

**Schedule 13**  
**Change Request for FY 2010-11 Budget Request Cycle**

Decision Item FY 2010-11  Base Reduction Item FY 2010-11  Supplemental FY 2009-10  Budget Amendment FY 2010-11

Request Title: Base Reduction for Discretionary Programs in the State Education Fund  
 Department: Education  
 Priority Number: BRI-02  
 Dept. Approval by: *[Signature]*  
 OSPB Approval: *[Signature]*  
 Date: 10-13-09  
 Date: 10-13-09 *10-15-09*

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12
<b>Total of All Line Items</b>	<b>Total</b>	197,694	2,117,182	0	2,117,182	2,117,182	(2,117,182)	0	0	0	(2,117,182)
	FTE	1.3	1.3	0.0	1.3	1.3	(1.3)	0.0	0.0	0.0	(1.3)
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	197,694	2,117,182	0	2,117,182	2,117,182	(2,117,182)	0	0	0	(2,117,182)
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (IV) Professional Development and Instructional Support, Financial Literacy	<b>Total</b>	15,533	40,000	0	40,000	40,000	(40,000)	0	0	0	(40,000)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	15,533	40,000	0	40,000	40,000	(40,000)	0	0	0	(40,000)
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (IV) Professional Development and Instructional Support, Colorado History Day	<b>Total</b>	10,000	10,000	0	10,000	10,000	(10,000)	0	0	0	(10,000)
	FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	10,000	10,000	0	10,000	10,000	(10,000)	0	0	0	(10,000)
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

**Schedule 13**  
**Change Request for FY 2010-11 Budget Request Cycle**

Decision Item FY 2010-11  **Base Reduction Item FY 2010-11**  **Supplemental FY 2009-10**  **Budget Amendment FY 2010-11**

Request Title: Base Reduction for Discretionary Programs in the State Education Fund  
 Department: Education  
 Priority Number: BRI-02  
 Dept. Approval by: *[Signature]*  
 OSPB Approval: *[Signature]*  
 Date: 10-13-09  
 Date: 10-13-09

Fund	1	2	3	4	5	6	7	8	9	10	
	Prior-Year Actual FY 2008-09	Appropriation FY 2009-10	Supplemental Request FY 2009-10	Total Revised Request FY 2009-10	Base Request FY 2010-11	Decision/Base Reduction FY 2010-11	November 1 Request FY 2010-11	Budget Amendment FY 2010-11	Total Revised Request FY 2010-11	Change from Base (Column 5) FY 2011-12	
(2) Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (V) Summer and After-school Programs, Summer School Grant Program	Total	27,026	1,000,000	0	1,000,000	1,000,000	(1,000,000)	0	0	0	(1,000,000)
	FTE	0.3	0.3	0.0	0.3	0.3	(0.3)	0.0	0.0	0.0	(0.3)
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	27,026	1,000,000	0	1,000,000	1,000,000	(1,000,000)	0	0	0	(1,000,000)
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (VII) Other Assistance, Regional Service Areas	Total	145,135	1,067,182	0	1,067,182	1,067,182	(1,067,182)	0	0	0	(1,067,182)
	FTE	1.0	1.0	0.0	1.0	1.0	(1.0)	0.0	0.0	0.0	(1.0)
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	145,135	1,067,182	0	1,067,182	1,067,182	(1,067,182)	0	0	0	(1,067,182)
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Non-Line Item Request: None  
 Letternote Revised Text: None  
 Cash or Federal Fund Name and COFRS Fund Number: State Education Fund (Fund 440)  
 Reappropriated Funds Source, by Department and Line Item Name: None  
 Approval by OIT? Yes:  No:  N/A:   
 Schedule 13s from Affected Departments: None

**CHANGE REQUEST for FY 2010-11 BUDGET REQUEST CYCLE**

Department:	Education
Priority Number:	BRI-02
Change Request Title:	Base Reduction Proposal for Discretionary Programs in the State Education Fund

**SELECT ONE (click on box):**

- Decision Item FY 2010-11
- Base Reduction Item FY 2010-11
- Supplemental Request FY 2009-10
- Budget Request Amendment FY 2010-11

**SELECT ONE (click on box):**

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department of Education requests a \$2,117,182 cash funds base reduction and 1.3 FTE reduction in FY 2010-11 and FY 2011-12. The request eliminates programs which receive optional funding from the State Education Fund including:

<u>Program (line item)</u>	<u>Cash Funds</u>	<u>FTE</u>
• Financial Literacy	<\$40,000>	0.0
• Colorado History Day	<\$10,000>	0.0
• Summer School Grant Program	<\$1,000,000>	<0.3>
• <u>Regional Service Areas</u>	<\$1,067,182>	<1.0>
○ <b>TOTAL =&gt;</b>	<b>&lt;\$2,117,182&gt;</b>	<b>&lt;1.3&gt;</b>

