

Schedule 13

Department of Education

Funding Request for The FY 2019-20 Budget Cycle

Request Title

R-01 Total Program Increase

Dept. Approval By: _____

Supplemental FY 2018-19

OSPB Approval By: _____

Budget Amendment FY 2019-20

X

Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$4,554,865,222	\$0	\$4,554,865,222	\$247,866,534	\$0
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$3,986,613,739	\$0	\$3,986,613,739	\$261,058,098	\$0
	CF	\$568,251,483	\$0	\$568,251,483	(\$13,189,562)	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$4,546,175,603	\$0	\$4,546,175,603	\$247,478,803	\$0
FTE		0.0	0.0	0.0	0.0	0.0
02. Assistance to Public Schools, (A) Public School Finance, (1) Public School Finance - State Share Of Districts' Total Program Funding	GF	\$3,986,613,739	\$0	\$3,986,613,739	\$261,058,098	\$0
	CF	\$559,561,864	\$0	\$559,561,864	(\$13,577,293)	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$8,689,619	\$0	\$8,689,619	\$387,731	\$0
FTE		0.0	0.0	0.0	0.0	0.0
02. Assistance to Public Schools, (A) Public School Finance, (1) Public School Finance - Hold-Harmless Full-Day Kindergarten Funding	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$8,689,619	\$0	\$8,689,619	\$387,731	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? YES

Type of Request? Department of Education Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact



Cost and FTE

- The Department requests an increase of \$247.5 million total funds, \$261 million General Fund, in FY 2019-20 for the *state share* portion of the Public School Finance Act and \$387,731 for the Hold Harmless Full-Day Kindergarten Program. The request is a 5.4 percent increase to state share payments from current FY 2018-19 appropriations.

Current Program

- Currently, Colorado's 178 school districts are funded for 871,141 pupils statewide. Most of the revenues used to support public schools in Colorado are provided by the Public School Finance Act. Based on the formulas and requirements contained in this Act and the Governor's statewide budget balancing proposals, public schools in Colorado will receive an increase of \$356.3 million. This increase includes a \$108.8 million increase in local share and a \$247.5 million increase in state share.

Problem or Opportunity

- In FY 2019-20, the Department projects that total student enrollment will increase by 5,245 pupils (0.6 percent). The FY 2019-20 inflationary factor is 3.0 percent based on the Office of State Planning and Budgeting (OSPB's) September 2018 Economic Forecast.
- Based on the formulas and requirements contained in the School Finance Act and State Constitution, the state share increase for the School Finance Act is calculated at \$170.5 million. However, the Governor's proposes changing the budget stabilization factor from \$672.4 million to \$595.4 million, thereby increasing funding for K-12 education by an additional \$77 million. With the reduction to the budget stabilization factor included, the total increase to the state share for Total Program is \$247.5 million.
- The request maintains a \$108 million projected FY 2019-20 ending fund balance in the State Education Fund.

Consequences of Problem

- To be in compliance with the Colorado's constitution and to provide additional resources to schools, this request proposes \$247.5 million state share increase for public schools is financed as follows: (1) an increase of \$261.1 million from the General Fund, (2) a decrease of \$66.4 million from the State Public School Fund, and (3) an increase of \$52.8 million from the State Education Fund.

Proposed Solution

- The request increases base funding for public schools by \$203 per pupil based on the OSPB's September 2018 inflation forecast of 3.0 percent. However, after all other adjustments from the Public School Finance Act and the Governor's proposal to reduce the budget stabilization factor by \$77 million are included, per pupil funding will actually increase by \$358 (4.4 percent). The additional funding proposed by the Governor will allow local districts and charter schools to decide how to best improve the education opportunities of their students.



COLORADO

Department of Education

John W. Hickenlooper
Governor

Katy Anthes, Ph.D.
Commissioner

FY 2019-20 Funding Request | November 1, 2018

Department Priority: R-01
Request Detail: Total Program Increase

Summary of Incremental Funding Change for FY 2019-20	Total State Funds	General Fund	Cash Funds*
Assistance to Public Schools (multiple line items)	\$247,866,534	\$261,056,096	-13,189,562

Request Summary:

The Department's FY 2019-20 budget request includes an increase of \$247.5 million for the *state share* of the K-12 school finance formula and an increase of \$387,731 for the Hold Harmless Full-Day Kindergarten program. The Department's request represents a 5.4 percent increase to the state share amount for K-12 funding when compared to FY 2018-19 current appropriations.

Problem or Opportunity:

Colorado public schools receive funding from a variety of sources. However, most revenues to Colorado's 178 school districts and Charter School Institute schools (hereafter, both are referred to as districts) are provided through the Public School Finance Act of 1994 (as amended). The Public School Finance Act establishes a formula to determine the amount of state and local funding for each district. The term "Total Program" is used to describe the total amount of funding each district receives under the School Finance Act. Total Program for a district is calculated by the number of funded pupils in the district multiplied by a statewide base per-pupil amount. To account for different district characteristics, a district's base per-pupil amount of funding may be adjusted for various factors including: (a) cost of living, (b) personnel costs, and (c) enrollment size. The School Finance Act formula also adjusts a district's funding to compensate for the presence of at-risk pupils, online students, and pupils participating in the Accelerating Students through Concurrent Enrollment (ASCENT) program.

Although the General Assembly sets the statewide base per-pupil amount annually, Article IX, Section 17, of the Colorado Constitution, commonly referred to as Amendment 23, requires that at a minimum, the General Assembly increases the base per-pupil amount each year by the rate of inflation. Beginning in FY 2010-11, the School Finance Act began reducing the Total Program amount proportionately across most districts by applying a new calculation called the budget stabilization factor (formerly the negative factor). In FY 2018-19, the budget stabilization factor reduced Total Program by approximately \$672.4 million (8.7 percent) statewide.

In FY 2019-20, the Department requests Total Program increase by \$356.3 million total funds. This increase is comprised of a \$247.5 million increase to the state share and a \$108.8 million increase to local share. The Department's estimates assume total funded pupil count will increase by 5,245 pupils (0.6 percent) and an inflationary factor of 3.0 percent based on the Office of State Planning and Budgeting (OSPB) 2018 September Forecast. The Department's Total Program request reduces the budget stabilization factor by \$77 million and maintains a projected ending fund balance in the State Education Fund of \$108 million.

In FY 2019-20, the Department also requests an increase of \$387,731 cash funds from the State Education Fund for the Hold-Harmless Full Day Kindergarten program based on increase in per pupil funding in the districts with this program.

Proposed Solution:

For FY 2019-20, the state share appropriations for Total Program from these fund sources will change as follows:

- State Education Fund appropriations for Total Program will increase from \$416.9 million in FY 2018-19 to \$469.7 million in FY 2019-20. This request also includes \$77 million transfer from the General Fund to the State Education Fund. Based on the OSPB September 2018 Economic Forecast and the State Education Fund appropriations contained in the Department's FY 2019-20 budget request, the State Education Fund is forecasted to have a FY 2019-20 ending fund balance of approximately \$108 million.
- State Public School Fund appropriations will decrease from \$142.7 million in FY 2018-19 to \$76.3 million in FY 2019-20. The request reflects the available revenues in the State Public School Fund for Total Program. The available revenues in the State Public School Fund includes a transfer of \$21.3 million from Marijuana sales tax revenues pursuant to Section 39-28.8-203 (1.5) (B) as forecasted by the OSPB September 2018 revenue forecast.
- General Fund appropriations will increase by \$261 million from \$3.987 billion in FY 2018-19 to \$4.248 billion in FY 2019-20.
- The \$387,731 increase to the Hold Harmless Full-Day Kindergarten program will be financed from the State Education Fund.

Anticipated Outcomes:

The Department's request ensures districts will receive the funding necessary for increases in student growth and inflation in FY 2019-20. As a percent of Total Program, the budget stabilization factor will decrease from 8.7 to 7.4 percent. Overall, the state share of Total Program funding will increase by 5.4 percent. Lastly, the request preserves a \$108 million fund balance in State Education Fund at the end of FY 2019-20. As a percentage of expenditures from the State Education Fund this represents a 14% reserve.

