

Schedule 13 Funding Request for the 2014-15 Budget Cycle

Department: Education
Request Title: Annual Fleet Supplemental True-Up
Priority Number: NP

Dept. Approval by: [Signature] 12/20/13 Date
OSPB Approval by: [Signature] 12/30/13 Date

- Decision Item FY 2014-15
- Base Reduction Item FY 2014-15
- Supplemental FY 2013-14
- Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	6
	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
Total of All Line Items	Total	27,913	(1,697)	21,320	-	-
	FTE	-	-	-	-	-
	GF	27,913	(1,697)	21,320	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(4) School for the Deaf and the Blind, (A) School Operations, Vehicle Lease Payments	Total	27,913	(1,697)	21,320	-	-
	FTE	-	-	-	-	-
	GF	27,913	(1,697)	21,320	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Letternote Text Revision Required? Yes: No: **If yes, describe the Letternote Text Revision:**
 Cash or Federal Fund Name and COFRS Fund Number: None
 Reappropriated Funds Source, by Department and Line Item Name: None
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: None
 Other Information: None

Schedule 13 Funding Request for the 2014-15 Budget Cycle

Department: Education
 Request Title: Start Smart Nutrition Program Reimbursement
 Priority Number: S-2

Dept. Approval by: [Signature] Date: 12/27/13
 OSPB Approval by: [Signature] Date: 12/30/13

- Decision Item FY 2014-15
- Base Reduction Item FY 2014-15
- Supplemental FY 2013-14
- Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	6
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
Total of All Line Items	Total	1,543,495	170,505	1,543,495	-	-
	FTE	-	-	-	-	-
	GF	700,000	100,000	700,000	-	-
	GFE	-	-	-	-	-
	CF	143,495	(29,495)	143,495	-	-
	RF	700,000	100,000	700,000	-	-
	FF	-	-	-	-	-
(2) Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (1) Health and Nutrition, Start Smart Nutrition Program Fund	Total	700,000	100,000	700,000	-	-
	FTE	-	-	-	-	-
	GF	700,000	100,000	700,000	-	-
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(2) Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (1) Health and Nutrition, Start Smart Nutrition Program	Total	843,495	70,505	843,495	-	-
	FTE	-	-	-	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	143,495	(29,495)	143,495	-	-
	RF	700,000	100,000	700,000	-	-
	FF	-	-	-	-	-

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

Cash or Federal Fund Name and COFRS Fund Number: Start Smart Nutrition Program Fund, Fund 20U
 Reappropriated Funds Source, by Department and Line Item Name: Reappropriated from General Funds
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: None
 Other Information: None



Cost and FTE

- This request is for an increased appropriation of \$70,505 (including an addition of \$100,000 General Fund and a reduction of \$29,495 Cash Funds) in FY 2013-14 for the Start Smart Nutrition Program to account for increased number of breakfasts served to qualified students.

Current Program

- The Federal School Breakfast Program provides a nutritious morning meal to students qualified for free and reduced meals. The state's Start Smart Nutrition Program provides funding to eliminate the \$0.30 cost to families qualified for reduced price meals, thus providing breakfasts at no cost to these students.
- The Start Smart Nutrition Program helps ensure student achievement by providing low-income, food-insecure children access to a healthy and nutritious breakfast. Children who begin their days with a nutritious breakfast are more likely to achieve academic success. Furthermore, students participating in breakfast programs show greater improvements in math scores, attendance, and punctuality, as well as reduced depression, anxiety, and hyperactivity.
- The Department is projected to reimburse school districts for over 2.9 million breakfasts through the Start Smart Nutrition Program in FY 2013-14.

Problem or Opportunity

- The Start Smart participation level has increased between 1.39 to 12.28 percent annually over the past several years. Most recently, the Program experienced a 7.25 percent growth from FY 2011-12 to FY 2012-13. In FY 2013-14, this growth will result in the reimbursement of almost 700,000 more breakfasts than 4 years ago.
- Based upon recent growth trends and projections, the Start Smart reimbursements will exceed current appropriations and will cause the fund to have a deficit balance.

Consequences of Problem

- This request benefits local school districts and families. If this request is not funded, the Department will not have sufficient funding to reimburse school districts for breakfasts provided to eligible participating students. Districts would be required to cover the \$0.30 co-payment for reduced price breakfast meals or require families to pay the co-payment directly. If the burden of co-payment is placed upon families, participation in the School Breakfast Program would likely drop, leaving some children without access to a healthy and nutrition breakfast.

Proposed Solution

- Increase the General Fund appropriation to the Start Smart Nutrition Program Fund line item. In addition, correspondingly increase the Reappropriated Funds and decrease the Cash Funds appropriation in the Start Smart Nutrition Program line item in order to reflect projected Start Smart reimbursements and available fund balance.



