

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2010-11 STAFF FIGURE SETTING**

**DEPARTMENT OF EDUCATION**

**(Management & Administration / Assistance to Public Schools - Grant Programs,  
Distributions, & Other Assistance - *except Capital Construction Programs & Facility  
Schools / Library Programs / School for the Deaf & Blind*)**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:  
Bernie Gallagher, JBC Staff  
March 9, 2010**

For Further Information Contact:

Joint Budget Committee Staff  
200 E. 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061  
TDD: (303) 866-3472

JBC WORKING DOCUMENT - ALL DECISIONS SUBJECT TO CHANGE  
 Staff Recommendation Does Not Represent Committee Decision

**DEPARTMENT OF EDUCATION**  
**(Management & Administration / Assistance to Public Schools - Grant Programs, Distributions, & Other Assistance - except Capital Construction Programs & Facility Schools / Library Programs / School for the Deaf & Blind)**  
**FY 2010-11**

TABLE OF CONTENTS			
Long Bill Sections and Subsections	Description of Major Program Areas	Page References	
		Figures	Narrative
MANAGEMENT AND ADMINISTRATION	Administration and Centrally-Appropriated Line Items; Information Technology; Assessments and Data Analyses; State Charter School Institute	1 - 10	26 - 54
ASSISTANCE TO PUBLIC SCHOOLS	Grant Programs, Distributions, Other including: Health and Nutrition; Reading and Literacy; Professional Development and Instructional Support; Summer and After-school Programs; Other Assistance	11 - 18	54 - 77
LIBRARY PROGRAMS		19 - 20	78 - 84
COLORADO SCHOOL FOR THE DEAF AND THE BLIND`		21 - 24	84 - 95
Other Balancing Options		n/a	96 - 98

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11		Change Requests
			OSPB Request	Recommendation	

<b>DEPARTMENT OF EDUCATION Commissioner: Dwight D. Jones</b>
--

**(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 and the primary source of reappropriated funds consist primarily of 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	237,412	291,478	287,257	287,257
FTE	<u>1.9</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
General Fund	237,412	291,478 S	287,257 A	287,257
FTE	1.9	2.0	2.0	2.0
Cash Funds (State Education Fund)	0	0	0	0

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
General Department and Program Administration <sup>b/ c/</sup>	3,539,338	4,187,447	3,782,699	3,728,582	
FTE	<u>39.9</u>	<u>48.0</u>	<u>42.0</u>	<u>48.0</u>	
General Fund	2,173,312	2,148,923 S	2,150,117 A	2,112,245	
FTE	25.9	26.0	26.0	26.0	
Cash Funds	98,109	99,130 S	100,468 A	93,572	
FTE	1.5	1.5	1.5	1.5	
Reappropriated Funds	1,267,917	1,489,394 S	1,532,114 A	1,522,765	
FTE	12.5	14.5	14.5	14.5	
Federal Funds	0	450,000 S	0	0	
FTE	0.0	6.0 S	0.0	0.0	
Office of Professional Services	1,711,574	4,891,179	1,860,700	1,860,700	
FTE	<u>19.9</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>	
Cash Funds	1,711,574	1,854,638 S	1,860,700 A	1,860,700	
FTE	19.9	23.0	23.0	23.0	
Federal Funds	0	3,036,541 S	0	0	
FTE	0.0	0.0	0.0	0.0	
Teaching and Learning Conditions Survey - CF (SEF)	85,000	0	0	0	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
Division of On-line Learning	310,698	370,544	371,720	371,720	
FTE	<u>3.2</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	
Cash Funds (On-line Education Cash Fund)	310,698	274,095 S	0	0	
FTE	3.2	2.6	0.0	0.0	
Cash Funds (State Education Fund)	0	96,449	371,720 A	371,720	
FTE	0.0	0.9	3.5	3.5	
Reappropriated Funds	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Health, Life, and Dental	<u>2,323,089</u>	<u>2,661,462</u>	<u>2,868,182</u>	<u>Pending</u>	
General Fund	1,226,239	1,444,951	1,363,445 A		
Cash Funds	78,978	84,288	207,453 A		
Reappropriated Funds	138,156	193,362	319,674 A		
Federal Funds	879,716	938,861	977,610 A		
Short-term Disability	<u>34,573</u>	<u>48,376</u>	<u>50,059</u>	<u>46,423</u>	
General Fund	16,669	21,845 S	19,313 A	17,838	
Cash Funds	1,259	3,286 S	4,626 A	3,506	
Reappropriated Funds	2,582	4,659 S	6,195 A	5,925	
Federal Funds	14,063	18,586 S	19,925 A	19,154	
S.B. 04-257 Amortization Equalization Disbursement	<u>425,246</u>	<u>643,456</u>	<u>775,111</u>	<u>714,960</u>	
General Fund	198,152	288,373 S	299,042 A	272,369	
Cash Funds	15,501	43,245 S	71,627 A	54,283	
Reappropriated Funds	26,161	62,531 S	95,925 A	91,737	
Federal Funds	185,432	249,307 S	308,517 A	296,571	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>199,473</u>	<u>399,062</u>	<u>565,185</u>	<u>519,325</u>	
General Fund	90,684	177,137 S	218,052 A	196,604	
Cash Funds	7,266	27,028 S	52,228 A	39,581	
Reappropriated Funds	14,602	39,081 S	69,945 A	66,891	
Federal Funds	86,921	155,816 S	224,960 A	216,249	
Salary Survey and Senior Executive Service	<u>910,214</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	468,087	0 S	0	0	
Cash Funds	35,413	0	0	0	
Reappropriated Funds	20,000	0	0	0	
Federal Funds	386,714	0	0	0	
Performance-based Pay Awards	<u>336,590</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	123,091	0	0	0	
Cash Funds	14,928	0	0	0	
Reappropriated Funds	20,000	0	0	0	
Federal Funds	178,571	0	0	0	
Workers' Compensation	<u>182,598</u>	<u>293,550</u>	<u>306,448</u>	<u>Pending</u>	
General Fund	82,471	142,939	133,642		
Cash Funds	0	11,625	37,540		
Reappropriated Funds	0	22,741	25,864		
Federal Funds	100,127	116,245	109,402		

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
Legal Services for 7,602 hours	<u>381,671</u>	<u>588,503</u>	<u>570,478</u>	Pending	
General Fund	175,454	212,507 S	207,625		
Cash Funds	161,869	248,851 S	248,851		
Reappropriated Funds	44,348	114,002 S	114,002		
Federal Funds	0	13,143 S	0		
<i>Hours c/</i>	<i>0</i>	<i>7,807 S</i>	<i>7,568</i>	<i>7,602</i>	
 Administrative Law Judge Services	 <u>42,623</u>	 <u>72,864</u>	 <u>80,901</u>	 Pending	
Cash Funds	15,653	26,759	34,796		
Reappropriated Funds	26,970	46,105	46,105		
 Payment to Risk Management and Property Funds	 <u>131,213</u>	 <u>113,088</u>	 <u>5,721</u>	 Pending	
General Fund	114,999	99,114	5,721		
Cash Funds	5,987	5,160	0		
Reappropriated Funds	10,227	8,814	0		
Federal Funds					
 Leased Space	 <u>0</u>	 <u>11,500</u>	 <u>11,500</u>	 <u>11,500</u>	
General Fund	0	0	0	0	
Cash Funds (State Education Fund)	0	0	0	0	
Reappropriated Funds	0	11,500	11,500	11,500	
Federal Funds	0	0	0	0	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
Capitol Complex Leased Space	265,419	565,238	547,414	Pending	
General Fund	179,166	170,473	103,534		
Cash Funds	47,383	61,860	55,898		
Reappropriated Funds	38,870	39,427	114,263		
Federal Funds	0	293,478	273,719		
Communication Services Payments - GF	0	0	0	Pending	
Reprinting and Distributing Laws Concerning Education - CF (SPSF)	33,608	35,480	35,480	35,480	
Emeritus Retirement - GF	8,578	10,875	10,875	10,875	
Feasibility Study Concerning Creation and Operation of State Residential Schools - GF	0	55,706	0	0	
<b>(B) Information Technology</b>					
Information Technology Services	901,339	1,455,903	1,459,861	1,459,861	
FTE	9.7	17.0	17.0	17.0	
General Fund	801,339	828,757 S	832,715 A	832,715	
FTE	8.6	10.1 S	10.1	10.1	
Reappropriated Funds	100,000	627,146 S	627,146	627,146	
FTE	1.1	6.9 S	6.9	6.9	



**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
School Accountability Reports and State Data Reporting System	1,318,734	3,785,289	1,292,172	1,292,172	
FTE	<u>3.4</u>	<u>5.7</u>	<u>6.0</u>	<u>6.0</u>	
General Fund	1,318,734	1,285,289 S	1,292,172 A	1,292,172	
FTE	3.4	5.7	6.0	6.0	
Cash Funds (State Public School Fund)	0	0	0	0	
Federal Funds	0	2,500,000 S	0	0	
Purchase of Services from Computer Center - GF	47,628	47,628	45,657	Pending	
Multiuse Network Payments - GF	35,952	35,952	0	Pending	
Information Technology Asset Maintenance	<u>89,224</u>	<u>303,830</u>	<u>303,830</u>	<u>303,830</u>	
General Fund	89,224	303,830	303,830	303,830	
Cash Funds (State Public School Fund)	0	0	0	0	
Disaster Recovery - GF	19,238	19,722	19,722	19,722	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
<b>(C) Assessments and Data Analyses</b>					
Colorado Student Assessment Program	20,893,265	20,299,603	20,305,762	21,689,344	
FTE	<u>13.0</u>	<u>7.0</u>	<u>7.0</u>	<u>11.8</u>	
General Fund	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Cash Funds (State Education Fund)	15,719,422	15,717,448 S	15,719,341 A	15,756,521	
FTE	5.3	5.0	5.0	5.0	
Federal Funds	5,173,843	4,582,155 S	4,586,421 A	5,932,823	
FTE	7.7	2.0	2.0	6.8	
Federal Grant for State Assessments and Related					
Activities - FF	0	2,161,644	2,161,644	2,161,644	
FTE	0.0	5.7	5.7	5.7	
Longitudinal Analyses of Student Assessment Results					
- GF	280,395	287,489 S	288,489 A	288,489	
FTE	2.1	3.0	3.0	3.0	
Preschool to Postsecondary Education Alignment					
FTE	<u>1.6</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	
Cash Funds (State Education Fund)	542,451	752,689 S	569,332 A	569,332	
FTE	1.6	5.0	5.0	5.0	
Federal Funds	0	200,000 S	0	0	
FTE	0.0	0.0	0.0	0.0	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
Postsecondary and Workforce Readiness Assessments Pilot Program - CF (SEF)	17,120	0	0	0	
<b>(D) State Charter School Institute</b>					
State Charter School Institute Administration, Oversight, and Management - RF (via SCSI Fund)	1,187,252	1,742,772 S	1,747,330 A	1,736,338	
FTE	8.3	16.5	16.5	16.5	
Other Transfers to Institute Charter Schools - RF (via SCSI Fund)	1,572,253	2,013,615	2,013,615	2,013,615	
Transfer of Federal Moneys to Institute Charter Schools - RF	0	5,190,779 S	5,192,754 A	5,192,754	
FTE	0.0	6.0	6.0	6.0	
Department Implementation of Section 22-30.5-501 et seq., C.R.S. - RF (transfer from State Share line)	303,444	201,187 S	202,842 A	202,842	
FTE	3.1	2.6	2.6	2.6	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
<b>SUBTOTAL - (1) MANAGEMENT AND ADMINISTRATION</b>	38,367,212	53,737,910	47,732,740	44,516,765	
FTE	<u>106.1</u>	<u>145.0</u>	<u>139.3</u>	<u>150.1</u>	
General Fund	7,686,824	7,872,988	7,581,208	5,634,116	
FTE	41.9	46.8	47.1	47.1	
Cash Funds	18,902,219	19,342,031	19,370,060	18,784,695	
FTE	31.5	38.0	38.0	38.0	
<i>CF (State Education Fund)</i>	<i>16,363,993</i>	<i>16,566,586</i>	<i>16,660,393</i>	<i>16,697,573</i>	
FTE	<i>1.6</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	
<i>CF (State Public School Fund)</i>	<i>33,608</i>	<i>35,480</i>	<i>35,480</i>	<i>35,480</i>	
Reappropriated Funds	4,772,782	11,807,115	12,119,274	11,471,513	
FTE	25.0	46.5	46.5	46.5	
Federal Funds	7,005,387	14,715,776	8,662,198	8,626,441	
FTE	7.7	13.7	7.7	18.5	

a/ As reported in the Statewide Single Audit of the State of Colorado for the fiscal year ended June 30, 2008 dated February 17, 2009 (page 50).

b/ This consolidated line item provides funding for the majority of state-funded staff, who are responsible for supporting the State Board of Education, administering a variety of library and education-related programs, as well as general department administration.

c/ Prior to FY 2008-09, this consolidated program line item funded a myriad of functions related to the following: supporting the State Board of Education; the administration of a variety of education- and library-related programs; and general department administration, including human resources, budgeting, accounting, information management, and facilities maintenance. In FY 2008-09, the Long Bill was reorganized in an effort to group like line items which included transferring certain FTE and the associated funding from the existing consolidated line item to separate line items.

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11		Change Requests
			OSPB Request	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**

*The line items in this subsection of this division were presented by staff in a separate figure setting packet on March 3, 2010.*

**(B) Categorical Programs**

*The line items in this subsection of this division were presented by staff in a separate figure setting packet on March 3, 2010.*

**(C) Grant Programs, Distributions, and Other Assistance**

**(I) Health and Nutrition**

Federal Nutrition Programs	127,364,851	109,656,542	108,624,965	108,624,965
FTE	<u>7.6</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
General Fund	76,668	82,522 S	82,507 A	82,507
FTE	0.9	0.9	0.9	0.9
Federal Funds	127,288,183	109,574,020 S	108,542,458 A	108,542,458
FTE	6.7	8.1	8.1	8.1
State Match for School Lunch Program - CF (SPSF)	2,472,644	2,472,644	2,472,644	2,472,644
Child Nutrition School Lunch Protection Program - CF (SEF)	697,071	850,000	850,000	850,000

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
School Breakfast Program - GF	498,500	500,000	500,000	500,000	
Start Smart Nutrition Program Fund	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	
General Fund	700,000	700,000	700,000	700,000	
Reappropriated Funds	0	0	0	0	
Start Smart Nutrition Program - RF	654,458	670,000	670,000	670,000	
S.B. 97-101 Public School Health Services - RF	138,893	209,238 S	148,314 A	148,314	
FTE	1.3	1.4	1.4	1.4	
<b>(II) Capital Construction</b>					
<i>The line items in this subsection of this division were presented by staff in a separate figure setting packet on March 3, 2010.</i>					
<b>(III) Reading and Literacy</b>					
Federal Title I Reading First Grant - FF	8,336,811	10,943,232 S	300,000	300,000	
FTE	11.1	15.4	0.0	0.0	
Read-to-Achieve Grant Program - CF	5,918,882	4,507,883 S	6,673,520 A	6,500,000	
FTE	0.0	1.0	1.0	1.0	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
Family Literacy Education Fund	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	200,000	0	0	0	
Cash Funds (State Education Fund)	0	0	0	0	
Family Literacy Education Grant Program - RF	200,000	130,000	130,000	30,000	
<b>(IV) Professional Development and Instructional Support</b>					
Closing the Achievement Gap	<u>1,701,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	
General Fund	0	0	0	0	
Cash Funds (State Education Fund)	1,701,000	1,800,000	1,800,000	1,800,000	
Content Specialists	404,539	434,887	437,392	437,392	
FTE	<u>3.6</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	
General Fund	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Cash Funds (State Education Fund)	404,539	434,887 S	437,392 A	437,392	
FTE	3.6	5.0	5.0	5.0	
Office of Drop-out Prevention and Student Re-engagemen	0	307,944	150,172	150,172	
FTE	<u>0.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
Cash Funds (Student Re-engagement Grant Program Fund)	0	0 S	150,172	0	
FTE	0.0	0.0 S	2.0	0.0	
Federal Funds	0	307,944 S	0	150,172	
FTE	0.0	2.0 S	0.0	2.0	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
School Leadership Academy Program	0	100,000	75,000	0	
FTE	<u>0.0</u>	<u>0.7</u>	<u>0.7</u>	<u>0.0</u>	
General Fund	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Cash Funds (State Education Fund)	0	75,000	75,000	0	
FTE	0.0	0.7	0.7	0.0	
Cash Funds (gifts, grants, and donations)	0	0	0	0	
Federal Funds	0	25,000 S	0	0	
National Credential Fee Assistance - CF (SEF)	125,000	0	0	0	
Boards of Cooperative Services - GF	210,000	0	0	0	
Civic Education - CF (SEF)	2,305	0	0	0	
Financial Literacy - CF (SEF)	15,533	3,529 S	0	0	<b>BR#2</b>
Colorado History Day - CF (SEF)	10,000	10,000	0	0	<b>BR#2</b>
Innovative Schools Act of 2008 - GF	78,811	0	0	0	
FTE	0.5	0.0	0.0	0.0	



**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
<b>(V) Summer and After-school Programs</b>					
Summer School Grant Program	27,026	15,658	0	0	
FTE	<u>0.3</u>	<u>0.3</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds (State Education Fund)	27,026	15,658 S	0	0	<b>BR#2</b>
FTE	0.3	0.3	0.0	0.0	<b>BR#2</b>
Cash Funds (Read-to-Achieve Cash Fund)	0	0	0	0	
Dropout Prevention Activity Grant Program - CF	55,074	86,000 S	0	0	
Healthy Choices Dropout Prevention	0	7,477	14,953	14,953	
FTE	<u>0.0</u>	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>	
General Fund	0	7,477	0	0	
FTE	0.0	0.1	0.0	0.0	
Cash Funds	0	0	14,953	14,953	
FTE	0.0	0.0	0.2	0.2	

**(VI) Facility Schools**

*The line items in this subsection of this division were presented by staff in a separate figure setting packet on March 3, 2010.*

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
<b>(VII) Other Assistance</b>					
Appropriated Sponsored Programs	215,207,645	377,876,357	285,437,580	285,437,580	
FTE	<u>67.9</u>	<u>73.3</u>	<u>73.3</u>	<u>73.3</u>	
Cash Funds	518,973	3,237,000	3,237,000	3,237,000	
FTE	0.0	0.0	0.0	0.0	
Reappropriated Funds	4,710,538	4,473,200 S	4,475,388 A	4,475,388	
FTE	6.0	6.0	6.0	6.0	
Federal Funds	209,978,134	370,166,157 S	277,725,192 A	277,725,192	
FTE	61.9	67.3	67.3	67.3	
School Counselor Corps Grant Program - CF (SEF)	4,970,559	4,998,154 S	4,998,500 A	0	
FTE	0.7	1.0	1.0	0.0	
Contingency Reserve Fund	<u>1,532,288</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	
General Fund	0	0	0	0	
Cash Funds	1,532,288	500,000	500,000	500,000	
Regional Service Cooperatives - CF (SEF)	145,135	1,026,332 S	0	0	<b>BR#2</b>
FTE	0.7	1.0	0.0	0.0	<b>BR#2</b>
First Responder School Mapping System - CF (SEF)	150,000	0	0	0	
Supplemental On-line Education Services - CF	480,000	480,000	480,000	480,000	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
Supplemental On-line Education Grant Program - CF (SPSF)	50,000	50,000	50,000	50,000	
School Awards Program - CF (School Awards Program Fund)	0	250,000	250,000	250,000	
Interstate Compact on Educational Opportunity for Military Children - CF (SEF)	0	30,185	30,185	30,185	
<b>Subtotal - (C) Grant Programs, Distributions, and Other Assistance</b>	399,728,369	570,798,732	470,496,600	409,946,205	
FTE	<u>98.9</u>	<u>122.2</u>	<u>105.6</u>	<u>91.9</u>	
General Fund	1,763,979	1,289,999	1,282,507	1,282,507	
FTE	1.4	1.0	0.9	0.9	
Cash Funds	46,657,373	72,752,593	76,964,632	16,622,174	
FTE	10.5	18.0	18.9	6.2	
<i>Cash Funds (State Education Fund)</i>	30,717,984	32,043,745	34,008,846	3,117,577	
FTE	6.2	8.0	6.7	5.0	
<i>Cash Funds (State Public School Fund)</i>	3,002,644	3,002,644	3,002,644	3,002,644	
Reappropriated Funds	5,703,889	5,739,787	5,681,811	5,323,702	
FTE	7.3	10.4	10.4	7.4	
Federal Funds	345,603,128	491,016,353	386,567,650	386,717,822	
FTE	79.7	92.8	75.4	77.4	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
<b>SUBTOTAL - (2) ASSISTANCE TO PUBLIC SCHOOLS</b>					
FTE	4,308,915,522	4,651,686,343	4,329,520,471	409,946,205	
	<u>187.4</u>	<u>214.1</u>	<u>197.5</u>	<u>91.9</u>	
General Fund	3,194,231,683	3,219,333,395	2,995,997,526	1,282,507	
<i>General Fund Exempt Account (included above)</i>	39,251,792	0	0	0	
FTE	4.4	4.0	4.2	0.9	
Cash Funds	595,258,608	615,891,138	722,942,616	16,622,174	
FTE	10.6	19.0	19.9	6.2	
<i>CF (State Education Fund)</i>	477,638,586	467,710,985	617,288,367	3,117,577	
FTE	6.2	8.0	6.7	5.0	
<i>CF (State Public School Fund)</i>	103,650,427	109,786,949	65,251,107	3,002,644	
Reappropriated Funds	7,138,805	7,308,911	7,257,397	5,323,702	
FTE	23.4	29.4	29.4	7.4	
Federal Funds	512,286,426	809,152,899	603,322,932	386,717,822	
FTE	149.0	161.7	144.0	77.4	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
<b>(3) LIBRARY PROGRAMS</b>					
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 are reflected as reappropriated funds transferred from the Department of Regulatory Agencies.					
Administration	826,736	996,398	996,653	996,653	
FTE	<u>12.7</u>	<u>12.8</u>	<u>12.8</u>	<u>12.8</u>	
General Fund	738,698	747,354 S	747,430 A	747,430	
FTE	11.7	11.8	11.8	11.8	
Cash Funds	88,038	249,044 S	249,223 A	249,223	
FTE	1.0	1.0	1.0	1.0	
Federal Library Funding - FF	2,543,810	3,023,386 S	3,030,533 A	3,030,533	
FTE	21.1	23.8	23.8	23.8	
Colorado Library Consortium - GF	1,000,000	1,000,000	1,000,000	1,000,000	
Colorado Virtual Library	<u>1,359,731</u>	<u>379,796</u>	<u>379,796</u>	<u>379,796</u>	
General Fund	1,359,731	359,796	359,796	359,796	
Cash Funds	0	20,000	20,000	20,000	
Colorado Talking Book Library, Building Maintenance and Utilities Expenses - GF	58,728	70,660	70,660	70,660	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
Reading Services for the Blind	<u>550,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	
General Fund	300,000	0	0	0	
Reappropriated Funds	250,000	250,000	250,000	250,000	
<b>SUBTOTAL - (3) LIBRARY PROGRAMS</b>	6,339,005	5,720,240	5,727,642	5,727,642	
FTE	<u>33.8</u>	<u>36.6</u>	<u>36.6</u>	<u>36.6</u>	
General Fund	3,457,157	2,177,810	2,177,886	2,177,886	
FTE	11.7	11.8	11.8	11.8	
Cash Funds	88,038	269,044	269,223	269,223	
FTE	1.0	1.0	1.0	1.0	
Reappropriated Funds	250,000	250,000	250,000	250,000	
Federal Funds	2,543,810	3,023,386	3,030,533	3,030,533	
FTE	21.1	23.8	23.8	23.8	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
<b>(4) SCHOOL FOR THE DEAF AND THE BLIND</b>					
This section provides operational funding for the Colorado School for the Deaf and the Blind, which provides educational services for hearing impaired/deaf and visually impaired/blind children. The primary source of funding is 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 reflects 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.					
<b>(A) School Operations</b>					
Personal Services	8,547,644	9,179,930	9,069,733	9,231,831	
FTE	<u>140.6</u>	<u>141.3</u>	<u>141.3</u>	<u>141.3</u>	
General Fund	7,218,419	7,793,018 S	7,682,821 A	7,834,141	
FTE	118.7	120.4	120.4	120.4	
Reappropriated Funds	1,329,225	1,386,912	1,386,912	1,397,690	
FTE	21.9	20.9	20.9	20.9	
Early Intervention Services - GF	1,240,980	1,173,936 S	1,166,548 A	1,168,106	
FTE	10.0	10.0	10.0	10.0	
Shift Differential - GF	84,932	65,638	85,305 A	65,530	
Operating Expenses - GF	417,277	417,277	417,277	417,277	
Vehicle Lease Payments - GF	19,151	23,727	32,039 A	26,729	<b>NP-1</b>