Assumptions and Calculations:

School Finance Total Program

In FY 2019-20, pupil enrollment growth and inflation results in a \$279.3 million increase to Total Program funding. Reducing the Budget Stabilization Factor by \$77 million, increases Total Program to a total request of \$356.3 million. Of this amount, \$247.5 million is state share (appropriated) and \$108.8 million is local share (non-appropriated) as shown in Table 1.

Table 1: Total Program Calculation of State and Local Share	FY 2018-19 Current Appropriation	FY 2019-20 Request*	Change (FY 2019-20 Request minus FY 2018-19)
State Share <i>(appropriated)</i>	\$4,546,175,603	\$4,793,654,406	\$247,478,803
Local Property Tax	2,358,852,184	2,462,124,281	\$103,272,096
Specific Ownership Tax	183,803,164	189,317,258	\$5,514,095
TOTAL	\$7,088,830,951	\$7,445,095,945	\$356,264,994

*The table includes both state and local share but only the state share is appropriated by the General Assembly.

Hold-Harmless Full-day Kindergarten

Hold-Harmless Full-Day Kindergarten funding will be increased by \$387,731 (4.5 percent) in FY 2019-20. This increase reflects the increase in per pupil funding for the districts with Hold Harmless Full-day Kindergarten programs. The request assumes this increase is funded through the State Education Fund.

TABLE 2: Hold Harmless Full-day Kindergarten			
	FY 2018-19 Appropriation	FY 2019-20 Request	Change
Hold Harmless Full-Day	\$8,689,619	\$9,077,350	\$387,731

At-Risk Supplemental Aid

The Department requests continuation funding of \$5,094,358 in FY 2019-20 for the at-risk supplemental aid program that was established in H.B. 12-1345.

Detailed Assumptions and Calculations for Total Program:

The details for these calculations are summarized in Appendix A and B (attached). Appendix C show the Office of State Planning and Budgeting estimates for State Education Fund balance at the end of FY 2019-20 with these recommendations.

Proposed Statutory Changes:

The Department's request requires the following statutory changes.

Total Program Base Per-Pupil Amount: Section 22-54-104 (5)(a) be modified and to add a new paragraph (XXVI):

(XXVI) FOR THE 2019-20 BUDGET YEAR, THE STATEWIDE BASE PER PUPIL FUNDING IS \$6,971.83, WHICH IS AN AMOUNT EQUAL TO \$6,768.77, SUPPLEMENTED BY \$203.06 TO ACCOUNT FOR INFLATION.

Total Program Funding and the Negative Factor: Section 22-54-104 (5) (g) (I) be modified and to add a new paragraph (J):

(J) THAT, FOR THE 2019-20 BUDGET YEAR, THE SUM OF THE TOTAL PROGRAM FUNDING FOR ALL DISTRICTS, INCLUDING THE FUNDING FOR INSTITUTE CHARTER SCHOOLS, AFTER APPLICATION OF THE BUDGET STABILIZATION FACTOR, IS NOT LESS THAN SEVEN BILLION FOUR HUNDRED FORTY FIVE MILLION NINETY FIVE THOUSAND AND NINE HUNDRED FORTY FIVE DOLLARS (\$7,445,095,945); EXCEPT THAT THE DEPARTMENT OF EDUCATION AND THE STAFF OF THE LEGISLATIVE COUNCIL SHALL MAKE MID-YEAR REVISIONS TO REPLACE PROJECTIONS WITH ACTUAL FIGURES, INCLUDING BUT NOT LIMITED TO ACTUAL PUPIL ENROLLMENT, ASSESSED VALUATIONS, AND SPECIFIC OWNERSHIP TAX REVENUE FROM THE PRIOR YEAR, TO DETERMINE ANY NECESSARY CHANGES IN THE AMOUNT OF THE REDUCTION TO MAINTAIN A TOTAL PROGRAM FUNDING AMOUNT FOR THE APPLICABLE BUDGET YEAR THAT IS CONSISTENT WITH THIS SUBSECTION (5)(G)(I)(J)). FOR THE 2020-21 BUDGET YEAR, THE DIFFERENCE BETWEEN CALCULATED STATEWIDE TOTAL PROGRAM FUNDING AND ACTUAL STATEWIDE TOTAL PROGRAM FUNDING MUST NOT EXCEED THE DIFFERENCE BETWEEN CALCULATED STATEWIDE TOTAL PROGRAM FUNDING AND ACTUAL STATEWIDE TOTAL PROGRAM FUNDING FOR THE 2019-20 BUDGET YEAR.

FOR THE 2019-20 BUDGET YEAR, THE STATE TREASURER, BEFORE JUNE 30, 2020, SHALL TRANSFER FROM THE GENERAL FUND TO THE STATE EDUCATION FUND SEVENTY- SEVEN MILLION DOLLARS.

Attachment A: K-12 Total Program FY 2019-20 Budget Request Summary

Colorado Department of Education Public School Finance Act of 1994 Projected Fiscal Year 2019-20 Funding Summary November 2018 Budget Request			
K-12 Total Program	FY 2018-19 Estimate	FY 2019-20 Request	Change
At-risk Funded Count	304,054	305,248	1,194
ASCENT Pupil Count	500	500	0
Funded Pupil Count	871,141	876,386	5,245
Average Per-pupil Funding Before Negative Factor	\$8,909.27	\$9,174.60	265.33
Base Per-pupil Funding	\$6,768.77	\$6,971.83	203.06
Total Program Funding Before Application of Budget Stabilization Factor	\$7,761,227,845	\$8,040,492,839	279,264,994
Total Program Funding Before Application of Budget Stabilization Factor	\$7,761,227,845	\$8,040,492,839	\$279,264,994
Budget Stabilization Factor (minus)	<u>-672,396,894</u>	<u>-595,396,894</u>	<u>77,000,000</u>
Total Revised Total Program Funding	\$7,088,830,951	\$7,445,095,945	\$356,264,994
Funding Sources of Local Share:			
Property Taxes	2,358,852,184	2,462,124,281	103,272,096
Specific Ownership Taxes	<u>183,803,164</u>	<u>189,317,258</u>	5,514,095
TOTAL LOCAL SHARE	\$2,542,655,348	\$2,651,441,539	\$108,786,191
Funding Sources of State Share			
State Education Fund	416,891,296	469,684,571	52,793,275
State Public School Fund	142,670,568	76,300,000	-66,370,568
General Fund Exempt (Ref C)	923,068,333	923,068,333	0
General Fund	<u>3,063,545,406</u>	<u>3,324,601,502</u>	261,056,096
TOTAL STATE SHARE	\$4,546,175,603	\$4,793,654,406	\$247,478,803
Average Per Pupil Funding After Negative Factor	\$8,137	\$8,495	358

Increased Student Enrollment

- The Department estimates that funded pupils will increase from 871,141 in FY 2018-19 to 876,386 in FY 2019-20. This is an increase of 5,245 pupils or 0.6 percent.

Increased At-Risk Pupil Counts

- The Department estimates at-risk students will increase from 304,054 in FY 2018-19 to 305,248 in FY 2019-20. This is an increase of 1,194 students or 0.4 percent. As a percent of total funded pupils, 34.8 percent of students are considered at-risk.

Per Pupil Funding

- The request uses an inflation factor of 3.0 percent based on the Office of State Planning and Budgeting 2018 September Revenue Forecast.
- The inflation rate will increase **base** per pupil funding by \$203.06 from \$6,768.77 in FY 2018-19 to \$6,971.83 in FY 2019-20. This is an increase of 3.0 percent.
- After **all** school finance formula factors are calculated (including the reduction to the budget stabilization factor), the statewide average per pupil revenue will increase by \$358 from \$8,137 in FY 2018-19 to \$8,495 in FY 2019-20. This is an increase of 4.4 percent.

Budget Stabilization Factor

- The total budget stabilization factor dollar amount in FY 2019-20 will be \$595.4 million compared to \$672.4 million in FY 2018-19.

