

**Schedule 13**  
**Funding Request for the 2014-15 Budget Cycle**

Department: EDUCATION

Request Title: Funding for Early Literacy Assessment Tool

Priority Number: R-8

Dept. Approval by: [Signature] Date: 10/22/13

OSPB Approval by: [Signature] Date: 10/29/13

<input checked="" type="checkbox"/> Decision Item FY 2014-15
<input type="checkbox"/> Base Reduction Item FY 2014-15
<input type="checkbox"/> Supplemental FY 2013-14
<input type="checkbox"/> Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
<b>Total of All Line Items</b>	<b>Total</b>	-	-	-	2,819,373	2,817,545
	FTE	-	-	-	1.0	1.0
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	2,819,373	2,817,545
	RF	-	-	-	-	-
	FF	-	-	-	-	-
<b>(2) Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (3) Reading and Literacy, Early Literacy Assessment Tool Program (New Line Item)</b>	<b>Total</b>	-	-	-	2,819,373	2,817,545
	FTE	-	-	-	1.0	1.0
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	2,819,373	2,817,545
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Letternote Text Revision Required? Yes:  No:  If yes, describe the Letternote Text Revision:

Cash or Federal Fund Name and COFRS Fund Number: State Education Fund, Fund 440

Reappropriated Funds Source, by Department and Line Item Name:

Approval by OIT? Yes:  No:  Not Required:

Schedule 13s from Affected Departments:

Other Information:

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### ***Cost and FTE***

- The Department requests \$2.8 million from the State Education Fund and 1.0 FTE in FY 2014-15 to provide funding for the early literacy assessment tool and the Department's associated administrative costs to manage the contract.

### ***Current Program***

- The 2012 School Finance Act provided funding to develop an online early literacy assessment tool to quickly access the reading skills for children in kindergarten through third grade. Schools from 118 of 178 of Colorado's school districts will begin using this assessment tool during the 2013-14 school year.

### ***Problem or Opportunity***

- Although the statute (Section 22-2-141 (4), C.R.S.) requiring the on-line assessment indicates the assessments are an on-going program, Department received funding only for the initial implementation year.
- Additionally, the Department did not receive the associated administrative costs needed to provide contract management and to train the personnel conducting the literacy assessments.

### ***Consequences of Problem***

- Without ongoing state funding for the Early Literacy Assessment Tool program, many school districts will need to pay for the assessments from their own funding or lose the ability to provide the assessments.
- Without adequate administrative funding, the Department will not be able to support the 5,000 educators using the tool annually to assess over 96,000 students across the State.

### ***Proposed Solution***

- The Department requests ongoing funding of \$2.7 million to provide ongoing funding for the Early Literacy Assessment Tool program so that educators can access to this important tool for assessing the early reading skills of young learners and to provide earlier interventions earlier to help these young learners be successful in school.
- The request also provides \$124,700 and 1.0 FTE to provide technical assistance to the school personnel administering this assessment and to manage the contract with the vendor.

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*State of Colorado*  
*Department of Education*  
*FY 2014-15 Funding Request*  
*November 1, 2013*

*John W. Hickenlooper*  
Governor

*Robert K. Hammond*  
Commissioner

***Department Priority: R-8***  
***Request Detail: Funding for Early Literacy Assessment Tool***

<b>Summary of Incremental Funding Change for FY 2014-15</b>	<b>Total Funds</b>	<b>State Education Fund</b>	<b>FTE</b>
Early Literacy Assessment Tool Program (new line item)	\$2,819,373	\$2,819,373	1.0

***Request Summary:***

The Department requests \$2,819,373 from the State Education Fund and 1.0 FTE in FY 2014-15 to provide funding and support for the Early Literacy Assessment Tool Program. In FY 2015-16 and subsequent fiscal years, the ongoing costs for the program are \$2,817,545.

***Problem or Opportunity:***

The ability to read is critical to long-term students' success in school and life. Colorado has placed a renewed focus on the early education years when students acquire the key skills needed to be successful readers; and the State has set forth an ambitious goal of helping all students become proficient readers by third grade.

To help teachers reach this goal, the General Assembly funded the procurement of an online early literacy assessment tool (2012 School Finance Act, 22-2-141, C.R.S.). The assessment tool enables teachers to assess quickly the reading skills of their students in grades kindergarten through third grade and provides resources and guidance for teachers on how to use those assessment results to inform instruction and improve students' reading. Schools from 118 of 178 of Colorado's districts will begin using this online early literacy assessment tool during the 2013-14 school year.

Of note, the early literacy assessment tool is one of the tools that Colorado teachers can use to meet the assessment requirements of the Colorado READ Act. The READ Act requires teachers in grades kindergarten through third grade to administer an interim assessment to all children in order to determine whether children are making sufficient progress to grade level reading proficiency. When students are identified as significantly below grade level, teachers must administer a diagnostic assessment to determine specific areas of need for reading improvement. Teachers use this assessment data to collaboratively develop an intervention plan (called a READ plan) with the child's parents, to bring the child up to grade level reading proficiency. The early literacy assessment tool supports this process.

