Technology Asset Maintenance	2,372,074	1,558,765	969,147	969,147	969,147
General Fund	2,372,074	1,558,765	969,147	969,147	969,147
Disaster Recovery	19,722	19,722	19,722	19,722	19,722
General Fund	19,722	19,722	19,722	19,722	19,722
Payments to OIT	637,079	973,481	1,228,473	1,007,531	1,007,531 *
General Fund	319,108	417,818	528,980	433,842	645,676
Cash Funds	9,693	144,951	182,920	150,022	150,022
Reappropriated Funds	308,278	410,712	516,573	423,667	211,833
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Information Technology	6,969,755	6,730,692	7,118,382	6,833,357	6,801,056
FTE	25.8	27.4	30.9	30.9	30.9
General Fund	6,378,879	5,926,374	5,584,015	5,458,433	5,684,376
Cash Funds	44,524	181,587	309,651	255,435	243,280
Reappropriated Funds	546,352	622,731	1,224,716	1,119,489	873,400
Federal Funds	0	0	0	0	0

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation	
(C) Assessments and Data Analyses						
Statewide Assessment Program	31,468,924	21,739,401	32,632,815	31,569,615	31,878,112	*
FTE	18.9	18.9	17.5	16.5	16.5	
Cash Funds	26,077,093	15,577,937	25,446,180	24,382,329	24,660,227	
Federal Funds	5,391,831	6,161,464	7,186,635	7,187,286	7,217,885	
Longitudinal Analyses of Student Assessment Results	583,210	677,769	765,973	761,832	761,725	*
FTE	5.2	4.7	4.1	4.1	4.1	
General Fund	432,704	491,213	467,973	463,832	463,725	
Cash Funds	150,506	186,556	298,000	298,000	298,000	
Basic Skills Placement or Assessment Tests	0	0	50,000	0	50,000	*
Cash Funds	0	0	50,000	0	50,000	
Preschool to Postsecondary Education Alignment	605,728	604,633	672,672	662,949	662,762	*
FTE	4.2	4.3	4.0	4.0	4.0	
General Fund	32,633	27,738	37,309	37,316	37,309	
Cash Funds	573,095	576,895	635,363	625,633	625,453	
Educator Effectiveness Unit Administration	1,753,943	1,896,118	2,011,257	1,881,315	1,998,769	*
FTE	12.5	13.1	12.5	11.5	12.5	
General Fund	1,637,498	1,764,174	1,874,519	1,757,031	1,874,530	
Cash Funds	116,445	131,944	136,738	124,284	124,239	
Accountability and Improvement Planning	1,097,396	1,557,880	1,784,651	1,720,318	1,784,656	*
FTE	4.3	11.7	11.4	10.4	11.4	
General Fund	1,097,396	1,007,548	1,234,319	1,169,986	1,234,324	
Federal Funds	0	550,332	550,332	550,332	550,332	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
SUBTOTAL - (C) Assessments and Data Analyses	35,509,201	26,475,801	37,917,368	36,596,029	37,136,024
FTE	45.1	52.7	49.5	46.5	48.5
General Fund	3,200,231	3,290,673	3,614,120	3,428,165	3,609,888
Cash Funds	26,917,139	16,473,332	26,566,281	25,430,246	25,757,919
Federal Funds	5,391,831	6,711,796	7,736,967	7,737,618	7,768,217
(D) State Charter School Institute					
State Charter School Institute Administration, Oversight, and Management	4,077,928	5,149,968	3,500,000	3,500,000	3,500,000
FTE	18.6	17.6	11.7	11.7	11.7
Cash Funds	3,499,788	1,649,968	0	0	0
Reappropriated Funds	578,140	3,500,000	3,500,000	3,500,000	3,500,000
Institute Charter School Assistance Fund	1,167,167	1,689,636	460,000	460,000	460,000
Cash Funds	1,167,167	1,689,636	460,000	460,000	460,000
Other Transfers to Institute Charter Schools	14,452,058	23,760,432	9,000,000	9,000,000	9,000,000
FTE	1.0	0.0	0.0	0.0	0.0
Cash Funds	0	14,760,432	0	0	0
Reappropriated Funds	14,452,058	9,000,000	9,000,000	9,000,000	9,000,000
Transfer of Federal Moneys to Institute Charter Schools	7,090,243	17,078,899	7,600,000	7,600,000	7,600,000
FTE	1.6	8.2	4.5	4.5	4.5
Reappropriated Funds	0	0	7,600,000	7,600,000	7,600,000
Federal Funds	7,090,243	17,078,899	0	0	0