Attachment B: Other School Finance Formula Line Items

Colorado Department of Education Public School Finance Act of 1994 Projected Fiscal Year 2019-20 Funding Summary November 2018 Budget Request			
Other K-12 Total Program Line Items	FY 2018-19	FY 2019-20	Change
	Appropriation	Request	
Hold-harmless Full-day Kindergarten	\$9,513,928	\$9,803,280	\$289,351
Less: Negative Factor	-824,310	-725,930	98,380
Net Hold-Harmless Full-day Kindergarten	\$8,689,619	\$9,077,350	\$387,731
At-Risk Supplemental Aid	\$5,094,358	\$5,094,358	0

Attachment C: Projected State Education Fund Balance

Office of State Planning and Budgeting – Estimated State Education Fund Balance			
	FY 2018-19 Estimate	FY 2019-20 Request*	Change
Beginning Balance	\$208,683,204	\$126,551,908	(\$82,131,297)
<i>Estimated Revenues (OSPB Forecast)</i>			
Amendment 23 Revenues	658,600,000	698,700,000	40,100,000
Additional General Fund Revenue	24,991,739	77,000,000	52,008,261
Total General Fund Revenue transferred	\$683,591,739	\$775,700,000	92,108,261
Other revenue (interest earnings)	6,835,917	6,987,000	151,083
TOTAL Forecasted Available SEF Revenue	\$690,427,656	\$782,687,000	\$92,259,344
<i>Estimated Expenditures (Department Request)</i>			
Total Program SEF Expenditures	\$416,891,296	\$469,684,571	52,793,275
Categorical Program SEF Expenditures	165,975,928	170,955,206	4,979,278
Various Other Programs and Transfers	189,691,729	160,079,460	-29,612,269
TOTAL Forecasted SEF Expenditures	\$772,558,953	\$800,719,237	\$28,160,284
Projected Ending Fund Balance	\$126,551,908	\$108,519,671	(\$18,032,237)

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Schedule 13

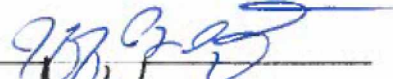
Department of Education

Funding Request for The FY 2019-20 Budget Cycle

Request Title

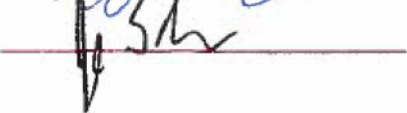
R-02 Categorical Program Inflation Increases

Dept. Approval By: _____



Supplemental FY 2018-19

OSPB Approval By: _____



Budget Amendment FY 2019-20

X

Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$476,260,087	\$0	\$476,676,460	\$9,232,242	\$8,232,242
FTE		73.1	0.0	73.1	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$141,785,474	\$0	\$141,785,474	\$4,252,984	\$4,252,884
	CF	\$168,425,928	\$0	\$168,444,731	\$4,979,278	\$4,979,278
	RF	\$191,090	\$0	\$191,090	\$0	\$0
	FF	\$168,877,595	\$0	\$167,175,165	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$331,952,704	\$0	\$332,241,269	\$5,054,772	\$5,054,772
FTE		63.0	0.0	63.0	0.0	0.0
02. Assistance to Public Schools, (B) Categorical Programs, (1) District Programs Required by Statute - Special Education - Children With Disabilities	GF	\$71,572,347	\$0	\$71,572,347	\$2,397,324	\$2,397,324
	CF	\$104,556,868	\$0	\$104,556,868	\$2,657,448	\$2,657,448
	RF	\$191,090	\$0	\$191,090	\$0	\$0
	FF	\$155,632,399	\$0	\$155,920,964	\$0	\$0

Total		\$32,853,407	\$0	\$32,862,412	\$1,602,702	\$1,602,702
FTE		4.6	0.0	4.6	0.0	0.0
02. Assistance to Public Schools, (B) Categorical Programs, (1) District Programs Required by Statute - English Language Proficiency Program	GF	\$3,101,598	\$0	\$3,101,598	\$230,048	\$230,048
	CF	\$18,506,613	\$0	\$18,506,613	\$1,372,654	\$1,372,654
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$11,245,196	\$0	\$11,254,201	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$59,549,150	\$0	\$68,564,137	\$1,527,573	\$1,527,573
	FTE	2.0	0.0	2.0	0.0	0.0
02. Assistance to Public Schools, (B) Categorical Programs, (2) Other Categorical Programs - Public School Transportation	GF	\$36,922,227	\$0	\$36,922,227	\$954,352	\$954,352
	CF	\$22,626,923	\$0	\$22,631,910	\$573,221	\$573,221
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$26,675,279	\$0	\$26,675,279	\$822,580	\$622,580
	FTE	0.0	0.0	0.0	0.0	0.0
02. Assistance to Public Schools, (B) Categorical Programs, (2) Other Categorical Programs - Transfer to DHE for Career and Technical Education	GF	\$17,792,850	\$0	\$17,792,850	\$415,271	\$415,271
	CF	\$8,882,429	\$0	\$8,882,429	\$207,309	\$207,309
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$12,528,041	\$0	\$12,536,503	\$186,915	\$186,915
	FTE	1.5	0.0	1.5	0.0	0.0
02. Assistance to Public Schools, (B) Categorical Programs, (2) Other Categorical Programs - Special Education Programs for Gifted and Talented Children	GF	\$5,500,000	\$0	\$5,500,000	\$82,059	\$82,059
	CF	\$7,028,041	\$0	\$7,036,503	\$104,856	\$104,856
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$9,493,660	\$0	\$9,497,672	\$0	\$0
	FTE	1.0	0.0	1.0	0.0	0.0
02. Assistance to Public Schools, (B) Categorical Programs, (2) Other Categorical Programs - Expelled and At-Risk Student Services Grant Program	GF	\$5,788,807	\$0	\$5,788,807	\$0	\$0
	CF	\$3,704,753	\$0	\$3,708,765	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$1,076,550	\$0	\$1,076,550	\$237,700	\$237,700
	FTE	0.0	0.0	0.0	0.0	0.0
02. Assistance to Public Schools, (B) Categorical Programs, (2) Other Categorical Programs - Small Attendance Center Aid	GF	\$787,645	\$0	\$787,645	\$173,910	\$173,910
	CF	\$288,905	\$0	\$288,905	\$63,790	\$63,790
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,131,396	\$0	\$1,132,738	\$0	\$0
	FTE	1.0	0.0	1.0	0.0	0.0
02. Assistance to Public Schools, (B) Categorical Programs, (2) Other	GF	\$300,000	\$0	\$300,000	\$0	\$0
Categorical Programs - Comprehensive Health Education	CF	\$831,396	\$0	\$832,738	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data	
Requires Legislation?	NO
Type of Request?	Department of Education Prioritized Request
	Interagency Approval or Related Schedule 13s:
	No Other Agency Impact



Cost and FTE

- The Department requests an inflationary increase of \$9.2 million total funds for education programs commonly referred to as “categorical programs”. \$4.2 million of this funding will be from the General Fund and \$5 million will be from the State Education Fund.

Current Program

- In addition to funding provided to public schools from the School Finance Act formula, Colorado school districts may also receive funding to pay for specific categorical programs designed to serve particular groups of students or particular student needs. Total funding appropriated for these programs in FY 2018-19 is \$475.3 million. Of this amount, \$141.8 million is General Fund, \$166.4 million is cash funds (\$166 million from the State Education Fund and \$450,000 from Public School Transportation Fund), \$191,090 are funds transferred from other state agencies, and \$167 million are from federal funds.
- The programs that receive this funding include special education programs for children with disabilities, English language proficiency education, public school transportation, career and technical education programs, special education for gifted and talented children, expelled and at-risk student grants, small attendance centers, and comprehensive health education.

Problem or Opportunity

- Section 17 of Article IX of the State Constitution requires that the General Assembly provide inflationary increases for categorical programs each year. The Office of State Planning and Budgeting’s September 2018 Economic Forecast indicates a 3.0% inflationary rate for FY 2019-20.

Consequences of Problem

- A 3.0% inflationary rate results in \$9.2 million increase in State funding for categorical programs.

