



JOINT BUDGET COMMITTEE STAFF FY 2022-23 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Education

Programs other than School Finance and Categorical Programs

The Department of Education supports the State Board of Education in its duty to exercise general supervision over public schools, including accrediting public schools and school districts. The Department distributes state and federal funds to school districts, and it administers a variety of education-related programs, including educator licensure, education programs for children with special needs, English language proficiency programs, the Colorado Preschool Program, and a variety of grant programs. The Department develops and maintains state model content standards, and administers associated assessments. The Department also includes three independent agencies: (1) the Board of Trustees for the Colorado School for the Deaf and the Blind; (2) the State Charter School Institute Board, which is responsible for authorizing and monitoring institute charter schools; and (3) the Public School Capital Construction Assistance Board, which is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization of state financial assistance for school construction projects. The Department's FY 2021-22 appropriation represents approximately 17.7 percent of statewide operating appropriations and 34.4 percent of statewide General Fund appropriations. Most of this funding is distributed on a formula basis for school finance and categorical programs. Programs other than school finance and categorical programs, including administration, grants, the School for the Deaf and the Blind, and library programs, comprise \$1.1 billion of the Department's \$6.5 billion total funds appropriation and less than \$0.2 billion of the Department's \$4.3 billion General Fund appropriation.

FY 2021-22 APPROPRIATION AND FY 2022-23 REQUEST

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION:						
FY 2021-22 Long Bill	5,847,545,486	3,786,903,022	1,401,687,125	38,200,295	620,755,044	608.6
SB 21-268 Public School Finance	496,754,361	483,354,361	11,400,000	2,000,000	0	2.3
Other legislation	135,810,543	23,855,456	104,816,104	7,138,983	0	3.5
TOTAL	\$6,480,110,390	\$4,294,112,839	\$1,517,903,229	\$47,339,278	\$620,755,044	614.4
FY 2022-23 REQUESTED APPROPRIATION:						
FY 2021-22 Appropriation	\$6,480,110,390	4,294,112,839	\$1,517,903,229	\$47,339,278	\$620,755,044	614.4
R1 State share of total program increase	381,244,420	0	381,244,420	0	0	0.0
R2 Categorical programs increase	13,370,425	0	13,370,425	0	0	0.0
R3 Operating expenses for the State Board of Education	124,497	124,497	0	0	0	0.5
R4 Departmental infrastructure	648,145	551,972	96,173	0	0	6.2
R5 CSI mill levy equalization	20,000,000	10,000,000	0	10,000,000	0	0.0
R6 Expanding resources for school improvement	2,000,000	2,000,000	0	0	0	0.0
R7 Empowering parents with information	526,315	526,315	0	0	0	1.8
R8 CSDB teacher salary increase	288,614	288,614	0	0	0	0.0
R9 CCDB dishwashing machine	65,000	65,000	0	0	0	0.0
Nonprioritized requests	74,633	71,935	1,021	1,677	0	0.0

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated line items	1,335,848	127,659	(259,252)	590,030	877,411	0.0
Annualize prior year legislation	(75,169,668)	(4,861,423)	(63,541,629)	(6,860,255)	93,639	2.9
Annualize prior year budget actions	(2,049)	0	0	(2,049)	0	0.0
TOTAL	\$6,824,616,570	\$4,303,007,408	\$1,848,814,387	\$51,068,681	\$621,726,094	625.8
INCREASE/(DECREASE)	\$344,506,180	\$8,894,569	\$330,911,158	\$3,729,403	\$971,050	11.4
Percentage Change	5.3%	0.2%	21.8%	7.9%	0.2%	1.9%

R3 OPERATING EXPENSES FOR THE STATE BOARD OF EDUCATION: The request includes \$124,497 General Fund and 0.5 FTE, annualizing to \$127,295 General Fund and 0.5 FTE in FY 2023-24 and ongoing, for the following costs: \$27,200 for additional funding for two new board members, required due to the addition of an eighth congressional district representative and an at-large member; \$39,960 for a security contract for two state troopers to staff the Board's in-person meetings (hourly contracts for twice per month meetings); \$55,862 for information technology technical support during board meetings; and other related adjustments.

R4 DEPARTMENTAL INFRASTRUCTURE: The request includes \$648,145 total funds and 6.2 FTE, including \$551,972 General Fund and \$96,173 cash funds (Public School Capital Construction Assistance Fund), annualizing to \$669,105 total funds, including \$574,932 General Fund and \$94,173 cash funds, and 6.7 FTE for additional staff to meet increased statutory requirements and serve school districts' ongoing programmatic needs. Department responsibilities have grown over the last 17 years, due largely to legislative actions, and the Department therefore requests funding for infrastructural support staff, including 2.0 purchasing agents, 0.5 human resources officers, 1.0 payroll support officer, 1.0 data and evaluation lead, 1.0 BEST regional program manager, 0.5 communications professionals, and 0.7 FTE for a senior consultant to help support the Colorado Commission on Indian Affairs. In addition, the Department proposes to add 5.0 FTE information management systems staff using existing FTE and reappropriated funds spending authority from indirect cost collections.