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Department Implementation of Section 22-30.5-501 et seq., C.R.S.	203,495	197,041	239,992	240,110	239,994
FTE	0.6	1.0	1.6	1.6	1.6
Reappropriated Funds	203,495	197,041	239,992	240,110	239,994
CSI Mill Levy Equalization	11,047,724	14,000,000	11,200,000	11,200,000	11,200,000
General Fund	5,523,862	7,000,000	5,600,000	5,600,000	5,600,000
Reappropriated Funds	5,523,862	7,000,000	5,600,000	5,600,000	5,600,000
SUBTOTAL - (D) State Charter School Institute	38,038,615	61,875,976	31,999,992	32,000,110	31,999,994
FTE	21.8	26.8	17.8	17.8	17.8
General Fund	5,523,862	7,000,000	5,600,000	5,600,000	5,600,000
Cash Funds	4,666,955	18,100,036	460,000	460,000	460,000
Reappropriated Funds	20,757,555	19,697,041	25,939,992	25,940,110	25,939,994
Federal Funds	7,090,243	17,078,899	0	0	0
(E) Indirect Cost Assessment					
Indirect Cost Assessment	647,025	674,595	784,757	841,213	857,586
Cash Funds	327,741	388,374	451,796	484,298	493,724
Federal Funds	319,284	286,221	332,961	356,915	363,862
SUBTOTAL - (E) Indirect Cost Assessment	647,025	674,595	784,757	841,213	857,586
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	327,741	388,374	451,796	484,298	493,724
Federal Funds	319,284	286,221	332,961	356,915	363,862

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
TOTAL - (1) Management and Administration	96,659,080	118,233,484	111,204,933	113,090,944	114,263,602
FTE	153.2	171.4	169.9	164.9	168.9
General Fund	22,500,326	24,444,433	21,844,012	23,187,749	25,025,835
Cash Funds	36,569,756	40,048,928	34,001,717	33,143,451	33,611,238
Reappropriated Funds	24,787,640	23,881,719	31,653,676	32,494,840	31,255,867
Federal Funds	12,801,358	29,858,404	23,705,528	24,264,904	24,370,662

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation	
(2) ASSISTANCE TO PUBLIC SCHOOLS						
This section provides funding that is distributed to public schools and school districts, as well as funding for Department staff who administer this funding or who provide direct support to schools and school districts.						
(A) Public School Finance						
Administration	1,635,436	2,216,317	1,904,480	1,680,350	1,879,526	*
FTE	17.6	17.3	17.9	15.4	17.4	
General Fund	0	0	0	0	1,792,031	
Cash Funds	74,686	492,981	87,494	87,519	87,495	
Reappropriated Funds	1,560,750	1,723,336	1,816,986	1,592,831	0	
Federal Funds	0	0	0	0	0	
Financial Transparency System Maintenance	600,000	600,000	462,000	75,000	75,000	*
Cash Funds	600,000	600,000	462,000	75,000	75,000	
School Finance Audit Payments	0	0	2,200,000	600,000	600,000	
Cash Funds	0	0	2,200,000	600,000	600,000	
Additional Funding Pursuant to Sec. 22-54-143 (3)(a), C.R.S.	0	0	14,710,558	0	0	
General Fund	0	0	14,710,558	0	0	
Additional Funding Pursuant to Sec. 22-54-143 (3)(b), C.R.S.	0	0	4,578,464	0	0	
General Fund	0	0	4,578,464	0	0	
Additional Funding Pursuant to Section 22-54-143 (6), C.R.S.	0	0	569,849	0	0	
General Fund	0	0	569,849	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation	
State Share of Districts' Total Program Funding	4,468,585,178	4,628,802,222	4,224,698,017	4,822,697,059	4,342,793,552	*
General Fund	3,036,590,106	3,643,099,781	3,668,444,525	4,049,333,395	3,589,969,938	
General Fund Exempt	885,333,333	523,323,333	84,491,394	84,491,394	84,491,394	
Cash Funds	546,661,739	462,379,108	471,762,098	688,872,270	668,332,220	
Federal CARES Act Funds	0	510,000,000	37,000,000	0	0	
Federal Funds	0	510,000,000	37,000,000	0	0	
District Per Pupil Reimbursements for Juveniles Held in Jail	1,894	0	10,000	0	10,000	*
Cash Funds	1,894	0	10,000	0	10,000	
At-risk Supplemental Aid	4,570,427	4,521,650	5,094,358	4,844,358	4,844,358	*
Cash Funds	4,570,427	4,521,650	5,094,358	4,844,358	4,844,358	
At-risk Per Pupil Additional Funding	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
Cash Funds	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
Additional Funding for Rural Districts and Institute Charter Schools	29,999,532	19,999,939	25,000,000	30,000,000	30,000,000	*
General Fund	0	19,999,939	0	0	0	
Cash Funds	29,999,532	0	25,000,000	30,000,000	30,000,000	
Charter School Institute At-risk Funding Technical Correction	545,147	0	0	0	0	
General Fund	545,147	0	0	0	0	
Hold-harmless Full-day Kindergarten Funding	8,677,554	0	0	0	0	
Cash Funds	8,677,554	0	0	0	0	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
SUBTOTAL - (A) Public School Finance	4,519,615,168	5,171,140,128	4,321,227,726	4,864,896,767	4,385,202,436
FTE	17.6	17.3	17.9	15.4	17.4
General Fund	3,037,135,253	3,663,099,720	3,688,303,396	4,049,333,395	3,591,761,969
General Fund Exempt	885,333,333	523,323,333	84,491,394	84,491,394	84,491,394
Cash Funds	595,585,832	472,993,739	509,615,950	729,479,147	708,949,073
Reappropriated Funds	1,560,750	1,723,336	1,816,986	1,592,831	0
Federal Funds	0	510,000,000	37,000,000	0	0