State of Colorado
Department of Education
FY 2013-14 Supplemental Request
January 2, 2014

John W. Hickenlooper
Governor

Robert K. Hammond
Commissioner

Department Priority: S-2
Request Detail: Start Smart Nutrition Program Reimbursements

Summary of Supplemental Funding Change for FY 2013-14	Total Funds	General Fund	Cash Funds	Reappropriated Funds
Start Smart Nutrition Program Fund	\$100,000	\$100,000	\$0	\$0
Start Smart Nutrition Program	\$70,505	\$0	\$(29,495)	\$100,000

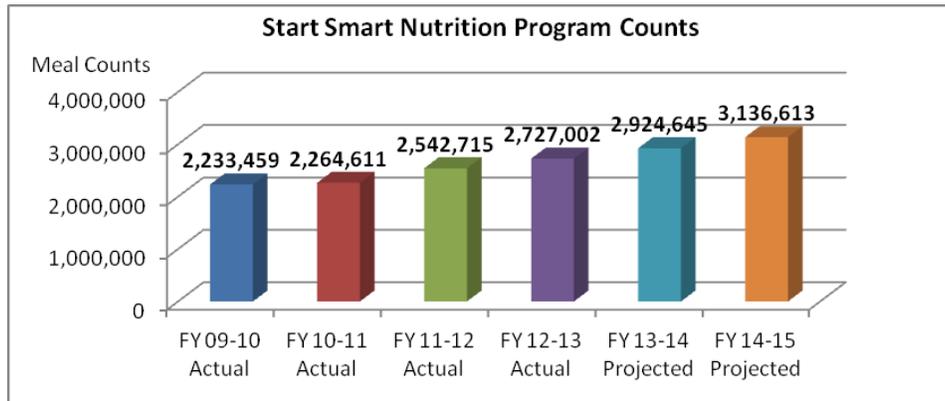
Problem or Opportunity:

The federal School Breakfast Program provides a nutritious morning meal to students qualified for free and reduced meals. The state's Start Smart Nutrition Program provides funding to eliminate the \$0.30 cost to families qualified for reduced price meals, thus providing breakfasts at no cost to these students.

The Start Smart participation level has increased between 1.39 to 12.28 percent annually over the past several years. Most recently, the Program experienced a 7.25 percent growth from FY 2011-12 to FY 2012-13. This growth will result in the reimbursement of almost 700,000 more breakfasts in FY 2013-14 and over 900,000 in FY 2014-15 than in FY 2009-10. The Department has been able to manage to the annual increases over the years within the existing appropriations due to the availability of fund balance. Only in FY 2012-13 did the Start Smart meal reimbursements reach a level that resulted in the significant draw-down of available fund balance.

Based upon the most recent growth rate and projections, the Start Smart Program reimbursements are expected to exceed the current appropriations and available fund balance starting in FY 2013-14. This will cause the fund to have a deficit balance unless reimbursements are stopped when funding runs out. Therefore, it is necessary to increase the appropriations supporting the Start Smart Program in both FY 2013-14 and FY 2014-15 in order to respond to the growth in the Program and continue to reimburse school districts for breakfasts provided to eligible participating students.

The following graph shows meal reimbursements of the Start Smart Program. Additional Program details are provided on page 6.



When the Start Smart Nutrition Program was created, the General Assembly anticipated participation growth. The legislation outlines the range for funding through the annual Long Bill of an amount no less than \$700,000 and no more than \$1,500,000 for the Program, with the specific funding amount to be determined through the annual budget process. This request is consistent with the legislative intent and stated expectations.

Proposed Solution:

There are two line items in the Long Bill which collectively fund the Start Smart Program: the Start Smart Nutrition Program *Fund* and the Start Smart Nutrition Program. The General Fund appropriation to the Start Smart Nutrition Program Fund line item corresponds with the Reappropriated Funds portion of the Start Smart Nutrition Program line item.

The Department’s Start Smart Nutrition Program Supplemental Request and Decision Item for each of these line items are described in detail below. There are no FTEs associated with these requests.

Start Smart Nutrition Program Fund Line Item:

- FY 2013-14 Supplemental Request: The Department requests an additional General Fund appropriation to the Start Smart Nutrition Program Fund line item in the amount of \$100,000, resulting in a total appropriation of \$800,000.
- FY 2014-15 Decision Item: The Department has requested an additional General Fund appropriation for the Start Smart Nutrition Program Fund line item of \$250,000 which will result in a total appropriation of \$1,097,983.

Start Smart Nutrition Program Line Item:

- FY 2013-14 Supplemental Request: The Department requests an additional Reappropriated Funds appropriation for the Start Smart Nutrition Program line item of \$100,000 and a reduction to the Cash Funds appropriation of \$29,495. This equates to a total appropriation of \$914,000, which is \$114,000 in Cash Funds and \$800,000 in Reappropriated Funds.

- FY 2014-15 Decision Item: The Department has requested a corresponding additional Reappropriated Funds appropriation for the Start Smart Nutrition Program line item of \$250,000 and a reduction to the Cash Funds appropriation of \$102,495. This will result in a FY 2014-15 total appropriation of \$1,138,983, which is \$41,000 in Cash Funds and \$1,097,983 in Reappropriated Funds. The Cash Funds appropriation is from fund reserves. The Reappropriated Funds appropriation is from the General Fund moneys appropriated to the Start Smart Nutrition Program Fund (\$950,000 for Start Smart reimbursements and \$147,983 for Breakfast After the Bell reimbursements).

These funding changes more closely align the General Fund appropriations and corresponding Reappropriated Funds appropriations with the projected reimbursements for the Start Smart and Breakfast After the Bell Programs as well as more closely align the Cash Funds appropriations to the available fund balance.