R5 CSI MILL LEVY EQUALIZATION: The request includes a \$10,000,000 General Fund increase, representing a 111% funding increase, for mill levy equalization for Charter School Institute (CSI) charter schools. Reappropriated funds included in the request double-count this figure. Many school districts throughout the state have received voter permission to raise local tax revenue above the approved state per-pupil operating revenue amount (PPOR). However, charter schools that are authorized by the CSI instead of their local school district do not have access to such additional local mill levy support. The General Assembly currently provides \$9.0 million General Fund to help address the disparate revenue available to CSI charter schools versus schools operating within the same region that are authorized by their local school district. The request would increase this contribution, reducing the gap in per pupil funding available for CSI schools compared to other public schools.

R6 EXPANDING RESOURCES FOR SCHOOL IMPROVEMENT: The request includes \$2,000,000 General Fund to expand access to existing and new evidence-based supports for schools identified as underperforming under the Colorado state accountability system. The increase is projected to serve an additional 38 schools every year, beyond the 21 state-identified schools and 9 districts with state-identified schools last year. Each year, the Department is unable to provide high-quality, intensive support to all schools identified by the state accountability system due to limited resources. In 2019-20, 100 schools were identified using the state accountability criteria (as opposed to the parallel, but different, federal criteria), and schools identified through the state system may only be served using state resources. The increase will allow more schools and school districts to participate in the program, with the goal of improving student outcomes.

R7 EMPOWERING PARENTS WITH INFORMATION: The request includes \$526,315 General Fund and 1.8 FTE, annualizing to \$257,763 General Fund and 2.0 FTE in FY 2023-24 and beyond, to improve data quality, accessibility, and transparency in the State's school and district dashboard, SchoolView. The request will replace the current outdated technology and make it easier for parents to find and understand and will increase accessibility for people with disabilities. The current SchoolView system was added in 2001 and uses Oracle Application Development Framework technology, which is difficult and costly for the Department to maintain. Over the past seven years, the Department has strategically improved sections of the data infrastructure to align with various modernization efforts. The additional FTE who would be added with this request will facilitate the buildout of the presentation layer of state's data warehouse, ensuring full use of the new reporting capabilities available via a previously-acquired Tableau Server. The funding will enable the State to hire a data warehouse designer/developer and will also enable the Department to contract externally for specialized skills needed to expedite the SchoolView improvement process.

R8 CSDB TEACHER SALARY INCREASE: The Colorado School for the Deaf and Blind (CSDB) requests an increase of \$288,614 General Fund to provide staff step increases and provide incentives for hard-to-fill positions, consistent with the Colorado Springs District 11 pay scale. The District 11 Board of Education and the Colorado Springs Education Association agreed to the following: a 1.5 percent increase to the salary schedule, with a B.A. teacher Step 1 salary starting at \$40,200; teachers will receive one step movement on the step system, equating to approximately a 2.0 percent increase; and teachers will receive a 3.0 percent one-time non-recurring compensation payment. The CSDB requests funding to match these adjustments.

R9 CSDB DISHWASHING MACHINE: The CSDB requests a one time appropriation of \$65,000 General Fund to replace its industrial dish washing machine. The school's current dishwashing machine is over 18 years old, and the CSDB has difficulty finding parts when the machine breaks down. For student safety, the school needs an industrial machine that sterilizes a large volume of dishes, and it does not have sufficient funds to purchase a new machine within its current budget.

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

NONPRIORITIZED REQUESTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
Food service and housekeeping comp request	\$30,247	\$30,247	\$0	\$0	0.0
DPA Paid Family Medical Leave Act Funding	29,961	29,961	0	0	0.0
DPA CSEAP resources	7,564	7,564	0	0	0.0
OIT Budget request package	6,861	4,163	1,021	1,677	0.0
TOTAL	\$74,633	\$71,935	\$1,021	\$1,677	0.0

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally-appropriated line items, as detailed in the table below.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$1,563,472	\$556,834	\$191,645	\$180,315	\$634,678	0.0
Payment to risk management and property funds	265,574	265,574	0	0	0	0.0
DPA Paid family leave	106,042	37,264	13,122	12,340	43,316	0.0
Health, life, and dental	55,461	(293,673)	(103,987)	273,546	179,575	0.0
Shift differential	45,244	45,244	0	0	0	0.0
Indirect cost assessment	15,301	0	(20,063)	0	35,364	0.0