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
Utilities - GF	457,103	554,810	554,810	554,810	
Allocation of State and Federal Categorical Program					
Funding - RF	160,135	150,000	149,842 A	149,842	
FTE	0.2	0.4	0.4	0.4	
Medicaid Reimbursements for Public School Health					
Services - RF	76,887	84,864 S	83,254 A	83,254	
FTE	1.0	1.5	1.5	1.5	
<b>Subtotal - (A) School Operations</b>	11,004,109	11,650,182	11,558,808	11,697,379	
FTE	<u>151.8</u>	<u>153.2</u>	<u>153.2</u>	<u>153.2</u>	
General Fund	9,437,862	10,028,406	9,938,800	10,066,593	
FTE	128.7	130.4	130.4	130.4	
Reappropriated Funds	1,566,247	1,621,776	1,620,008	1,630,786	
FTE	23.1	22.8	22.8	22.8	



**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

	FY 2008-09	FY 2009-10	FY 2010-11		Change Requests
	Actual	Appropriation	OSPB Request	Recommendation	
<b>(B) Special Purpose</b>					
Fees and Conferences - CF	77,030	120,000	120,000	120,000	
Outreach Services	489,308	1,024,836	1,022,082	1,022,082	
FTE	<u>2.2</u>	<u>5.4</u>	<u>5.4</u>	<u>5.4</u>	
Cash Funds	0	755,836	753,082 A	753,082	
FTE	0.0	2.6	2.6	2.6	
Reappropriated Funds	489,308	269,000	269,000	269,000	
FTE	2.2	2.8	2.8	2.8	
Tuition from Out-of-state Students - CF	53,236	200,000	200,000	200,000	
Summer Olympics Housing - CF	840	10,000	10,000	10,000	
Grants - RF	900,505	1,398,228 S	1,397,079 A	1,397,079	
FTE	6.4	9.0	9.0	9.0	
<b>Subtotal - (B) Special Purpose</b>	1,520,919	2,753,064	2,749,161	2,749,161	
FTE	<u>8.6</u>	<u>14.4</u>	<u>14.4</u>	<u>14.4</u>	
Cash Funds	131,106	1,085,836	1,083,082	1,083,082	
FTE	0.0	2.6	2.6	2.6	
Reappropriated Funds	1,389,813	1,667,228	1,666,079	1,666,079	
FTE	8.6	11.8	11.8	11.8	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

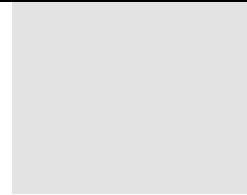
	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 OSPB Request	FY 2010-11 Recommendation	Change Requests
<b>SUBTOTAL - (4) SCHOOL FOR THE DEAF AND THE BLIND</b>					
FTE	12,525,028	14,403,246	14,307,969	14,446,540	
	<u>160.4</u>	<u>167.6</u>	<u>167.6</u>	<u>167.6</u>	
General Fund	9,437,862	10,028,406	9,938,800	10,066,593	
FTE	128.7	130.4	130.4	130.4	
Cash Funds	131,106	1,085,836	1,083,082	1,083,082	
FTE	0.0	2.6	2.6	2.6	
Reappropriated Funds	2,956,060	3,289,004	3,286,087	3,296,865	
FTE	31.7	34.6	34.6	34.6	
<b>TOTAL - DEPARTMENT</b>					
FTE	4,366,146,767	4,725,547,739	4,397,288,822	474,637,152	
	<u>487.7</u>	<u>563.3</u>	<u>541.0</u>	<u>446.2</u>	
General Fund	3,214,813,526	3,239,412,599	3,015,695,420	19,161,102	
FTE	186.7	193.0	193.5	190.2	
<i>General Fund Exempt Account (included above)</i>	39,251,792	0	0	0	
Cash Funds	614,379,971	636,588,049	743,664,981	36,759,174	
FTE	43.1	60.6	61.5	47.8	
<i>Cash Funds (State Education Fund)</i>	494,002,579	484,277,571	633,948,760	19,815,150	
FTE	7.8	13.0	11.7	10.0	
<i>Cash Funds (State Public School Fund)</i>	103,684,035	109,822,429	65,286,587	3,038,124	
Reappropriated Funds	15,117,647	22,655,030	22,912,758	20,342,080	
FTE	80.1	110.5	110.5	88.5	
Federal Funds	521,835,623	826,892,061	615,015,663	398,374,796	
FTE	177.8	199.2	175.5	119.7	

**FY 2010-11 Joint Budget Committee Staff Budget Figure Setting  
Department of Education**

**(Mgmt. Admin./Asst. to Public Schools - Grant Programs, Distrib. Other except Cap. Const. Programs Facility Schools/Library Programs/CSDB)**

FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11		Change Requests
		OSPB Request	Recommendation	

S = The appropriation was amended by a supplemental bill  
A = The request was changed by a budget amendment  
BR = Budget Reduction item requested by Department  
NP = Non-Prioritized item requested by the Department



FORMAT NOTES: Individual line items appear in **bold underlined** font, decision items and policy options appear in *bold italic* font, and summary descriptions of staff recommendations appear in **bold** font.

## **(1) MANAGEMENT AND ADMINISTRATION**

### **(A) Administration and Centrally-Appropriated Line Items**

#### **State Board of Education.**

*Description:* Members of the Colorado State Board of Education (SBE) are charged by the Colorado Constitution with the general supervision of the public schools. They have numerous powers and duties specified in state law. The SBE is required to meet quarterly, however in practice the SBE must meet monthly or more to accommodate the need for rulemaking and decision-making as a result of significant volume and complexity of legislation. Individuals are elected on a partisan basis to serve six-year terms without compensation but are entitled to reimbursement for any necessary expenses incurred by them in the performance of their duties as members.

The expenses for which the state board members seek reimbursement on a monthly basis fall into three general categories: (1) travel (in state and out of state, mileage, meals and lodging); (2) attendance at official functions; and (3) reimbursement for office related expenses

*Request:* The Department requests \$287,257 General Fund and 2.0 FTE for FY 2010-11.

*Recommendation:* **Staff recommends approving continuation funding of \$287,257 General Fund and 2.0 FTE for FY 2010-11.** The recommendation consists of four parts: (1) personal services; (2) operating expenses; (3) travel expenses; and (4) membership dues, which are described in greater detail below.

- Personal Services. Staff recommends continuation funding.
- Operating Expenses. Staff recommends \$35,773 for various operating expenses, including \$13,500 for monthly board meetings, \$7,350 for new board member costs, \$7,000 for electronic agenda contract costs, \$6,740 for basic operating costs (approximately \$561 per month), and \$1,183 for printing, reproduction services, and postage used primarily for costs related to public meetings.
- Travel Expenses. Staff recommends \$81,581 for travel expenses, including \$40,400 for costs for Board Members' to attend national policy conferences and associated registration fees, \$40,181 for Board Members' attendance at Board Meetings and other in-state educational events, and \$1,000 to provide audio and visual support for three conferences per year.

- Membership Dues. Staff recommends \$26,932 for annual membership dues, including \$26,582 for membership to the National Association of School Board Executives (NASBE) and \$350 for membership to Colorado chapter of the National Association of State School Trust Lands.

<b>Summary of Recommendation: State Board of Education</b>		
<b>Description</b>	<b>General Fund</b>	<b>FTE</b>
FY 2009-10 Long Bill personal services appropriation	\$150,705	2.0
Supplemental adjustment to reflect furloughs (S.B. 10-065)	<u>(3,513)</u>	
<i>Subtotal: FY 2009-10 Personal Services</i>	147,192	2.0
Salary survey awarded in FY 09-10	0	
Performance-based pay awarded in FY 09-10	0	
Restore reduction related to FY 09-10 furloughs	3,513	
Modify contributions to PERA, pursuant to S.B. 10-146	<u>(2,854)</u>	
<i>Subtotal: Recommended FY 2010-11 Personal Services</i>	147,851	2.0
Operating expenses	35,773	
Travel expenses	81,581	
Membership dues	26,932	
Operating reduction (BA)	<u>(4,880)</u>	
<i>Subtotal: Recommended FY 2010-11 Operating Expenses</i>	139,406	
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$287,257</b>	<b>2.0</b>

**General Department and Program Administration.**

*Description:* 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. This line item supports both personal services and operating expenses. Sources of cash funds for this line item include general education development (GED) program fees, indirect cost recoveries, and transfers from various cash- and federally-funded line items in other sections of the budget.

The following table details staff supported by this line item, by function or duty.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Commissioner	1.0	1.0	1.0	1.0
Deputy Commissioner	1.9	1.9	1.9	1.9

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Assistant Commissioner	0.1	0.1	0.1	0.1
Chief of Staff	0.7	0.7	0.7	0.7
Executive Unit Director	1.0	1.0	1.0	1.0
Unit Director	0.2	0.2	0.2	0.2
Executive Assistant	1.0	1.0	1.0	1.0
Communications Unit	1.5	1.5	1.5	1.5
Controller	1.0	1.0	1.0	1.0
Accountants	3.0	3.0	3.0	3.0
Accounting Technicians	4.0	4.0	4.0	4.0
Purchasing	2.0	2.0	2.0	2.0
Budget	1.6	3.4	3.4	3.4
Human Resources	2.0	2.0	2.0	2.0
Research and Evaluation	4.3	4.3	4.3	4.3
Regional Service Teams	0.8	0.8	0.8	0.8
Exceptional Student Services -- Gifted & Talented	0.5	0.5	0.5	0.5
Prevention Initiatives	0.7	0.7	0.7	0.7
English Language Proficiency	0.5	0.5	0.5	0.5
GED Program	1.5	1.5	1.5	1.5
Legislative Liaison	0.9	0.9	0.9	0.9
Consultants / Other	5.2	9.8	10.0	16.0
<b>General Department and Program Administration</b>	<b>35.4</b>	<b>41.8</b>	<b>42.0</b>	<b>48.0</b>

*Request:* The Department has requested a total of \$3,782,699 (including \$2,150,117 General Fund) and 42.0 FTE for this line for FY 2010-11.

*Recommendation:*

**FY 2009-10**

The Department submitted, as a statewide supplemental non-prioritized request, to reduce its FY 2009-10 appropriation by \$17,597 (including 1,352 General Fund) related to mail equipment upgrades in the Department of Personnel and Administration. **Staff recommends the approval of the Department's request.**

**FY 2010-11**

**Staff recommends \$3,728,582 total funds (including \$2,112,245 General Fund) and 48.0 FTE for FY 2010-11. Staff's recommendation is detailed in the following table.**

Included in this recommendation is the elimination of one-time allocation of \$450,000 anticipated to be from the General Services Grants Subaccount of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act (ARRA) of 2009. These moneys were originally reflected in the Long Bill through S.B. 10-065 (Supplemental Appropriation for the Department of Education). These moneys are intended for fiscal years 2009-10 and 2010-11, however the two-year amount was reflected in FY 2009-10 only. Because ARRA moneys are being reflected in FY 2009-10 only, staff is not recommending an appropriation for this purpose for FY 2010-11. However, for purposes of transparency, staff recommends reflecting the 6.0 FTE that will continue to be supported by federal ARRA funds in FY 2010-11 in this line item. In addition, the FY 2010-11 recommendation is calculated based on the assumption that the JBC will consider approving the FY 2009-10 supplemental request and staff recommendation described above. If the JBC does not approve the supplemental reduction, staff requests permission to make adjustments to the FY 2010-11 appropriation as necessary.

<b>Staff Recommendation: General Department and Program Administration</b>						
<b>Item</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
FY 2009-10 Long Bill Appropriation	\$3,755,560	\$2,163,292	\$99,778	\$1,492,490	\$0	42.0
Supplemental adjustment made in S.B. 10-065	<u>431,887</u>	<u>(14,369)</u>	<u>(648)</u>	<u>(3,096)</u>	<u>450,000</u>	<u>6.0</u>
<i>Subtotal: FY 2009-10 Appropriation</i>	4,187,447	2,148,923	99,130	1,489,394	450,000	48.0
Recommended adjustments to FY 2009-10 appropriation for statewide mail equipment upgrade	<u>(17,597)</u>	<u>(1,352)</u>	<u>(6,896)</u>	<u>(9,349)</u>	<u>0</u>	<u>0.0</u>
<i>Subtotal: Recommended FY 2009-10 Appropriation</i>	4,169,850	2,147,571	92,234	1,480,045	450,000	48.0
Salary survey awarded in FY 09-10	0	0	0	0	0	0.0
Performance-based pay awarded in FY 09-10	0	0	0	0	0	0.0
Eliminate one-time American Recovery and Reinvestment Act (ARRA) of 2009 moneys	(450,000)	0	0	0	(450,000)	0.0

<b>Staff Recommendation: General Department and Program Administration</b>						
<b>Item</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Restore 1.82 percent personal services reduction made in FY 09-10 Long Bill	67,998	42,466	1,847	23,685	0	0.0
Restore reduction related to FY 09-10 furloughs	18,113	14,369	648	3,096	0	0.0
Modify contributions to PERA, pursuant to S.B. 10-146 (NP)	(69,965)	(46,178)	(2,027)	(21,760)	0	0.0
Mail equipment upgrade	2,220	171	870	1,179	0	0.0
Operating reduction (BA)	(9,634)	(9,634)	0	0	0	0.0
Indirect cost recoveries to offset General Fund	0	(36,520)	0	36,520	0	0.0
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$3,728,582</b>	<b>\$2,112,245</b>	<b>\$93,572</b>	<b>\$1,522,765</b>	<b>\$0</b>	<b>48.0</b>

**Office of Professional Services.**

*Description:* This office is responsible for administration of the Colorado Educator Licensure Act. This Office is funded entirely through fees paid by educators seeking licenses, endorsements, and authorizations. Pursuant to Section 22-60.5-112, C.R.S., the State Board of Education is to annually adjust fees charged for licensing purposes, 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. Following is a staffing summary for the Office of Professional Services.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Director / Supervisors	2.0	3.0	3.0	3.0
Consultants/ General Professionals/ Program Assistants	14.5	14.0	14.0	14.0
Administrative Support	<u>3.1</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>
<b>TOTAL</b>	19.6	23.0	23.0	23.0

*Request:* The Department requests a total of \$1,860,700 cash funds and 23.0 FTE for FY 2010-11.

Staff's overall recommendation for this line item is detailed in the following table, and is calculated in accordance with Committee policy.



<b>Summary of Recommendation: Office of Professional Services</b>		
<b>Description</b>	<b>Cash Funds</b>	<b>FTE</b>
FY 2009-10 Long Bill appropriation	\$1,849,273	23.0
Alternative Teacher Licensure (S.B. 09-160)	5,500	
Supplemental adjust for FY 2009-10 furloughs (S.B. 10-065)	(135)	
Supplemental adjust to reflect ARRA allocation in FY 2009-10 (S.B. 10-065)	<u>3,036,541</u>	
<i>Subtotal: FY 2009-10 appropriation</i>	4,891,179	
Salary survey awarded in FY 09-10	0	
Performance-based pay awarded in FY 09-10	0	
Eliminate one-time ARRA allocation in FY 09-10	(3,036,541)	
Restore 1.82 percent personal services reduction made in FY 09-10 Long Bill	32,194	
Restore reduction related to FY 09-10 furloughs	135	
Modify contributions made to PERA, pursuant to S.B. 10-146 (BA)	<u>(26,267)</u>	
<b>Recommended FY 2010-11 Appropriation</b>	<b>\$1,860,700</b>	<b>23.0</b>

**Teaching and Learning Conditions Survey.**

*Description:* House Bill 08-1384 (Teacher Quality Recruitment and Retention Program) requires that the Department design and administer a biennial teaching and learning conditions survey to all teachers in state public schools. The bill also required that on or before August 30, 2010, the Department shall contract with a professional evaluator to conduct two studies concerning the effectiveness of the stipends. One study would evaluate the effectiveness of the stipend on encouraging teachers to seek National Board for Professional Teaching Standards (NBPTS) certification, and on encouraging teachers to teach in low-performing schools. Further, this same study would evaluate the effects of certification on teacher retention and the effect NBPTS certified teachers have on school culture. The other study is to evaluate the effect of NBPTS certification on student achievement. On or before January 30, 2011, the results of both studies are to be reported to the Education Committees of the General Assembly, the Governor, and the Commissioner of Education.

*Request:* The Department does not request any funding for this line item for FY 2010-11.

*Recommendation:* Staff does not recommend funding this line item for FY 2010-11.

### **Division of On-line Learning.**

*Description:* 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, and it 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. The act 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. The act created the On-line Education Cash Fund, and it transferred to this cash fund \$830,000 of audit recoveries credited to the State Public School Fund. The act requires the General Assembly to annually appropriate moneys from this fund to support the Division of On-line Learning. The act appropriated \$418,861 from this fund and 3.5 FTE to the Department for FY 2007-08. Thus, the bill essentially provided for two years of funding for the new division, but it did not provide an ongoing source of revenue to support the required activities after FY 2008-09.

House Bill 09-1182, sponsored by the JBC, repeals the On-line Education Cash Fund at the end of FY 2009-10 and formally authorizes the On-line Division as a valid recipient of State Education Fund moneys. The intent of this bill is provide an ongoing source of funding for the division and will eliminate the duplicative appropriation in the FY 2010 Long Bill.

*Request:* The Department requests \$371,720 cash funds from the State Education Fund and 3.5 FTE for FY 2010-11,

*Recommendation:* **Staff recommends approving the Department's request.** Of this amount, approximately \$304,730 is for personal services, \$36,162 is for operating expenses, and \$29,652 for contracted services.

### **Health, Life and Dental.**

*Description:* 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.

*Request:* The Department requests \$2,868,182 total funds (including \$1,363,445 General Fund) for FY 2010-11.

*Recommendation:* **The staff recommendation is pending a Committee common policy for this line item.** Staff requests permission to make any necessary adjustments to accommodate action taken by the Committee at later point in time that impacts this line item.

### **Short-term Disability.**

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

*Request:* The Department requests \$50,059 total funds (including \$19,313 General Fund) for this purpose for FY 2010-11.