Advancing literacy achievement for the State is one of the Department's strategic priorities and is a goal area within the department's performance plan. Implementation of the Colorado READ Act (HB 12-1238) is the Department's primary lever for impacting literacy achievement for the state, and the early literacy assessment tool is a critical component of that implementation. The goal of this work is to ensure all Colorado children are reading at grade level by third grade.

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***Proposed Solution:***

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This request provides ongoing funding of the early literacy assessment tool of \$2,695,000 plus administrative costs of \$124,373 for 1.0 FTE to manage the program. While the statute (Section 22-2-141, C.R.S.) references multi-year implementation of the program, the appropriation in the original legislation did not establish the ongoing funding allocation to sustain the program beyond the first year of implementation.

The \$2,695,000 for the early literacy assessment tool provides districts with the licenses to access and utilize the assessment tool procured by the Department. The licenses enable teachers to administer the online assessments, receive instant feedback, and access a range of resources designed to help teachers use the assessment results to inform instruction. The funds also support training by the vendor on the appropriate use of the tool and reports from the vendor on the assessment results and district usage.

In addition to the contract costs, this request includes funds to support a program administrator to manage both the contract with the vendor and the implementation of the tool at the school districts. The program administrator conducts all tasks associated with the contract from facilitating district licenses to ensuring quality control of the services provided by the vendor. These quality control activities are critical and entail:

- Communicating with the vendor on the requirements of the training in relation to the contract and legislative requirements of the Colorado READ Act;
- Monitoring the quality of training provided by the vendor by attending training sessions; and
- Working with vendor to adjust services provided based on feedback from districts administrators and teachers.

More importantly, the larger role for the program administrator is to provide technical assistance and support to the 118 school districts using the early literacy assessment tool to ensure it is fully and effectively implemented at each of those districts. Specifically, this position must interface with 118 of 178 Colorado school districts who are serving 97,000 students participating in this program. The position will provide support to districts with the progress monitoring of all students in the program three times a year, and review and report out the results of the progress monitoring. The progress monitoring ensures that all students are on track to achieve grade level reading achievement. By giving this assessment three times a year, teachers have a better chance to intervene quickly. The concept of progress monitoring three times per year is new to schools, so the Department must provide intensive support to districts as they implement this new practice. Without the ability to provide that support and closely monitor the data from these schools, the department has no way to know which schools are using the tool appropriately and which are not. This staff person allows the Department to track which schools and districts are making progress and which schools require intervention and guidance.

This focus on the implementation of the Early Literacy Assessment Tool contract and program is necessary in order to ensure the quality of implementation of the assessment tool at the classroom level. Assessments are only useful if teachers understand how to use the information to individualize instruction for children. Without monitoring the implementation of the Early Literacy Assessment Tool program, the department cannot ensure the intended outcomes of the state investment. To accomplish these necessary activities, staff from the CDE literacy office has been diverted from the resources provided within the READ Act for regional support. This has resulted in more diffuse, less targeted assignment of FTE related to implementation of the READ Act, requiring fewer FTE to serve Colorado's 178 school districts. Funding the FTE for support of the Early Literacy Assessment Tool program will allow the full FTE intended within funding of the READ Act regional support to be fully deployed.

**Consequences of not funding the program.** Without ongoing funding for the Early Literacy Assessment Tool program, 118 school districts would lose an essential tool to assess student reading skills, to provide reading support for all children in those districts, and to measure the effectiveness of the reading support they provide. Furthermore, without ongoing funding of the program, districts would need to incur the costs without state support. Districts unable to provide these resources would lose the investment made in relation to teacher training and would need to invest in a different assessment tool and provide training in the new tool.

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***Anticipated Outcomes:***

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The ultimate outcome of this request is an increase in third grade reading achievement. The Early Literacy Assessment Tool program, if funded on an ongoing basis and adequately staffed, will provide the Department with interim reading achievement data for Colorado students throughout kindergarten through third grade to monitor progress of children to meet third grade reading achievement goals.

The outcomes of the early literacy assessment tool that will be measured include: interim student achievement data throughout the school year; monitoring data on the usage of the tool by districts who are receiving subscriptions through the program; monitoring educator and district evaluations of the training services provided by the vendor; and evaluating the effectiveness of the tool in raising student reading achievement at the end of the year.

Three times a year, the vendor will provide data related to the number of kindergarten through third-grade students participating in the program and their reading skill level data. This information will be used by the department for its annual report to the legislature on the success of the program (pursuant to Section 22-2-141(4), C.R.S.):

- The percentage of students enrolled in kindergarten, first, second, and third grades throughout the state that are receiving services using the early literacy assessment tool;
- The districts that have received the early literacy assessment tool;
- The improvements, if any, in the reading skill levels of students who received or are receiving services using the early literacy assessment tool; and
- The amount of appropriations required to purchase an adequate number of software licenses to enable the local education providers in the state to use the early literacy assessment tool in all of the kindergarten, first, second, and third grades across the state.