CENTRALLY APPROPRIATED LINE ITEMS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
CORE adjustment	1,524	762	590	172	0	0.0
Payments to OIT	(276,781)	(167,897)	(41,212)	(67,672)	0	0.0
Legal services	(155,936)	(90,138)	(61,797)	(4,001)	0	0.0
Workers' compensation	(89,124)	(42,820)	(11,630)	(3,012)	(31,662)	0.0
PERA Direct Distribution	(55,189)	(24,807)	(46,717)	16,335	0	0.0
AED	(47,645)	(71,489)	(82,111)	91,976	13,979	0.0
SAED	(47,645)	(71,489)	(82,111)	91,976	13,979	0.0
Capitol Complex leased space	(31,302)	(12,436)	(3,749)	(3,044)	(12,073)	0.0
ALJ services	(10,338)	0	(8,554)	(1,784)	0	0.0
Short-term disability	(2,072)	(2,532)	(2,678)	2,883	255	0.0
Vehicle lease payments	(738)	(738)	0	0	0	0.0
TOTAL	\$1,335,848	\$127,659	(\$259,252)	\$590,030	\$877,411	0.0

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

ANNUALIZE PRIOR YEAR LEGISLATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 20-1427 Cigarette tobacco and nicotine tax	\$5,000,000	\$0	\$5,000,000	\$0	\$0	0.0
SB 21-185 Supporting educator workforce in CO	1,805,454	1,805,454	0	0	0	1.4
SB18-200 PERA unfunded liability	230,660	79,922	28,371	28,728	93,639	0.0
SB 21-106 Successful high school transitions	70,037	70,037	0	0	0	0.0
HB 21-1304 Early childhood systems	1,920	1,920	0	0	0	0.1
SB 21-115 Annual funding for talking book library services	0	0	0	0	0	2.7
SB 21-207 Public School Capital Construction Assistance Fund transfer	(60,000,000)	0	(60,000,000)	0	0	0.0
SB 21-275 Child Find responsibilities	(6,888,983)	0	0	(6,888,983)	0	0.0
SB 21-274 Sustainable model to serve facility students	(6,200,000)	(6,200,000)	0	0	0	0.0
HB 21-1264 Funds workforce development increase worker skills	(5,000,000)	0	(5,000,000)	0	0	0.0
SB 21-268 Public school finance	(3,003,081)	496,919	(3,500,000)	0	0	0.0
HB 19-1002 Leadership professional development for school principals	(751,616)	(751,616)	0	0	0	(1.0)
HB 20-1032 Timing K-12 education standards review	(131,515)	(131,515)	0	0	0	0.0
SB 21-151 Literacy curriculum transparency	(70,000)	0	(70,000)	0	0	0.0
HB 21-1087 Teaching and learning conditions survey	(53,500)	(53,500)	0	0	0	0.0
HB 21-1294 K-12 Accountability systems performance audit	(52,000)	(52,000)	0	0	0	0.0
HB 08-1384 Teacher quality recruitment retention	(50,000)	(50,000)	0	0	0	0.0
HB 21-1273 CDE report on school psychologists	(35,000)	(35,000)	0	0	0	0.0
HB 21-1010 Diverse K-12 educator workforce report	(20,115)	(20,115)	0	0	0	(0.3)
SB 21-056 Expand cannabis-based medicine at schools	(15,419)	(15,419)	0	0	0	0.0
HB 21-1200 Revise student financial literacy standards	(4,888)	(4,888)	0	0	0	(0.1)
HB 21-1234 Supplemental education high impact tutoring	(1,622)	(1,622)	0	0	0	0.1

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	(\$75,169,668)	(\$4,861,423)	(\$63,541,629)	(\$6,860,255)	\$93,639	2.9

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The appropriation includes adjustments for the out-year impacts of prior year budget actions. In this department, this reflects the second year impact of FY 2021-22 salary survey awards.

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

2021 STUDENT PERFORMANCE DECLINE AND FEDERAL AND STATE ASSISTANCE: Student assessments from 2021 reflect significant reductions in learning as a result of COVID-19-related school disruptions. Over \$1.4 billion in one-time federal funds remain available to assist schools in addressing the pandemic and its aftermath, including student learning loss, representing over \$1,600 per pupil.

REQUEST R6 - EXPANDING RESOURCES FOR IMPROVING SCHOOLS: Department Request R6 is for \$2.0 million General Fund for programs to support schools deemed low-performing under the state accountability system. There is considerable uncertainty about how state and federal accountability systems will operate in FY 2022-23, and there is limited evidence on which school support programs work.

CHARTER SCHOOL INSTITUTE MILL LEVY EQUALIZATION AND REQUEST R5: The request includes a \$10,000,000 General Fund increase for Charter School Institute (CSI) Mill Levy Equalization, which, if approved, would more than double the base funding for this program.

BUILDING EXCELLENT SCHOOLS TODAY (BEST): The BEST program, the State’s primary public school capital construction assistance program, has awarded \$2.8 billion in grants, including \$1.7 billion in state funds, over the last 12 years. Despite this investment, estimated state needs grew from \$13.9 billion in 2009 to \$17.0 billion in 2021.

FOR MORE INFORMATION

JBC STAFF ANALYST: Amanda Bickel
 (303) 866-4960
 Amanda.bickel@state.co.us

TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2021.