*Recommendation:* Staff recommends \$46,423 (including \$17,838 General Fund), which is consistent with the Committee policy of applying a rate of 0.155 percent to FY 2008-09 base salaries (including shift differential payments).

**S.B. 04-257 Amortization Equalization Disbursement**

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

*Request:* The Department requests a total of \$775,111 (including \$299,042 General Fund) for FY 2010-11.

*Recommendation:* Pursuant to Committee policy [2.2 percent of FY 08-09 base salaries for CY 2010 and 2.6 percent of FY 08-09 base salaries for CY 2011], staff recommends an appropriation of \$714,960 (including \$272,369 General Fund) for FY 2010-11.

**S.B. 06-235 Supplemental Amortization Equalization Disbursement**

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

*Request:* The Department requests a total of \$565,185 (including \$218,052 General Fund) for FY 2010-11.

*Recommendation:* Pursuant to Committee policy [1.5 percent of FY 08-09 base salaries for CY 2010 and 2.0 percent of FY 08-09 base salaries for CY 2011], staff recommends an appropriation of \$519,325 (including \$196,604 General Fund) for FY 2010-11.

**Salary Survey and Senior Executive Service**

*Description:* The Department uses this line item to pay for annual increases for salary survey and senior executive service positions.

*Request:* The Department has requested no annual increase for this purpose.

*Recommendation:* Consistent with Committee policy, staff recommends the Department's request.

**Performance-based Pay Awards**

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

*Request:* The Department has requested no annual increase for this purpose.

*Recommendation:* Consistent with Committee policy, staff recommends the Department's request.

### **Workers' Compensation**

*Description:* This line item is used to pay 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.

*Request:* The Department requests a total of \$306,448 (including \$133,642 General Fund) for FY 2010-11.

*Recommendation:*

#### **FY 2009-10**

The Department submitted, as a statewide supplemental non-prioritized request, to reduce its FY 2009-10 appropriation by \$12,234 General Fund related to risk management, property liability, and workers' compensation. In addition, the Department requests, as a statewide supplemental request, to reduce its FY 2009-10 appropriation by \$4,167 General Fund related to risk management contract review. **Staff recommends the approval of the Department's request to reduce its FY 2009-10 appropriation by a total of \$16,401 General Fund.**

#### **FY 2010-11**

**The staff recommendation is pending a Committee common policy for this line item.** Staff requests permission to make any necessary adjustments to accommodate action taken by the Committee at later point in time that impacts this line item.

### **Legal Services.**

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

*Request:* The Department requests \$570,478 (including \$207,625 General Fund) to purchase 7,568 hours of legal services.

*Recommendation:*

#### **FY 2009-10**

Staff recommends that the Department's FY 2009-10 appropriation be adjusted to reflect the dollar amount of legal services for the administration of the Build Excellent Schools Today Program, pursuant to H.B. 08-1335. Legal services that are provided for this purpose should be funded with moneys transferred from the Division of Public School Capital Construction Assistance line item. Thus, staff recommends that the cash funds appropriation be reduced by \$32,414 and the reappropriated funds appropriation be increased by \$33,921 for FY 2009-10. The difference in the funding shift that is being recommended reflects the difference between the legal services rate common policy applied in FY 2008-09 and the legal services rate common policy applied in FY 2009-10.

**FY 2010-11**

Staff recommends approving funding sufficient to purchase a continuation of **7,602 hours** of legal services. The dollar amount of staff's recommendation is **pending** the determination of the hourly rate for legal services.

The following table summarizes Staff's calculation of the FY 2010-11 legal services recommendation:

Item	Legal Services					Hours
	Total	GF	CF	RF	FF	
FY 09-10 Long Bill Appropriation	\$567,474	\$204,621	\$248,851	\$114,002	\$0	7,528
S.B. 09-123 (Healthy Choices Drop-out Prevention)	751	751	0	0	0	10
S.B. 09-163 (Accountability Alignment)	7,135	7,135	0	0	0	95
H.B. 09-1319 (Concurrent Enrollment)	10,139	0	0	0	10,139	135
S.B. 10-065 Supplemental Bill	<u>3,004</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,004</u>	<u>40</u>
<i>Subtotal: FY 09-10 Appropriation</i>	588,503	212,507	248,851	114,002	13,143	7,807
Recommended FY 09-10 supplemental funding adjustment related to H.B. 08-1335 (BEST)	<u>1,507</u>	<u>0</u>	<u>(32,414)</u>	<u>33,921</u>	<u>0</u>	<u>0</u>
<i>Subtotal: Recommended FY 09-10 Appropriation</i>	590,010	212,507	216,437	147,923	13,143	7,807
Annualize 2009 bills	(15,472)	(8,337)	0	0	(7,135)	(205)
<b>Staff Recommendation for FY 2010-11 Legal Services Hours</b>						<b>7,602</b>

**Administrative Law Judge Services.**

*Description:* This line item provides funding for the Department to purchase services from the Department of Personnel and Administration, Administrative Hearings Division. The FY 2008-09 appropriation for this line item, totals \$46,498 for the purchase of administrative law judge services.

*Request:* The Department requests \$80,901 (including \$34,796 General Fund) for the purchase of administrative law judge services for FY 2010-11.

**Recommendation:** Staff's recommendation for this line item is **pending** Committee policy for these services. Staff will ultimately reflect Committee policy in the appropriation for this line item.

**Payment to Risk Management and Property Funds.**

*Description:* 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 is used to pay liability claims and expenses brought against the State. The property program provides insurance coverage for state buildings and their contents.

*Request:* The Department requests \$5,721 General Fund for this purpose for FY 2010-11.

*Recommendation:*

**FY 2009-10**

The Department submitted, as a statewide supplemental non-prioritized request, to reduce its FY 2009-10 appropriation by \$9,003 General Fund related to risk management, property liability, and workers' compensation. **Staff recommends the approval of the Department's request.**

**FY 2010-11**

**The staff recommendation for this line item is pending a common policy approved by the Committee for this line item.** Staff will ultimately reflect Committee policy in the appropriation for this line item.

**Leased Space.**

*Description:* This line item funds leased space needs for the Department. House Bill 08-1388 (School Finance Act) appropriated \$11,500 for leased space for Public School Finance Administrative staff. These moneys are transferred from the Administration line item in the Public School Finance section of the budget.

*Request:* The Department requests continuation funding of \$11,500 reappropriated funds for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

**Capitol Complex Leased Space.**

*Description:* This line item is used to pay the Department of Personnel and Administration for the costs of maintaining state buildings that are part of the capitol complex.

*Request:* The Department requests a total of \$547,414 (including \$103,534 General Fund) for FY 2010-11.

*Recommendation:*

### **FY 2009-10**

The Department submitted, as a statewide supplemental non-prioritized request, to reduce its FY 2009-10 appropriation by \$7,618 General Fund related to building maintenance in the Department of Personnel and Administration. **Staff recommends the approval of the Department's request.**

### **FY 2010-11**

Staff recommends providing funding sufficient to cover the leased space costs for office space at the building located at 201 E. Colfax Avenue in Denver (44,433 square feet). **Staff's dollar recommendation is pending a determination of lease rates.** Staff will ultimately reflect Committee policy in the appropriation for this line item.

### **Communication Services Payments**

*Description:* This line item provides funding to pay to the Department of Personnel and Administration the Department of Education's share of the costs associated with operating the public safety communications infrastructure.

*Request:* The Department is not requesting any appropriation for this line item.

*Recommendation:* **The staff recommendation is pending a Committee common policy for this line item.** Staff requests permission to make any necessary adjustments to accommodate action taken by the Committee at later point in time that impacts this line item.

### **Reprinting and Distributing Laws Concerning Education.**

*Description:* Pursuant to Section 22-2-112 (1) (i), C.R.S., the Department is required to "cause to be reprinted annually laws enacted by the general assembly concerning education...and to furnish copies thereof to interested persons." All publishing costs are to be paid out of the State Public School Fund. The Department's practice for a number of years has been to reflect this as an expenditure of rental income earned on state education trust lands that is credited to the State Public School Fund.

*Request:* The Department requests a continuation of \$35,480 General Fund for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

### **Emeritus Retirement.**

*Description:* The Emeritus line item provides supplemental retirement payments to eligible K-12 and higher education teachers, as required pursuant to Section 22-64-119, C.R.S. Eligibility is based on, but not exclusive to, serving 20 years in Colorado school districts or the office of Colorado county superintendent of schools or the Department of Education, are at least 65 years of age, and other requirements. Based on current monthly payments for three individuals totaling \$906.25, including the statutory requirement to increase these payments by the average salary survey percentage increase (0.0 percent for FY 2009-10), this maintains the appropriation at \$10,875.

*Request:* The Department requests continuation funding of \$10,875 General Fund for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

**Feasibility Study Concerning the Creation and Operation of State Residential Schools**

*Description:* Senate Bill 09-256 (School Finance Act), required the Department to prepare a study examining the feasibility of a residential school for students who are in need of greater academic support and who are at risk of academic failure and included a one-time General Fund appropriation of \$55,706 for this purpose in FY 2009-10.

*Request:* Funding was one-time in nature, thus the Department did not request funding for this purpose.

*Recommendation:* No recommendation is required.

---

**(B) Information Technology**

**Information Technology Services.**

*Description:* This line item reflects consolidated funding and staff associated with information technology services.

*Request:* The Department requests \$1,459,861 (including \$832,715 General Fund) and 17.0 FTE for FY 2010-11. The reappropriated funds includes \$100,000 transferred from "off-the-top" of State Share of Districts' Total Program Funding line item in the Assistance to Public Schools section of the Long Bill.

*Recommendation:* **Staff recommends approving the Department's request.**

**School Accountability Reports and State Data Reporting System.**

*Description:* 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). The act established the format of the school accountability reports and specified how the school academic performance and school improvement grades and the designations of school improvement would be calculated. The Department is required to annually deliver school accountability reports to each school by January 15 of each year, providing a sufficient number of copies for each student enrolled in the school and each teacher in the school. The Department is also to establish and maintain a web site that provides access to each school's accountability report (plus reports for the previous three years).

Senate Bill 09-163 (Educational Accountability System) repealed the "Educational Accreditation Act of 1998" and several sections of statute that require school accountability reports (SAR) and the measurement of academic achievement and growth. Further, it then created a new accreditation



process in place of the repealed act. This process is supported by new systems of performance indicators, performance plans, governance, and web-based reporting. The bill refocused current accreditation processes to be aligned with the Colorado growth model and its longitudinal data. The bill also created two awards programs, one for schools that are high performing and one for schools that show high rates of improvement. The bill included a combination of new costs and reduced existing costs. Excluding an increase of \$7,135 for legal services, the bill had a net impact of decreasing the appropriation to this line item by \$8,914 General Fund in FY 2009-10. The costs included \$185,132 for personal services for 2.7 FTE, \$18,399 for operating and capital outlay, and \$40,000 for contractual services. These costs were offset by a reduction of \$252,445 for printing and postage. For FY 2010-11 the personal services increase by \$20,569 and 0.3 FTE, however this is offset by a reduction to operating by \$15,549 for a net increase of \$5,020 General Fund.

In addition, this line item received a one-time increase of \$2,500,000 federal funds in FY 2009-10 for the purposes of enhancing the State's competitiveness for federal Race-to-the-Top Grant awards. Specifically these moneys will be utilized to enhance the Colorado Growth Model and make improvements to the SchoolView website. These moneys are anticipated to be from the General Services Grants Subaccount of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act (ARRA) of 2009.

*Request:* The Department's request is for \$1,292,172 General Fund and 6.0 FTE for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

#### **Purchase of Services from Computer Center**

*Description:* This item provides funding for the Department's share of statewide computer services provided by the Department of Personnel and Administration, Division of Information Technology as administered by the Office of Information Technology, in the Office of the Governor.

*Request:* The Department requests \$45,657 General Fund for this purpose for FY 2010-11.

*Recommendation:*

#### **FY 2009-10**

The Department submitted a statewide supplemental non-prioritized request to reduce its FY 2009-10 appropriation by \$1,768 General Fund related to personal services reductions in the Office of Information Technology in the Office of the Governor. **Staff recommends the approval of the Department's request.**

#### **FY 2010-11**

**The staff recommendation is pending a Committee common policy for this line item.** Staff requests permission to make any necessary adjustments to accommodate action taken by the Committee at later point in time that impacts this line item.

**Multiuse Network Payments**

*Description:* This line item is used to pay the Department's share of the statewide multi-use network.

*Request:* The Department does not request funding for FY 2010-11.

*Recommendation:* **The staff recommendation is pending a Committee common policy for this line item.** Staff requests permission to make any necessary adjustments to accommodate action taken by the Committee at later point in time that impacts this line item.

**Information Technology Asset Maintenance.**

*Description:* This line item provides funding for the Department to implement an asset management plan to achieve and maintain a standard information technology environment. Moneys are used to pay for critical hardware and software maintenance contracts, as well as a relatively small amount of funding to cover necessary replacements of equipment at risk of failing (e.g., servers, switches, printers, or personal computers).

*Request:* The Department requests \$303,830 General Fund for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

**Disaster Recovery.**

*Description:* This line item provides funding for the equipment, disks, and tapes necessary to implement a disaster recovery plan. Funding is currently used for: equipment and supplies; offsite tape rotation; and server lease payments.

*Request:* The Department requests continuation funding of \$19,722 General Fund for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

---

**(C) Assessments and Data Analyses**

**Colorado Student Assessment Program (CSAP).**

*Background:* 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, teacher training related to exam administration, scoring of the exam, and reporting exam scores. The total cost of assessments thus directly relates to the number of subject areas and grade levels assessed each year. In the current school year, the Department will administer all 23 assessments currently required by statute, as well as the ACT.

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 grade 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 chose tenth grade). Pursuant to H.B. 03-1306 [Section 22-7-409 (1) (g), C.R.S.], the Department was required 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*. The following table provides a summary of the assessments administered pursuant to state law, and those now required by federal law.

Grade	Colorado Student Assessment Program*	Federal Requirements	Existing Assessments <u>Not</u> Required by Federal Law
3	reading writing math	reading  math	writing
4	reading writing math	reading  math	writing
5	reading writing math science	reading  math science (in grades 3, 4, or 5)	writing
6	reading writing math	reading  math	writing
7	reading writing math	reading  math	writing
8	reading writing math science	reading  math science (in grades 6, 7, 8, or 9)	writing
9	reading writing math		reading writing math
10	reading writing math science	reading  math science (in grades 10, 11, or 12)	writing
11	ACT		ACT

\*The Department also administers "CSAP-A" assessments for children with disabilities who are unable to participate in the CSAP, even with accommodations. CSAP-A are administered in the same grade/subject levels as the CSAP with the exception of the fifth grade science assessment and the ACT. A CSAP-A is also administered to 11th grade students in reading, writing, math, and science. The Department utilizes federal special education funding (*IDEA Part B*) to pay for the development and administration of CSAP-A assessments.

Senate Bill 08-212, a.k.a the Preschool to Postsecondary Education Alignment Act, a.k.a the Colorado Achievement Plan for Kids ("CAP4K"), expands and connects instructional standards and assessments from preschool into college. The bill required, among other elements: (1) new definitions for school readiness and postsecondary and workforce readiness (PWR); (2) expand and revise P-13 standards to incorporate 21st Century skills, are internationally competitive, and reflect PWR; (3) launch a PWR assessments pilot program; (4) adopt new assessments which measure the newly adopted standards; (5) require all school boards to adopt pathways that lead to PWR and create endorsements for high school diplomas; and (6) revise higher education admission requirements as necessary to incorporate the use of newly created standards and assessments that reflect college and workforce readiness.

One of the most pressing matters related to this legislation is the requirement that the State Board of Education adopt a system of assessments that are aligned with the preschool through elementary and secondary education standards and are designed to measure students' levels of attainment of the standards and to longitudinally measure students' academic progress toward attaining the standards and toward attaining postsecondary and workforce readiness, pursuant to Section 22-7-1006 (1) (a), C.R.S. In discussions with the Department, staff learned that the cost of this requirement could be upwards of \$80 million to fully launch an anticipated assessments system that is envisioned, as presented by Staff to the Joint Budget Committee on December 3, 2009. Unless statute is modified to accommodate a less aggressive schedule or narrows the scope of requirements that must be included related to the new assessments system, the State will need to strategically prepare for these impending expenditures. Recently, the State's competitive bid to win a portion of the \$4 billion Race to the Top competition, was named a finalist along with 14 other states and the District of Columbia to be awarded all or a portion of their \$377 million bid. The Department anticipates that a portion of these moneys would be allocated for launching a new assessments system based on the newly adopted model content standards and the requirement outlined in S.B. 08-212. While the likelihood of the State being awarded these moneys has increased, it is still too difficult at this point in time to determine how much will be awarded and whether the moneys will be sufficient to adequately get the system operational.

*Request:* The Department requests a total of \$20,305,762 and 7.0 FTE, which includes \$15,719,341 cash funds from the State Education Fund and 5.0 FTE and \$4,586,421 federal funds and 2.0 FTE for this line item for FY 2010-11.

*Staff Recommendation.* Funding in this line item supports three contracts: (1) Colorado Student Assessment Program - CSAP; (2) Colorado English Language Assessment - CELA; (3) the American College Testing Program Test - ACT; and expenditures related to the administrative staff that support these exams.

The following table provides an overview of the existing FY 2009-10 appropriation, the Department's request for FY 2010-11, Staff's recommendation for FY 2010-11, and the change from the current appropriation to staff's recommendation. The narrative that follows provides additional detail for these components.

Summary of Recommendation for CSAP Line Item				
Description	FY 09-10 Approp.	FY 10-11 Request	FY 10-11 Recomm.	Change from Existing Appropriations
<b>I. CSAPs:</b> Contract with CTB - McGraw Hill for developing, scoring, and reporting CSAPs (other than CSAP-A, CELA, and the ACT)	<u>\$15,777,492</u>	<u>\$15,777,492</u>	<u>\$16,421,014</u>	<u>\$643,522</u>
Cash Funds - State Education Fund	13,555,929	13,555,929	13,555,929	0
Federal Funds	2,221,563	2,221,563	2,865,085	643,522
<b>II. CELA:</b> Contract with CTB - McGraw Hill for developing, scoring, and reporting the Colorado English Language Assessment (CELA) -- <i>Federal Funds</i>	2,151,384	2,151,384	2,035,990	(115,394)
<b>III. ACT:</b> ACT test for 11th grade students -- <i>Cash Funds - State Education Fund</i>	1,709,270	1,709,270	1,746,450	37,180
<b>IV. Staffing:</b> Support for state staff who administer these exams	661,457	667,616	1,485,890	824,433
FTE	<u>7.0</u>	<u>7.0</u>	<u>11.8</u>	<u>4.8</u>
Cash Funds - State Education Fund	452,249	454,223	454,142	1,893
Federal Funds	209,208	213,393	1,031,748	822,540
<b>Total</b>	<b>\$20,299,603</b>	<b>\$20,305,762</b>	<b>\$21,689,344</b>	<b>\$1,389,741</b>
FTE	<u>7.0</u>	<u>7.0</u>	<u>11.8</u>	<u>4.8</u>
Cash Funds - State Education Fund	<b>15,717,448</b>	<b>15,719,422</b>	<b>15,756,521</b>	<b>39,073</b>
Federal Funds	<b>4,582,155</b>	<b>4,586,340</b>	<b>5,932,823</b>	<b>1,350,668</b>

**I. Contract for development, scoring, and reporting related to the Colorado Student Assessment Program.**

In FY 2006-07, the Department issued a request for proposal, received bids from several vendors, and awarded this five-year contract to CTB - McGraw Hill. The contract will expire at the end of FY 2010-11. The following table details the basis for the existing FY 2009-10 appropriation, the Department's request for FY 2010-11, and Staff's recommendation for FY 2010-11.

Summary of Costs Associated With CTB - McGraw Hill Contract (Five-year contract)				
Description	FY 2009-10 Approp.	FY 10-11 Request	FY 10-11 Recomm.	Change from Existing Appropriations
<i>Estimated # of students per contract</i>	508,229	508,229	508,229	0
Development	\$1,113,743	\$1,113,743	\$632,709	(\$481,034)
Production	428,305	428,305	436,213	7,908

Summary of Costs Associated With CTB - McGraw Hill Contract (Five-year contract)				
Description	FY 2009-10 Approp.	FY 10-11 Request	FY 10-11 Recomm.	Change from Existing Appropriations
Manufacturing	3,313,653	3,313,653	3,635,380	321,727
Test administration	839,478	839,478	890,051	50,573
Scoring and reporting	9,763,079	9,763,079	10,357,648	594,569
Post-test management	0	0	469,013	469,013
Other (includes contract amendments)	<u>319,234</u>	<u>319,234</u>	<u>0</u>	<u>(319,234)</u>
<b>Totals</b>	<b>\$15,777,492</b>	<b>\$15,777,492</b>	<b>\$16,421,014</b>	<b>\$643,522</b>
Cash Funds -- State Ed. Fund	13,555,929	13,555,929	13,555,929	0
Federal Funds	2,221,563	2,221,563	2,865,085	643,522

*Recommendation – I. CSAPs: Staff recommends providing the \$16,421,014 to cover the costs of this contract for FY 2010-11.* This amount is \$643,522 higher than the continuation level funding requested by the Department. Staff’s recommendation reflects projected costs that the Department anticipates being incorporated into the contract during current negotiations. These new increased costs will be borne by federal funds, which are reflected in the Federal Grant for State Assessments and Related Activities line item (below). While some of the costs incurred are directly tied to federal requirements, the majority of changes are as a result of complying with state law. Thus, some of these costs should partly be borne by state funding. However, given the current revenue shortfall on the state, the looming insolvency of the State Education Fund, and that federal guidance provides the Department flexibility with which these federal funds can be utilized, Staff recommends that the appropriation reflect the best estimate of expenditures for administering CSAPs in FY 2010-11. This then requires that the appropriation be increased by \$643,522 over the current appropriation, funded with federal funds.