Proposed Solution

- The Department recommends the \$9.2 million funding increase in FY 2019-20 be allocated to the categorical programs with the greatest needs and programs that have not received increases in recent years. Specifically, the Department requests \$5 million for special education for children with disabilities, \$1.6 million for English language proficiency programs, \$1.5 million for public school transportation, \$622,580 for career and technical education, \$186,915 for gifted and talented students, and \$237,700 for small attendance center aid.



COLORADO
Department of Education

John W. Hickenlooper
Governor

Katy Anthes, Ph.D.
Commissioner

FY 2019-20 Funding Request | November 1, 2018

Department Priority: R-2
Request Detail: Categorical Programs Inflation Increases

Summary of Incremental Funding Change for FY 2019-20	Total Funds	General Fund
Categorical Programs (multiple line items)	\$9,232,242	\$4,252,964

Request Summary:

The Department requests approximately \$9.2 million in FY 2019-20 and subsequent fiscal years to fund a 3.0 percent inflationary increase for the education programs commonly referred to as “categorical programs”.

Problem or Opportunity:

In addition to funding provided to public schools from the School Finance Act formula, Colorado school districts may also receive funding to pay for specific categorical programs designed to serve particular groups of students or particular student needs. The education programs that receive this funding include:

- special education programs for children with disabilities,
- English language proficiency education,
- public school transportation,
- career and technical education programs,
- special education programs for gifted and talented students,
- expelled and at-risk student grants,
- small attendance centers, and
- comprehensive health education.

Total funding appropriated for these programs in FY 2018-19 is \$475,260,087. Of this amount, \$307,741,402 is state funding which is subject to the inflationary increases for categorical programs each year pursuant to Section 17 of Article IX of the State Constitution. The Office of State Planning and Budgeting’s September 2018 Economic Forecast indicates a 3.0 percent inflationary rate adjustment for FY 2019-20. This results in an increase of approximately \$9.2 million over current state funding amounts.

Proposed Solution:

The Department requests that approximately \$9.0 million of the \$9.2 million in increased funding be allocated among the programs based on the “gap” in funding between the actual reported revenue received by the programs versus the actual reported expenditures as reported to the Department by individual districts. Additionally, the Department requests that \$237,700 in increased funding be allocated to the Small Attendance Center Aid program. This program is designed to provide funding in addition to the School Finance Act for schools that have pupil enrollments of less than 200 students and are located 20 or more

miles from any similar school in the same district. Typically, districts do not report a gap in revenues and expenditures for this program. Further, the Department has not been able to distribute the full amount of funding calculated pursuant to Section 22-54-122, C.R.S. in recent years because the appropriated funding was less than the calculated need. The Department has distributed a portion of the calculated funding based upon available appropriations for this program as allowed by statute. The additional funding will provide funding equal to the funding shortfall calculated for FY 2017-18.

Anticipated Outcomes:

If the request is approved, the State will meet the constitutional requirement to provide inflationary funding for categorical programs. In addition, those programs with the largest funding gaps will receive the majority of the funding increase.

Assumptions and Calculations:

The calculation for the requested increase is based on adjusting the FY 2018-19 appropriations subject to Section 17 of Article IX of the State Constitution by an inflation rate of 3.0 percent. The inflationary rate used the applicable rate for FY 2019-20 projected in the Office of Strategic Planning and Budgeting’s September 2018 Economic Forecast.

Table 1: Requested Increase for Categorical Programs					
	FY 2018-19 Total Fund Appropriation	Deduct Federal Funds	Deduct Reappropriated Funds	Deduct Public School Transportation Fund*	Total
All Categorical Programs	\$475,260,087	(\$166,877,595)	(\$191,090)	(\$450,000)	\$307,741,402
Applicable OSPB Inflation Factor (September 2018 Economic Forecast)					0.030
Total amount of inflation for categorical programs					\$9,232,242
*Pursuant to Section 22-51-103, C.R.S. any appropriation made from the public school transportation fund from moneys deposited from overpayments collected by the department through the audit process shall not be included in the calculation of total state funding for all categorical programs as defined in Section 22-55-102,(19) C.R.S.					

The Department requests that approximately \$9.0 million of the \$9.2 million in increased funding be allocated among the programs based on the “gap” in funding between the actual reported revenue received by the programs versus the actual expenditures as reported to the Department by individual districts.

The inflationary increase is not required to be distributed to every categorical program. The Department requests that \$8,994,542 of the 9,232,242 inflationary adjustment be allocated among the programs based on the “gap” in funding identified between the actual reported revenue received by the programs versus the actual expenditures as reported to the Department by individual districts. Additionally, the Department requests that \$237,700 in increased funding be allocated to the Small Attendance Center Aid program. The requested distribution of additional funding is outlined in Table 2.

Appendix A: Requested Increase for Categorical Programs

	Special Education Programs for Children with Disabilities /1	English Language Proficiency Programs	Public School Transportation	Career and Technical Education Programs	Gifted and Talented Programs	Expelled and At-risk Student Services Grant Program	Small Attendance Center Aid	Comprehensive Health Education	Total
A. FY 2016-17 Total District Expenditures	\$965,037,808	\$246,822,751	\$242,083,532	\$108,270,933	\$34,139,991	\$6,378,609	\$1,076,550	\$744,529	\$1,604,554,703
B. FY 2016-17 Total State / Federal Revenues	(\$352,455,517)	(\$52,592,986)	(\$56,958,567)	(\$32,821,182)	(\$11,488,000)	(\$6,378,609)	(\$1,076,550)	(\$744,529)	(\$514,515,940)
C. FY 2016-17 Funding Gap Between District Expenditures and State / Federal Revenues	\$612,582,291	\$194,229,765	\$185,124,965	\$75,449,751	\$22,651,991	\$0	\$0	\$0	\$1,090,038,763
D. Proportional Percentage of Total Excess Expenditures	56.20%	17.82%	16.98%	6.92%	2.08%	0.00%	0.00%	0.00%	100.00%
E. FY 2018-19 State Approps subject to inflation increase	\$176,129,215	\$21,608,211	\$59,099,150	\$26,675,279	\$12,528,041	\$9,493,560	\$1,076,550	\$1,131,396	\$307,741,402
F. R-02 Allocation of the inflationary adjustment (see notes)	\$5,054,772	\$1,602,702	\$1,527,573	\$622,580	\$186,915	\$0	\$237,700	\$0	\$9,232,242
G. Base & Other Requests	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
H. State funds transferred from other Departments / Programs	\$191,090	\$0	\$450,000	\$0	\$0	\$0	\$0	\$0	\$641,090
I. FY 2019-20 Estimated Federal Funds	<u>\$155,632,399</u>	<u>\$11,245,196</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$166,877,595</u>
J. FY 2019-20 Subtotal for Categorical Programs adjusted by inflation	\$337,007,476	\$34,456,109	\$61,076,723	\$27,297,859	\$12,714,956	\$9,493,560	\$1,314,250	\$1,131,396	\$484,492,329
<i>General Fund</i>									\$146,018,438
<i>Cash Funds (State Education Fund and Public School Transportation Fund)</i>									\$171,405,206
<i>Reappropriated (transferred) Funds</i>									\$191,090
<i>Federal Funds</i>									\$166,877,595

/1 State funding includes the Public School Finance Act funding for preschool children with disabilities.

Notes for Table 2:

Row A: Total expenditures related to state and federal funding provided to school districts, the Charter School Institute, and Boards of Cooperative Educational Services by the Department. Source of information is School District Data Pipeline Financial Reporting.

Row B: Total state and federal revenue reported by school districts, the Charter School Institute and Boards of Cooperative Educational Services by the Department. Source is School District Data Pipeline Financial Reporting.

Row C: Row A minus Row B equals the estimated gap in unfunded expenditures covered by the school districts, the Charter School Institutes, and the Boards of Cooperative Educational Services.

Row D: The proportional percentage of each categorical programs unfunded expenditures in relation to the total categorical programs unfunded expenditures.