(B) Categorical Programs

(I) District Programs Required by Statute

Special Education - Children with Disabilities	353,096,926	385,392,725	362,680,692	367,547,910	366,612,241	*
FTE	109.5	101.9	63.0	63.0	63.0	
General Fund	71,572,347	93,572,347	93,572,347	93,572,347	93,572,347	
Cash Funds	104,556,868	109,128,264	112,650,811	117,514,445	116,582,286	
Reappropriated Funds	0	0	191,090	191,090	191,090	
Federal Funds	176,967,711	182,692,114	156,266,444	156,270,028	156,266,518	
English Language Proficiency Program	30,815,063	32,524,069	35,369,854	36,834,081	36,522,049	*
FTE	4.0	3.9	4.6	4.6	4.6	
General Fund	3,101,598	3,101,598	3,101,598	3,101,598	3,101,598	
Cash Funds	18,506,610	19,892,838	21,003,951	22,468,066	22,156,144	
Federal Funds	9,206,855	9,529,633	11,264,305	11,264,417	11,264,307	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation	
SUBTOTAL - (I) District Programs Required by Statute	383,911,989	417,916,794	398,050,546	404,381,991	403,134,290	
FTE	113.5	105.8	67.6	67.6	67.6	
General Fund	74,673,945	96,673,945	96,673,945	96,673,945	96,673,945	
Cash Funds	123,063,478	129,021,102	133,654,762	139,982,511	138,738,430	
Reappropriated Funds	0	0	191,090	191,090	191,090	
Federal Funds	186,174,566	192,221,747	167,530,749	167,534,445	167,530,825	
(II) Other Categorical Programs						
Public School Transportation	60,282,337	62,394,372	62,032,729	63,543,973	63,221,962	*
FTE	2.0	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	23,360,110	25,472,145	25,110,502	26,621,746	26,299,735	
Transfer to the Department of Higher Education for Distribution of State Assistance for Career and Technical Education	26,675,279	27,238,323	27,778,242	28,370,549	28,244,361	*
General Fund	17,792,850	17,792,850	17,792,850	17,792,850	17,792,850	
Cash Funds	8,882,429	9,445,473	9,985,392	10,577,699	10,451,511	
Special Education Programs for Gifted and Talented Children	12,412,244	12,306,962	12,844,494	12,795,628	12,994,942	*
FTE	3.0	1.9	1.5	0.5	1.5	
General Fund	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	
Cash Funds	6,912,244	6,806,962	7,344,494	7,295,628	7,494,942	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation	
Expelled and At-risk Student Services Grant Program	9,486,713	9,295,189	9,493,560	9,493,671	9,493,560	
FTE	2.1	2.2	1.0	1.0	1.0	
General Fund	5,788,807	5,721,884	5,788,807	5,788,807	5,788,807	
Cash Funds	3,697,906	3,573,305	3,704,753	3,704,864	3,704,753	
Small Attendance Center Aid	1,076,550	1,314,250	1,314,250	1,317,226	1,314,250	*
General Fund	787,645	787,645	787,645	787,645	787,645	
Cash Funds	288,905	526,605	526,605	529,581	526,605	
Comprehensive Health Education	1,125,475	1,103,367	1,131,396	1,132,058	1,131,396	*
FTE	1.8	1.6	1.0	1.0	1.0	
General Fund	294,529	300,000	300,000	300,000	300,000	
Cash Funds	830,946	803,367	831,396	832,058	831,396	
SUBTOTAL - (II) Other Categorical Programs	111,058,598	113,652,463	114,594,671	116,653,105	116,400,471	
FTE	8.9	7.7	5.5	4.5	5.5	
General Fund	67,086,058	67,024,606	67,091,529	67,091,529	67,091,529	
Cash Funds	43,972,540	46,627,857	47,503,142	49,561,576	49,308,942	
SUBTOTAL - (B) Categorical Programs	494,970,587	531,569,257	512,645,217	521,035,096	519,534,761	
FTE	122.4	113.5	73.1	72.1	73.1	
General Fund	141,760,003	163,698,551	163,765,474	163,765,474	163,765,474	
Cash Funds	167,036,018	175,648,959	181,157,904	189,544,087	188,047,372	
Reappropriated Funds	0	0	191,090	191,090	191,090	
Federal Funds	186,174,566	192,221,747	167,530,749	167,534,445	167,530,825	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
(C) Grant Programs, Distributions, and Other Assistance					
(I) Health and Nutrition					
Federal Nutrition Programs	186,134,324	174,646,153	156,678,680	156,679,185	156,678,691
FTE	18.1	17.0	9.0	9.0	9.0
General Fund	89,676	94,370	97,830	97,865	97,831
Federal Funds	186,044,648	174,551,783	156,580,850	156,581,320	156,580,860
State Match for School Lunch Program	2,472,644	2,472,644 0.0	2,472,644 0.0	2,472,644 0.0	2,472,644 0.0
Cash Funds	2,472,644	2,472,644	2,472,644	2,472,644	2,472,644
Child Nutrition School Lunch Protection Program	2,099,631 0.4	1,992,819	2,878,105	2,878,116	2,328,105
General Fund	1,265,161	1,936,254	2,027,374	2,027,374	1,477,374
Cash Funds	834,470	56,565	850,731	850,742	850,731
Start Smart Nutrition Program Fund	900,000	900,000	900,000	900,000	0
General Fund	900,000	900,000	900,000	900,000	0
Start Smart Nutrition Program	898,149	715,296	1,150,000	1,150,000	1,150,000
FTE	0.1	0.0	0.0	0.0	0.0
Cash Funds	400,000	0	250,000	250,000	1,150,000
Reappropriated Funds	498,149	715,296	900,000	900,000	0
Local School Food Purchasing Programs	0	165,866	0	0	675,255 *
FTE	0.0	0.2	0.0	0.0	0.4
General Fund	0	165,866	0	0	675,255
Breakfast After the Bell	23,202	19,585	24,987	90	0 *
FTE	0.2	0.1	0.3	0.0	0.0
General Fund	23,202	19,585	24,987	90	0