Background and Appropriation History:

The Department is requesting a budget reduction of \$2,117,182 and 1.3 FTE comprised of the following 4 programs financed by State Education Fund monies:

- Financial Literacy \$40,000: House Bill 04-1360 created this program and requires the State Board of Education to create a resource bank of materials pertaining to financial literacy. The has been used primarily for the creation and maintenance of a financial literacy website resource bank and grant funding for districts to design/implement financial literacy curricula for students to learn personal finance skills such as budgeting and overall financial management.
- Colorado History Day \$10,000: This appropriation contributes to the Colorado History Day program. This is a contest where students around the state prepare a research-based project related to a broad topic related to Colorado History. The University of Colorado at Denver organizes the contest each year.
- The Summer School Grant Program \$1,000,000 and 0.3 FTE: This program created in 22-7-801 through 22-7-807 C.R.S. is designed to provide funding to districts or groups of districts (consortia) and/or Institute Charter Schools to provide intensive summer instruction for students entering grades 5 through 8 who scored Unsatisfactory in the subject areas of Reading, Writing and/or Mathematics on the 2007 Colorado Student Assessment Program test. The FTE allocated to the grant are responsible for identifying eligible districts for the program, reviewing district applications, and making awards. The table below shows amounts awarded to school districts for the Summer School Grant program in Fiscal Year 2007-08. No awards were made in 2008-09, and awards will not be made until January of 2010 for Fiscal Year 2009-10:

Fiscal Year		FY 2007-08	FY 2008-09	FY 2009-10
Appropriation (cash funds exempt/cash funds)		\$ 998,715	\$ 27,105	\$ 1,000,000
Appropriated FTE		0.3	0.3	0.3
Region	Lead Local Education Authority	Actual Funded FY 2007-08	No Awards Funded in FY 2008-09	Awards for FY 2009-10 are TBD - will be allocated in January 2010
<b>Metro</b>	<b>Brighton 27J</b>	<b>\$ 180,704</b>	n/a	TBD
<b>Metro</b>	<b>Charter School Institute</b>	<b>\$ 31,313</b>	n/a	TBD
<b>Metro</b>	<b>Denver Public Schools</b>	<b>\$ 14,715</b>	n/a	TBD
<b>North Central</b>	<b>Eaton School District RE-2</b>	<b>\$ 36,286</b>	n/a	TBD
<b>West Central</b>	<b>Gunnison Watershed RE 1J</b>	<b>\$ 10,475</b>	n/a	TBD
<b>North Central</b>	<b>Keenesburg Re-3j</b>	<b>\$ 65,703</b>	n/a	TBD
<b>Metro</b>	<b>Mapleton Public Schools</b>	<b>\$ 42,350</b>	n/a	TBD
<b>Southeast</b>	<b>McClave RE-2</b>	<b>\$ 10,340</b>	n/a	TBD
<b>West Central</b>	<b>Montrose County RE 1J</b>	<b>\$ 72,214</b>	n/a	TBD
<b>Northwest</b>	<b>Northwest BOCES</b>	<b>\$ 69,254</b>	n/a	TBD
<b>Northwest</b>	<b>Park County Re-2</b>	<b>\$ 43,335</b>	n/a	TBD
<b>Pikes Peak</b>	<b>Pikes Peak BOCES</b>	<b>\$ 151,655</b>	n/a	TBD
<b>North Central</b>	<b>Poudre School District</b>	<b>\$ 71,030</b>	n/a	TBD
<b>Pikes Peak</b>	<b>Pueblo 60</b>	<b>\$ 126,000</b>	n/a	TBD
<b>North Central</b>	<b>Thompson R2-J</b>	<b>\$ 34,626</b>	n/a	TBD
<b>Total Grants awarded=&gt;</b>		<b>\$ 960,000</b>	n/a	TBD

- Regional Services Areas \$1,067,182 and 1.0 FTE: Senate Bill 08-038 created the Regional Service Areas Act. The purpose of the Act is to support local regional initiatives that are designed to improve student performance and to close achievement gaps. More specifically, to create local regional partnerships that support effective and efficient delivery of services to school districts. The FTE allocated to this program administers the grants made, but it is integrated into the Department's Regional Services Teams, so it is also used to provide technical assistance around regional activities by assisting regions with set up and administration of their programs and initiatives. The table below reflects the amounts awarded to the regional fiscal agents for Fiscal Year 2008-09, the first year of the program, and Fiscal Year 2009-10:

Fiscal Year	FY 2008-09	FY 2009-10
Appropriation (cash funds)	\$ 145,135	\$ 1,067,182
Appropriated FTE	1.0	1.0
Grantee by Fiscal Year	FY 2008-09	FY 2009-10 YTD
San Luis Valley BOCES	\$ 4,896.27	\$ 53,591.22
Mountain BOCES	\$ 4,243.09	\$ 62,115.48
Northwest Colorado BOCES	\$ 6,504.00	\$ 54,066.86
Centennial BOCES	\$ 5,710.51	\$ 100,708.10
Northeast BOCES	\$ 10,000.00	\$ 53,298.20
Uncompahgre BOCES	\$ 7,406.67	\$ 67,840.64
Douglas County RE1	\$ 1,600.00	\$ 250,196.60
Pike Peak BOCES	\$ 5,869.50	\$ 100,492.36
East Central BOCES	\$ 9,354.48	\$ 54,249.94
San Juan BOCES	\$ 9,612.00	\$ 56,010.82
South Central BOCES	\$ 5,437.26	\$ 67,637.32
Southeastern BOCES	\$ 10,000.00	\$ 53,484.96
Totals =>	\$ 80,633.78	\$ 973,692.50

General Description of Request:

Due to constraints placed on the State's and Department's budget, the Department is proposing eliminating the following programs described above from its budget:

<u>Program (line item)</u>	<u>Cash Funds</u>	<u>FTE</u>
• Financial Literacy	<\$40,000>	0.0
• Colorado History Day	<\$10,000>	0.0
• Summer School Grant Program	<\$1,000,000>	<0.3>
• <u>Regional Service Areas</u>	<\$1,067,182>	<1.0>
○ <b>TOTAL =&gt;</b>	<b>&lt;\$2,117,182&gt;</b>	<b>&lt;1.3&gt;</b>

The elimination of these programs will result in \$2,117,182 in savings to the State Education Fund starting in FY 2010-11. This also represents a reduction of 1.3 FTE, which are the staff associated with processing and awarding grants from the programs they are associated with.

This request represents an ongoing savings to the State Education Fund. The elimination of these programs will increase the State Education Fund solvency in FY 2010-11 and out years, reducing the General Fund liabilities for K-12 Total Program expenses.

Consequences if Not Funded:

If these reductions are not approved, it may compromise the solvency of the State Education Fund.

Calculations for Request:

<b>Summary of Request FY 2010-11 and FY 2011-12</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Total Request	(\$2,117,182)	\$0	(\$2,117,182)	\$0	\$0	(1.3)
Eliminate Financial Literacy Program	(\$40,000)	\$0	(\$40,000)	\$0	\$0	0.0
Eliminate Colorado History Day Appropriation	(\$10,000)	\$0	(\$10,000)	\$0	\$0	0.0
Eliminate Summer School Grant Program	(\$1,000,000)	\$0	(\$1,000,000)	\$0	\$0	(0.3)
Eliminate Regional Service Areas	(\$1,067,182)	\$0	(\$1,067,182)	\$0	\$0	(1.0)

Assumptions for Calculations:

The proposed budget reductions represent a savings to the State Education Fund of \$2,117,182 for Fiscal Year 2010-11 and out years (as described in the table above).

More information on the State Education Fund cash fund balance can be found in “BRI-01”.

Impact on Other Government Agencies:

No impact on other government agencies.

Cost Benefit Analysis:

<u>Cost</u>	<u>Benefit</u>
(\$2,117,182) State Education Base Reductions	The reductions proposed within this change request will decrease expenditures in the State Education Fund helping to ensure its solvency in Fiscal Year 2010-11 and thereafter.



Statutory and Federal Authority:

**22-2-127. Financial literacy - resource bank – technical assistance.**

(1) As used in this section, "financial literacy" means Knowledge of personal finances that is sufficient to enable a person to manage savings, investment, and checking accounts, to design and maintain a household budget, to manage personal debt, to understand consumer credit and finance, to manage personal credit options, and to understand and select among short-term and long-term investment options.

(2) The state board shall create and maintain a resource bank of materials pertaining to financial literacy. At a minimum, the resource bank shall include national model standards for financial literacy, model programs of instruction for financial literacy, model financial literacy curricula, and model materials for professional educator development in teaching financial Literacy. The resource bank shall also include a list of the available mathematics and economics textbooks that contain substantive provisions on personal finance, including personal budgeting, credit, debt management, and similar personal finance topics. The state board shall ensure that the materials included in the resource bank represent the best practices in the teaching of financial literacy. The materials in the resource bank shall be available to school districts not later than March 15, 2005.