Row E: The FY 2018-19 state funds appropriation excluding federal funds, state funds appropriated from other programs, and public school transportation funds pursuant to Section 22-51-103, C.R.S.

Row F: Shows the Department’s recommended distribution of the inflationary increase.

Row G: Shows the FY 2019-20 base adjustments and other request items that impact a categorical program.

Totals: The FY 2019-20 total request for all categorical programs. This amount matches the total fund request shown on the Schedule 3s.

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Schedule 13

Department of Education

Funding Request for The FY 2019-20 Budget Cycle

Request Title

R-03 Schools of Choice

Dept. Approval By: *[Signature]* _____

Supplemental FY 2018-19

OSPB Approval By: *[Signature]* _____

Budget Amendment FY 2019-20

X

Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$10,067,376	\$0	\$10,633,029	\$360,374	\$381,662
FTE		0.0	0.0	0.0	2.6	2.8
Total of All Line Items Impacted by Change Request	GF	\$3,746,938	\$0	\$3,833,216	\$360,374	\$381,662
	CF	\$1,412,784	\$0	\$1,851,721	\$0	\$0
	RF	\$1,005,495	\$0	\$1,080,413	\$0	\$0
	FF	\$3,902,158	\$0	\$4,267,679	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$0	\$0	\$0	\$309,091	\$328,596
FTE		0.0	0.0	0.0	2.6	2.8
01. Management and Administration, (A)	GF	\$0	\$0	\$0	\$309,091	\$328,596
Administration and Centrally-Appropriated Line Items, (1)	CF	\$0	\$0	\$0	\$0	\$0
Administration and Centrally-Appropriated Line Items - Schools of Choice	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$5,446,454	\$0	\$5,885,919	\$31,708	\$31,708
01. Management and Administration, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$2,124,013	\$0	\$2,118,373	\$31,708	\$31,708
Administration and Centrally-Appropriated Line Items - Health, Life, and Dental	CF	\$743,392	\$0	\$905,011	\$0	\$0
	RF	\$484,619	\$0	\$533,337	\$0	\$0
	FF	\$2,094,430	\$0	\$2,328,198	\$0	\$0
	Total	\$73,221	\$0	\$78,818	\$385	\$398
01. Management and Administration, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$25,605	\$0	\$25,021	\$385	\$398
Administration and Centrally-Appropriated Line Items - Short-term Disability	CF	\$10,632	\$0	\$12,412	\$0	\$0
	RF	\$8,272	\$0	\$9,112	\$0	\$0
	FF	\$28,712	\$0	\$32,273	\$0	\$0
	Total	\$2,273,850	\$0	\$2,334,146	\$9,605	\$10,480
01. Management and Administration, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$798,660	\$0	\$744,911	\$9,605	\$10,480
Administration and Centrally-Appropriated Line Items - Amortization Equalization Disbursement	CF	\$329,380	\$0	\$368,649	\$0	\$0
	RF	\$256,302	\$0	\$268,882	\$0	\$0
	FF	\$889,508	\$0	\$953,604	\$0	\$0
	Total	\$2,273,850	\$0	\$2,334,146	\$9,605	\$10,480
01. Management and Administration, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$798,660	\$0	\$744,911	\$9,605	\$10,480
Administration and Centrally-Appropriated Line Items - Supplemental Amortization Equalization Disbursement	CF	\$329,380	\$0	\$368,649	\$0	\$0
	RF	\$256,302	\$0	\$268,882	\$0	\$0
	FF	\$889,508	\$0	\$953,604	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Education Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact



Cost and FTE

- This is an ongoing request for \$360,374 General Fund and 2.8 FTE to fund the Schools of Choice unit.

Current Program

- The Schools of Choice Unit provides federal funding, technical support and other services to charter schools and districts in Colorado.
- The Unit is also responsible for meeting the Department's responsibilities under the Charter Schools Act - 22-30.5-101-22-30.5-704, C.R.S.

Problem or Opportunity

- There are over 250 charter schools operating in Colorado today. These schools serve approximately 13% of the total student population or roughly 120,000 students.
- The Schools of Choice Unit was established to manage the federal Charter School Program grant, which provides start-up funding to new and expanding charter schools. As the number of new and expanding charters opening in the state has decreased, so has the federal grant. The Department has reduced the staff in this unit by 3.0 FTE in the past two years.
- Most of the remaining staff must devote the majority of their time to meeting the requirements of the state Charter Schools Act, but the Department does not receive a state appropriation for these activities.

Consequences of Problem

- There are fewer new or expanding charter schools in the state. This has led to a reduction in federal funding and staff in the Schools of Choice Unit.
- At the same time, there are growing needs to provide technical assistance to existing charter schools, to ensure proper implementation of state statutes, and to support to the State Board of Education regarding charter schools. These needs cannot be met without state funding.

Proposed Solution

- The Department is requesting state funding for the staff and activities focused on meeting the requirements of the Charter Schools Act and the needs of charter schools across the State.
- The request for \$360,374 and 2.8 FTE is for *existing staff*, which would allow the Schools of Choice Unit to reorganize their work away from the decreasing needs of the federal program and focus on the increasing needs of more than 250 charter schools in the state that serve approximately 120,000 Colorado students.



FY 2019-20 Funding Request | November 1, 2018

Department Priority: R-03
Request Detail: Schools of Choice

Summary of Incremental Funding Change for FY 2019-20	Total Funds	General Fund
Request to State Funding for Schools of Choice Unit	\$360,374	\$360,374

Problem or Opportunity:

Almost all funding for the Schools of Choice Unit at the Department comes from the federal Charter Schools Program Grant (CSP). This federal grant provides funding for opening new charter schools or the expansion of existing charter networks. Due to years of growth in Colorado’s charter sector, there are over 250 charter schools operating in the state today, serving approximately 13%, or 120,000 of Colorado’s public school students of which, the Federal Grant is not designed or allowable to support. At the same time, the number of new and expanding schools opening each year has been declining, and the interest in and the needs for the existing, mature charter schools across the state have increased and continue to grow. The corresponding trends of growing need and decreasing new school start-ups has resulted in a significant resource gap to properly run the charter school office for the state.

To address these changes, the Schools of Choice Unit is at a juncture where it needs to restructure its operations, the financing it receives and the essential services it provides to charter schools, districts, the State Board of Education, and its other stakeholders.

Therefore it is necessary to secure state funding to provide support for the more than 250 charter schools in the state, since the federal grant does not allow the Department to use those funds for the support and administration required by the Charter Schools Act (C.R.S. 22-30.5-101 through 22-30.5-704). The responsibilities under the Act include:

- Providing technical assistance to schools, districts, and other stakeholders with ensuring proper implementation of Title 22 as it applies to charter schools
- Providing the State Board with information and support regarding items related to statutory waiver requests that are included in executed and/or renewed charter contracts (typically between 50 and 100 Board agenda items annually)
- Providing administrative support to the State Board in their responsibilities for rulemaking related to charter school waivers
- Providing administrative support to the State Board in their responsibilities for rulemaking related to quality standards for charter schools and charter school authorizers

- Providing administrative support to the State Board in their responsibilities for rulemaking related to charter schools applying for federal and state grants and programs
- Providing information and responding to questions related to charter school appeals submitted to the State Board of Education and challenges to exclusive chartering authority
- Informing rulemaking and implementation of rules related to the designation of charter schools and charter school collaboratives as school food authorities
- Collecting data about charter schools in Colorado and building a public repository of information about charter schools including maintaining a database of waivers granted to individual charter schools and charter contract expiration dates across the State
- Collecting data about charter schools and generating reports about charter schools including
 - Aggregating annual authorizer evaluations of charter school performance¹, and
 - Authoring a regular state evaluation for the Governor and the House and Senate Committees of Education on the success or failure of charter schools and of institute charter schools, their relationship to other school reform efforts, and suggested changes in state law necessary to strengthen or change the charter school program described in statute across the state²
- Coordination of proposals to operate independent charter schools to include the request for proposal, review committee, and recommendations

The overall growth in the charter sector has resulted in charter schools becoming a major part of the State’s public school infrastructure. As a result, the Schools of Choice Unit must reorganize and refinance in order address the significant shift in the kind of support it provides to all of its constituents.