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
S.B. 97-101 Public School Health Services	183,818	140,162	180,708	180,749	180,709
FTE	1.5	1.0	1.4	1.4	1.4
Reappropriated Funds	183,818	140,162	180,708	180,749	180,709
Behavioral Health Care Professional Matching Grant Program	11,761,472	14,774,525	11,948,026	11,948,174	11,948,029
FTE	3.1	3.5	5.0	5.0	5.0
Cash Funds	11,761,472	14,774,525	11,948,026	11,948,174	11,948,029
Mental Health Education Resource Bank and Technical Assistance	0	80,128	46,708	46,733	46,709
FTE	0.0	1.0	0.6	0.6	0.6
General Fund	0	80,128	46,708	46,733	46,709
K-5 Social and Emotional Health Pilot Program	0	30,711	0	0	0
FTE	0.0	0.2	0.0	0.0	0.0
Cash Funds	0	30,711	0	0	0
SUBTOTAL - (I) Health and Nutrition	204,473,240	195,937,889	176,279,858	176,255,691	175,480,142
FTE	23.4	23.0	16.3	16.0	16.4
General Fund	2,278,039	3,196,203	3,096,899	3,072,062	2,297,169
Cash Funds	15,468,586	17,334,445	15,521,401	15,521,560	16,421,404
Reappropriated Funds	681,967	855,458	1,080,708	1,080,749	180,709
Federal Funds	186,044,648	174,551,783	156,580,850	156,581,320	156,580,860

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation	
(II) Capital Construction						
Division of Public School Capital Construction Assistance	1,340,347	1,266,735	1,475,529	1,475,982	1,475,538	
FTE	15.0	15.1	15.0	15.0	15.0	
Cash Funds	1,340,347	1,266,735	1,475,529	1,475,982	1,475,538	
Public School Capital Construction Assistance Board - Lease Payments	70,621,553	77,004,203	125,000,000	125,000,000	125,000,000	
Cash Funds	70,621,553	77,004,203	125,000,000	125,000,000	125,000,000	
Public School Capital Construction Assistance Board - Cash Grants	66,566,692	96,407,010	60,000,000	57,000,000	60,000,000	*
Cash Funds	66,566,692	96,407,010	60,000,000	57,000,000	60,000,000	
Financial Assistance Priority Assessment	148,800	125,400	150,000	135,000	135,000	*
Cash Funds	148,800	125,400	150,000	135,000	135,000	
State Aid for Charter School Facilities	29,250,000	28,607,290	31,820,762	30,229,724	31,526,047	*
Cash Funds	29,250,000	28,607,290	31,820,762	30,229,724	31,526,047	
Full-day Kindergarten Implementation Grants	0	24,801,942	0	0	0	
Cash Funds	0	24,801,942	0	0	0	
SUBTOTAL - (II) Capital Construction	167,927,392	228,212,580	218,446,291	213,840,706	218,136,585	
FTE	15.0	15.1	15.0	15.0	15.0	
Cash Funds	167,927,392	228,212,580	218,446,291	213,840,706	218,136,585	

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
(III) Reading and Literacy					
Early Literacy Program Administration and Technical Support	0	1,284,609	1,709,570	1,709,948	1,709,578
FTE	0.0	10.6	12.0	12.0	12.0
Cash Funds	0	1,284,609	1,709,570	1,709,948	1,709,578
Early Literacy Competitive Grant Program	5,927,148	7,460,927	7,500,000	7,500,000	7,500,000
FTE	6.4	0.0	0.0	0.0	0.0
Cash Funds	5,927,148	7,460,927	7,500,000	7,500,000	7,500,000
Early Litearcy Program Evidence Based Training Provided to Teachers	0	18,965	2,702,557	2,702,557	2,702,557
Cash Funds	0	18,965	2,702,557	2,702,557	2,702,557
Early Litearcy Program External Evaluation	0	741,404	750,000	750,000	750,000
Cash Funds	0	741,404	750,000	750,000	750,000
Early Literacy Program Public Information Campaign	0	192,617	500,000	500,027	500,001
FTE	0.0	0.4	0.5	0.5	0.5
Cash Funds	0	192,617	500,000	500,027	500,001
Early Literacy Program Per Pupil Intervention Funding	33,242,423	26,209,350	26,261,551	26,261,551	26,261,551
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	33,242,423	26,209,350	26,261,551	26,261,551	26,261,551
Early Literacy Assessment Tool Program	2,535,569	2,403,625	2,997,072	2,997,072	2,997,072
Cash Funds	2,535,569	2,403,625	2,997,072	2,997,072	2,997,072