(3) Upon the request of a school district or a charter school, the department shall provide technical assistance to the school district or charter school in designing a curriculum of financial literacy.

**22-1-104 Teaching of history, culture and civil government.**

(5) (a) In an effort to strengthen the teaching of the history of the state of Colorado and of the United States in all public schools of the state in accordance with the requirements of this section, the department of education shall assist the school districts of the state in developing and promoting programs for elementary and secondary students that engage the students in the process of discovery and interpretation of historical topics.

(b) The department of education is authorized to accept gifts, grants, and donations in furtherance of the objectives specified in paragraph (a) of this subsection (5).

(c) 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.

**22-7-803 Summer School Grant Program – creation – administration - rules**

There is hereby created the summer school grant program to provide grants to school districts and institute charter schools to operate summer school programs for eligible students, subject to the requirements of this part 8. The grant program shall be designed to assist school districts and institute charter schools in providing intensive educational services to eligible students in the areas of reading, writing, or mathematics.

The department shall administer the grant program and the state board shall award grants as provided in this part 8. The department shall evaluate the progress of the summer school programs operated by school districts and institute charter schools that receive grants pursuant to this part 8.

a) The state board shall promulgate rules in accordance with article 4 of title 24, C.R.S., to implement and administer the grant program. At a minimum, the rules shall specify the following:

The time frames for submitting grant program applications;

The form of the grant program application;

The time frames for distribution of the grant moneys;

The method by which the department shall evaluate the progress of the summer school programs operated by school districts and institute charter schools that receive grants pursuant to this part 8; and

Any other procedures or policies the state board deems necessary to implement and administer the grant program.

(b) In implementing the grant program and rules promulgated pursuant to this subsection (4), the state board shall ensure that all grants awarded pursuant to this part 8 are issued to school districts or institute charter schools on or before April 30 of each budget year for which moneys are appropriated for the grant program.

**22-5.5-105. Regional service areas - establishment - plan - governance.**

(1) (a) following the creation of the twelve regional service areas by the state board pursuant to section 22-5.5-104, but on or before June 30, 2009, individuals in a regional service area may organize a regional service area. Participants in a regional service area may include, but need not be limited to, representatives from school districts, boards of cooperative services, administrative units, early childhood councils, postsecondary institutions, business and industry, other education agencies in the regional service area, teachers, and parents. a regional service area plan shall be governed by no more than one regional service council.

(b) participation by school districts or boards of cooperative services in a regional service area is voluntary.

(2) (a) each plan for a regional service area shall be administered by a locally appointed regional service council, representing the following entities within the regional service area and composed of a minimum of five members, as follows:

(I) Each participating board of cooperative services shall appoint at least one council member. a board of cooperative services that has more than five member districts shall appoint an additional council member. The terms shall run coterminously with the council member's term on his or her board.

(II) Each board of cooperative services superintendent advisory council within a regional service area shall appoint two superintendents or their designees to serve on the regional service council. a superintendent advisory council that has more than five members shall appoint an additional superintendent or his or her designee to the regional service council. the superintendents or their designees shall each represent a participating school district.

(III) Each school district that chooses to participate in the regional service area and that is not a member of a board of cooperative services within the regional service area shall appoint one board member, superintendent, or designee to the regional service council. the terms shall run coterminously with the council member's term on his or her board, if applicable.

(IV) The regional service council, within ninety days after its initial formation and each time the regional service council reorganizes thereafter, shall appoint one council member representing business and industry and one council member representing each existing early childhood council from within the regional service area.

(V) Each four-year institution of higher education, each community college, and each technical college within the regional service area may appoint a trustee or advisory council member, or the president of the institution or his or her designee, to serve on the regional service council.

(VI) The department of education regional manager for the regional service area and the executive director for any board of cooperative services in the regional service area shall serve as ex-officio, nonvoting members of the regional service council.

(b) The regional service council shall have the authority to set terms of office, organize, have meetings, and accept moneys and shall be accountable for funding and programs.

(3) To receive funding pursuant to section 22-5.5-106 (2) and (3), the regional service council on behalf of each regional service area shall submit a plan to the state board for approval on or before June 30, 2009. The plan shall address the needs of large and small school districts within the regional service area and focus on increasing effectiveness and efficiencies in providing education and services throughout the region. The plan shall include, at a minimum:

(a) A list of representatives from various educational agencies and business and industry in the regional service area;

(b) A description of how the regional service area intends to use and develop state, regional, and local expertise;

(c) An outline of available funding sources, including local and regional contributions, federal moneys, and any available state resources;

Performance Measures:

Not applicable.