In addition to a growing need for the existing system, over the past three years, the State has experienced a decline in new and expanding charter school growth, and the corresponding reduction in the federal funding associated with it. Aside from a general slowing of charter growth and expansion, the state has also has been impacted by a federal CMO (Charter Management Organization) grant, which funds larger charter organizations directly and thereby reduces the anticipated amount of awards funded through the state program.

For example, three of the state’s largest charter networks (The Denver School of Science and Technology, STRIVE Prep, and University Prep) are no longer funded through the Colorado CSP grant because these networks are now recipients of the federal-to-local CMO grant. The result from this and other declines in new schools opening has been that the Department has experienced significant capacity constraints around providing state-required services to these and other charter schools and networks. At the same time, the Department’s federal charter grant has decreased. Out of necessity the Department has had to reduce the number of staff carrying out charter school work; however, the demand for guidance, support, and public information around the state statutes and requirements continues to increase.

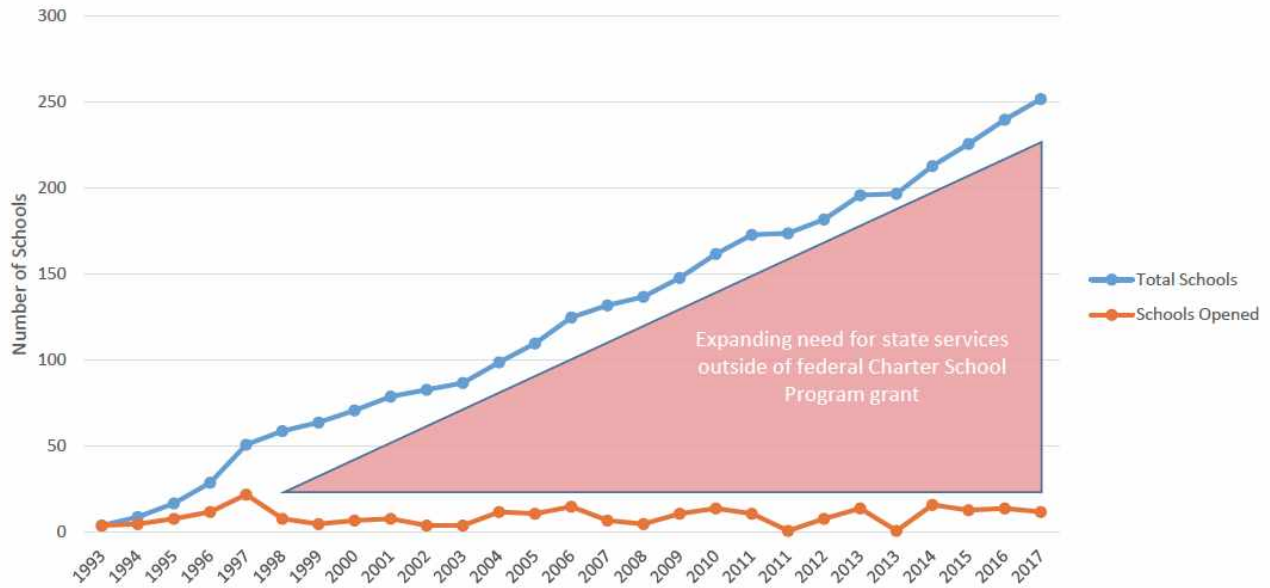
It has become clear that in order to properly serve the state and the Department’s responsibilities under the Charter Schools Act, and to provide the technical expertise related to charter schools requested and needed by school districts, schools, policymakers, public information outlets, and the general public, the Charter Office requires state funding to address the shift from new/opening schools to a mature charter community.

The chart below illustrates the changes Colorado has seen, which necessitates the change in funding being requested.

¹ Note: Due to resource constraints, the state has not been able to successfully implement this particular requirement

² State has met a minimum requirement of creating this report once every three years

New Charter Schools per Year Relative to Number of Existing Charter Schools



Year	Proposed # of CSP-Funded Schools	Actual # of CSP-Funded Schools
2015-2016	18	5
2016-2017	19	14
2017-2018	20	12
Current Grant Total	57	31

In addition to addressing the problem stated above, state funding would bring with it meaningful opportunities, which include:

- The charter school office would be tightly aligned to the strategic direction of the Department, with a particular focus around the two Departmental goals of “More Options” for students and “Quality Schools.”
- The charter office has new leadership that is helping set a new vision of support and learning for the charter and authorizer communities and the state would like to leverage this leadership for this strategically-aligned support.
- In addition to hiring a new Executive Director of the Schools of Choice Unit, this unit is also joining a newly configured School Quality and Support Division that will more closely link charter schools and school choice to the state’s accountability, school improvement, and school quality infrastructures under Departmental leadership from a new Associate Commissioner.
- With these new leaders, the Schools of Choice Unit has capacity to meaningfully contribute to the Department’s strategic direction and state priorities in service to a diverse public education environment that includes a large and historically high performing charter sector.

History and background:

The Colorado Charter School sector is now 25 years old – one of the oldest charter sectors in the country. Over 250 charter schools are now open and operate across the state – serving approximately 13% or roughly 120,000 of the public school student body in the State. At the time the state Charter Schools Act was enacted, there was not an apparent need for state funding. The number of schools was small, most of the work was identified for districts (authorizers) with which the legislation provided a 5% allocation from the school's PPR that could be used by the district (authorizer) to help offset their administrative costs. Additionally, for much of this time, the Schools of Choice office has administered a federal grant for charter school start-up and/or expansion of high performing charter schools (the CSP grant). Since the state-required activities were incidental or immaterial to the work the Department was doing, it was possible to absorb the costs to carry out its responsibilities under the Charter Schools Act.

However, recently, the state has begun to experience the strain of the current funding approach. There are three primary drivers of this strain as identified below:

1. **Administrative strain resulting from significant charter school growth.** Compared to 25, 20, 10, or even 5 years ago, there are many more charter schools and charter school authorizers (districts with charter schools) in Colorado today than when the Act was first passed. The Schools of Choice Unit supports all stakeholders needing technical assistance regarding their responsibilities under the Charter Schools Act and/or other provisions of public education law as they relate to charter schools. Additionally, as charter schools have evolved into an established, significant part of the public school infrastructure, legislation has shifted also, requiring charters to implement and adhere to statutes, rules and regulations. This has created a need for the Schools of Choice unit to provide clear guidance, expertise, and technical assistance to the field, the State Board, and other stakeholders.
2. **Increasing complexity needing policy guidance.** As the charter sector has matured in Colorado, various stakeholders are developing a deeper, more nuanced understanding of the work of charter schools and are needing greater policy review and guidance for the field to address grey areas. As the policy questions become more nuanced and complex, the state charter office is being called on more frequently to provide support and guidance to the stakeholder community.
3. **Overreliance on federal grant funds.** Due to the recent and significant decrease of federal funding for annual start-up awards, this has created budgetary instability. Recently, the state has been negatively impacted by an approximately 33% reduction in the federal award. The resulting impact to the Charter School Office has been that staffing has been reduced by 50% and services and supports to the sector have also been reduced as a result of the shift to mature and existing schools noted above. Further reductions in staffing will compromise the ability of the Schools of Choice Unit to fulfill its responsibilities under the Charter Schools Act.
4. **Regular review and consideration of charter contracts and waivers by the State Board.** Currently in statute, all new charter contracts and all renewals of existing contracts require review and approval of statutory waivers by the State Board of Education. In order to implement this part of statute, staff are required to review incoming charter contracts for completeness, review statutory waivers, set agenda items, and prepare materials for State Board consideration. What once was a relatively infrequent activity of the Board is now a monthly occurrence often with between 5 and 20

distinct agenda items that require dedicated staff time and expertise to prepare materials properly for informed board decision-making.