## II. Colorado English Language Assessment.

The above contract with CTB - McGraw Hill does not include funding for the new Colorado English Language Assessment (CELA). The federal *No Child Left Behind Act* requires Colorado to administer a single, statewide assessment to determine the English language proficiency level of English language learners. The State is required to administer 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 assessment for this purpose. None of these assessments were aligned with Colorado English language development standards.

The Department solicited proposals from testing companies to implement the CELA, and it awarded the contract to CTB - McGraw Hill. The CELA program consists of two distinct tests: (1) a placement test ("CELAplace") used soon after registration to screen students whose home language

survey indicates that a language other than English is spoken in the home; and (2) an assessment test ("CELApro") that is administered in January each year to students identified as "no English language proficiency" (NEP), or "limited English language 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 growth rates for English language learners statewide.

The following table details the basis for the existing FY 2009-10 appropriation, the Department's request for FY 2010-11, and Staff's recommendation for FY 2010-11.

<b>Summary of Costs Associated With CTB - McGraw Hill CELA Contract</b>				
<b>Description</b>	<b>FY 2009-10 Approp.</b>	<b>FY 10-11 Request</b>	<b>FY 10-11 Recomm.</b>	<b>Change from Existing Appropriations</b>
<i>Estimated # of students per contract</i>	93,280	93,280	93,280	0
Development	\$119,398	\$119,398	\$149,697	\$30,299
Printing/Distribution/Collection	396,440	396,440	575,796	179,356
Scoring	574,605	574,605	671,143	96,538
Ongoing Development	18,656	18,656	19,600	944
Data Analysis	373,120	373,120	400,031	26,911
Reporting	194,022	194,022	219,723	25,701
Production buffer for overage	102,400	102,400	110,622	8,222
Training video for CELA Pro	133,635	133,635	0	(133,635)
Other (includes contract amendments)	<u>239,108</u>	<u>239,108</u>	<u>(110,622)</u>	<u>(349,730)</u>
<b>Total – Federal Funds</b>	<b>\$2,151,384</b>	<b>\$2,151,384</b>	<b>\$2,035,990</b>	<b>(\$115,394)</b>

**Recommendation – II. CELA: Staff recommends appropriating \$2,035,990 federal funds to cover the costs of the CELA contract for FY 2010-11.** This amount is \$115,394 lower than the continuation level funding requested by the Department. Staff's recommendation reflects anticipated contractual changes that will reduce total expenditures for administering the ACT exams.

### **III. Funding for Administration of Spring 2011 ACT Test.**

Pursuant to Section 22-7-409 (1.5), C.R.S., all eleventh grade students in public schools are required to take a "standardized, curriculum-based, achievement, college entrance examination selected by the department, administered throughout the United States, and relied upon by institutions of higher education that, at a minimum, tests in the areas of reading, writing, mathematics, and science...". This same provision requires the Department to "pay all costs associated with administering the curriculum-based, achievement college entrance exam." The Department entered into a contract with ACT, Inc., following the passage of S.B. 00-186. This initial contract covered the statewide ACT

tests to be administered from the Spring of 2001 through 2005. Since 2005 the Department has negotiated a contract with ACT annually.

The following table details the basis for the existing FY 2009-10 appropriation, the Department's request for FY 2010-11, and Staff's recommendation for FY 2010-11.

<b>Summary of Costs Associated With ACT Contract</b>				
<b>Description</b>	<b>FY 09-10 Approp.</b>	<b>FY 10-11 Request</b>	<b>FY 10-11 Recomm.</b>	<b>Change from Existing Approp.</b>
<i>Estimated # of students taking ACT on statewide test date</i>	52,016	52,016	54,390	2,374
Price per student (same as national rate)	<u>\$29.00</u>	<u>\$29.00</u>	<u>\$30.00</u>	<u>\$1.00</u>
Subtotal: Statewide test date	1,508,464	1,508,464	1,631,700	123,236
<i>Estimated # of students receiving voucher to take ACT on alternate test date (e.g., athletes, online students)</i>	3,750	3,750	1,000	(2,750)
Price per student for voucher	<u>\$31.00</u>	<u>\$31.00</u>	<u>\$32.00</u>	<u>\$1.00</u>
Subtotal: Statewide test date	116,250	116,250	32,000	(84,250)
<b>Total: Student testing service costs</b>	<b>1,624,714</b>	<b>1,624,714</b>	<b>1,663,700</b>	<b>38,986</b>
Test administration training workshops	11,000	11,000	11,540	540
College Readiness Standards reports (@\$80/request)	49,280	49,280	47,460	(1,820)
Data sent on CDs to schools (@ \$125/CD)	24,275	24,275	23,750	(525)
<b>Total: Other costs</b>	<b>84,555</b>	<b>84,555</b>	<b>82,750</b>	<b>(1,805)</b>
<b>Request Grand Total</b>	<b>\$1,709,269</b>	<b>\$1,709,269</b>	<b>\$1,746,450</b>	<b>\$37,181</b>

*Recommendation – III. ACT: Staff recommends appropriating \$1,746,450 cash funds from the State Education Fund for the ACT contract for FY 2010-11.* Staff's recommendation is different than the Department's request based on updated information from the Department indicating the cost per test administered by ACT will increase by one dollar, this yields an anticipated increase of \$37,181, which reflects an increase in the number of students taking the ACT exam on the scheduled statewide date and an offsetting decrease in the number of students taking the test on the alternate test date, as well as other adjustments.

#### **IV. Support for state staff that administer exams.**

The following table details the basis for the existing FY 2009-10 appropriation, the Department's request for FY 2010-11, and Staff's recommendation for FY 2010-11.



<b>Summary of Recommendation: Administrative Staff Portion of CSAP Line Item</b>		
<b>Description</b>	<b>Amount</b>	<b>FTE</b>
Appropriation in FY 2009-10 Long Bill	\$694,305	7.0
Supplemental adjustment to reflect furloughs (S.B. 10-065)	<u>(32,848)</u>	
<i>Subtotal: FY 2009-10 Appropriation</i>	661,457	7.0
Salary survey awarded in FY 09-10	0	
Performance-based pay awarded in FY 09-10	0	
Restore reduction related to furloughs	32,848	
Modify contributions to PERA, pursuant to S.B. 10-146 (NP)	(26,689)	
Adjustment to reflect actual FTE expenditures and operating funded with federal funds	<u>818,274</u>	<u>4.8</u>
<b>Recommended FY 2010-11 appropriation</b>	<b>\$1,485,890</b>	<b>11.8</b>
Cash Funds – State Education Fund	454,142	
Federal Funds	1,031,748	

*Recommendation – IV. Administrative Staff:* **Staff recommends appropriating \$1,485,890 total funds and 11.8 FTE for expenditures related to administrative staff supporting this line item for FY 2010-11.** This amount reflects an increase of \$814,337 and 4.8 FTE compared to the current appropriation. This increase trues-up the actual staffing that supports administering these tests. The additional expenditures are not new, but rather were off-budget supported by federal moneys awarded to the Department and which are reflected in the Federal Grant for State Assessments and Related Activities line item (below). The expenditure of federal moneys for this purpose is authorized, pursuant to the federal *No Child Left Behind Act* of 2001. Staff recommends that these additional resources be reflected within the general appropriations act for informational purposes only to provide transparency.

**Federal Grant for State Assessments and Related Activities.**

Beginning with the FY 2002-03 Long Bill, the General Assembly has reflected federal funds anticipated to be available to Colorado annually pursuant to the federal *No Child Left Behind Act*, passed by Congress in December 2001. This funding is provided to states to cover the costs of developing additional statewide assessments and standards as required by the federal legislation. If a state has already developed the required assessments and standards, it may use the federal funds for other activities related to ensuring that schools and local educational agencies are held accountable for results, such as the following:

- Developing challenging state academic content and student academic achievement standards and aligned assessments in academic subjects for which standards and assessments are not required by the federal legislation;

- Developing or improving assessments of English language proficiency necessary to comply with other provisions of the federal legislation;
- Ensuring the continued validity and reliability of state assessments;
- Refining State assessments to ensure their continued alignment with the state's academic content standards and to improve the alignment of curricula and instructional materials;
- Developing multiple measures to increase the reliability and validity of state assessment systems;
- Strengthening the capacity of local educational agencies and schools to provide all students the opportunity to increase educational achievement, including carrying out professional development activities aligned with state student academic achievement standards and assessments;
- Expanding the range of accommodations available to students with limited English proficiency and students with disabilities to improve the rates of inclusion of such students, including professional development activities aligned with state academic achievement standards and assessments; and
- Improving the dissemination of information on student achievement and school performance to parents and the community, including the development of information and reporting systems designed to identify best educational practices based on scientifically based research or to assist in linking records of student achievement, length of enrollment, and graduation over time.

*Request:* The Department requests continuation funding of \$2,161,644 federal funds and 5.7 FTE.

*Recommendation:* **Staff recommends approving the Department's request.**

### **Longitudinal Analyses of Student Assessment Results.**

*Description:* Since 2000, the General Assembly has passed several bills concerning longitudinal analyses of student assessment results, and the provision of diagnostic information to districts and schools for the purpose of improving instruction. Moneys appropriated to this line item provide funding for the technical support and statistical calculations for the Colorado Growth Model.

*Request:* The Department requests \$288,489 General Fund and 3.0 FTE for FY 2010-11.

*Recommendation:* **Staff recommends approval of the Department's request.** Staff's recommendation reflects approximately \$181,346 for personal services, \$96,546 for contracted services, and \$10,597 for operating expenses.

**Preschool to Postsecondary Education Alignment.**

*Description:* Senate Bill 08-212 (Colorado Achievement Plan for Kids "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, pursuant to Sections 22-7-1001 through 1019, C.R.S.

In FY 2009-10, this line item received a one-time increase of \$184,367 cash funds from the State Education Fund (SEF) to continue the Postsecondary Workforce Readiness Assessments Pilot Program, pursuant to Section 22-7-1007, C.R.S. Of this amount, \$159,392 reflects reimbursements to participant assessment vendors and education providers to defray the cost to administer pilot program tests in the fall school semester and \$24,975 reflects contract services to provide data analysis and assessment evaluation. In addition, this line item received a one-time increase of \$200,000 federal funds in FY 2009-10 for the purposes of enhancing the State's competitiveness for federal Race-to-the-Top Grant awards. These moneys are anticipated to be from the General Services Grants Subaccount of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act (ARRA) of 2009.

*Request:* The Department requests \$569,332 cash funds from the State Education Fund and 5.0 FTE.

*Recommendation:* **Staff recommends approving the Department's request.**

**Postsecondary and Workforce Readiness Assessments Pilot Program.**

As a requirement of S.B. 08-212 (Colorado Achievement Plan for Kids "CAP4K"), the Department, beginning in FY 2008-09, must establish a pilot program encouraging school districts to administer a system of postsecondary and workforce readiness assessments. The assessments must include an 8th or 9th grade planning assessment, a 10th grade preparatory assessment, and an 11th grade readiness assessment. The Department and the Colorado Commission on Higher Education (CCHE) is required to adopt a system of assessments and submit state plan amendments to the federal Department of Education.

*Request:* The Department did not request an appropriation for FY 2010-11.

*Recommendation:* **Staff does not recommend an appropriation for FY 2009-10.**

---

**(D) State Charter School Institute**

*Background Information - Creation.* House Bill 04-1362 created the State Charter School Institute as an independent agency in the Department of Education. The Institute is allowed to authorize "institute charter schools" located within a school district's boundaries if the school district has not retained exclusive authority to authorize charter schools. The act also created a board to oversee the operations of the Institute, and permits the Institute to hire staff and contract for services.

The act directs the Department to withhold a portion of the State Share of Districts' Total Program funding from the school district where an institute charter school is located and to forward the withheld amount to the Institute. The act permits the Department to retain up to 2.0 percent of the amount withheld from the State Share "as reimbursement for the reasonable and necessary costs to the department to implement the provisions of [Section 22-30.5-501 et seq., C.R.S.]" (see Section 22-30.5-513 (4) (a), C.R.S.). The act also permits the Institute to retain up to 3.0 percent of the amount withheld from the State Share for the "actual costs incurred by the institute in providing necessary administration, oversight, and management services" to institute charter schools (see Sections 22-30.5-513 (2) (b) and (4) (a), C.R.S.).

*General Description of Appropriations Format.* House Bill 04-1362 did not include provisions requiring the Institute to establish funds and accounts for budgeting and accounting purposes (similar requirements for school districts are included in Article 45 of Title 22, C.R.S.). Absent these requirements, the accounting staff at the Department (who perform all accounting duties on behalf of the Institute) use the State Charter School Institute Fund for purposes of accounting for all of the funds that flow through or are spent by the Institute. This fund was originally created for purposes of accounting for gifts, grants, or donations received by the Institute. Moneys in this fund are subject to available appropriations. Department staff indicated that pursuant to Section 22-54-114 (1), C.R.S., they are authorized to forward the State Share moneys to Institute charter schools without a separate appropriation. However, Department staff believe that spending authority is required out of the State Charter School Institute Fund for the Institute to incur administrative expenses and for the Institute to forward any categorical funding to Institute charter schools.

Since FY 2006-07, the Long Bill has included four line items to allow the Department to forward funds as necessary to the Institute and its schools, and to track Department-level expenditures related to the Institute. While this structure is not ideal, it appears to be functional given the current circumstances. Each of the line items is discussed below, along with recommended funding levels for FY 2009-10.

#### **State Charter School Institute Administration, Oversight, and Management.**

*Description:* This line item provides spending authority to the Institute to spend up to 3.0 percent of the amount withheld from the State Share of Districts' Total Program Funding line item. Moneys are used to provide the necessary administration, oversight, and management services to Institute charter schools.

*Request:* The Department requests \$1,747,330 reappropriated funds and 16.5 FTE for FY 2010-11.

*Recommendation:* **Staff recommends \$1,736,338 reappropriated funds and 16.5 FTE for FY 2010-11.** Based on current law, the Department estimates that total transfer from State Share line item will be approximately \$43,691,099, not including any adjustments proposed by the Governor related to cost of living factors. This amount is based on the October 1, 2009 student count. However, estimates from the State Charter School Institute reflect substantial growth in the number of students it anticipates serving in FY 2010-11. Because the number of students served by the SCSI

schools has increased substantially since its original inception and continues to grow markedly, staff has determined to utilize the SCSi estimate of 7,737 students with an average per pupil operating revenue (PPOR) of \$6,923, yielding a total estimated funding from the State Share line item of approximately \$57,877,921 for FY 2010-11. This line item reflects 3.0 percent of this estimated State Share figure. In the event the estimates used to set this number are different, a supplemental adjustment will be brought forward from either the Department or JBC staff for the Committee's consideration to address this concern.

**Other Transfers to Institute Charter Schools.**

This line item is intended to provide spending authority to the Department to forward categorical funding, as appropriate, to Institute charter schools.

*Request:* The Department requests \$2,013,615 reappropriated funds spending authority for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

**Transfer of Federal Support To Institute Charter Schools.**

Description: This line created for the FY 2009-10 Long Bill (S.B. 09-259), reflects the total federal dollars received by the SCSi for pass-through to its Institute Charter Schools. The line also reflects the total FTE supported with these federal moneys. Moneys appropriated to this line item are reappropriated as these moneys are first reflected within the Appropriated Sponsor Programs line item for informational purposes only.

*Request:* The Department requests \$5,192,754 reappropriated funds and 6.0 FTE.

*Recommendation:* **Staff recommends approving the Department's request.**

**Department Implementation of Section 22-30.5-501 et seq., C.R.S.**

Description: This line item is intended to provide spending authority to the Department to spend up to 2.0 percent of the amount withheld from the State Share for performing Department-level duties associated with the implementation of H.B. 04-1362.

Request: The Department requests \$202,842 reappropriated funds spending authority for FY 2010-11.

<b>Department Recommendation: Implementation of Section 22-30.5-501 et seq., C.R.S.</b>		
<b>Department Expenditure/Description</b>	<b>Expenditure Amount</b>	<b>FTE</b>
<i>Exceptional Student Services.</i> The Department, in consultation with SCSi, has determined that the Exceptional Student Services Unit at CSI is self-sufficient and no longer utilizing the staff resources reflected in the above table.	0	0.00

<b>Department Recommendation: Implementation of Section 22-30.5-501 et seq., C.R.S.</b>		
<b>Department Expenditure/Description</b>	<b>Expenditure Amount</b>	<b>FTE</b>
<i>Student Assessment.</i> The Department has determined that of the 0.5 FTE who were charged to CSI's appropriation 0.45 FTE no longer provide that level of support. However, due to ongoing support for CSI, the Assessment Unit estimates that 0.05 FTE is representative of the resources necessary to continue implementation.	6,947	0.05
<i>Learning and Results.</i> The Department has determined that SCSU has fully implemented the areas of its operations that required 0.3 FTE the Unit of Learning and Results' support.	0	0.00
<i>Charter Schools.</i> Currently, the Charter School Unit allocates 0.7 FTE to CSI's implementation. The Charter School Unit continues to provide technical assistance to CSI on a regular basis; however this review determined that the Charter School Unit's effort is approximately 0.3 FTE as opposed to 0.7 FTE. Therefore the Department recommends that the Charter School Unit's allocation be reduced by 0.40 FTE.	17,038	0.30
<i>Chief of Staff.</i> The Chief of Staff is the primary contact for CSI regarding any matters that must be reviewed by or referred to the Commissioner. As a result, the Department has determined that this be maintained.	10,563	0.10
<i>Legislative Liaison.</i> The Legislative Liaison provides support in terms of tracking legislation, interface with lawmakers and the Governor's office, and general support and consultation for all legislative matters. As a result, the Department has determined that this be maintained.	10,643	0.10
<i>Budget/Management Staff.</i> The Department and SCSU have determined this is a reasonable and accurate reflection of staff's time spent.	50,476	0.45
<i>Research and Evaluation.</i> The Research and Evaluation Unit provides a significant amount of information, analysis and support regarding student and human resources data collections. As a result, the Department has determined that this be maintained.	47,803	0.60
<i>Information Technology.</i> The SCSU shares networking and other Information Technology resources with the Department. This position provides networking, database, and all other IT support required by the SCSU.	<u>66,544</u>	<u>1.00</u>
<b>Total FY 2009-10 Long Bill appropriation</b>	<b>210,014</b>	<b>2.60</b>
Supplemental adjustment to reflect furloughs (S.B. 10-065)	<u>(8,827)</u>	
<i>Subtotal: FY 2009-10 Appropriation</i>	201,187	2.60
Restore reduction related to FY 09-10 furloughs	8,827	
Modify contributions to PERA, pursuant to S.B. 10-146 (NP)	(7,172)	
<b>Recommended FY 2010-11 appropriation</b>	<b>\$202,842</b>	<b>2.60</b>

**Recommendation:** Staff recommends approval of the Department's request of \$202,842 reappropriated spending authority (transfer from the State Share line item) and 2.6 FTE for FY 2010-11. The dollar amount is based on the actual expenditures incurred to implement the provisions of the statute.

## LONG BILL FOOTNOTES

Staff recommends continuing the following footnote, as amended:

- nn Department of Education, Management and Administration; and Library Programs --**  
In addition to the transfer authority provided in Section 24-75-108, C.R.S., up to 2.5 percent of the total General Fund appropriations for Management and Administration and Library Programs may be transferred between the line items in these two sections of the FY 2010-11 Long Bill.

In March 2008, JBC staff recommended and the Committee approved several modifications to the structure of appropriations to the Department of Education. These modifications were ultimately reflected in the FY 2008-09 Long Bill (H.B. 08-1375) and approved by the General Assembly and the Governor. The most significant change transferred certain FTE and the associated funding from a consolidated line item in the Management and Administration section (the "General Department and Program Administration" line item) to separate line items. These changes were designed to make the Long Bill a more informative document, to ensure that actual expenditure and FTE data are provided at a sufficient level of detail, and to increase accountability.

As a result of these changes, Department staff indicated that it will be difficult to manage the FY 2009-10 budget for certain individual line items. For FY 2009-10, the Department had suggested undoing some of the changes that were reflected in the FY 2008-09 Long Bill so that they have more flexibility to manage within existing resources.

Rather than collapsing many of the newly created line items and re-creating one consolidated administrative line item, staff recommended that the Committee provide additional transfer authority to the Department, which was approved and was incorporated into the FY 2008-09 Supplemental Bill (S.B. 09-185) and also included in the FY 2009-10 Long Bill (S.B. 09-259).

This footnote is modeled on similar footnotes that have been included in the Judicial budget for a number of years. The purpose of this footnote is to authorize an agency to transfer funds among certain line items at the end of the fiscal year, over and above the statutory transfer authority that has been granted the Governor in Title 24.

The intent of the footnote is not to be permanent, but offer the Department sufficient latitude within existing resources to cover expenses incurred as a result of providing service delivery. Staff will expect the Department to submit change requests for future fiscal years to accommodate the Department's newly established organization. In FY 2008-09, the Department used this authority to transfer \$12,831 among three line items (Salary Survey, Workers' Compensation, and Capitol Complex). The Department's necessity to use this authority in FY 2009-10 has not yet been determined. The amount of General Fund this footnote would authorize the Department of Education (under the Commissioner of Education's authority) to transfer up to in FY 2010-11 is pending action by the JBC related to common policy line items.