The table below outlines the net impact of the two line items described above:

FY 2013-14 Anticipated Supplemental Request			
	FY 2013-14 Appropriation	FY 2013-14 Supplemental	FY 2013-14 Total Funding
General Funds	\$700,000	\$100,000	\$800,000
Cash Funds	\$143,495	(\$29,495)	\$114,000
Total Funds	\$843,495	\$70,505	\$914,000

FY 2014-15 Requested Decision Item			
	FY 2014-15 Appropriation	FY 2014-15 Decision Item	FY 2014-15 Total Funding
General Funds *	\$847,983	\$250,000	\$1,097,983
Cash Funds	\$143,495	(\$102,495)	\$41,000
Total Funds	\$991,478	\$147,505	\$1,138,983
* The Appropriation includes \$700,000 for Start Smart and \$147,983 for Breakfast After the Bell. The Total Funding includes \$950,000 for Start Smart and \$147,983 for Breakfast After the Bell.			

Anticipated Outcomes:

This request will benefit local school districts and families. If this request is not funded, the Colorado Department of Education will not have sufficient funding for the Start Smart Nutrition Program to reimburse school districts for breakfasts provided to eligible participating students pursuant to Title 22, Article 82.7 of the Colorado Revised Statutes. As a result, the CDE would have to inform school districts that Start Smart funding is scheduled to run out before the school year ends. Districts would be required to cover the \$0.30 co-payment for reduced price breakfast meals or require families to pay the co-payment directly.

If the burden of the co-payment is placed upon Colorado families, participation in the School Breakfast Program would likely drop. This may result in low-income, food-insecure¹ children not having access to a healthy and nutritious breakfast.

In addition, policymakers are focused on ensuring that the Department's efforts are directed at improving student achievement. This request is aligned with that focus. In creating the Start Smart Nutrition Program, the General Assembly recognized that children's diets are an important influence on their current and future health, and children who begin their days with a nutritious breakfast are more likely to achieve academic success. According to Hunger Free Colorado, "Breakfast is critical to learning and health, and those experiencing hunger—estimated to be 22% of all children in Colorado—are more likely to exhibit behavioral, emotional and academic problems. Simply put, hungry kids cannot learn." Furthermore, Hunger Free Colorado, citing a recent analysis conducted by Deloitte, reports that students participating in breakfast programs show greater improvements in math scores, attendance, and punctuality, as well as reduced depression, anxiety, and hyperactivity.

Assumptions and Calculations:

The federal School Breakfast Program (SBP), administered by the United States Department of Agriculture (USDA), provides reimbursement for breakfasts served by participating schools. To receive reimbursement, a breakfast must meet USDA nutritional guidelines. Schools receive three different rates of reimbursement for three separate categories of students: reduced price, free, and paid. Students qualify for each category based on their family income reported on the Free and Reduced Price Meal Application. Schools receive reimbursements based on submitted claims for qualified meals provided.

For the 2012-13 school year, the USDA reimbursed Colorado public schools \$1.55 per free breakfast, \$1.25 per reduced price breakfast, and \$0.27 per paid breakfast. In addition, schools categorized as "severe need" schools receive an additional \$0.30 per free and reduced price breakfast if 40 percent or more of the meals served two years prior were served to students receiving free and reduced price benefits. Finally, pursuant to the Start Smart Nutrition Program authorized by Senate Bill 07-059, the state provides funding for an additional \$0.30 per reduced price breakfast to eliminate the \$0.30 cost that families pay in the *reduced price* tier for participation in the School Breakfast Program, thus providing breakfasts at no cost to these students.

In addition to regular growth in the Start Smart Nutrition Program, the Fiscal Note for HB 13-1006, Breakfast After the Bell Nutrition Program, identified 43,829 additional students (including 40,634 free, 2,740 reduced price, and 454 paid students) at 242 schools in Colorado who may receive a "breakfast after the bell" in FY 2014-15. Correspondingly, the Fiscal Note for the bill identified increased expenditures and an appropriation of \$147,983 in additional Start Smart funding in FY 2014-15 and \$420,721 in FY 2015-16. These projections for implementation of Breakfast After the Bell have been incorporated into this analysis as they were stated in the fiscal note.

The following table shows the budget to actual expenditure projections and cash fund balance projections for the Start Smart Nutrition Program Fund based upon the anticipated expenditures and continuation of existing appropriations:

Budget and Fund Balance Projections Based Upon Continuation of Current Appropriations and Anticipated Expenditures																
	Start Smart Meals Reimbursed	Growth Trend	Long Bill + Supp Bill CF Approp to SSNP Line Item	Long Bill + Supp Bill GF to SSNP Fund and RF to SSNP Line Item	HB 13-1006 Breakfast After the Bell GF to SSNP Fund and RF to SSNP Line Item	Total Appropriation Smart Start Nutrition Program (SSNP) Line Item	Start Smart Expenditures	HB 13-1006 Breakfast After the Bell Expenditures	Total Expenditures	Under/(Over) Budget	Beginning Fund Balance	Revenues/GF Approp to Start Smart Nutrition Program Fund	Interest	Expenditures	Ending Fund Balance	Fund Balance % of Expenditures
FY09-10 Actual	2,233,459		\$0	\$670,000	\$0	\$670,000	\$696,019	\$0	\$696,019	(\$26,019)	\$236,826	\$700,000	\$12,739	\$696,019	\$253,547	
FY10-11 Actual	2,264,611	1.39%	\$94,229	\$673,981	\$0	\$768,210	\$679,996	\$0	\$679,996	\$88,214	\$253,547	\$700,000	\$11,356	\$679,996	\$284,907	42%
FY11-12 Actual	2,542,715	12.28%	\$143,495	\$700,000	\$0	\$843,495	\$765,105	\$0	\$765,105	\$78,390	\$284,907	\$700,000	\$6,962	\$765,105	\$226,764	30%
FY12-13 Actual	2,727,002	7.25%	\$143,495	\$700,000	\$0	\$843,495	\$818,589	\$0	\$818,589	\$24,906	\$226,764	\$700,000	\$6,259	\$818,589	\$114,434	14%
FY13-14 Projected	2,924,645	7.25%	\$143,495	\$700,000	\$0	\$843,495	\$877,394	\$0	\$877,394	(\$33,899)	\$114,434	\$700,000	\$0	\$877,394	(\$62,960)	-7%
FY14-15 Projected	3,136,613	7.25%	\$143,495	\$700,000	\$147,983	\$991,478	\$940,984	\$147,983	\$1,088,967	(\$97,489)	(\$62,960)	\$847,983	\$0	\$1,088,967	(\$303,944)	-28%
FY15-16 Projected	3,136,613	0.00%	\$143,495	\$700,000	\$420,721	\$1,264,216	\$940,984	\$420,721	\$1,361,705	(\$97,489)	(\$303,944)	\$1,120,721	\$0	\$1,361,705	(\$544,928)	-40%
FY16-17 Projected	3,136,613	0.00%	\$143,495	\$700,000	\$420,721	\$1,264,216	\$940,984	\$420,721	\$1,361,705	(\$97,489)	(\$544,928)	\$1,120,721	\$0	\$1,361,705	(\$785,912)	-58%

The following table shows the budget to actual expenditure projections and cash fund balance projections for the Start Smart Nutrition Program Fund based upon the anticipated expenditures and requested appropriations. (Note: Cells highlighted in yellow below represent appropriations to the Start Smart Nutrition Program Fund. Cells highlighted in green represent appropriations to the Start Smart Nutrition Program line item):

Budget and Fund Balance Projections Based Upon Requested Appropriations and Anticipated Expenditures																
	Start Smart Meals Reimbursed	Growth Trend	Long Bill + Supp Bill CF Approp to SSNP Line Item	Long Bill + Supp Bill GF to SSNP Fund and RF to SSNP Line Item	HB 13-1006 Breakfast After the Bell GF to SSNP Fund and RF to SSNP Line Item	Total Appropriation Smart Start Nutrition Program (SSNP) Line Item	Start Smart Expenditures	HB 13-1006 Breakfast After the Bell Expenditures	Total Expenditures	Under/(Over) Budget	Beginning Fund Balance	Revenues/GF Approp to Start Smart Nutrition Program Fund	Interest	Expenditures	Ending Fund Balance	
FY09-10 Actual	2,233,459		\$0	\$670,000	\$0	\$670,000	\$696,019	\$0	\$696,019	(\$26,019)	\$236,826	\$700,000	\$12,739	\$696,019	\$253,547	
FY10-11 Actual	2,264,611	1.39%	\$94,229	\$673,981	\$0	\$768,210	\$679,996	\$0	\$679,996	\$88,214	\$253,547	\$700,000	\$11,356	\$679,996	\$284,907	42%
FY11-12 Actual	2,542,715	12.28%	\$143,495	\$700,000	\$0	\$843,495	\$765,105	\$0	\$765,105	\$78,390	\$284,907	\$700,000	\$6,962	\$765,105	\$226,764	30%
FY12-13 Actual	2,727,002	7.25%	\$143,495	\$700,000	\$0	\$843,495	\$818,589	\$0	\$818,589	\$24,906	\$226,764	\$700,000	\$6,259	\$818,589	\$114,434	14%
FY13-14 Projected	2,924,645	7.25%	\$114,000	\$800,000	\$0	\$914,000	\$877,394	\$0	\$877,394	\$36,606	\$114,434	\$800,000	\$2,000	\$877,394	\$39,040	4%
FY14-15 Projected	3,136,613	7.25%	\$41,000	\$950,000	\$147,983	\$1,138,983	\$940,984	\$147,983	\$1,088,967	\$50,016	\$39,040	\$1,097,983	\$2,000	\$1,088,967	\$50,056	5%
FY15-16 Projected	3,136,613	0.00%	\$53,000	\$950,000	\$420,721	\$1,423,721	\$940,984	\$420,721	\$1,361,705	\$62,016	\$50,056	\$1,370,721	\$4,000	\$1,361,705	\$63,072	5%
FY16-17 Projected	3,136,613	0.00%	\$66,000	\$950,000	\$420,721	\$1,436,721	\$940,984	\$420,721	\$1,361,705	\$75,016	\$63,072	\$1,370,721	\$6,000	\$1,361,705	\$78,088	6%

Finally, the following table shows the differences in the budget to actual expenditure projections and cash fund balance projections for the Start Smart Nutrition Program Fund based upon a comparison of the continuation of current appropriations and requested appropriations:

Budget and Fund Balance Projected Differences																
	Start Smart Meals Reimbursed	Growth Trend	Long Bill + Supp Bill CF Approp to SSNP Line Item	Long Bill + Supp Bill GF to SSNP Fund and RF to SSNP Line Item	HB 13-1006 Breakfast After the Bell GF to SSNP Fund and RF to SSNP Line Item	Total Appropriation Smart Start Nutrition Program (SSNP) Line Item	Start Smart Expenditures	HB 13-1006 Breakfast After the Bell Expenditures	Total Expenditures	Under/(Over) Budget	Beginning Fund Balance	Revenues/GF Approp to Start Smart Nutrition Program Fund	Interest	Expenditures	Ending Fund Balance	
FY09-10 Actual	0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
FY10-11 Actual	0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
FY11-12 Actual	0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
FY12-13 Actual	0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
FY13-14 Projected	0	0.00%	(\$29,495)	\$100,000	\$0	\$70,505	\$0	\$0	\$0	\$70,505	\$0	\$100,000	\$2,000	\$0	\$102,000	
FY14-15 Projected	0	0.00%	(\$102,495)	\$250,000	\$0	\$147,505	\$0	\$0	\$0	\$147,505	\$102,000	\$250,000	\$2,000	\$0	\$354,000	
FY15-16 Projected	0	0.00%	(\$90,495)	\$250,000	\$0	\$159,505	\$0	\$0	\$0	\$159,505	\$354,000	\$250,000	\$4,000	\$0	\$608,000	
FY16-17 Projected	0	0.00%	(\$77,495)	\$250,000	\$0	\$172,505	\$0	\$0	\$0	\$172,505	\$608,000	\$250,000	\$6,000	\$0	\$864,000	

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

New Data - The participation level within the Start Smart Nutrition Program has increased in recent years, ranging from 1.39 to 12.28 percent annual growth trend. From FY 2009-10 to FY 2014-15, the demands on the Start Smart Program are projected to increase by 40 percent, resulting in the reimbursement of almost 700,000 more breakfasts in FY 2013-14 and over 900,000 in FY 2014-14 than in FY 2009-10. Only in FY 2012-13 did the Start Smart meal reimbursements reach a level that resulted in the significant draw-down of available fund balance. As a result, the Start Smart program reimbursements are projected to exceed the appropriations therefore requiring the request of a supplemental appropriation to continue funding the program through the end of FY 2013-14.

ⁱ Food insecurity is the most broadly used measure of food deprivation in the United States. The USDA defines food insecurity as meaning “consistent access to adequate food is limited by a lack of money and other resources at times during the year.”

Schedule 13 Funding Request for the 2014-15 Budget Cycle

Department: Education
Request Title: Colorado Student Assessment Program
Priority Number: S-3

Dept. Approval by: [Signature] 12/27/13 Decision Item FY 2014-15
 Date Base Reduction Item FY 2014-15
OSPB Approval by: [Signature] 12/30/13 Supplemental FY 2013-14
 Date Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	6
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
Total of All Line Items	Total	34,044,390	-	32,095,373	-	-
	FTE	11.8	-	11.8	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	26,448,378	-	24,462,460	-	-
	RF	-	-	-	-	-
	FF	7,596,012	-	7,632,913	-	-
(1) Management and Administration, (C) Assessments and Data Analysis, Colorado Student Assessment Program	Total	34,044,390	-	32,095,373	-	-
	FTE	11.8	-	11.8	-	-
	GF	-	-	-	-	-
	GFE	-	-	-	-	-
	CF	26,448,378	-	24,462,460	-	-
	RF	-	-	-	-	-
	FF	7,596,012	-	7,632,913	-	-

Letternote Text Revision Required? Yes: No: **If yes, describe the Letternote Text Revision:**
 Footnote Text Addition to FY13-14 Add-On to the Long Bill: Department of Education, Management and Administration, Assessments and Data Analysis, Colorado Student Assessment Program: It is the intent of the General Assembly that the cash funds appropriation to this line item for augmentation of state assessments (Augmentation of PARCC \$1,625,000) remains available until the close of FY2014-15.
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: **Not Required:**
Schedule 13s from Affected Departments: None
Other Information: None



Cost and FTE

- The Department is seeking the extension of the appropriation for assessment development funds for the augmentation of statewide assessments for Colorado-specific standards.
- The Department received an appropriation of \$2 million to develop and field test items which are unique to the Colorado Standards. The department is seeking an extension of \$1,625,000 for use in FY2014-15 to complete development and field testing.
- There is no FTE or funding requested. The Department requests a footnote authorizing a roll forward for spending authority in the supplemental add-on to the Fiscal Year 2013-14 Long Bill.

Current Program

- From January to May of 2014 districts will be administering new Science and Social Studies assessments, the final TCAP, and testing PARCC English Language Arts and mathematics.
- The subject of this request: the test items for the unique to Colorado standards will be developed for district and school use in Fiscal Year 2014-15 for grades 3-11. Development and field testing will require extensive input and assistance from school district personnel around the state.

Problem or Opportunity

- As noted above, the current program will create a significant burden on school districts due to the assessment demands from January to May of 2014. PARCC exams will be field tested in spring of 2014. In addition, the TCAP will be given in the spring for the last time, and the science and social studies assessments will be given in spring of 2014 for the first time.
- Adding development and field testing of the unique to Colorado Standards test items to the districts would create too many demands on district staff.

Consequences of Problem

- District personnel will not be able to provide the resources and time necessary to assist with the development and field testing of the Colorado Specific test items.