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Adult Education and Literacy Grant Program	907,783	859,141	970,739	970,768	970,740
FTE	0.6	0.8	1.0	1.0	1.0
General Fund	907,783	859,141	970,739	970,768	970,740
SUBTOTAL - (III) Reading and Literacy	42,612,923	39,170,638	43,391,489	43,391,923	43,391,499
FTE	7.0	11.8	13.5	13.5	13.5
General Fund	907,783	859,141	970,739	970,768	970,740
Cash Funds	41,705,140	38,311,497	42,420,750	42,421,155	42,420,759
(IV) Professional Development and Instructional Support					
Content Specialists	459,620	508,293	545,861	662,529	662,379 *
FTE	3.1	3.5	5.0	5.0	5.0
General Fund	0	19,534	0	131,515	131,515
Cash Funds	459,620	488,759	545,861	531,014	530,864
School Bullying Prevention and Education Cash Fund	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000
Cash Funds	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000
Office of Dropout Prevention and Student Reengagement	2,021,764	2,938,024	3,048,555	3,048,598	3,048,556
FTE	0.6	2.3	2.2	2.2	2.2
General Fund	21,510	966,083	1,042,467	1,042,499	1,042,468
Cash Funds	2,000,254	1,971,941	2,006,088	2,006,099	2,006,088
Federal Funds	0	0	0	0	0

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
English Language Learners Technical Assistance	347,113	378,500	403,932	389,026	388,934 *
FTE	3.6	3.4	5.0	5.0	5.0
General Fund	297,566	323,626	348,248	333,336	333,250
Cash Funds	49,547	54,874	55,684	55,690	55,684
English Language Learners Professional Development and Student Support Program	26,999,825	27,000,000	27,000,000	27,000,000	27,000,000
Cash Funds	26,999,825	27,000,000	27,000,000	27,000,000	27,000,000
Working Group for Identification of and Educational Support for Students with Dyslexia	0	67,246	40,616	40,616	40,616
General Fund	0	67,246	40,616	40,616	40,616
Dyslexia Markers Pilot Program	0	11,520	127,973	127,973	127,973
General Fund	0	11,520	127,973	127,973	127,973
School Leadership Pilot Program	0	64,560	375,808	375,846	375,809
FTE	0.0	0.8	1.0	1.0	1.0
General Fund	0	64,560	375,808	375,846	375,809
School Transformation Grant Program	1,991,377	4,308,481	4,435,995	4,436,085	4,435,997
FTE	0.5	2.5	3.0	3.0	3.0
General Fund	0	2,314,027	2,431,221	2,431,278	2,431,222
Cash Funds	1,991,377	1,994,454	2,004,774	2,004,807	2,004,775
Computer Science Education Grants	925,358	924,400	551,657	551,693	801,658 *
FTE	0.6	1.0	0.4	0.4	0.4
General Fund	0	0	0	0	250,000
Cash Funds	925,358	924,400	551,657	551,693	551,658

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Accelerated College Opportunity Exam Fee Grant Program	530,512	511,179	280,731	280,741	280,731
FTE	0.3	0.4	0.4	0.4	0.4
General Fund	530,512	511,179	280,731	280,741	280,731
Educator Perception	0	62,500	25,000	75,000	75,000
General Fund	0	62,500	25,000	75,000	75,000
Ninth Grade Success Grant Program	0	789,320	0	0	0
FTE	0.0	0.3	0.0	0.0	0.0
General Fund	0	789,320	0	0	0
Stipends for Nationally Board Certified Teachers	1,141,712	2,100,396	0	0	0
Cash Funds	1,141,712	2,100,396	0	0	0
Grow Your Own Educator Program	0	17,852	0	0	0
FTE	0.0	0.3	0.0	0.0	0.0
General Fund	0	17,852	0	0	0
Quality Teacher Recruitment Program	2,978,250	40,000	0	0	0
Cash Funds	2,978,250	40,000	0	0	0
Retaining Teachers Fund	3,000,000	3,000,000	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	3,000,000	3,000,000	0	0	0