---

**(2) ASSISTANCE TO PUBLIC SCHOOLS**

**(A) Public School Finance** All of the line items in this subsection were presented by Carolyn Kampman in a separate packet on March 3, 2010.

**Administration.**

**Accelerating Students Through Concurrent Enrollment Program (ASCENT)**

**Declining Enrollment Study.**

**State Share of Districts' Total Program Funding.**

**Additional State Aid Related to Locally Negotiated Business Incentive Agreements.**

**State Share Correction for Local Share Overpayments in Prior Fiscal Years**

**Appropriation to State Education Fund**

**Military Dependent Supplemental Pupil Enrollment Aid**

**Hold-harmless Full-day Kindergarten Funding**

-----

**(B) Categorical Programs** All of the line items in this subsection were presented by Carolyn Kampman in a separate packet on March 3, 2010.

**(I) District Programs Required by Statute**

**Special Education - Children with Disabilities.**

**English Language Proficiency Program.**

**(II) Other Categorical Programs**

**Public School Transportation.**

**Transfer to the Department of Higher Education for Distribution of State Assistance for Vocational Education.**

**Special Education - Gifted and Talented Children.**



**Expelled and At-risk Student Services Grant Program.**

**Small Attendance Center Aid.**

**Comprehensive Health Education.**

---

**(C) Grant Programs, Distributions, and Other Assistance**

**(I) Health and Nutrition**

**Federal Nutrition Programs.**

*Description:* This line item reflects all federal funding that is available for nutrition programs. These federal programs include: the National School Lunch Program (described in the next line item), the School Breakfast Program, the Special Milk Program, the Summer Food Service Program, and the Nutrition Education and Training Program. These programs attempt to provide lunches, breakfasts, other gap nutritional resources for children, as well as nutrition materials for teachers, students, food service personnel and parents. Benefits include the promotion of good health and well being as well as improved learning and test performance.

*Request:* The Department requests a total of \$108,624,965 and 9.0 FTE for FY 2010-11. Of this amount, \$82,507 is General Fund and \$108.6 million are federal funds.

*Recommendation:* **Staff recommends approving the Department's request.**

**State Match for Federal School Lunch Program.**

*Description:* The National School Lunch Program, which is administered by the Food and Nutrition Service of the U.S. Department of Agriculture, allows public or private non-profit schools and public or private non-profit residential child care facilities to receive cash subsidies and donated commodities from the U.S.D.A. for each meal they serve. Participating schools and facilities must serve meals that meet certain federal requirements and they must offer free or reduced price lunches and after school snacks to eligible children. Specifically, meals must be free to children whose families are at or below 130 percent of the federal poverty level, and offered at a reduced price to those with families between 130 percent and 185 percent of the federal poverty level. Children from families with incomes above 185 percent of the federal poverty level must pay full price, but their meals are still subsidized to some extent.

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 or risk losing about \$11 million of the federal funds available through the program annually.

Pursuant to S.B. 01-129, the General Assembly is now required 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".

*Request:* The Department requests continuation funding of \$2,472,644 cash funds from the State Public School Fund.

*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 MOE 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 \$11 million in federal funds if this appropriation were eliminated. Staff recommends continuing to reflect this appropriation as cash funds -- rental income earned on public trust lands.

### **Child Nutrition School Lunch Protection Program.**

*Description:* Senate Bill 08-123 created the Child Nutrition School Lunch Program to eliminate the price paid by children who are eligible for reduced price lunch under the federal "National School Lunch Act". The Colorado Department of Education (CDE) is required to develop procedures to implement the program. The bill requires that "the General Assembly shall annually appropriate by separate line item in the annual general appropriation bill an amount of not less than \$850,000 and not more than \$1.5 million to the Department to allow school districts to provide lunches at no charge for children in kindergarten through second grade participating in the school lunch program who would otherwise be required to pay a reduced price for lunch." The bill included an appropriation of \$850,000 from the State Education Fund for the program starting in FY 2008-09. The bill also authorizes the CDE to expend no more than 2 percent of appropriated moneys for administrative costs (\$17,000 for an \$850,000 appropriation).

Under federal law, there are three payment tiers for participation in the school lunch program: (1) fully paid, (2) reduced, and (3) free. Families pay the whole cost for fully paid, families pay \$0.40 for reduced, and the federal government covers the whole cost for free. This bill appropriates General Fund to eliminate the \$0.40 cost families pay in the reduced tier for participation in the School Lunch Program, thus making the lunch free.

*Request:* The Department requests continuation funding of \$850,000 cash funds (State Education Fund).

*Recommendation:* **Staff recommends approving the Department's request.** However, due to the near-term insolvency of the State Education Fund, if the JBC so chooses, this line item could be alternatively funded General Fund. After administrative costs are deducted, and at \$0.40 per student, with each student in school an average of 180 days per year, this amount will provide 11,570 children with lunches.

### **School Breakfast Program.**

*Description:* The federal school breakfast program, administered by the Food and Nutrition Service of the U.S. Department of Agriculture, allows public or private non-profit schools and public or private non-profit residential child care facilities may participate in the program. Participating schools and facilities receive federal subsidies for every meal they serve. Participating schools and facilities must serve breakfasts that meet certain federal requirements and they must offer free or reduced price breakfasts to eligible children. Specifically, meals must be free to children whose families are at or below 130 percent of the federal poverty level, and offered at a reduced price to those with families between 130 percent and 185 percent of the federal poverty level. Children from families with incomes above 185 percent of the federal poverty level must pay full price, but their meals are still subsidized to some extent. Schools may also qualify for higher "severe need" reimbursements if a specified percentage of their breakfasts are free or reduced price.

Pursuant to H.B. 02-1349, as amended by S.B. 03-183 [Section 22-54-123.5, C.R.S.], the General Assembly, may appropriate by separate line item an amount to assist school districts and Institute charter schools that are providing a school breakfast program through participation in the federal School Breakfast Program. The Department of Education is required to allocate the state funds among participating school districts, and school districts are required to use the state moneys to create, expand, or enhance the school breakfast program in each low-performing school of the receiving district with the goal of improving the academic performance of the students attending such schools.

*Request:* The Department has requested a continuation level of funding of \$500,000 General Fund for FY 2010-11.

*Recommendation:* **Staff recommends approving the request for \$500,000 General Fund.** The Department has fully expended for However, due to anticipated revenue shortfall for FY 2009-10,

if the JBC so chooses, this line item could be alternatively funded with moneys from the State Education Fund, but should be advised of the near-term insolvency of the State Education Fund.

**Smart Start Start Smart Nutrition Program Fund.**

**Start Smart Nutrition Program.**

*Description:* Senate Bill 07-59 created the Start Smart Nutrition Program to eliminate the amount paid by students participating in the federal School Breakfast Program who are eligible for reduced-price meals (Section 22-82.7-101 et seq., C.R.S.). Other objectives of the program include increasing the number of students who consume a nutritious breakfast each day, decreasing statewide health care costs by improving the health of school-age children, and lessening students' risk of obesity by providing nutritious breakfast options. This act requires the General Assembly to annually appropriate at least \$700,000, but not more than \$1,500,000, to the newly created Start Smart Nutrition Program Fund for such purpose. The Department is authorized to spend up to one percent of moneys appropriated from the Fund to cover associated administrative costs (\$7,000). The act included an appropriation of \$700,000 General Fund to the Start Smart Nutrition Program Fund, along with a commensurate amount of cash funds exempt spending authority out of such fund.

*Request:* The Department requests a continuation level of funding (\$700,000 General Fund and \$670,000 in reappropriated spending authority) for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.** Further, staff requests permission to change the name in the Long Bill from *Smart Start Nutrition Program Fund* to *Start Smart Nutrition Program Fund*, as delineated in the S.B. 07-59. Due to anticipated revenue shortfall for FY 2010-11, if the JBC so chooses, this line item could be alternatively funded with moneys from the State Education Fund, but should be advised of the near-term insolvency of the State Education Fund.

**S.B. 97-101 Public School Health Services.**

*Description:* Pursuant to Section 25.5-5-318, C.R.S. (S.B. 97-101), school districts, boards of cooperative services (BOCES), and state K-12 educational institutions are authorized to be reimbursed through Medicaid for health care services<sup>1</sup> 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

---

<sup>1</sup> 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).

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 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 exempt). 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. The appropriation to the Department of Education, however, only reflects the federal Medicaid funds that are used by the Department of Education to administer the program<sup>2</sup>.

*Request:* The Department of Education has requested, as amended by a budget amendment, \$148,314 reappropriated funds and 1.4 FTE.

*Recommendation:*

**FY 2009-10**

House Bill 10-1300 (Supplemental Appropriation for the Department of Health Care Policy and Financing), includes a reduction of \$61,312 federal funds for administrative cost savings in the administrative funding transferred to the Department of Education for this purpose. **Staff requests permission to reflect this adjustment as a reduction of \$61,312 reappropriated funds, reducing the Department's appropriation for this line item in FY 2009-10 to \$147,926 and 1.4 FTE.** This new appropriation includes the reduced appropriation of \$2,073 reappropriated funds, pursuant to S.B. 10-065 (Supplemental Appropriation for the Department of Education).

**FY 2010-11**

---

<sup>2</sup> Please note that prior to FY 2006-07, the appropriation to the Department of Education also reflected the federal Medicaid funds anticipated to be distributed to contracting entities for the provision of health care services.

**Staff recommends \$148,314 and 1.4 FTE for FY 2010-11.** Staff's recommendation assumes the Committee will approve the FY 2009-10 supplemental adjustment described above. Staff asks permission to make adjustments as necessary based on Committee action.

**(II) Capital Construction** All of the line items in this subsection were presented by Carolyn Kampman in a separate packet on March 3, 2010.

**Division of Public School Capital Construction Assistance.**

**Public School Capital Construction Assistance Board - Lease Payments.**

**Financial Assistance Priority Assessment.**

**Full-day Kindergarten Facility Capital Construction Fund.**

**Charter School Capital Construction.**

**State Charter School Institute Capital Construction Assistance**

**(III) Reading and Literacy**

**Federal Title I Reading First Grant.**

*Description:* The Reading First grant program was established to help school districts identify and adopt "scientifically based" reading programs for children in kindergarten through third grade. States were also allowed to use remaining funds for a number of related activities, including: teacher preparation, professional development, and licensure and certification; technical assistance to help districts implement Reading First; and administration, planning, and reporting.

*Request:* The Department requests \$300,000 federal funds based on anticipated federal awards, which reflects the remaining funds available from the previous award cycle that the federal government has permitted the Department to expend. This request reflects a decrease of \$10.6 million and eliminates all FTE associated with the program. The Department has indicated that this is a result of the U.S. Department discontinuing the program for various systemic non-compliance issues that are not specific to Colorado.

*Recommendation:* **Staff recommends approving the Department's request.** This line item is included in the Long Bill for informational purposes.

### **Read-to-Achieve Grant Program.**

*Description:* Senate Bill 00-71 and S.B. 00-124 established the Read-to-Achieve Grant Program, and the program was recently modified through S.B. 07-192. Pursuant to Section 22-7-901 et seq., C.R.S., schools may apply for grants through the program to fund intensive reading programs for students in kindergarten through third-grade (including students between the third- and fourth-grades) whose literacy and comprehension skills are below grade level. Schools may utilize the funds for in-class support and assistance, one-on-one school day pull-out programs, after school tutoring programs, or summer programs. Schools may request grant funds for up to three years. However, schools are required to demonstrate that at least 65 percent of the pupils who completed the one year instructional cycle of the intensive reading program reached their achievement goals or demonstrated that they are on pace to achieve grade level proficiency on the statewide reading assessment.

The primary source of funds for the program is the Tobacco Litigation Settlement Cash Fund. This program currently receives five percent of the annual amount of settlement moneys received by the State, up to a maximum of \$8.0 million. The Department is authorized to use up to three percent of moneys in the Read-to-Achieve Cash Fund for the expenses incurred by the Read-to-Achieve Board in administering the program. These costs include expenditures associated with 1.0 FTE, an external evaluator, tobacco oversight costs, outside consultants (who conduct site visits and provide technical assistance), networking days, travel, temporary services, postage, printing/reproduction, supplies, and materials.

In FY 2009-10, transfers of moneys from this fund to the Summer School Grant Program line item were made first by S.B. 09-256 (School Finance Act), however a subsequent bill, S.B. 09-269 (Tobacco Moneys), reduced the appropriation to the Summer School Grant Program from the State Education Fund, and replaced these funds with one-time moneys from the Read-to-Achieve Cash Fund.

*Request:* The Department requests an appropriation of \$6,673,520 and 1.0 FTE for FY 2010-11 from the Read-to-Achieve Cash Fund. Pursuant to H.B. 06-1310, the General Assembly is no longer required to appropriate tobacco settlement moneys to the Read-to-Achieve Cash Fund; instead, these moneys are transferred pursuant to statutory directive.

*Recommendation:* **Staff recommends appropriating \$6,500,000 and 1.0 FTE from the Read-to-Achieve Cash Fund for FY 2010-11.** This recommendation includes \$4,801,594 in anticipated transfers of tobacco settlement moneys, and \$1,698,406 from the balance available in the Read-to-Achieve Cash Fund. Staff's recommendation is slightly less than the Department's request as a result of the most recent revenue estimates related to the master settlement agreement coming in lower than anticipated.

Staff has learned that this fund had a balance of \$1,727,244 at the end of January, 2010.

Summary of Recommendation: Read-to-Achieve Grant Program		
Description	Total Funds	FTE
FY 2009-10 Personal Services Appropriation (including the supplemental adjustment related to furloughs made in S.B. 10-065)	\$115,550	1.0
Restore reduction related to FY 09-10 furloughs	1,821	
Distribution to BOCES as required by Section 22-2-122 (3), C.R.S. (1.0 percent of FY 10-11 appropriation)	65,000	
Other Read-to-Achieve Board administrative expenses authorized by Section 22-7-908 (2), C.R.S. (3.0 percent of FY 10-11 appropriation, less personal services expenses)	77,629	
Grant awards (includes full amount of tobacco settlement moneys anticipated to be credited to the Read-to-Achieve Cash Fund in FY 10-11, plus \$1,698,406 of the available fund balance)	6,241,821	
<b>Recommended FY 10-11 appropriation</b>	<b>6,500,000</b>	<b>1.0</b>

**Family Literacy Education Fund.**

*Background Information.* House Bill 02-1303 [see Section 22-2-124, C.R.S.] established the Family Literacy Education Grant Program through which school districts, community colleges, libraries, and other organizations may receive funding to provide family literacy education, adult literacy education, and English language literacy education services. The program was to be funded with gifts, grants, or donations credited to the Family Literacy Education Fund. The act included provisions stating the intent of the General Assembly that no General Fund be appropriated to support the Program, and repealing the Program if sufficient moneys were not credited to the Family Literacy Education Fund prior to December 1 each year.

*Request:* The Department did not request funding for this purpose for FY 2010-11.

*Recommendation:* **Staff recommends not funding this line item, per the Department's request.**

**Family Literacy Education Grant Program.**

*Description:* This line item provides reappropriated spending authority for the Department to spend moneys in the Family Literacy Education Fund from sources other than gifts, grants, and donations.

*Request:* The Department requests continuation funding of \$130,000 reappropriated.

*Recommendation:* **Staff recommends \$30,000 reappropriated funds spending authority for FY 2010-11.** According to the Department's budget submission, the Family Literacy Education Fund had a balance of approximately \$30,000.



## **(IV) Professional Development and Instructional Support**

### **Closing the Achievement Gap.**

#### *Background Information*

*Legislation.* In 2001, the House of Representatives adopted H.J.R. 01-1014 (Dean/Matsunaka) stating that, "... closing the learning gap is an important goal of Colorado's education reform program...", and urging the State Board of Education and the Department of Education "to take all appropriate steps to make closing the learning gap a central element of educational accountability in Colorado".

In 2003, the General Assembly passed S.B. 03-254 (Spence/Evans) [Section 22-7-611, C.R.S.] created the "Closing the Achievement Gap Program" to provide extensive assistance to eligible schools that are at risk of being converted into an independent charter school. Eligible schools include those that have received an academic performance rating of "unsatisfactory" or are identified by the State Board of Education as having a significant achievement gap. By April 1 of the school year preceding the year in which an eligible school intends to participate in the program, the Department is required to prepare and distribute an outline of different strategies that schools may implement to improve academic achievement. *Subject to available appropriations*, the Department is to make assistance available to participating eligible schools. The assistance could consist of information, personnel, and program and technical support. The bill also established the "Closing the Achievement Gap Commission" and the "Closing the Achievement Gap Cash Fund", which is to consist of gifts, grants, and donations received by the Department. The Legislative Council Staff fiscal note for this bill indicated that the program would be supported by gifts, grants, and donations.

*Recent Funding Requests.* In the 2008 Long Bill (H.B. 08-1375), the Closing the Achievement Gap pilot program was funded with \$1.8 million General Fund. The Department indicates that the initiative is anticipated to ultimately increase the number of students who graduate from high school, which could increase students' earnings (thereby benefitting the State's economy) and reduce the number of crimes committed. Funding was provided for an initiative to address achievement gaps associated with race and income. The Department proposed inviting those districts in the highest quartile with respect to achievement gaps to apply for Department assistance. Department intervention is intended to be available each year to an estimated six school districts as a pilot program. Participating districts would receive three types of assistance, estimated to cost \$300,000 per year, per district. This funding includes: (1) a "gap consultant", who would be hired by each school district, be located in the district, and be part of the district's administrative team [\$75,000 to \$100,000 per year, per district]; (2) software tools and hardware platform for monitoring progress for each district, including "formative" assessments [\$100,000 per year, per district]; and (3) staff development and on-site coaching for both teachers and instructional leaders in each district [\$100,000 per year, per district]. Additionally, each district is to choose an independent pre-qualified vendor to assist in plan implementation of the project.

*Request:* The Department requests continuation funding of \$1.8 million cash funds from the State Education Fund for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

### **Content Specialists.**

*Description:* For FY 2008-09, the Department was appropriated \$433,480 General Fund and 4.6 FTE to hire five "content specialists" to provide leadership, guidance, and support for schools and school districts in specific content areas to positively impact student achievement (FY 08-09 Decision Item #4). These individuals specialize in five areas: (1) mathematics; (2) science; (3) social studies (history, geography, civics, and economics); (4) arts (visual arts and music); and (5) achievement gaps.

*Request:* The Department requests \$437,392 cash funds from the State Education Fund and 5.0 FTE for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

### **Office of Dropout Prevention and Student Re-engagement**

*Description:* House Bill 09-1243 created the Office of Dropout Prevention and Student Re-engagement and would be implemented if sufficient gifts, grants, or donations are received to fund its operations. The office provides technical assistance and collaborate with local education providers to reduce the student dropout rate and increase graduation and completion rates. In addition, the office is required to develop a report of best practices for reducing the dropout rate and increasing student engagement and conduct other data analysis. The Office must also report annually to the State Board of Education, the Governor, and the General Assembly with findings and recommendations for reducing the dropout rate and increasing the graduation rate.

In FY 2009-10, this line item received a one-time increase of \$307,944 federal funds in FY 2009-10 for the purposes of enhancing the State's competitiveness for federal Race-to-the-Top Grant awards. The intent of this allocation is for these moneys to be applied over two fiscal years including FY 2010-11. These moneys are anticipated to be from the General Services Grants Subaccount of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act (ARRA) of 2009.

*Request:* The Department requests \$150,172 cash funds and 2.0 FTE for FY 2010-11. The source is from gifts, grants, and donations. This request was made prior to the Department receiving the federal ARRA allocation.

*Recommendation:* **Staff recommends \$150,172 federal funds and 2.0 FTE for FY 2010-11. This reflects the anticipated amount of federal moneys that will be expended.**

### **School Leadership Academy Program.**

*Description:* House Bill 08-1386 created the School Leadership Academy Program to provide recruitment, induction, and professional development to principals in public schools. The intent of the program is to provide training both for practicing principals, and for initial principal licensees. The bill creates the School Leadership Academy Board to oversee the program and identify the base curriculum of the program. The procedures are to be submitted to the State Board of Education for its approval. The bill also authorizes this program as a valid recipient of State Education Fund moneys.

In FY 2009-10, this line item received a one-time allocation of \$25,000 federal funds. These moneys are anticipated to be from the General Services Grants Subaccount of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act (ARRA) of 2009.

*Request:* The Department requests \$75,000 cash funds from the State Education Fund and 0.7 FTE for FY 2010-11.

*Recommendation:* **Staff does not recommend funding or FTE authority for this line item in FY 2010-11.** By reducing the appropriation to this program from this funding source, additional moneys from the State Education Fund are available to offset qualifying education programs currently funded with General Fund or to partially avoid the insolvency of the State Education Fund. It is staff's belief that this program is as discretionary as four other programs identified by the Department to have funding suspended for FY 2010-11 and FY 2011-12. Thus, staff does not recommend funding for this line item for FY 2010-11.

### **National Credential Fee Assistance.**

*Description:* This program, initially established through H.B. 02-1349, requires the Department to assist individuals seeking a national credential by paying a portion of the fees charged for such credential [see Section 22-60.5-112.5, C.R.S.]. The amount of fee assistance is to be equal to the amount of the national credential fee received by the applying teacher through a federal assistance program. Procedurally, individuals apply for federal fee assistance first. If the federal application is approved, the National Board for Teaching Standards submits a request to the Department for a matching amount of state funds. The General Assembly is to annually appropriate, if available, moneys in the State Education Fund for such purpose. This provision includes a legislative declaration that providing national credential fee assistance to teachers who obtain a national credential from an approved professional organization constitutes a performance incentive for teachers and such teachers may therefore receive funding from the State Education Fund.