Proposed Solution

- A footnote in the Fiscal Year 2013-14 Long Bill supplemental add on which authorizes the Department roll forward \$1,625,000 of spending authority to complete the development of



State of Colorado
Department of Education
FY 2014-15 Supplemental Request
January 2, 2014

John W. Hickenlooper
Governor

Robert K. Hammond
Commissioner

Department Priority: S-3
Request Detail: Roll Forward Appropriation for Assessments

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund	Cash Funds*
Colorado Student Assessment Program	\$0	\$0	\$0

Request Summary:

The Department is requesting a roll forward for the appropriations for the development of the exam items unique to Colorado Standards. This requires a footnote in the Fiscal Year 2013-14 supplemental Long Bill authorizing the roll forward.

The amount of the request is \$1,625,000 for the item development and field testing of the unique to Colorado Standards. This item was slated for development and field testing in spring of 2014, but the request is to defer field testing until FY15 in an effort to reduce the assessment burden on Colorado school districts in the spring and provide additional time for critical testing and design activities.

Problem or Opportunity:

In Fiscal Year 2013-14 the assessment demands on school districts are significant. In addition to the TCAP and alternate assessments which are given each year, school districts will be administering the new science and social studies assessments for the first time, and field testing for the Partnership for Assessment Readiness for College and Careers (PARCC) exams which will replace the TCAP in Fiscal Year 2014-15.

The timeframe for spring assessments starts January 6 and ends June 6, 2014. The Department believes that the additional development and field testing of the unique to Colorado English language arts and mathematics assessments would create an undue burden on Colorado school districts both large and small. The Fiscal Year 2013-14 testing schedule is located at Attachment A.

Proposed Solution:

The Department is requesting a roll forward and a footnote in the Long Bill for Fiscal Year 2014-15 to authorize one more year for the remaining appropriations provided for development of the unique to

Colorado English language arts and mathematics assessments to reduce the development and assessment burden on Colorado school districts from January to June.

The expertise and feedback of educators around the state is essential to the development of both assessments, and their expertise will be fully leveraged with the extensive testing already scheduled for the spring. If the exams are deferred, it will be possible to increase the participation of educators around the state.

While no additional funding is requested, the Department is requesting an extension of \$1,625,000 for development of the unique to Colorado English language arts and mathematics assessments.

Anticipated Outcomes:

The Department will identify a cost-effective Spanish Language Arts assessment that meets Colorado districts' needs and alleviate part of the assessment burdens placed on the Colorado school districts in the spring of 2014.

The development of the unique to Colorado English language arts and mathematics assessments will begin in Fiscal Year 2013-14 and carry into Fiscal Year 2014-15.

Staggering the field testing and development of these assessments will partially alleviate the burden of the heavy testing schedule in this fiscal year. This will allow the Department to work with more districts and teachers around the state to develop and field test these new assessments to ensure they are of high quality and meet CO districts' needs.

Assumptions and Calculations:

In the spring of 2014 the Department will begin working with the vendor to develop the unique to Colorado English language arts and mathematics assessments. The estimated cost for initial development, which includes finalizing assessment targets and beginning assessment design, is \$375,000. Beginning in summer 2014, the activities deferred until FY15 include:

- Colorado educator review of the items
- Forms production
- Field testing and scoring
- Final assessment and scoring tool production

Total Estimated Cost: \$1,625,000

2013-14 Testing Windows			2014-15 Testing Windows	
Assessment	Regular Testing Window	Early Testing Window	Assessment	TENTATIVE Testing Window
Science and social studies field test (elementary and middle school)	Sept 16 - 30, 2013		Unique to Colorado English language arts and mathematics Spanish language arts	TBD
CoAlt – science and social studies field test (high school)	Oct 21 - Nov 22, 2014		CoAlt – science and social studies (high school)	Nov 3-21, 2014
Science and social studies field test (high school)	Oct 28 - Nov 22, 2013		Science and social studies (high school)	Nov 3-21, 2014
ACCESS for ELLs (English language proficiency assessment for English learners)	Jan 6 - Feb 7, 2014		ACCESS for ELLs	Jan 12 – Feb 13, 2015
TCAP 3 rd grade reading, including Lectura	Feb 24 - March 7, 2014	February 10-21, 2014		
TCAP (reading, including Lectura; writing, including Escritura; and math)	March 10 – April 11, 2014	March 3 - April 11, 2014		
PARCC: performance based assessment (PBA) field test	March 24 – April 11, 2014		PARCC: performance based assessment (PBA) field test Spanish language arts - TBD	Mar 9-Apr 3, 2015
Science and social studies (elementary and middle school)	April 14 – May 2, 2014		Science and social studies (elementary and middle school)	Apr 13 - May 1, 2015
CoAlt – reading, writing and math	Feb 5 – March 14, 2014			TBD
CoAlt – science and social studies (elementary and middle school)	April 14 – May 2, 2014		CoAlt – science and social studies (elementary and middle school)	Apr 13 - May 1, 2015
ACT	April 23, 2014 May 7, 2014		ACT	April 28, May 12, 2015
PARCC: end of year assessment (EOY)	May 5 – June 6, 2014		PARCC: end of year assessment (EOY) Spanish language arts - TBD	Apr 27 - May 22, 2015

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Education
 Request Title: Funding Revisions for Capital Complex Leased Space
 Priority Number: S-4