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Retaining Teachers Grant Program	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Career Counseling Professional Development Program	0	804,727	0	0	0
General Fund	0	804,727	0	0	0
Transfer to the Department of Higher Education for Rural Teacher Recruitment, Retention, and Professional Development	240,000	240,000	0	0	0
Cash Funds	240,000	240,000	0	0	0
English Language Proficiency Act Excellence Awards Program	500,000	500,000	0	0	0
Cash Funds	500,000	500,000	0	0	0
Advanced Placement Incentives Pilot Program	257,659	259,721	0	0	0
FTE	0.3	0.3	0.0	0.0	0.0
Cash Funds	257,659	259,721	0	0	0
Local Accountability System Grant Program	0	474,765	0	0	0
FTE	0.0	0.4	0.0	0.0	0.0
General Fund	0	474,765	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Comprehensive Quality Physical Education Instruction Pilot Program	0	53,429	0	0	0
FTE	0.0	0.4	0.0	0.0	0.0
Cash Funds	0	53,429	0	0	0
Teacher Residency Expansion Program Fund	600,000	0	0	0	0
General Fund	600,000	0	0	0	0
SUBTOTAL - (IV) Professional Development and Instructional Support	43,993,190	47,054,913	37,836,128	37,988,107	38,237,653
FTE	9.0	15.6	17.0	17.0	17.0
General Fund	4,449,588	9,426,939	4,672,064	4,838,804	5,088,584
Cash Funds	39,543,602	37,627,974	33,164,064	33,149,303	33,149,069
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
(V) Facility Schools					
Facility Schools Unit and Facility Schools Board	240,380	305,051	322,568	322,672	322,570
FTE	2.3	2.0	3.0	3.0	3.0
Reappropriated Funds	240,380	305,051	322,568	322,672	322,570
Facility School Funding	13,145,912	12,114,129	17,024,650	17,024,650	17,365,125
Cash Funds	13,145,912	12,114,129	17,024,650	17,024,650	17,365,125
SUBTOTAL - (V) Facility Schools	13,386,292	12,419,180	17,347,218	17,347,322	17,687,695
FTE	2.3	2.0	3.0	3.0	3.0
Cash Funds	13,145,912	12,114,129	17,024,650	17,024,650	17,365,125
Reappropriated Funds	240,380	305,051	322,568	322,672	322,570

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
(VI) Other Assistance					
Appropriated Sponsored Programs	229,407,087	739,557,171	389,748,436	389,750,915	268,754,705
FTE	76.9	67.1	62.1	62.1	62.1
Cash Funds	1,396,052	2,302,154	2,750,984	2,751,139	2,750,987
Reappropriated Funds	0	0	651,922	651,922	651,922
Federal Funds	228,011,035	737,255,017	386,345,530	386,347,854	265,351,796
School Counselor Corps Grant Program	9,999,432	10,171,390	10,000,000	10,250,072	10,250,000
FTE	2.5	2.1	2.0	2.0	2.0
General Fund	0	250,000	0	250,000	250,000
Cash Funds	9,999,432	9,921,390	10,000,000	10,000,072	10,000,000
BOCES Funding per Section 22-5-122, C.R.S.	3,281,982	3,282,209	3,318,279	3,318,316	3,318,280
FTE	0.8	0.8	1.0	1.0	1.0
Cash Funds	3,281,982	3,282,209	3,318,279	3,318,316	3,318,280
Contingency Reserve Fund	0	0	1,000,000	1,000,000	1,000,000
Cash Funds	0	0	1,000,000	1,000,000	1,000,000
Supplemental On-line Education Services	1,220,000	1,220,000	1,220,000	1,220,000	1,220,000
Cash Funds	1,220,000	1,220,000	1,220,000	1,220,000	1,220,000
Connecting Colorado Students Grant Program Fund	0	0	20,000,000	0	0
General Fund	0	0	20,000,000	0	0
Interstate Compact on Educational Opportunity for Military Children	19,182	21,668	21,308	21,308	21,298
Cash Funds	19,182	21,668	21,308	21,308	21,298

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
College and Career Readiness	184,736	229,007	226,620	226,693	226,622
FTE	1.7	2.0	2.4	2.4	2.4
General Fund	184,736	229,007	226,620	226,693	226,622
Workforce Diploma Pilot Program	0	1,012,201	212,222	0	212,222 *
FTE	0.0	0.2	0.2	0.0	0.2
General Fund	0	1,012,201	212,222	0	212,222
Concurrent Enrollment Expansion and Innovation Grant Program	0	1,499,850	1,476,896	1,476,896	1,476,896
FTE	0.0	0.2	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	1,499,850	1,476,896	1,476,896	1,476,896
High School Innovative Learning Pilot Program	0	129,293	127,095	127,095	127,095
FTE	0.0	0.2	0.3	0.3	0.3
General Fund	0	129,293	127,095	127,095	127,095
Parents Encouraging Parents Conferences	0	39,947	68,000	68,000	68,000
General Fund	0	39,947	68,000	68,000	68,000
Career Development Success Program	2,000,000	5,000,000	4,500,000	4,500,000	4,500,000
General Fund	2,000,000	5,000,000	4,500,000	4,500,000	4,500,000
John W. Buckner Automatic Enrollment in Advanced Courses Grant Program	0	50,000	0	0	0
FTE	0.0	0.2	0.0	0.0	0.0
General Fund	0	50,000	0	0	0