*Request:* The Department does not request an appropriation for this line item in FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

### **Boards of Cooperative Services.**

*Description:* Background Information. Public school districts and postsecondary institutions are authorized to establish boards of cooperative services (BOCES) for the purpose of offering shared instructional and administrative programs such as data processing, curriculum development, special education, and staff development to member school districts [see Section 22-5-101, et seq., C.R.S.]. Services performed under the direction of the BOCES are financed by member contributions.

*Request:* The Department has not requested funding for this line item for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

### **Civic Education.**

*Description:* Pursuant to Section 22-1-104 (6), C.R.S., the Department is required to assist school districts in developing and promoting civic education programs in an effort to strengthen the teaching of civic education in all public schools, the Department shall assist the school districts of the state in developing and promoting programs for elementary and secondary students that address the state model content standards for civics and promote best practices in civic education. Statute further specifies that the program assists students in meeting state academic standards and may therefore receive funding from the State Education Fund.

For the last four fiscal years, the General Assembly has appropriated \$200,000 from the State Education Fund for this purpose. In previous years, the Department used this funding to support a professional development initiative on teaching and learning civic content and skills in Colorado classrooms, as well as provide professional exchange programming and support for teachers who participated in previous years. For FY 2008-09, the Department had plans to align activities with the Department's "Forward Thinking" goals, which included: (1) enhance professional development involving best practices in civic education; (2) implement a more consistent and comprehensive statewide system of support to the civic education community; (3) review and refine the civics model content standards to reflect 21st Century skills, college, and workforce readiness; and (4) design, detail, and disseminate model civics curricula and related assessment tools that districts may voluntarily use and that are aligned with research, proven to deliver results, and supported through competent providers of technical support.

*Request:* The Department has not requested funding for this line item for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

### **Financial Literacy (Budget Reduction #2).**

*Description:* Pursuant to Section 22-2-127, C.R.S. (H.B. 04-1360), the State Board of Education is required to create, maintain, and make available to school districts a resource bank of materials pertaining to financial literacy. The Department is required to provide technical assistance related to curriculum design upon the request of a school district or a charter school. This provision includes a legislative declaration that the creation of a financial literacy resource bank is "an

important element of an accountable program to meet state academic standards" and may therefore receive funding from the State Education Fund. The Department is also authorized to accept and expend any gifts, grants, or donations for purposes of implementing this provision, which are to be credited to the Financial Literacy Cash Fund.

In FY 2008-09, the Department's plan included disseminating and providing technical assistance for the implementation of model financial literacy curriculum. This approach is consistent with the Department's "Forward Thinking" goal to design, detail and disseminate model curricula in the area of financial literacy. The Department indicates that pilot programs would continue and be expanded that would help to find ways to integrate financial literacy into existing curriculum at various grade levels. The artifacts that are developed would be available to districts and schools across the state.

*Request:* The Department has requested as its **Budget Reduction Item #2 (Suspend Discretionary Program Funding for FY 2010-11 and 2011-12)**, that funding for this line item be suspended for FY 2010-11. The Department's original budget reduction reflected a decrease of \$40,000 cash funds from the State Education Fund, however this line item was subsequently reduced through a supplemental adjustment made in S.B. 10-065 (Supplemental Appropriation for the Department of Education), which reduced this line item by \$36,471 cash funds in FY 2009-10. Thus, the actual savings realized if this request is approved is \$3,529 cash funds. This budget reduction request is a portion of a \$2,039,861 cash funds and 1.3 FTE multi-program budget reduction request.

*Recommendation:* **Staff recommends approving the Department's request to not fund this line item in FY 2010-11.** Thus, by reducing the appropriation to this program from this funding source, additional moneys from the State Education Fund are available to offset qualifying education programs currently funded with General Fund or to partially avoid the insolvency of the State Education Fund. The original Department request was a reduction of \$40,000 cash funds from the State Education Fund. As a result of the supplemental adjustment to this line item made in S.B. 10-065, the annual reduction that will be realized is \$3,529 cash funds.

**Colorado History Day (Budget Reduction #2).**

*Description:* House Bill 04-1202, concerning the funding of "Colorado History Day", requires the Department to assist school districts in developing and promoting programs that engage students in the process of discovery and interpretation of historical topics. While this bill authorizes the Department to accept gifts, grants, and donations for such purpose, it also includes the following provision [see Section 22-1-104 (5) (c), C.R.S.]:

"It is the intent of the general assembly that the objectives specified in paragraph (a) of this subsection (5) are to be funded through the state education fund created in section 17 (4) of article IX of the state constitution. The general assembly hereby finds that the development, promotion, and maintenance by the school districts of the state of programs for elementary and secondary students that engage such students in the process of discovery and interpretation of historical topics assists these students in meeting state

academic standards and may therefore be funded from moneys in the state education fund."

The Department has a memorandum of understanding with the Department of History, University of Colorado at Denver and Health Sciences Center, for "Colorado History Day". Through this program, students in grades six through twelve engage in a year-long educational program leading to regional competitions in February and March; regional competition winners travel to the state-level competition in May at the University of Colorado, and winners at the state level advance to the national contest at the University of Maryland in June. The funds provided through this line item are used to support regional programs, teacher workshops and curriculum support, coordination of the annual state-level competition, and coordination of Colorado's delegation at the national competition.

*Request:* The Department has requested as its **Budget Reduction Item #2 (Suspend Discretionary Program Funding for FY 2010-11 and 2011-12)**, that funding for this line item be suspended for FY 2010-11. The Department's original budget reduction reflected a decrease of \$10,000 cash funds from the State Education Fund. This budget reduction requests is a portion of a \$2,039,861 cash funds and 1.3 FTE multi-program budget reduction request.

*Recommendation:* **Staff recommends approving the Department's request to not fund this line item in FY 2010-11.** Thus, by reducing the appropriation to this program from this funding source, additional moneys from the State Education Fund are available to offset qualifying education programs currently funded with General Fund or to partially avoid the insolvency of the State Education Fund.

### **Innovative Schools Act of 2008**

*Description:* Senate Bill 08-130 created a mechanism for schools, groups of schools, and districts to adopt plans that try new ways of delivering instruction and/or allocating resources. It creates a new classification of school districts, "Districts of Innovation," that have one or more schools implementing these plans. Districts of innovation are provided a greater degree of autonomy and can waive some statutory requirements.

*Request:* The Department has not requested funding for this line item for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

### **(V) Summer and After-school Programs**

#### **Summer School Grant Program (Budget Reduction #2).**

*Description:* House Bill 06-1375 included a provision that recreated and reenacted this program, which was originally established through S.B. 01-129 (see Section 22-7-801 et seq., C.R.S.). This program provides grants for districts to operate summer school programs for students entering the

4th through 8th grades who received an unsatisfactory score on the reading, writing, or math portion of the Colorado student assessment program in the preceding academic year. The Department is authorized to annually withhold up to three percent of the moneys appropriated for this program to offset the direct costs incurred in administering the program and to "evaluate the progress of the summer school programs operated by school districts and Institute charter schools that receive grants" through the program. The act included the following provision concerning funding:

"For the 2006-07 budget year and for each budget year thereafter, subject to available appropriations, the general assembly shall annually appropriate moneys from the state education fund...to the department to be used to award grants for summer school programs...".

This provision does not include a statement of legislative intent identifying the associated constitutionally authorized purpose. However, it seems reasonable to assume that this program could be considered an "accountable program to meet state academic standards".

For FY 2008-09, the Department requested that funding for the program be suspended. As a result of this request, funding was reduced from \$1.0 million to \$27,105 and was included as a part of the Department's budget reduction package and was included in the Department's supplemental bill (S.B. 09-185).

In FY 2009-10, \$1.0 million cash funds from the State Education Fund and 0.3 FTE were appropriated in 2009 Long Bill (S.B. 09-259), however S.B. 09-269 (Tobacco Moneys) refinanced this line item with moneys from the Read-to-Achieve Cash Fund, which is a beneficiary of tobacco master settlement agreement revenues. However, S.B. 09-256 (School Finance Act), refinanced this line item from the Read-to-Achieve Cash Fund back to State Education Fund moneys. Senate Bill 10-065 (Supplemental Appropriation for the Department of Education), reduced this line item by \$984,342, as only \$15,658 was expended to support 0.3 FTE.

*Request:* The Department has requested as its **Budget Reduction Item #2 (Suspend Discretionary Program Funding for FY 2010-11 and 2011-12)**, that funding for this line item be suspended for FY 2010-11. The Department's original budget reduction reflected a decrease of decrease of \$1.0 million cash funds from the State Education Fund and 0.3 FTE, however this line item was subsequently reduced through a supplemental adjustment made in S.B. 10-065 (Supplemental Appropriation for the Department of Education), which reduced this line item by \$984,342 cash funds in FY 2009-10. Thus, the actual savings realized if this request is approved is \$15,658 cash funds and 0.3 FTE. This budget reduction request is a portion of a \$2,039,861 cash funds and 1.3 FTE multi-program budget reduction request.

*Recommendation:* **Staff recommends approving the Department's request.** Thus, by reducing the appropriation to this program from this funding source, additional moneys from the State Education Fund are available to offset qualifying education programs currently funded with General Fund or to partially avoid the insolvency of the State Education Fund. The original Department

request was a reduction of \$1.0 million cash funds from the State Education Fund and 0.3 FTE. As a result of the supplemental adjustment to this line item made in S.B. 10-065, the annual reduction that will be realized is \$15,658 cash funds and 0.3 FTE.

**Dropout Prevention Activity Grant Program.**

*Description:* House Bill 05-1024 created the Dropout Prevention Activity Grant Program. This program is funded through voluntary income tax check-off contributions, which are credited to the Dropout Prevention Activity Grant Fund. This Fund is subject to annual appropriation, and the Department is authorized to expend up to two percent of the moneys annually appropriated from the Fund to offset the direct and indirect costs incurred in implementing the Program. Pursuant to Section 22-27.5-101 et seq., C.R.S., the Department is to distribute these funds to before- and after-school programs that provide arts-based or vocational activities for students in grades six through nine who are at risk of dropping out of school. The Department developed a grant application process for qualified schools and community-based organizations. Priority will be given to schools that experience high dropout rates.

*Request:* The Department does not request funding for this program in FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

**Healthy Choices Dropout Prevention**

*Description:* Senate Bill 0-123 created the Healthy Choices Dropout Prevention Pilot Program to provide grant funds aimed at increasing the number of children who graduate. Schools that teach 6th, 7th, and 8th grade will be eligible for grant funds based on the criteria identified in the bill. The Department of Education (CDE) administers the pilot program.

*Request:* The Department requests \$14,953 cash funds and 0.2 FTE for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

**(VI) Facility Schools.** All of the line items in this subsection were presented by Carolyn Kampman in a separate packet on March 3, 2010.

**Facility Schools Unit and Facility Schools Board.**

**Facility School Funding.**

**Hold-harmless Facility School Funding.**



**(VII) Other Assistance**

**Appropriated Sponsored Programs.**

*Description:* This line item reflects the moneys allocated to the Department from the U.S. Department of Education, for pass-through to districts and to BOCES. The following table reflects 2009 estimates. Please note that these figures bridge two fiscal years. The amount reflected in the Long Bill are the Department's best estimate of distributions that might be made in a state fiscal year, however are included for informational purposes only.

<b>Appropriated Sponsor Programs 2009 Distributions</b>		
<b>Distribution</b>	<b>Amount (\$ million)</b>	<b>Percent</b>
Title I Distribution	\$133.4	63.4%
Title II Distribution	29.8	14.2%
After School Learning Center	8.3	3.9%
Migrant Education	8.2	3.9%
Adult Education	6.3	3.0%
Charter School Grants	5.6	2.7%
Title II-D Education Technology Grants	3.1	1.5%
Safe/Drug-Free Schools	2.8	1.3%
Title I Administration	2.1	1.0%
Other	10.9	5.2%
<b>Total distributions made in 2009</b>	<b>\$210.5</b>	

*Request:* The Department requests a total of \$285,437,580 and 73.3 FTE for this line item, based on preliminary estimates of federal funding that will be available for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

**School Counselor Corps Grant Program.**

*Description:* House Bill 08-1370 created the School Counselor Corps Grant Program and directs the State Board of Education to promulgate rules necessary to implement the program. The grant program is intended to improve and increase counseling services to students in secondary schools. Beginning in FY 2008-09, subject to available appropriations the State Board of Education is required to grant awards to education providers for a term of 3 years. The act created the School Counselor Corps Grant Fund to consist of any moneys appropriated to the fund by the General Assembly and from gifts, grants, and donations. Moneys in the fund shall be subject to annual appropriation by the General Assembly for the direct and indirect costs of the program. Any money remaining in the fund as of July 1, 2011, revert to the General Fund. The act authorizes the CDE to expend up to 2 percent of moneys annually appropriated from the fund to implement and administer

the program. The act included a State Education Fund appropriation for \$5.0 million to the new cash fund.

To be considered for a grant, a school district, Board of Cooperative Educational Services, or charter school shall specify details of its current program, and how grant money will be spent to improve or increase services. The Department is required to apply specific criteria when reviewing applications and making recommendations to the board. The Department is also required to give priority to applications for secondary schools where the dropout rate exceeds the statewide average, and/or where there are a high percentage of students receiving free or reduced-cost lunch. The act identified other criteria such as collaboration with institutions of higher education, community involvement, and the availability of matching funds. Education providers who receive a grant are required to report annually to the Department, which is then required to summarize and compile the information in a report to the Education Committees of the General Assembly.

*Request:* The Department requests \$4,998,500 cash funds from the State Education Fund and 1.0 FTE to administer the program for FY 2010-11.

*Recommendation:* **Staff does not recommend funding this line item or provide FTE authority in FY 2010-11.** This line item is discretionary and given the near-term insolvency of the State Education Cash Fund and the projected revenue shortfall in FY 2010-11, staff does not recommend funding this program. It is staff's belief that this program is as discretionary as four other programs identified by the Department to have funding suspended for FY 2010-11 and FY 2011-12. Thus, staff does not recommend funding for this line item for FY 2010-11.

**Contingency Reserve Fund.**

*Description:* Pursuant to Section 22-54-117 (1) and (4), C.R.S., the State Board is authorized 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;
- (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; 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." The following table summarizes amounts paid out to school districts since FY 1993-94.

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. Beginning in FY 2001-02, the appropriation related to the Contingency Reserve has included spending authority related to districts' repayments (in lieu of a General Fund appropriation to the Contingency Reserve). Specifically, \$310,000 of the assistance provided in FY 2001-02 came from district repayments, and \$758,226 of the assistance provided in FY 2002-03 came from district repayments. All other payments were provided through General Fund appropriations.

The General Assembly has not appropriated General Fund moneys for this line item since FY 2002-03. The source of funds for the FY 2006-07 appropriation for this line item (\$4,291,277 cash funds exempt) is reimbursements from Denver Public Schools. In FY 2000-01, the State Board paid Denver Public Schools a total of \$3,948,814 to offset property taxes owed by United Airlines when the company declared bankruptcy. The district reimbursed the State for the amount received plus interest once the bankruptcy case was resolved.

As a part of the FY 2008-09 budget balancing package introduced by the JBC, the fund's balance of \$3,082,452 was transferred from the Contingency Reserve Fund to the General Fund to augment revenues (S.B. 09-208). Moneys in the fund were originally transferred from the General Fund.

*Request:* The Department requests continuation funding of \$500,000 cash funds for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

**Regional Service Cooperatives (Budget Reduction #2).**

*Description:* House Bill 08-38 required that the State Board of Education, in consultation with the Governor's Office, the Department of Higher Education, and the Colorado Department of Education (CDE), divide the state into 12 regional service areas. Educational agencies within these service areas may create service cooperatives to include participants from school districts, the community,

Boards of Cooperative Educational Services (BOCES), institutions of higher education, and/or other educational service agencies. Participation in the service area is voluntary. Once formed, each participating service area is required to establish a regional service council to act as the governing body. The act sets requirements for the composition of the councils. Once a comprehensive plan has been approved by the State Board, a service area may apply for a 1-time grant of \$10,000 to reimburse it for the cost of developing the plan. If the plan is approved, the service area shall receive an annual appropriation of \$50,000, subject to availability, beginning in FY 2009-10. If availability is insufficient to award each service area the full amount, the State Board is required to reduce all awards proportionally for that year. Additionally, each service area is entitled to receive \$0.50 for each student enrolled in a school district within its area. Each service area may use up to 10 percent of moneys received for grant management and fiscal oversight. Service areas where enrollment is less than 15,000 students may use up to 20 percent. Each service area is authorized to seek gifts, grants, and donations for the purposes of implementing the bill. Each service area that receives funding from the bill is required to submit an annual report to the State Board and the CDE, and an annual budget to the CDE. The bill requires that a BOCES within the service area act as the fiscal agent.

*Request:* The Department has requested as its **Budget Reduction Item #2 ((Suspend Discretionary Program Funding for FY 2010-11 and 2011-12))**, that funding for this line item be suspended for FY 2010-11. The Department's original budget reduction reflected a decrease of decrease of \$1,067,182 cash funds from the State Education Fund and 1.0 FTE, however this line item was subsequently reduced through a supplemental adjustment made in S.B. 10-065 (Supplemental Appropriation for the Department of Education), which reduced this line item by \$40,850 cash funds in FY 2009-10. Thus, the actual savings realized if this request is approved is \$1,026,332 cash funds and 1.0 FTE. This budget reduction requests is a portion of a \$2,039,861 cash funds and 1.3 FTE multi-program budget reduction request.

*Recommendation:* **Staff recommends approving the Department's request.** Thus, by reducing the appropriation to this program from this funding source, additional moneys from the State Education Fund are available to offset qualifying education programs currently funded with General Fund or to partially avoid the insolvency of the State Education Fund. The original Department request was a reduction of \$1,067,182 cash funds from the State Education Fund and 1.0 FTE. As a result of the supplemental adjustment to this line item made in S.B. 10-065, the annual reduction that will be realized is \$1,026,332 cash funds and 1.0 FTE.

#### **First Responder School Mapping System.**

*Description:* House Bill 08-1267 established a school mapping system as part of the School Safety Resource Center's pilot program and appropriated \$150,000 cash funds from the State Education Fund in FY 2008-09. In the event of an emergency, the system will provide first responders with access to electronic maps and information about school buildings. The center must designate 1, 2, or 3 schools in each pilot site for mapping. Pilot sites may contract with public or private entities with experience in first responder school mapping systems. Contracts must be submitted to the School Safety Resource Center for approval and, if approved, for reimbursement of direct and

indirect costs of creating the mapping system. Funding for this program was one-time in nature. Thus, no request or recommendation is necessary.

**Supplemental On-line Education Services.**

*Description:* House Bill 06-1008 established a program whereby small school districts and certain charter schools could receive reimbursement for the cost of purchasing supplemental on-line education courses. This program was authorized for one year. Subsequently, H.B. 07-1066 established two programs to support supplemental on-line education services. The first program is supported by this line item. Pursuant to Section 22-5-119, C.R.S., the General Assembly is required to annually appropriate federal mineral lease revenues for the Mountain Board of Cooperative Services (BOCES) to contract with a supplemental on-line course provider to offer on-line courses to school districts, BOCES, and charter schools at a cost of no more than \$200 per student per semester course. The act included an appropriation of \$480,000 from the State Public School Fund (federal mineral lease revenues) for this program.

*Request:* The Department requests continuation funding of \$480,000 cash funds from the State Public School Fund for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's recommendation.**

**Supplemental On-line Education Grant Program.**

*Description:* The second program authorized by H.B. 07-1066 is supported by this line item. Pursuant to Section 22-2-130, C.R.S., the General Assembly is required to annually appropriate federal mineral lease moneys for the State Board of Education to award grants to BOCES and certain school districts and charter schools to remove financial or technical barriers to providing supplemental on-line education courses. Grants can be used to provide additional reimbursement for the cost of purchasing supplemental on-line courses, or to increase access to supplemental on-line courses by providing technical equipment, hiring technical specialists, providing staff training, or providing financial assistance to hire personnel to facilitate on-line access. The Board is to give priority to those entities that have been unable to provide supplemental on-line courses in the past, and consider the degree to which students require supplemental on-line courses to meet higher education admission standards, as well as other revenue sources available to each entity. A grant may not exceed \$5,000 in a fiscal year. The Department is allowed to spend up to two percent of the moneys annually appropriated for this program to offset the direct and indirect costs of administering the program.

*Request:* The Department requests continuation funding of \$50,000 cash funds from the State Public School Fund for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's recommendation.**

### **School Awards Program [New Line Item]**

*Description:* Senate Bill 09-256 (School Finance Act) provided a one-time transfer of \$250,000 from the Read-to-Achieve Cash Fund to the School Awards Program Fund in FY 2009-10. Moneys are to be allocated to schools that have the highest achievement on statewide assessments (John Irwin Schools of Excellence Awards), highest rates of longitudinal growth (Governor's Distinguished Improvement Awards), schools with high populations of at-risk pupils that achieve high levels of longitudinal growth (Centers of Excellence Awards), and as determined by the State Board of Education [pursuant to Sections 22-11-602, 603, 603.5, and 605, C.R.S.].

*Request:* The Department requests \$250,000 cash funds spending authority for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.** As of March 7, 2010, no moneys from the School Awards Program Fund had been expended.