The Department has taken three primary steps to address the current problem:

1. **Apply for the new federal grant award** – Colorado has applied for the most recent CSP competition offered by the US Department of Education. Lessons from our two most recent grants however have shown that this is not an effective or complete strategy as the federal grant is specific only to a narrow range of objectives – namely, charter school expansion, new school development, and charter school replication.
2. **Reduce staffing to minimum levels** – As noted above, the Schools of Choice Unit has already reduced staff by 50%. The Department is seeking an appropriation to meet the requirements under the Charter Schools Act and sustain operations for the charter program. The office currently has three individuals carrying out charter work in relation to the federal CSP grant as well as some oversight for grantee financial management. Further reductions would both put compliance with the federal grant and the necessary state support in jeopardy.
3. **Propose a more sustainable long-term funding model** – Diversifying the financing to provide state funding in addition to the federal award will provide sustainability as well as the ability to focus supports where there is an immediate need, namely the support of existing charter schools and charter school authorizers.

Proposed Solution:

If this request is approved, the Schools of Choice Unit will be able to support the following:

- Retain a Schools of Choice office inclusive of charter school, innovation school, and online/blended learning work and continue connecting this office to furthering the strategic activities of the Department.
- Align the work of the Unit to the broader strategic objectives of the Department, address technical questions of public concern including questions from the media, policy makers, other CDE staff, and the general public.
- Retain a charter policy expert who can prepare charter waiver requests coming from authorizers for the State Board (currently, the state receives approximately 50-100 per year), provide charter policy guidance to the field, review and recommend changes to rules impacting the charter sector, and provide technical assistance.
- Retain a charter program expert that can write legislative reports, facilitate outreach to the charter sector – including charter schools and charter school authorizers—to ensure that the state maintains effective communication with the field, informs the Department and the field on evolving needs within the sector, and facilitate cross departmental collaboration and communication so that the state can provide technical support and assistance that is responsive to these evolving needs.
- Provide administrative support for the Schools of Choice Unit so that the unit can receive communications and answer questions from the public in a reliable way, maintain a website of public information related to schools of choice, manage event planning and field-based service timelines and coordination for the unit, and maintain records related to charter, innovation, and online schools and blended learning initiatives.

With a state investment in the charter school office, the Department and State Board can be intentional about providing supports and oversight of charter school law and policy that could not be fully realized by merely administering the Federal Charter School Program grant focused on new and expanding schools. For example, the Schools of Choice Office would be properly equipped to respond to needs and challenges affecting the charter schools that are not currently active participants in the federal program, and prioritize policy implementation and guidance for the field related to topics such as charter networks, mill levy equalization, special education law for charter schools and charter authorizers, choice enrollment policies, employee background checks, parental notification, financial transparency requirements, board governance, and many other areas.

The request is for ongoing funding of \$360,374 which will allow for the continued operation of the Schools of Choice Unit. *This funding will not add FTE*, but would rather shift FTE allocations from federal to state funds, allowing the Unit to focus on and provide greater support around the Charter School Act activities and requirements.

If this problem is not addressed, the Department anticipates the following consequences:

- The state will see a degradation of charter school policy and operational expertise within the Department as the Schools of Choice Unit will have to continue eliminating positions. As noted above, the Unit has already eliminated 50% or three positions.
- Since the majority of the Unit's positions are funded through the Federal CSP, the Department will not have the capacity to provide specialized expertise or the necessary support for the requirements under the state Charter Schools Act. In short the Unit will not be able to support the existing schools which comprise approximately 90% of the schools in the system today or authorizers.
- Statutory responsibilities of the state as directed by the Charter Schools Act, for example, processing charter waiver requests and/or promulgating rulemaking, will have to be reallocated to other units within the Department, if possible. However, those units and staff may lack charter school expertise and the capacity to fulfill those requirements. Since these units are already operating at full capacity it is likely they will be unable to sustain un-funded charter work over an extended period of time.
- The state would lose technical expertise to develop, evaluate, review, and update state rules that apply to charter schools and charter school authorizers which would increase the risk of poorly crafted and/or out of date rules as they relate to charter schools.
- Charter schools and charter authorizers will lose access to direct technical assistance from the state on understanding their respective responsibilities as outlined in Title 22 and Colorado charter law.

Finally, the most significant consequence of not funding this request is that staff with charter expertise and the capacity to fulfill the needs and requirements of the Charter School Act and of the public, the schools, and authorizers who rely on the support of the Unit would be lost. Even if the Schools of Choice Unit no longer exists at the Department, the responsibilities and requirements under the Charter Schools Act would also remain, but the Department will not be able to adequately meet those responsibilities.

Anticipated Outcomes:

The Schools of Choice Unit would be able to fulfill its existing policy responsibilities, which include:

- Developing, reviewing, and/or updating policies (including informing rulemaking) related to:
 - Charter schools serving as a school food authority (C.R.S. § 22-30.5-103(6.7)(b)),
 - Rules related to automatic waivers for charter schools (C.R.S. § 22-30.5-104(6)(b)),
 - Charter school reporting of financial information to CDE (C.R.S. § 22-30.5-105(2)(c)(IV), C.R.S. § 22-30.5-110(2)(b)),
 - Statutory information collections required of charter schools (C.R.S. § 22-30.5-109(1), C.R.S. § 22-2-304),
 - Financial transparency requirements for charter schools (C.R.S. § 22-30.5-104(6)(b), C.R.S. § 22-30.5-507(7)(a)),
 - Charter schools and state requirements for background checks and parental notification (C.R.S. § 22-30.5-110.5, C.R.S. § 22-1-130))
- The Charter School Office will demonstrate that it is meeting its existing legal responsibilities, which include:
 - Preparing charter school waiver requests for consideration by the State Board of Education (C.R.S. § 22-30.5-105(3)),
 - Preparing a regular report and evaluation of charter schools for the General Assembly (C.R.S. § 22-30.5-113),
 - Providing information and responding to questions related to charter school appeals/disputes submitted to the State Board of Education (C.R.S. §§ 22-30.5-107(5), -107.5(3), -108, and -111.7(3)),
 - Providing charter schools with summaries of state and district rules and policies upon request (C.R.S. § 22-30.5-104(6)(d)),
 - Collecting annual reports from charter authorizers related to the effectiveness of charter schools in their jurisdiction (C.R.S. § 22-30.5-109(1))
 - Supporting cross-agency decision-making related to charter closure when a charter school holds a CECFA bond (C.R.S. § 22-30.5-110.3(2)),
 - Reviewing disputes related to itemized accounting from charter authorizers (C.R.S. § 22-30.5-111.7(3)(d)), and
 - Coordinating proposals for the state related to the operation of independent charter schools (C.R.S. § 22-30.5-303(2)),

The proposed funding will allow the Schools of Choice Unit to implement the following:

- The Department will provide supports and oversight of state charter school law and policy
- State funding for the Schools of Choice Unit will be tightly aligned to the Performance Plan and strategic direction of the Department
- Some examples of where the funding will have the most impact:
 - Align the work of the Unit to the broader strategic objectives of the department, address technical questions of public concern including questions from the media, policy makers, other CDE staff, and the general public.
 - Prepare charter waiver requests coming from authorizers for the State Board, provide charter policy guidance to the field, review and recommend changes to rules impacting the charter sector, write legislative reports, and provide technical assistance.
 - Facilitate outreach to the charter sector – including charter schools and charter school authorizers to ensure that the state maintains effective communication with the field, keeps current on evolving needs within the sector, and facilitates cross departmental collaboration

and communication so that the state can provide technical support and assistance that is responsive to these evolving needs.

The work of charter schools connects to each of the areas identified in the Department’s Performance Plan as charter schools educate students from preschool through high school and, even beyond high school. Charter schools are critical partners for addressing equity gaps in the system, and are also helping to recruit and develop a high-performing teacher pipeline. Currently, charter schools serve approximately 13% of the public school student population in the state and so working with and engaging charter schools on strategies that help the state reach its performance plan goals is a critical element to the work. This funding will help create efficiencies for partnering with and engaging the charter and authorizer sector that would otherwise get lost.

Assumptions and Calculations:

Please see the tables below. The first table is a summary of the operating budget for the office. Since the Department has prior year costs, the assumptions and calculations are based upon actual operation and activity for this office. This also applies to the FTE calculations. The one-time equipment and operating costs are not required, and the ongoing operating and other costs are based on actual historical information.