Dept. Approval by: [Signature] 12/27/13
 Date

OSPB Approval by: [Signature] 12/30/13
 Date

- Decision Item FY 2014-15
- Base Reduction Item FY 2014-15
- Supplemental FY 2013-14
- Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	6
	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
Total of All Line Items	Total	677,530	-	604,122	-	-
	FTE	-	-	-	-	-
	GF	93,431	23,736	93,397	-	-
	GFE	-	-	-	-	-
	CF	152,444	(78,242)	79,262	-	-
	RF	117,890	(4,253)	117,804	-	-
	FF	313,765	58,759	313,659	-	-
(1) Management and Administration, (A)	Total	677,530	-	604,122	-	-
	FTE	-	-	-	-	-
Administration and Centrally-Appropriated Line Items, Capital Complex Leased Space	GF	93,431	23,736	93,397	-	-
	GFE	-	-	-	-	-
	CF	152,444	(78,242)	79,262	-	-
	RF	117,890	(4,253)	117,804	-	-
	FF	313,765	58,759	313,659	-	-

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

Cash or Federal Fund Name and COFRS Fund Number: Various
 Reappropriated Funds Source, by Department and Line Item Name: Various
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: None
 Other Information: None



Cost and FTE

- The Department requests fund split adjustments to the Capitol Complex Leased Space that nets to zero total funds. This results from an increase of \$23,736 General Fund, a decrease of \$78,242 cash funds, a decrease of \$4,253 reappropriated funds, and an increase of \$58,759 federal funds.

Current Program

- The basis for allocation of Capitol Complex Leased Space costs is employee payroll. Therefore, as the funding mix for employees in capitol complex buildings changes, the funding allocations must subsequently change.

Problem or Opportunity

- To avoid overexpenditure within the Capitol Complex Leased Space line, the funding allocation between sources of funds (General/Cash/Reappropriated/Federal) must be adjusted. Specifically, the General and Federal Fund appropriations for Capitol Complex will be overspent, if they are not modified, due the allocation methodology the Department must use to charge rent costs.
- The Department saw significant growth in the number of staff at the end of FY2012-13 and the beginning of FY2013-14. This caused a lack of space in the Department's main building, 201 E. Colfax Avenue. To alleviate this problem, the department's Licensure Unit was moved to rented space outside of the capitol complex.

Consequences of Problem

- If not adjusted, the fund sources for the appropriation will not be properly stated.

Proposed Solution

- Modify the fund sources as indicated.



State of Colorado
Department of Education
FY 2013-14 Supplemental Request
January 2, 2014

John W. Hickenlooper
Governor

Robert K. Hammond
Commissioner

Department Priority: S-4
Request Detail: Funding Revisions for Capitol Complex Leased Space

Summary of Supplemental Funding Change for FY 2013-14	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Capitol Complex Leased Space	\$0	\$23,736	(\$78,242)	(\$4,253)	\$58,759

Request Summary:

The Department is requesting adjustments to its Capitol Complex Leased Space Long Bill line item. There is no change requested in the total appropriation, but the mix of funding between General, Cash, Reappropriated, and Federal Funds must be adjusted to ensure that General and Federal Fund sources are not overspent.

The basis for allocation of Capitol Complex Leased Space costs is employee payroll. Therefore, the sources of funds from which an employee is paid are also the sources of funds to which their rent allocations are charged. For example, for an employee who is paid 25% from General Fund, 50% from Reappropriated Funds and 25% from Federal Funds his or her Capitol Complex Leased Space costs are allocated according to the same percentages.

Problem or Opportunity:

To avoid overexpenditure within the Capitol Complex Leased Space line, the funding allocation between sources of funds (General/Cash/Reappropriated/Federal) must be adjusted. Specifically, the General and Federal Fund appropriations for Capitol Complex will be overspent, if they are not modified, due the allocation methodology the Department must use to charge rent costs.

The Department saw a significant growth in the number of staff at the end of FY2012-13 and beginning of FY2013-14. The increase is primarily due to a federal grant: the Early Childhood Challenge Fund Grant, which is a Race to the Top grant program. The Department increased its staffing levels by approximately 14 employees due to the receipt of this grant. Moreover, HB12-1238 (Early Literacy Program) appropriated 9.0 FTE in FY2012-13 and 8.0 FTE in FY2013-14. The combination of 22.0 FTE for both programs created the need for the Department to obtain additional leased space.

Consequently, the Licensure Unit, which has approximately 25.0 FTE, secured leased space outside of Capitol Complex in July 2013. Since the Licensure Unit is funded through fees collected, it was possible to move this unit out of the Department between budget cycles.

The result of the Licensure Unit moving was an increase of costs to the General and Federal funds, since a larger number and percentage of employees located in the Capitol Complex Leased Space are funded from those sources.

The request meets supplemental criteria because there was no way to incorporate the staff from the Early Childhood Challenge Grant into the FY2013-14 budget cycle. The application for the grant had not been reviewed or approved by the U.S. Department of Education by the November 1, 2012 deadline for the Fiscal Year 2013-14 budget submission.

Proposed Solution:

Adjust the General, Cash, Reappropriated, and Federal Funds appropriations for Capitol Complex Leased Space to adjust for the changes in rent allocations due to the move of the Licensure Unit.

Please see the Assumptions for Calculations section for details on the adjustments by funding source.

Anticipated Outcomes:

The Department will correct the variances between budgeted Capitol Complex Leased Space and actual charges to the appropriation for FY2013-14 to ensure no sources of funds within the appropriation are over expended.