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Colorado Student Leaders Institute Pilot Program	218,825	0	0	0	0
Cash Funds	218,825	0	0	0	0
SUBTOTAL - (VI) Other Assistance	246,331,244	762,212,736	431,918,856	411,959,295	291,175,118
FTE	81.9	72.8	68.0	67.8	68.0
General Fund	2,184,736	6,710,448	25,133,937	5,171,788	5,383,939
Cash Funds	16,135,473	18,247,271	19,787,467	19,787,731	19,787,461
Reappropriated Funds	0	0	651,922	651,922	651,922
Federal Funds	228,011,035	737,255,017	386,345,530	386,347,854	265,351,796
SUBTOTAL - (C) Grant Programs, Distributions, and Other Assistance	718,724,281	1,285,007,936	925,219,840	900,783,044	784,108,692
FTE	138.6	140.3	132.8	132.3	132.9
General Fund	9,820,146	20,192,731	33,873,639	14,053,422	13,740,432
Cash Funds	293,926,105	351,847,896	346,364,623	341,745,105	347,280,403
Reappropriated Funds	922,347	1,160,509	2,055,198	2,055,343	1,155,201
Federal Funds	414,055,683	911,806,800	542,926,380	542,929,174	421,932,656
(D) Indirect Cost Assessment					
Indirect Cost Assessment	2,509,321	2,756,885	3,207,087	3,417,905	3,482,863
Cash Funds	25,000	25,000	25,000	25,000	25,000
Reappropriated Funds	55,571	55,571	55,571	55,571	55,571
Federal Funds	2,428,750	2,676,314	3,126,516	3,337,334	3,402,292
SUBTOTAL - (D) Indirect Cost Assessment	2,509,321	2,756,885	3,207,087	3,417,905	3,482,863
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	25,000	25,000	25,000	25,000	25,000
Reappropriated Funds	55,571	55,571	55,571	55,571	55,571
Federal Funds	2,428,750	2,676,314	3,126,516	3,337,334	3,402,292

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
TOTAL - (2) Assistance to Public Schools	5,735,819,357	6,990,474,206	5,762,299,870	6,290,132,812	5,692,328,752
FTE	278.6	271.1	223.8	219.8	223.4
General Fund	3,188,715,402	3,846,991,002	3,885,942,509	4,227,152,291	3,769,267,875
General Fund Exempt	885,333,333	523,323,333	84,491,394	84,491,394	84,491,394
Cash Funds	1,056,572,955	1,000,515,594	1,037,163,477	1,260,793,339	1,244,301,848
Reappropriated Funds	2,538,668	2,939,416	4,118,845	3,894,835	1,401,862
Federal Funds	602,658,999	1,616,704,861	750,583,645	713,800,953	592,865,773

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
(3) LIBRARY PROGRAMS					
This section provides funding for various library-related programs. Library programs are primarily funded with General Fund and federal funds. Cash funds include grants and donations. Transfers from the Disabled Telephone Users Fund support privately operated reading services for the blind and are reflected as reappropriated funds.					
Administration	966,759	932,133	1,180,692	1,081,038	1,180,700 *
FTE	11.6	14.0	14.3	13.3	14.3
General Fund	840,848	887,416	913,280	813,597	913,287
Cash Funds	125,911	44,717	267,412	267,441	267,413
Federal Library Funding	2,719,707	2,491,567	3,236,596	3,237,261	3,236,610
FTE	23.6	24.0	23.8	23.8	23.8
Federal Funds	2,719,707	2,491,567	3,236,596	3,237,261	3,236,610
Colorado Library Consortium	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
General Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Colorado Virtual Library	359,796	359,796	379,796	379,796	379,796
General Fund	359,796	359,796	359,796	359,796	359,796
Cash Funds	0	0	20,000	20,000	20,000
Colorado Talking Book Library, Building Maintenance and Utilities Expenses	87,446	340,493	290,660	290,660	290,660
General Fund	87,446	90,493	90,660	90,660	90,660
Reappropriated Funds	0	250,000	200,000	200,000	200,000
Reading Services for the Blind	560,000	560,000	560,000	560,000	560,000
General Fund	50,000	50,000	50,000	50,000	50,000
Reappropriated Funds	510,000	510,000	510,000	510,000	510,000

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
State Grants to Publicly-Supported Libraries Program	2,496,170 0.4	2,988,649	2,501,519	2,501,541	2,501,519
General Fund	2,496,170	2,988,649	2,501,519	2,501,541	2,501,519
Colorado Imagination Library Program	0	0	0	410,221	0 *
Cash Funds	0	0	0	410,221	0
Indirect Cost Assessment	55,327	55,327	55,327	55,327	55,327
Federal Funds	55,327	55,327	55,327	55,327	55,327
TOTAL - (3) Library Programs	8,245,205	8,727,965	9,204,590	9,515,844	9,204,612
FTE	35.6	38.0	38.1	37.1	38.1
General Fund	4,834,260	5,376,354	4,915,255	4,815,594	4,915,262
Cash Funds	125,911	44,717	287,412	697,662	287,413
Reappropriated Funds	510,000	760,000	710,000	710,000	710,000
Federal Funds	2,775,034	2,546,894	3,291,923	3,292,588	3,291,937

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation

(4) SCHOOL FOR THE DEAF AND THE BLIND

This section provides operational funding for the Colorado School for the Deaf and the Blind (CSDB), which provides educational services for hearing impaired/deaf and visually impaired/blind children. The primary source of funding is the General Fund. For each student eligible for funding under the School Finance Act, the CSDB receives funding from each student's "home" school district. Reappropriated funds reflect program funding that would otherwise be paid to the home school district (from the Facility School Funding section above), as well as federal funds transferred from local school districts. Cash funds consist of fees paid by individuals for workshops and conferences and housing reimbursements.