In addition, the contract with the vendor incorporates measurement of the services the vendor provides in relation to training and service and by the achievement results of the students who participate in the program through the following tools:

- School district satisfaction surveys,
- Monitoring the quality of training through observation/participation, and
- Student achievement results.

Amounts payable under contract and/or continuation of the contract are contingent upon the quality of the professional development, quality of support as indicated by improving student reading achievement, and implementation of an ongoing, iterative performance improvement cycle as determined by and in partnership with the CDE. The contract contains a performance holdback of 10% based on satisfactory delivery of monthly status reports, delivery of materials, and professional development. An additional 10% of the contract is held back to be paid upon a minimum 75% customer satisfaction rating from participating schools and districts, 90% implementation fidelity of the assessment tool at the classroom level, and a 10% reduction in students in the high risk reading category in participating schools. The requested program administrator position will ensure these requirements are met.

The approval of this request will result in the department’s ability to meet its obligations to school districts in providing the assessment tool and in relation to managing the contract for and monitoring the quality of implementation of the Early Literacy Assessment Tool program.

The Early Literacy Assessment Tool program is a welcome and needed program for Colorado school districts. By providing adequate support for implementation of the contract and monitoring the successful use of the tool at the classroom level, the department will be able to support the educators and districts that benefit from the assessment tool and provide statewide technical assistance to all Colorado schools and districts with implementation of the READ Act. Successfully implementing both will lead to the department meeting one of its primary goals: all Colorado children reading at grade level by third grade.

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***Assumptions and Calculations:***

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Since this is the first year of the program, actual student count figures will not be available until the October 2013 Student Count is complete. However, the maximum number of students expected to participate in the Early Literacy assessments is 98,000 and the per pupil cost for the assessment is \$27.50. Therefore the contract costs are estimated at \$2,695,000 (98,000 x \$27.50).

The costs associated with the FTE to administer the contract and provide statewide support are as follows:

<b>Table 1: Costs Components for Early Literacy Assessment Tool</b>	
<b>Description of Cost</b>	<b>Amount</b>
Salary and Benefits (see the FTE calculations worksheet below for detail)	\$108,320
Operating Expenses (Phone, PC, Furniture, etc)	\$8,053
Travel (Trainings, technical support, conferences)	\$8,000
<b>Total:</b>	<b>\$124,373</b>



The detailed FTE calculations are included in the table below:

<b>Table 2: FTE Position Calculation Details</b>					
<b>Calculation Assumptions:</b>					
<b>Personal Services</b> – Based on the Department of Personnel and Administration’s August 2011 Annual Compensation Survey Report, a Principal Consultants at the middle of the pay range will require a monthly salary of \$7,243.					
<b>Operating Expenses</b> – Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.					
<b>Standard Capital Purchases</b> – Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).					
<b>Cash Fund FTE</b> – Because this FTE is funded with cash funds, there is no pay-date shift impact.					
<b>Expenditure Detail</b>					
<b>Personal Services</b>	<b>Monthly Salary</b>	<b>FY 2014-15</b>		<b>FY 2015-16</b>	
		<b>FTE</b>	<b>Funding</b>	<b>FTE</b>	<b>Funding</b>
Principal Consultant/Programmer	\$7,243	1.0	\$86,916	1.0	\$88,654
PERA			8,822		8,998
AED			3,477		3,901
SAED			3,259		3,768
Medicare			1,260		1,285
STD			165		168
Health-Life-Dental			<u>4,421</u>		<u>4,421</u>
<b>Subtotal Position 1, ## FTE</b>		<b>1.0</b>	<b>\$108,320</b>	<b>1.0</b>	<b>\$111,195</b>
<b>Expenditure Detail</b>					
<b>Operating Expenses</b>	<b>Operating Base Cost</b>	<b>FY 2014-15</b>		<b>FY 2015-16</b>	
		<b>FTE</b>	<b>Funding</b>	<b>FTE</b>	<b>Funding</b>
Regular FTE Operating Expenses	\$500	1.0	\$500	1.0	\$500
Telephone Expenses	450	1.0	450	1.0	450
PC, One-Time	1,230	1.0	1,230		0
Office Furniture, One-Time	3,473	1.0	3,473		0
Rent-Leased Space	2,500	1.0	<u>2,400</u>	1.0	<u>2,400</u>
<b>Subtotal Operating Expenses</b>			<b>\$8,053</b>		<b>\$3,350</b>
<b>TOTAL REQUEST</b>					
<b>Personal Services</b>		<b>1.0</b>	<b>\$108,320</b>	<b>4.5</b>	<b>\$111,195</b>
<b>Operating</b>			<b><u>8,053</u></b>		<b><u>3,350</u></b>
<b>TOTAL FTE Request (State Education Fund)</b>			<b>\$116,373</b>		<b>\$114,545</b>