Assumptions and Calculations:

The table below summarizes all calculated adjustments that must be made to ‘true up’ the appropriation for Capitol Complex.

Capitol Complex Leased Space				
	General	Cash	Reapprop	Federal
Projected Cost	\$117,167	\$74,202	\$113,637	\$372,524
Less: Current Appropriation	\$93,431	\$152,444	\$117,890	\$313,765
Difference (Decr)/Incr	\$23,736	(\$78,242)	(\$4,253)	\$58,759

Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Education
 Request Title: Salary Increase for CSDB Teachers
 Priority Number: S-5

Dept. Approval by: [Signature] 12/27/13
 Date

OSPB Approval by: [Signature] 12/30/13
 Date

- Decision Item FY 2014-15
- Base Reduction Item FY 2014-15
- Supplemental FY 2013-14
- Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	6
	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
Total of All Line Items	Total	1,560,513	(119,259)	1,304,636	-	-
	FTE	-	-	-	-	-
	GF	478,808	(119,259)	387,323	-	-
	GFE	-	-	-	-	-
	CF	195,642	-	175,107	-	-
	RF	174,824	-	145,402	-	-
	FF	711,239	-	596,804	-	-
(1) Management and Administration, (A) Administration and Centrally-Appropriated Line Items, Salary Survey	Total	965,670	(68,151)	694,819	-	-
	FTE	-	-	-	-	-
	GF	288,386	(68,151)	206,694	-	-
	GFE	-	-	-	-	-
	CF	124,558	-	88,762	-	-
	RF	107,909	-	77,160	-	-
	FF	444,817	-	322,203	-	-
(1) Management and Administration, (A) Administration and Centrally-Appropriated Line Items, Merit Pay	Total	594,843	(51,108)	609,817	-	-
	FTE	-	-	-	-	-
	GF	190,422	(51,108)	180,629	-	-
	GFE	-	-	-	-	-
	CF	71,084	-	86,345	-	-
	RF	66,915	-	68,242	-	-
	FF	266,422	-	274,601	-	-

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

Cash or Federal Fund Name and COFRS Fund Number: Various
 Reappropriated Funds Source, by Department and Line Item Name: Various
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: None
 Other Information: None



Cost and FTE

- Source of Funds: General Fund
- Amount Requested: \$(68,151) Salary Survey - this is a reduction of the appropriation.
- Amount Requested: \$(51,108) Merit Pay - this is a reduction of the appropriation.
- Total Amount Requested: \$(119,259) - this is a reduction of the appropriations.
- No FTE impact

Current Program

- According to C.R.S (2009) Section 22-80-106.5, CSDB is required to compensate teachers based on the El Paso District 11 salary schedule, salary policy, or combination salary schedule and salary policy. Consequently, Colorado School for the Deaf and Blind (CSDB) teachers are compensated according to the District 11 salary policy, rather than the State of Colorado's policy.

Problem or Opportunity

- The District 11 scale employees at CSDB did not receive any salary or merit increases for FY13-14, as they are compensated in accordance with the provisions of the salary schedule, salary policy and combination salary adopted by the Colorado Springs District 11 Board of Education as of January 1, 2013. CSDB District 11 scale employees did not receive the two percent (2%) across-the-board or merit increases in FY13-14.
- The appropriation to the Colorado Department of Education included the two percent (2%) across-the-board and merit increases in FY13-14 for all employees.
- As a result, it is necessary to request a reduction of the FY13-14 appropriation for salary survey and merit pay increases for CSDB teachers.

Consequences of Problem

- If not reduced, the appropriation for these line items will be overstated.

Proposed Solution

- Reduce the Salary Survey appropriation for FY13-14 by \$68,151.
- Reduce the Merit Pay appropriation for FY13-14 by \$51,108.



State of Colorado

Department of Education

Colorado School for the Deaf and the Blind (CSDB)

FY 2013-14 Supplemental Request
January 2, 2014

John W. Hickenlooper
Governor

Robert K. Hammond
Commissioner

Department Priority: S-5
Request Detail: Salary Increase for CSDB Teachers

Summary of Supplemental Funding Change for FY 2013-14	Total Funds	General Fund	Cash Funds*
Salary Survey	\$(68,151)	\$(68,151)	\$0
Merit Pay	\$(51,108)	\$(51,108)	\$0

Problem or Opportunity:

CSDB's District 11 scale employees' salaries are statutorily required to be paid the equivalent to employees of El Paso District 11 from the previous school year. The last increase for CSDB District 11 Scale Employees was in FY10-11. House Bill 96-1354 stipulates teachers at CSDB shall be paid on the same salary scale as the teachers in the district where the main campus is located (El Paso District 11). The intent was for the 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. Therefore, the bill required that the teachers be compensated in accordance with the salary scale adopted by El Paso 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.

Proposed Solution:

The Colorado Department of Education (CDE) is requesting a one-time General Fund salary survey decrease of \$68,151 for FY13-14 and a one-time General Fund merit pay decrease of \$51,108 for FY13-14 for the CSDB District 11 scale employees. The request is based on the fact that the El Paso District 11 compensation plan for 2013-14 did not include increases to salary.

Anticipated Outcomes:

If the appropriation decrease is approved, the appropriation will be proper for increases actually granted.

Assumptions and Calculations:

Based on total CSDB teacher salaries of \$2,757,875, CDE is requesting a one-time reduction of \$119,259 for increases not granted to CSDB teachers.