### **Interstate Compact on Educational Opportunity for Military Children.**

*Description:* House Bill 08-1317 created the Interstate Compact on Educational Opportunity for Military Children, as developed by the Council of State Governments. It 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 proposed compact, if passed, will become effective once 10 or more states adopt the language. In general, the compact provides children of uniformed service members or veterans with the following: (1) processes through which educational records will be transferred in a timely manner; (2) guidelines and requirements to assist in placing transferred students within the proper grade, courses, special education services, and extracurricular activities; and (3) waivers of required courses and exit exams to facilitate the graduation of military children for cases in which the child has completed similar work at another school.

The compact also creates the Interstate Commission on Education Opportunity for Military Children to administer the compact and facilitate interstate activities. The governor of each member state appoints a representative to the commission. The commission has the power to adopt rules, establish an administrative office, receive and expend funds, enforce member compliance, and assist in disseminating information. The commission may collect an annual fee from every member state.

The compact also requires each member state to have a state council consisting of 5 or more members to ensure compact participation and compliance. The council will have a military family education liaison and a compact commissioner.

*Request:* The Department requests \$30,185 cash funds from the State Education Fund.

*Recommendation:* **Staff recommends approving the Department's request.**

## REQUEST FOR INFORMATION

Staff recommends continuing the following request for information, as amended:

**Department of Education, Assistance to Public Schools, Grant Programs and Other Distributions** -- The Department is requested to provide information to the Joint Budget Committee by November 1, 2010, 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 year 2009-10.

Comment: Pursuant to a provision added by H.B. 02-1053 (Young/Taylor), the Department is required 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.

---

### (3) LIBRARY PROGRAMS

*Statutory Authorization and Responsibilities.* Article IV, Section 20 of the Colorado Constitution states that the "superintendent of public instruction shall be the ex officio state librarian." Pursuant to Section 24-90-104, C.R.S., the State Library is a division within the Department of Education, and its operation "is declared to be an essential administrative function of state government". The State Librarian has a number of statutory duties and responsibilities, including the following [see Section 24-90-105, C.R.S.]:

- to furnish library or information services to state officials, departments, institutional libraries, and persons who are blind and physically disabled;
- to contract for the furnishing of library resources to ensure equal access to information for all Coloradans;
- to provide for the collection, analysis, publication, and distribution of statistics and information relevant to the state library and to public, school, academic, and institutional libraries;
- to contract for the lending of books and other resources to publicly-supported libraries and institutions and to encourage contractual and cooperative relations to enhance resource sharing among all types of libraries and agencies throughout the state;
- to encourage contractual and cooperative relations to enhance resource sharing among all types of libraries and agencies throughout the state;
- to further library development and to promulgate service standards for school, public, and institutional libraries; and
- to receive and administer federal funds for libraries.

*Recent Funding Reductions.* As noted in the narrative at the beginning of this packet, prior to FY 1987-88, funding for library staff and library programs was appropriated through distinct line items. In FY 1987-88, however, funding for library program staff was consolidated with funding for other Department management and administrative staff to facilitate a \$2.5 million reduction in General Fund appropriations for the administration of the Department and library programs. From FY 2001-02 through FY 2004-05, base General Fund appropriations for staff supported through the consolidated line item were been reduced by another \$1.8 million, resulting in a reduction of 3.0 FTE library program staff (a 14 percent reduction). Positions that were eliminated include staff at the Talking Book Library and staff responsible for institutional library programs.

This section of the Long Bill currently includes line items associated with library programs, other than Department library program staff. The \$1,420,819 General Fund currently appropriated in this section of the Long Bill for library programs for FY 2006-07 represents 19 percent of the total General Fund appropriated by the General Assembly for library programs for FY 2001-02.



### **Administration.**

*Description:* This line item reflects the general administration of library programs.

*Request:* The Department requests \$996,653 total funds (including \$747,430 General Fund) and 12.8 FTE.

*Recommendation:* **Staff recommends approving the Department's request, which was calculated in accordance with Committee policy.**

### **Federal Library Funding.**

*Description:* This line item reflects the general administration of library programs.

*Request:* The Department requests \$3,030,533 federal funds and 23.8 FTE for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

### **Colorado Library Consortium.**

*Background Information.* Historically, seven regional organizations of publicly-funded libraries (school, public, academic, and special libraries), known as "regional library service systems", provided cooperative services in designated geographic areas of Colorado. The seven regional systems provided the following services to member libraries:

- professional development and technical assistance for librarians, particularly those who work in school and public libraries (e.g., developing professional collections of books and videos on all aspects of library and school media services and loaning such materials to libraries and schools across the State);
- administration of cooperative purchasing programs for member libraries (negotiating significant discounts on books and other library materials); and
- coordination of interlibrary lending (including courier services) for member libraries.

Regional systems' budgets covered all program operations including personnel salaries and benefits, rent for office space, travel costs, and general program operations. The appropriation of state funds previously provided about 70 percent of regional systems' revenues; other revenues available to the regional systems included courier and other fees paid by member libraries. While a small portion of the state funding was used for cooperative projects, the majority of state funding was distributed to the regional systems based on a formula which accounted for each region's population, its geographic size, and the number of libraries in the region.

In May 2004, the Colorado Library Advisory Board established a task force to gather information from the library community statewide and prepare a strategic plan (2005 through 2010). The library

community participated in a process to prioritize goals and objectives. The six objectives selected by the library community as most crucial include the following:

1. Find new funding sources for libraries;
2. Find financial support for the courier;
3. Provide statewide access and funding for electronic resources;
4. Develop a single locator system for all Colorado library holdings;
5. Create a statewide continuing education plan for library staff; and
6. Provide sustainable access to statewide virtual services.

In FY 2006-07 the General Assembly approved a requested \$400,000 increase to help offset the costs of courier service to member libraries. The library courier transports five million items annually between 423 member libraries (including approximately 3,000 library buildings) as part of providing equitable library services to all state residents. These items include print material (books, journal articles, magazines, and newspapers), audiovisual material (CD's, computer disks, DVD's, and tapes), and correspondence between libraries (Summer reading program materials, promotional materials, etc.). This service saves libraries a significant amount in mailing costs. In addition, it reduces the cost of adding to and maintaining local library collections while providing patrons with access to materials statewide. The courier offers next day delivery to most locations.

*Request:* The Department requests continuation funding of \$1.0 million General Fund for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

### **Colorado Virtual Library.**

*Description:* In 1990, the General Assembly created the "Colorado Computer Information Network" to connect existing library information networks (e.g., the Colorado Alliance for Research Library Network), thereby providing all Colorado residents with equal access to library information [H.B. 90-1230]. In 2003, Section 24-90-301 et seq., C.R.S., was amended and the network was renamed the Colorado Virtual Library. The State Librarian is currently responsible for providing electronic resources through libraries to all Colorado residents and to students and staff at higher education institutions and public schools. The Colorado Virtual Library is thus a statewide, Internet-based library network that provides free access to:

- on-line catalogs of the holdings of Colorado libraries;
- locally produced databases; and
- digitized collections of Colorado resources.

The Colorado Virtual Library is managed cooperatively by the State's library community, including the Department of Education. Prior to FY 2008-09, the General Fund appropriation for this line item provided funding for ongoing operations, including:

\$162,510	Contract technical staff for operations and programming
115,416	Contract training and user support staff and in-state travel
66,970	Annual hardware and software maintenance fees
7,500	Leased space, database archiving services, backup tapes, etc.
7,100	T1 circuit and Internet connectivity
300	Annual domain name registration fees
359,796	Total General Fund appropriation

In FY 2008-09, this line item received a \$1.0 million General Fund increase as a result of JBC action, for a total appropriation of \$1,359,796. In FY 2009-10, the introduced Long Bill (S.B. 09-259) included funding for this line item, however, as amended, this bill eliminated this additional funding for budget balancing purposes.

*Request:* The Department requests continuation funding of \$379,796 (including \$359,796 General Fund) for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

**Colorado Talking Book Library, Building Maintenance and Utilities Expenses.**

*Background Information.* The Colorado Talking Book Library is part of a national library program providing Braille and recorded materials for blind, physically, and reading disabled persons in Colorado. The Colorado Talking Book Library is one of the original 19 libraries established pursuant to the federal Pratt Smoot Act in 1931. Library services are provided to eligible individuals free of charge. The library's recorded materials and tape machines are provided by the Library of Congress; this collection is enhanced by recordings of local materials taped 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. This building also currently houses backup computer equipment for the Department of Education.

The Library serves over 12,500 patrons and 677 institutional accounts (e.g., nursing homes, schools, etc.) statewide.

The Library operates in a very cost-effective manner. State funds currently support approximately half of operating expenses and 5.5 FTE (these are currently funded from allocations from the "General Department and Program Administration" line item), with the balance supported through federal funds (4.0 FTE) and donations. The Library currently operates with a total of 13.0 FTE staff and 150 volunteers who work hours equivalent to 8.0 FTE; American Library Association guidelines indicate that the Library should have 34.0 FTE. In addition, the National Library for the Blind and Physically Handicapped (NLS), within the Library of Congress, provides playback equipment and supplies, Braille and recorded books and magazines. The value of NLS support is estimated at over \$630,000 annually, and the existing inventory of materials and equipment provided by NLS is valued

at over \$5.5 million. Finally, the U.S. Postal Service subsidizes mail service for materials sent to and returned from Library patrons, a savings of approximately \$2.3 million annually.

In addition to funding associated with the Talking Book Library facilities, the General Assembly has historically provided state funding for three purposes:

- A portion of the funding appropriated through the "General Department and Program Administration" line item is allocated to support some of the library staff.
- Prior to FY 2003-04, the General Assembly provided an annual appropriation of funds for the Talking Book Library and for 42 libraries in state residential institutions (e.g., correctional facilities, the Mental Health Institutes, youth corrections facilities, the Colorado School for the Deaf and the Blind, and nursing homes) to purchase periodicals, books, and other resources (e.g., \$97,823 General Fund for FY 2002-03).
- Prior to FY 2003-04, and again beginning in FY 2006-07, the General Assembly provided an annual appropriation of funds to cover the library's maintenance and utility expenses (e.g., \$61,023 General Fund for FY 2007-08).

In addition, the Library has access to interest earned on the Mary Jones Trust, which was established in 1981 with an initial donation of \$91,000. As of October 31, 2007, the balance in the Trust was \$1,142,092. While the Trust was intended to support projects that have an impact on a large number of library patrons, since 2002 interest earnings have been used to support 1.5 FTE. The State Board has approved expenditures totaling \$60,000 from the Trust Fund for FY 2008-09 to support 1.5 FTE.

*Request:* The Department requests continuation funding of \$70,660 General Fund for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.** The library serves a number of elderly patrons, and most of the Library's 150 volunteers are over the age of 60.

### **Reading Services for the Blind.**

*Background Information* - Colorado Disabled Telephone Users Fund. 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 surcharges on each telephone access line. The PUC adjusts this surcharge annually, when necessary. All moneys received by the PUC are credited to the Colorado Disabled Telephone Users Fund.

Pursuant to a series of statutory changes beginning in 1999, moneys in the Colorado Disabled Telephone Users Fund are also used for other purposes, including: (a) privately operated reading services for the blind; (b) the Colorado Commission for the Deaf and Hard of Hearing; and (c) the Colorado Commission for Individuals Who are Blind or Visually Impaired. Cash fund

appropriations for each of these purposes are made to the PUC annually, and corresponding cash funds exempt appropriations appear in the other relevant state agencies' budgets.

*Description of Line Item and Funding History.* This line item provides spending authority to the Department of Education out of the Reading Services for the Blind Cash Fund. Pursuant to Sections 24-90-105.5 (5) and 40-17-104, C.R.S., the General Assembly is to annually appropriate moneys out of the Colorado Disabled Telephone Users Fund 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.

The Department annually contracts with Audio Information Network of Colorado (formerly known as Radio Reading Service of the Rockies) to provide an on-the-air volunteer reading service for the blind, visually impaired, and print-handicapped citizens of Colorado. The broadcast services were once embedded in analog television signals of Rocky Mountain PBS and were decoded with an analog radio tuned to the broadcast channel. The services are also made available through the internet, telephone, and podcasts. Due to the federal mandate in 2009 that all television stations in the U.S. broadcast in digital only, the services broadcast via television signals were encoded digitally and thus required a digital receiver to decode the signal. In FY 2008-09, the Department was appropriated \$300,000 General Fund in one-time funding to purchase 1,500 digital receivers to assist in this transition.

For FY 2009-10, the Department was appropriated \$250,000 total funds. Of this appropriation, \$200,000 will be used for contracts with Audio Information Network of Colorado for the purposes described above, and \$50,000 was used to purchase additional services from the National Federation for the Blind (NFB) for its Newline service, which provides eligible Coloradans access to newspapers nationwide and a few magazines via touch tone telephone. Newline services now includes television listings (based on an individual's zip code); the NFB indicates that this additional service has increased use of their Newline service nationwide significantly. Anyone who is a patron of the Colorado Talking Book Library (CTBL) is eligible to access Newline services. The CTBL is able to sign patrons up for the Newline service through their existing database.

*Request:* The Department has requested \$250,000 reappropriated funds for FY 2010-11 for the support of radio reading services.

*Recommendation:* **Staff recommends approving the Department's request.**

## **LONG BILL FOOTNOTES**

**Staff recommends continuing the following footnote, as amended:**

**nn 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 intent of the General Assembly that \$200,000 of this appropriation be used to provide access to radio and television broadcasts

of locally published and produced materials and \$50,000 of this appropriation be used to provide telephone access to digital transmissions of nationally published and produced materials.

---

#### **(4) SCHOOL FOR THE DEAF AND THE BLIND**

The Colorado School for the Deaf and the Blind (CSDB) is a state-funded school that was established for the purpose of providing comprehensive educational services for children under the age of twenty-two who are blind and/or deaf. Originally named the "Colorado Institute for the Education of Mutes", the School opened in a rented house in April 1874 with an appropriation from the Territorial Legislature. The student population rapidly outgrew the space available and in 1876 the School moved to its current campus, made possible with a donation of ten acres by the founder of the city of Colorado Springs. The CSDB received its initial accreditation from the Department of Education in 1961, and in 1977, the CSDB was transferred from the Department of Institutions to the Department of Education.

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. (added in 1991), 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:

1. Assessment and identification of educational needs;
2. Special curricula;
3. Equipment and materials;
4. Supplemental related services;
5. Special short-term programs;
6. Program planning and staff development;
7. Programs for parents, families, and the public; and
8. 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 219 students (ages 3 to 21) in the 2008-09 school year, an increase of 0.5 percent. The school has averaged 222 on-campus students over the last 15 years. The CSDB's total enrollment was 636 students, including 417 children under age three. Compared to FY 2007-08, the CSDB's total enrollment increased by 70 students (12.4 percent). The most significant increase occurred with respect to infants (ages 0 to 3) who are blind or visually impaired, which nearly doubled their enrollment by 95 percent (from 19 to 37 students). The next largest increase were on-campus students who are blind or visually impaired, increasing their enrollment by 22.4 percent (17 students).

Despite these large increases, the number of residential students decreased by 14 percent (14 students) year-over-year and has decreased by 27 (23.7 percent) since FY 2003-04 (5 years). Regardless, the number of on-campus students commensurately increased to keep total on-campus enrollment steady. This might indicate an increase in the number of families that relocate to El Paso County while their children attend CSDB. Total enrollment included 543 deaf and hearing impaired children and 93 blind and visually impaired children. Of the total number of students receiving on-campus services, 87 resided at the CSDB (returning home only on weekends) and the remaining 132 students only attended classes during the day.

Of the total number of students enrolled, 446 were infants (ages 0 to 3), preschool students, attending classes part-time in local public schools, or in the transition program, and were thus not eligible for per pupil operating revenue. These pupils represent 70.1 percent of the total student population, thus only for a minority of the students does the school receive per pupil operating revenue.

<b>Colorado School for the Deaf and the Blind: FY 2008-09 Enrollment</b>						
<b>Description</b>	<b>Children Under 3</b>		<b>On-campus Students</b>		<b>Total Enrollment</b>	
	<b>Number</b>	<b>Annual % Change</b>	<b>Number</b>	<b>Annual % Change</b>	<b>Number</b>	<b>Annual % Change</b>
Deaf / Hearing Impaired	380	15.5%	163	1.2%	543	10.8%
Blind / Visually Impaired	37	94.7%	56	-1.8%	93	22.4%
<b>Total Enrollment</b>	<b>417</b>	<b>19.8%</b>	<b>219</b>	<b>-2.2%</b>	<b>636</b>	<b>12.4%</b>
Number of Residential Students	0	0.0%	87	-13.9%	87	-13.9%
Number of FTE for Whom Per Pupil Operating Revenues are Transferred from School Districts	0	0.0%	190	3.8%	190	3.8%
<i>Percent of FTE for Whom Per Pupil Operating Revenues are Transferred from Districts</i>	<i>0.0%</i>		<i>86.8%</i>		<i>29.9%</i>	

This section of the Long Bill is comprised of two subsections: School Operations and Special Purpose.

**(A) School Operations**

**Personal Services.**

*Description:* This line item provides funding for most School employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association and the state share of federal Medicare taxes. This line item also provides funding for certain professional and temporary services. This line item provides over 63 percent of the funding for the CSDB, supporting all school staff with the exception of those who are supported by specific grants or direct payments from districts. This line item also represents the largest General Fund line item in the Department's budget, excluding Public School Finance and Categoricals.

*Request:* The Department requests \$9,105,745 and 141.3 FTE for this line item for FY 2009-10.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Superintendent/ Accountants/ Other Administrative Staff	22.5	23.1	23.1	23.1
Teachers/ Teacher Aides/ Special Education Technicians	75.4	76.3	76.3	76.3
Counselors/ Nurses/ Other Specialists	12.7	11.1	11.1	11.1
Facility Maintenance and Other Operational Support Staff	29.2	30.8	30.8	30.8
<b>TOTAL</b>	<b>139.8</b>	<b>141.3</b>	<b>141.3</b>	<b>141.3</b>

*State Share of Districts' Total Program Funding.* Prior to FY 2008-09, the CSDB received the statewide average average per pupil operating revenue (PPOR) for eligible enrolled students. The CSDB also receives other sources of state and federal funding (e.g., Medicaid and nutrition funding), tuition from other states that place children at CSDB, as well as payments from school districts that place students at CSDB on a short-term basis for diagnostic purposes. The General Assembly appropriates state General Fund moneys to cover operating costs that are not covered by other revenue sources.

In FY 2008-09, the funding mechanism to reimburse services the CSDB provided to eligible students was changed. The 2008 School Finance Act (H.B. 08-1388) authorized a new method of funding educational services provided by eligible facility schools. With respect to eligible facilities, new rules allow each facility to bill the Department for an additional one-third of district per pupil revenue (PPR) for Summer school programs. Department rules establish a process of paying a daily rate; this rate is based on 176 instructional days during the regular school year, and up to 59 days for



Summer school programs, for a total of 235 days per year. There are 51 facility schools and three state programs (CSDB, Mental Health Institutes - Pueblo only, and Mountain Star at Ft. Logan) that are qualified to receive funding in using this methodology. The following table describes how the projected funding amount was calculated for FY 2010-11.

<b>Projected FY 2010-11 Facility Schools Funding</b>	
Projected funding using state average Per Pupil Revenue (PPR)	\$7,279.38
State average PPR increased by one-third	\$9,681.58
Total days the increased rate applies	235
Daily rate (state average PPR increased by one-third/Total days)	\$41.20
Student-days (average daily attendance x instructional days)	33,075
<b>Projected Funding (Daily rate x Student-days)</b>	<b>\$1,362,630</b>

*Teacher Compensation.* In 1996, the General Assembly passed H.B. 96-1354 which determined that teachers at the CSDB be paid on the same salary scale as do the teachers in which the main campus is located (El Paso District 11). The intent was to for CSDB to be able to recruit and retain teachers with the special skills necessary for teaching students who are deaf, hard of hearing, blind, or visually impaired. However, the bill required that the teachers be compensated in accordance with the salary scale adopted by District 11 as of January 1 of the previous fiscal year. It was determined at that time that the one year lag in compensation was adequately competitive. In 2010, the JBC sponsored legislation that would eliminate this requirement (H.B. 10-1337), however the bill was postponed indefinitely by the House Appropriations Committee.

*Recommendation:*

**FY 2009-10**

Senate Bill 10-065 (Supplemental Appropriation for the Department of Education), made a technical correction to the 2009 Long Bill (S.B. 09-259), by transferring the salary increases for teachers (\$157,279 General Fund) from the Salary Survey and Senior Executive Service line item to this Personal Services line item, pursuant to Section 22-80-106.5 (1), C.R.S. However, of the amount transferred, only \$152,572 General Fund should have been transferred for the purposes of supporting the FTE identified by this line item. The remaining \$4,707 General Fund should have been transferred to the Early Intervention Services line item (next line item). **Staff recommends that this line item be reduced by \$4,707 General Fund and that a commensurate increase to the Early Intervention Services line item be made for FY 2009-10.** This change would be included as a supplemental add-on to the Long Bill.

**FY 2010-11**

**Staff recommends \$9,231,831 to support 141.3 FTE for FY 2010-11. This is not calculated in accordance with Committee policy and detailed in the table below.** Staff's recommendation includes an estimated \$162,000 for substitute teachers and \$570,000 for

contractual services (including physicians, interpreters, therapists, summer school services, security, facilities labor, professional development services, and background checks). In addition, the FY 2010-11 recommendation is calculated based on the assumption that the JBC will consider approving the FY 2009-10 supplemental request and staff recommendation described above. If the JBC does not approve the supplemental reduction, staff requests permission to make adjustments to the FY 2010-11 appropriation as necessary.