(A) School Operations

Personal Services	10,703,582	10,920,568	11,473,908	11,476,805	11,553,296
FTE	136.6	136.6	153.1	153.1	153.1
General Fund	9,038,675	9,388,592	9,802,338	9,805,235	9,848,996
Reappropriated Funds	1,664,907	1,531,976	1,671,570	1,671,570	1,704,300
Federal Funds	0	0	0	0	0
Early Intervention Services	1,192,452	1,227,016	1,280,994	1,281,265	1,281,000
FTE	10.4	10.5	10.0	10.0	10.0
General Fund	1,192,452	1,227,016	1,280,994	1,281,265	1,281,000
Shift Differential	120,452	77,086	116,968	86,754	86,754
General Fund	120,452	77,086	116,968	86,754	86,754
Operating Expenses	668,291	682,770	668,291	668,291	668,291
General Fund	668,291	682,770	668,291	668,291	668,291
Vehicle Lease Payments	21,710	19,887	32,267	37,040	37,040
General Fund	21,710	19,887	32,267	37,040	37,040
Utilities	602,580	562,620	687,122	687,122	687,122
General Fund	602,580	562,620	687,122	687,122	687,122

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Allocation of State and Federal Categorical Program Funding	192,090	114,463	170,000	170,000	170,000
FTE	0.9	0.9	0.4	0.4	0.4
Reappropriated Funds	192,090	114,463	170,000	170,000	170,000
Medicaid Reimbursements for Public School Health Services	291,025	262,282	425,637	425,818	425,641
FTE	1.4	1.4	1.5	1.5	1.5
Reappropriated Funds	291,025	262,282	425,637	425,818	425,641
SUBTOTAL - (A) School Operations	13,792,182	13,866,692	14,855,187	14,833,095	14,909,144
FTE	149.3	149.4	165.0	165.0	165.0
General Fund	11,644,160	11,957,971	12,587,980	12,565,707	12,609,203
Reappropriated Funds	2,148,022	1,908,721	2,267,207	2,267,388	2,299,941
Federal Funds	0	0	0	0	0
(B) Special Purpose					
Fees and Conferences	33,022	75,030	120,000	120,000	120,000
Cash Funds	33,022	75,030	120,000	120,000	120,000
Outreach Services	525,226	464,331	1,000,000	1,000,137	1,000,000
FTE	3.6	3.6	6.2	6.2	6.2
Cash Funds	398,116	326,617	750,000	750,059	750,000
Reappropriated Funds	127,110	137,714	250,000	250,078	250,000
Tuition from Out-of-state Students	50,002	1,412	200,000	200,000	200,000
Cash Funds	50,002	1,412	200,000	200,000	200,000

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	FY 2021-22 Recommendation
Grants	547,720	525,951	1,000,000	1,000,000	1,000,000
FTE	3.4	3.9	6.0	6.0	6.0
Reappropriated Funds	547,720	525,951	1,000,000	1,000,000	1,000,000
SUBTOTAL - (B) Special Purpose	1,155,970	1,066,724	2,320,000	2,320,137	2,320,000
FTE	7.0	7.5	12.2	12.2	12.2
Cash Funds	481,140	403,059	1,070,000	1,070,059	1,070,000
Reappropriated Funds	674,830	663,665	1,250,000	1,250,078	1,250,000
TOTAL - (4) School for the Deaf and the Blind	14,948,152	14,933,416	17,175,187	17,153,232	17,229,144
FTE	156.3	156.9	177.2	177.2	177.2
General Fund	11,644,160	11,957,971	12,587,980	12,565,707	12,609,203
Cash Funds	481,140	403,059	1,070,000	1,070,059	1,070,000
Reappropriated Funds	2,822,852	2,572,386	3,517,207	3,517,466	3,549,941
Federal Funds	0	0	0	0	0
TOTAL - Department of Education	5,855,671,794	7,132,369,071	5,899,884,580	6,429,892,832	5,833,026,110
FTE	623.7	637.4	609.0	599.0	607.6
General Fund	3,227,694,148	3,888,769,760	3,925,289,756	4,267,721,341	3,811,818,175
General Fund Exempt	885,333,333	523,323,333	84,491,394	84,491,394	84,491,394
Cash Funds	1,093,749,762	1,041,012,298	1,072,522,606	1,295,704,511	1,279,270,499
Reappropriated Funds	30,659,160	30,153,521	39,999,728	40,617,141	36,917,670
Federal Funds	618,235,391	1,649,110,159	777,581,096	741,358,445	620,528,372