<b>Summary of Recommendation: CSDB - Personal Services</b>		
<b>Description</b>	<b>Total Funds</b>	<b>FTE</b>
FY 2009-10 Long Bill appropriation	\$8,940,256	141.3
Supplemental adjustment to reflect furloughs (S.B. 10-065)	82,395	
Supplemental correction to properly reflect compensation adjustment per Section 22-80-106.5, C.R.S. (S.B. 10-065)	<u>157,279</u>	
<i>Subtotal: FY 2009-10 Appropriation</i>	9,179,930	141.3
Adjustment to FY 2009-10 appropriation (supplemental Long Bill add-on) for teacher pay correction	<u>(4,707)</u>	
<i>Subtotal: <u>Recommended</u> FY 2009-10 Appropriation</i>	9,175,223	141.3
Salary survey awarded in FY 09-10	0	
Performance-based pay awarded in FY 09-10	0	
Compensation adjustment per Section 22-80-106.5, C.R.S.	79,703	
Restore 1.82 percent personal services reduction made in FY 09-10 Long Bill	165,489	
Modify contributions to PERA, pursuant to S.B. 10-146 (NP)	<u>(188,584)</u>	
<b>Recommended FY 2010-11 appropriation</b>	<b>\$9,231,831</b>	<b>141.3</b>

*Funding Splits.* Expenses that are not covered by State Share of Districts' Total Program Funding (reappropriated funds transfers) or from federal sources are covered by General Fund:

<b>CSDB Personal Services -- Funding Splits</b>			
<b>Revenue Source</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Reappropriated Funds</b>
Per Pupil Revenues transferred from the Facility Schools Funding line item	\$1,362,690	\$0	\$1,362,690
Federal Nutrition Funds transferred from the Appropriated Sponsor Programs line item	35,000	0	35,000
General Fund	<u>7,834,141</u>	<u>7,834,141</u>	<u>0</u>
<b>Total</b>	<b>\$9,231,831</b>	<b>\$7,834,141</b>	<b>\$1,397,690</b>

**Early Intervention Services.**

*Description:* 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 a facilitator: working with the child to develop language skills; providing parents with information and counseling to identifying strategies to use in communicating with their child; and assessing the dynamics of the parent-child interaction and providing support to improve it.

Prior to FY 2006-07, this program was supported by existing personal services funding, as well as various federal grants, donations, and in-kind services. For FY 2006-07, this line item was increased \$462,620 General Fund and 1.8 FTE to continue and expand two early literacy development programs and funding has remained approximately at this level in subsequent years. These programs involve specially trained fluent sign language instructors/tutors (many 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. One program (the Shared Reading Program) is designed for families who rely on American Sign Language; the second program (Integrated Reading Program) is designed for families who use English-based sign language and some speech. In addition, these initiatives involve coordinating with preschool and elementary school teachers so they may reinforce the family's use of early literacy strategies, thereby easing the child's transition into public school.

<b>Staffing Summary</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Request</b>	<b>FY 2010-11 Recomm.</b>
Early Education Director	1.0	1.0	1.0	1.0
Early Intervention Specialists	0.7	0.7	0.7	0.7
Early Literacy Development Initiative	0.7	0.7	0.7	0.7
Regional hearing Resource Coordinators	4.8	4.8	4.8	4.8
Accounting technicians / administrative	1.4	1.4	1.4	1.4
Teacher / Teacher Aide / Tutoring	1.4	1.4	1.4	1.4
<b>TOTAL</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

*Request:* For FY 2010-11, the Department requests \$1,166,548 General Fund and 10.0 FTE for this line item.

*Recommendation:*

**FY 2009-10**

**Staff recommends that this line item be increased by \$4,707 and that a commensurate decrease to the Personal Services line item be made for FY 2009-10.** This change would be included as a supplemental add-on to the Long Bill. Please see a more detailed description of this recommendation in the previous line item for the CSDB personal services.

**FY 2010-11**

**Staff recommends \$1,168,106 General Fund and 10.0 FTE for FY 2010-11.** Staff's recommendation includes \$776,128 for personal services, \$304,809 for contractual services, and \$87,169 for operating expenses. In addition, the FY 2010-11 recommendation is calculated based on the assumption that the JBC will consider approving the FY 2009-10 supplemental request and staff recommendation described above. If the JBC does not approve the supplemental reduction, staff requests permission to make adjustments to the FY 2010-11 appropriation as necessary.

<b>Summary of Recommendation: CSDB - Early Intervention Services</b>		
<b>Description</b>	<b>Total Funds</b>	<b>FTE</b>
FY 2009-10 Long Bill appropriation	\$1,178,934	10.0
Supplemental adjustment to reflect furloughs (S.B. 10-065)	<u>(4,998)</u>	
<i>Subtotal: FY 2009-10 Appropriation</i>	1,173,936	10.0
Adjustment to FY 2009-10 appropriation (supplemental Long Bill add-on) for teacher pay correction	<u>4,707</u>	
<i>Subtotal: <u>Recommended</u> FY 2009-10 Appropriation</i>	1,178,643	10.0
Salary survey awarded in FY 09-10	0	
Performance-based pay awarded in FY 09-10	0	
Compensation adjustment per Section 22-80-106.5, C.R.S.	1,558	
Restore reduction related to FY 09-10 furloughs	4,998	
Modify contributions to PERA, pursuant to S.B. 10-146 (NP)	<u>(17,093)</u>	
<b>Recommended FY 2010-11 appropriation</b>	<b>\$1,168,106</b>	<b>10.0</b>

**Shift Differential.**

*Description:* 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 shift and 10.0 percent for third shift). Unlike the other awards, the entire base budget and any increases have historically been included in the centrally-appropriated budget line at 80.0 percent of the total estimated costs. This Department uses its shift differential to provide 24-hour staff coverage for residential students at the CSDB.

*Request:* The Department requests \$85,305 General Fund for this line item for FY 2010-11.

*Recommendation:* **Staff recommends \$65,530 General Fund for FY 2010-11.** The amount recommended funds Shift Differential for FY 2010-11 at 80 percent of FY 2008-09 actual amounts (\$84,932) and is made pursuant to Committee policy, which reflects a decreased contribution for PERA from 10.15 percent to 7.65 percent.

**Operating Expenses.**

*Description:* 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<sup>3</sup>, custodial services, equipment rental, storage, dues and subscriptions, and printing.

*Request:* The Department requests continuation funding of \$417,277 General Fund for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

**Vehicle Lease Payments.**

*Description:* 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.].

*Request:* The Department requests \$32,039 General Fund, including \$8,020 General Fund for fleet replacements and \$292 as a non-prioritized statewide fleet true-up budget amendment.

*Recommendation:*

**FY 2009-10**

The Department submitted, as a statewide supplemental non-prioritized request, to increase its FY 2009-10 appropriation by \$3,002 General Fund related to state fleet management expenditures in the Department of Personnel and Administration. **Staff recommends the approval of the Department's request.**

**FY 2010-11**

The replacement vehicle list provided by the Department of Personnel and Administration (DPA), Colorado State Fleet Vehicles unit does not include any candidate replacement vehicles for the School for the Deaf and the Blind, which is not harmonized with the Department's request. Staff concludes that the amount requested by the School does not qualify according to DPA standards as addressed in their November 17, 2009 request. Thus, staff does not recommend the Department's increase \$8,020 General Fund. **Staff recommends \$26,729 General Fund, which includes the supplemental increase of \$3,002 requested for**

---

<sup>3</sup> 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.

**FY 2009-10.** The FY 2010-11 recommendation is calculated based on the assumption that the JBC will consider approving the FY 2009-10 supplemental request and staff recommendation described above. If the JBC does not approve the supplemental reduction, staff requests permission to make adjustments to the FY 2010-11 appropriation as necessary.

### **Utilities.**

*Description:* This line item provides funding for the CSDB's water and sewer, electricity, and natural gas expenses. In FY 2009-10, the JBC approved a supplemental increase of \$32,962 General Fund as a result of anticipated utility rate increases. The JBC approved the supplemental increase, but requested that the CSDB use thirty percent of this appropriation (\$9,889) for the specific purpose of installing instruments, systems, or mechanisms, in addition to the application of cost avoidance procedures to reduce the CSDB's utilization of water and wastewater services. According to the Department, they have installed ground moisture sensors to provide feedback systems to the irrigation system and have also installed secondary water meters to provide feedback on general use in high-consumption buildings to better identify leaks or water faucets or showers left in the on position. This information is relayed by the building automation system which then generates messages sent by emails and to cell phones so that action can be taken.

*Request:* The Department requests continuation funding of \$554,810 for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.** It is important to note that the Department reverted \$36,772 General Fund in FY 2008-09, however when setting the FY 2010-11 budget it was indeterminable to staff whether a reduction was possible without an in depth analysis. Staff will review the Department's utility consumption as over the remainder of the current fiscal year and if necessary make supplemental recommendations or adjustments to the approved FY 2010-11 appropriation.

### **Allocation of State and Federal Categorical Program Funding.**

*Description:* 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 English language proficiency programs, special education for gifted and talented children, and the Expelled and At-risk Student Services Grant Program). These moneys are transferred from the various line items in the Assistance to Public Schools, Categorical Programs section of the Long Bill.

*Request:* **The Department requests \$149,842 reappropriated funds spending authority and 0.4 FTE.**

*Recommendation:* **Staff recommends approving the Department's request.**

**Medicaid Reimbursements for Public School Health Services.**

*Description:* 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]. It is staff's understanding that the CSDB has been participating in this program since FY 2000-01, and receives federal Medicaid moneys annually based on claims submitted. Section 26-4-531 (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).

*Request:* The Department requests \$83,254 reappropriated funds and 1.5 FTE for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

---

**(B) Special Purpose**

**Fees and Conferences.**

*Description:* This line item provides spending authority for the Department to receive fees charged and received for various conferences or meetings held at the CSDB. Examples of conferences include the annual statewide deaf symposium, nursing conferences, and summer camps. 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 (approximately \$10,000). For FY 2008-09, the spending authority for this line item was increased \$45,000 to \$120,000 cash funds.

*Request:* **The Department requests continuation spending authority of \$120,000 cash funds.**

*Recommendation:* **Staff recommends approving the Department's request.** 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". Approval of this request will allow the CSDB to host conferences that will benefit professionals working with students who are deaf/hard

of hearing or blind/visually impaired, parents of those children, and the students themselves. Approval of the request should also assist the CSDB in meeting some of its goals related to student achievement gaps.

### **Outreach Services**

*Background:* This line item, formerly named Federal Funds Transferred from School Districts, was renamed in the FY 2009-10 Long Bill (S.B. 09-259), to be more descriptive and to be inclusive of the various funding sources that support these services.

*Description:* The CSDB is statutorily charged with being a resource to school districts by providing several services, including: assessment and identification of educational needs; special curricula; equipment and materials; and staff development. Districts currently transfer federal funds to the CSDB for three purposes:

- The CSDB occasionally accepts students from Colorado school districts for extended diagnostic periods prior to the student meeting School 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. Due to union agreements, however, districts are unable to pay these employees more than other district employees. 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.
- School 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.
- Each district pays a flat amount (e.g., \$200/student ) for each blind/visually impaired student enrolled in the district. These moneys are collected by the CSDB and paid to the Colorado Instructional Materials Center (CIMC) to provide Braille and large print materials for students.

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. The source of the cash funds are from reimbursements that the CSDB collects from school districts and BOCES.

*Request:* The Department's request is for \$1,022,082 and 5.4 FTE. This request includes \$753,082 cash funds and 2.6 FTE as well as a continuation of \$269,000 federal funds and 2.8 FTE.

*Recommendation:* **Staff recommends approving the Department's request.**



### **Tuition from Out-of-state Students.**

*Description:* 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. Tuition paid with state funds are subject to TABOR.

*Request:* **The Department requests continuation funding of \$200,000 cash funds for FY 2010-11.**

*Recommendation:* **Staff recommends approving the Department's request.**

### **Summer Olympics Housing.**

*Description:* This line item provides spending authority for the Department to receive fees charged to participating athletes for custodial, maintenance, and security costs associated with housing deaf/blind athletes in summer months.

*Request:* The Department requests continuation funding of \$10,000 cash funds for FY 2010-11.

*Recommendation:* **Staff recommends approving the Department's request.**

### **Grants.**

*Description:* This line item provides spending authority for the CSDB to receive various federal 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 amount are now appropriated through separate line items (discussed above).

*Request:* The Department requests \$1,397,079 reappropriated funds and 9.0 FTE based on funds anticipated to be available.

*Recommendation:* **Staff recommends approving the Department's request.**

## Other Balancing Options

The following table lists statutory changes the General Assembly could consider to reduce state expenditures in FY 2010-11 and future fiscal years. These options would not be sufficient to achieve the level of savings that may potentially be necessary. The following options total to \$11,643,932 (including \$1,210,875 General Fund), as well as \$6,750,000 in cash fund transfers to the General Fund. However, these options could be considered if other necessary budget balancing action is required. These options are presented without staff recommendation, and numbering does not indicate priority, but rather the potential budgetary impact.

Options	GF	CF	RF	FF	Total	FTE
1		(\$6,500,000)			(\$6,500,000)	0.0
<p><b>Transfer of funds from the Read-to-Achieve Cash Fund to the General Fund</b></p> <p>The Read-to-Achieve Grant Program permits schools may apply for grants through the program to fund intensive reading programs for students in kindergarten through third-grade (including students between the third- and fourth-grades) whose literacy and comprehension skills are below grade level. Schools may utilize the funds for in-class support and assistance, one-on-one school day pull-out programs, after school tutoring programs, or summer programs. Schools may request grant funds for up to three years. A bill would be required to transfer moneys from this fund to the General Fund. This amount includes \$4,801,594 in anticipated transfers of tobacco settlement moneys, and \$1,698,406 from the balance available in the Read-to-Achieve Cash Fund.</p>						
2		(1,800,000)			(1,800,000)	0.0
<p><b>Closing the Achievement Gap</b></p> <p>In the 2008 Long Bill (H.B. 08-1375), the Closing the Achievement Gap pilot program was funded with \$1.8 million General Fund. The Department indicates that the initiative is anticipated to ultimately increase the number of students who graduate from high school, which could increase students' earnings (thereby benefitting the State's economy) and reduce the number of crimes committed. The General Assembly could consider reducing or eliminating the appropriation for this purpose.</p>						
3		(850,000)			(850,000)	0.0
<p><b>Child Nutrition School Lunch Protection Program</b></p> <p>Under federal law, there are three payment tiers for participation in the school lunch program: (1) fully paid, (2) reduced, and (3) free. Families pay the whole cost for fully paid, families pay \$0.40 for reduced, and the federal government covers the whole cost for free. This appropriation seeks to provide the the "gap" financing to eliminate the \$0.40 cost families pay in the reduced tier for participation in the School Lunch Program, thus making the lunch free. Moneys for this program are currently appropriated from the State Education Fund. A bill would be required to make this appropriation permissive.</p>						
4	(700,000)				(700,000)	0.0
<p><b>Start Smart Nutrition Program</b></p> <p>Senate Bill 07-59 created the Start Smart Nutrition Program to eliminate the amount paid by students participating in the federal School Breakfast Program who are eligible for reduced-price meals (Section 22-82.7-101 et seq., C.R.S.). A bill would be required to make this appropriation permissive.</p>						

Options	GF	CF	RF	FF	Total	FTE
5		(530,000)			(530,000)	0.0
<p><b>Supplemental On-Line Education Services &amp; Supplemental On-Line Grant Program</b></p> <p>The Supplemental On-Line Education Services line item was created by H.B. 06-1008 which established a program whereby small school districts and certain charter schools could receive reimbursement for the cost of purchasing supplemental on-line education courses. Pursuant to Section 22-5-119, C.R.S., the General Assembly is required to annually appropriate federal mineral lease revenues for the Mountain Board of Cooperative Services (BOCES) to contract with a supplemental on-line course provider to offer on-line courses to school districts, BOCES, and charter schools at a cost of no more than \$200 per student per semester course. A bill would be required to make permissive the appropriation made to the Department for this purpose. The current appropriation for this purpose is \$480,000 cash funds from the State Public School Fund (federal mineral lease revenues)</p> <p>The Supplemental On-Line Grant Program authorized by H.B. 07-1066 is supported by this line item. Pursuant to Section 22-2-130, C.R.S., the General Assembly is required to annually appropriate federal mineral lease moneys for the State Board of Education to award grants to BOCES and certain school districts and charter schools to remove financial or technical barriers to providing supplemental on-line education courses. Grants can be used to provide additional reimbursement for the cost of purchasing supplemental on-line courses, or to increase access to supplemental on-line courses by providing technical equipment, hiring technical specialists, providing staff training, or providing financial assistance to hire personnel to facilitate on-line access. A bill would be required to make permissive the appropriation made to the Department for this purpose. The current appropriation for this purpose is \$50,000 cash funds from the State Public School Fund (federal mineral lease revenues)</p>						
6	(500,000)				(500,000)	0.0
<p><b>School Breakfast Program</b></p> <p>The federal school breakfast program, administered by the Food and Nutrition Service of the U.S. Department of Agriculture, allows public or private non-profit schools and public or private non-profit residential child care facilities may participate in the program. Participating schools and facilities receive federal subsidies for every meal they serve. Participating schools and facilities must serve breakfasts that meet certain federal requirements and they must offer free or reduced price breakfasts to eligible children. Specifically, meals must be free to children whose families are at or below 130 percent of the federal poverty level, and offered at a reduced price to those with families between 130 percent and 185 percent of the federal poverty level. Children from families with incomes above 185 percent of the federal poverty level must pay full price, but their meals are still subsidized to some extent. Schools may also qualify for higher "severe need" reimbursements if a specified percentage of their breakfasts are free or reduced price.</p> <p>Pursuant to H.B. 02-1349, as amended by S.B. 03-183 [Section 22-54-123.5, C.R.S.], the General Assembly, may appropriate by separate line item an amount to assist school districts and Institute charter schools that are providing a school breakfast program through participation in the federal School Breakfast Program. The Department of Education is required to allocate the state funds among participating school districts, and school districts are required to use the state moneys to create, expand, or enhance the school breakfast program in each low-performing school of the receiving district with the goal of improving the academic performance of the students attending such schools.</p>						
7		(437,392)			(437,392)	(5.0)
<p><b>Content Specialists</b></p> <p>For FY 2008-09, the Department was appropriated \$433,480 General Fund and 4.6 FTE to hire five "content specialists" to provide leadership, guidance, and support for schools and school districts in specific content areas to positively impact student achievement (FY 08-09 Decision Item #4). These individuals specialize in five areas: (1) mathematics; (2) science; (3) social studies (history, geography, civics, and economics); (4) arts (visual arts and music); and (5) achievement gaps.</p>						

Options	GF	CF	RF	FF	Total	FTE
8		(250,000)			(250,000)	0.0
<p><b>Transfer of funds from the School Awards Program Fund to the General Fund</b></p> <p>Senate Bill 09-256 (School Finance Act) provided a one-time transfer of \$250,000 from the Read-to-Achieve Cash Fund to the School Awards Program Fund in FY 2009-10. Moneys are to be allocated to schools that have the highest achievement on statewide assessments (John Irwin Schools of Excellence Awards), highest rates of longitudinal growth (Governor's Distinguished Improvement Awards), schools with high populations of at-risk pupils that achieve high levels of longitudinal growth (Centers of Excellence Awards), and as determined by the State Board of Education [pursuant to Sections 22-11-602, 603, 603.5, and 605, C.R.S.]. A bill would be required to transfer these moneys to the General Fund.</p>						
9		(35,480)			(35,480)	0.0
<p><b>Reprinting and Distributing Laws Concerning Education</b></p> <p>Pursuant to Section 22-2-112 (1) (i), C.R.S., the Department is required to "cause to be reprinted annually laws enacted by the general assembly concerning education...and to furnish copies thereof to interested persons." All publishing costs are to be paid out of the State Public School Fund. The Department's practice for a number of years has been to reflect this as an expenditure of rental income earned on state education trust lands that is credited to the State Public School Fund. A bill will be required to make this requirement permissive.</p>						
10		(30,185)			(30,185)	0.0
<p><b>Interstate Compact on Educational Opportunity for Military Children</b></p> <p>House Bill 08-1317 created the Interstate Compact on Educational Opportunity for Military Children, as developed by the Council of State Governments. It 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 proposed compact, if passed, will become effective once 10 or more states adopt the language. In general, the compact provides children of uniformed service members or veterans with the following: (1) processes through which educational records will be transferred in a timely manner; (2) guidelines and requirements to assist in placing transferred students within the proper grade, courses, special education services, and extracurricular activities; and (3) waivers of required courses and exit exams to facilitate the graduation of military children for cases in which the child has completed similar work at another school. The current appropriation for this purpose is \$30,185 cash funds from the State Education Fund.</p>						
11	(10,875)				(10,875)	0.0
<p><b>Emeritus Retirement</b></p> <p>The Emeritus line item provides supplemental retirement payments to eligible K-12 and higher education teachers, as required pursuant to Section 22-64-119, C.R.S. Eligibility is based on, but not exclusive to, serving 20 years in Colorado school districts or the office of Colorado county superintendent of schools or the Department of Education, are at least 65 years of age, and other requirements. A bill will be required to make this requirement permissive. The current appropriation for this purpose is \$10,875 cash funds from the State Public School Fund (federal mineral lease revenues)</p>						