Description	Amount
Payroll	\$192,106
Benefits*	73,568
Contracts	25,500
Operating	57,500
Travel	11,700
Total	\$360,374

*--Benefits will be allocated to their centralized appropriations lines.

Please see the FTE calculations on the next page.

FTE Calculation Assumptions:

Operating Expenses -- 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.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).

General Fund FTE -- New full-time General Fund positions are reflected in Year 1 as 0.9166 FTE to account for the pay-date shift. This applies to personal services costs only; operating costs are not subject to the pay-date shift.

Expenditure Detail		FY 2017-18		FY 2018-19	
<i>Personal Services:</i>					
Classification Title	Monthly Salary	FTE		FTE	
Executive Director	\$11,005	0.5	\$60,523	0.5	\$66,030
PERA			\$6,143		\$6,702
AED			\$3,026		\$3,302
SAED			\$3,026		\$3,302
Medicare			\$878		\$957
STD			\$115		\$125
Health-Life-Dental			\$7,927		\$7,927
Subtotal Position 1, ## FTE		0.5	\$81,638	0.5	\$88,345
Classification Title	Monthly Salary	FTE		FTE	
Policy Expert	\$6,180	0.7	\$50,981	0.8	\$55,620
PERA			\$5,175		\$5,645
AED			\$2,549		\$2,781
SAED			\$2,549		\$2,781
Medicare			\$739		\$806
STD			\$97		\$106
Health-Life-Dental			\$7,927		\$7,927
Subtotal Position 2, ## FTE		0.7	\$70,017	0.8	\$75,666
Subtotal Personal Services		1.1	\$151,655	1.3	\$164,011

Expenditure Detail			FY 2017-18	FY 2018-19
Personal Services:				
Classification Title	Monthly Salary	FTE		FTE
ADMIN ASSISTANT II	\$3,324	0.5	\$18,281	0.5
PERA			\$1,855	\$2,024
AED			\$914	\$997
SAED			\$914	\$997
Medicare			\$265	\$289
STD			\$35	\$38
Health-Life-Dental			\$7,927	\$7,927
Subtotal Position 1, ## FTE		0.5	\$30,191	0.5 \$32,216
Classification Title	Monthly Salary	FTE		FTE
Charter Program Expert	\$5,666	0.9	\$62,321	1.0
PERA			\$6,326	\$6,901
AED			\$3,116	\$3,400
SAED			\$3,116	\$3,400
Medicare			\$904	\$986
STD			\$118	\$129
Health-Life-Dental			\$7,927	\$7,927
Subtotal Position 2, ## FTE		0.9	\$83,828	1.0 \$90,735
Subtotal Personal Services		1.4	\$114,019	1.5 \$122,951
<u>TOTAL REQUEST</u>		2.5	\$265,675	2.8 \$286,962
	<i>General Fund:</i>		\$265,675	\$286,962
	<i>Cash funds:</i>			
	<i>Reappropriated</i>			
	<i>Funds:</i>			
	<i>Federal Funds:</i>			

Schedule 13

Department of Education

Funding Request for The FY 2019-20 Budget Cycle

Request Title
R-04 Funding for School Turnaround

Dept. Approval By:  **Supplemental FY 2018-19**
 OSPB Approval By:  **Budget Amendment FY 2019-20**
 Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$12,069,276	\$0	\$12,636,147	\$2,362,193	\$2,471,426
FTE		1.2	0.0	1.2	1.8	2.0
Total of All Line Items Impacted by Change Request	GF	\$3,746,938	\$0	\$3,633,216	\$2,352,193	\$2,471,425
	CF	\$3,414,684	\$0	\$3,654,839	\$0	\$0
	RF	\$1,005,495	\$0	\$1,080,413	\$0	\$0
	FF	\$3,802,158	\$0	\$4,287,679	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$5,446,454	\$0	\$6,885,919	\$15,854	\$15,854
01. Management and Administration, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items. (1)	GF	\$2,124,013	\$0	\$2,118,373	\$15,854	\$15,854
Administration and Centrally-Appropriated Line Items - Health, Life, and Dental	CF	\$743,392	\$0	\$906,011	\$0	\$0
	RF	\$484,619	\$0	\$533,337	\$0	\$0
	FF	\$2,094,430	\$0	\$2,328,198	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$73,221	\$0	\$78,818	\$342	\$380
01. Management and Administration. (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$25,605	\$0	\$25,021	\$342	\$380
Administration and Centrally-Appropriated Line Items - Short-term Disability	CF	\$10,832	\$0	\$12,412	\$0	\$0
	RF	\$8,272	\$0	\$9,112	\$0	\$0
	FF	\$28,712	\$0	\$32,273	\$0	\$0
	Total	\$2,273,850	\$0	\$2,334,146	\$9,000	\$10,000
01. Management and Administration. (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$798,660	\$0	\$744,911	\$9,000	\$10,000
Administration and Centrally-Appropriated Line Items - Amortization Equalization Disbursement	CF	\$329,380	\$0	\$366,649	\$0	\$0
	RF	\$256,302	\$0	\$268,982	\$0	\$0
	FF	\$889,508	\$0	\$953,604	\$0	\$0
	Total	\$2,273,850	\$0	\$2,334,146	\$9,000	\$10,000
01. Management and Administration. (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$798,660	\$0	\$744,911	\$9,000	\$10,000
Administration and Centrally-Appropriated Line Items - Supplemental Amortization Equalization Disbursement	CF	\$329,380	\$0	\$366,649	\$0	\$0
	RF	\$256,302	\$0	\$268,982	\$0	\$0
	FF	\$889,508	\$0	\$953,604	\$0	\$0
	Total	\$2,001,900	\$0	\$2,003,118	\$2,317,997	\$2,435,191
02. Assistance to Public Schools. (C) Grant Programs, Distributions, and Other Assistance, (4) Professional Development and Instructional Support - School Turnaround Leaders Development Program	FTE	1.2	0.0	1.2	1.8	2.0
	GF	\$0	\$0	\$0	\$2,317,997	\$2,435,191
	CF	\$2,001,900	\$0	\$2,003,118	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Education Prioritized Request

Interagency Approval or Related Schedule 13a:

No Other Agency Impact



Cost and FTE

- In order to improve the education outcomes for almost 80,000 students enrolled in the lowest performing schools in the state, the Department is requesting \$2,352,193 General Fund and 2.0 FTE to supplement the federal and state Turnaround and Improvement programs.

Current Program

- Currently, schools rated with a status Priority Improvement or Turnaround are eligible to receive state funding through the School Transformation Grant program.
- The Turnaround Network is funded with the School Transformation Grant and federal Title I-A School Improvement funds.
- The Turnaround Network provides state and federal grant funds and Department staff, known as Turnaround Managers, to support turnaround efforts across the state.

Problem or Opportunity

- In 2017, the Department was only able to support 20 of the 101, or around 20% of the schools identified for support under the School Turnaround and Leadership Development Grant program.
- The Department has set a Performance Plan goal to ensure that at least 80% of state identified schools improve and maintain that improvement.

Consequences of Problem

- The 101 schools identified as Priority Improvement or Turnaround are not eligible for federal funds. Therefore, schools that are eligible for the state Turnaround Leadership Grant program receive less support, both in grants and in direct assistance, than those that are eligible for the federal funding.
- While the Department has generally seen positive impacts of the current Turnaround Network and support structures, there has not been a formal evaluation performed of the Network.

Proposed Solution

- Approval of this request would allow the Department to provide support to 80% of the schools identified as Priority Improvement or Turnaround that are not eligible for federal School Improvement funding. The Department will provide technical and financial assistance to improve outcomes of students.
- The request includes funding to establish a formal, annual evaluation process for the Turnaround Network to measure its effectiveness and identify areas for improvement and opportunities to provide better service.



COLORADO

Department of Education

John W. Hickenlooper
Governor

Katy Anthes
Commissioner

FY 2019-20 Funding Request | November 1, 2018

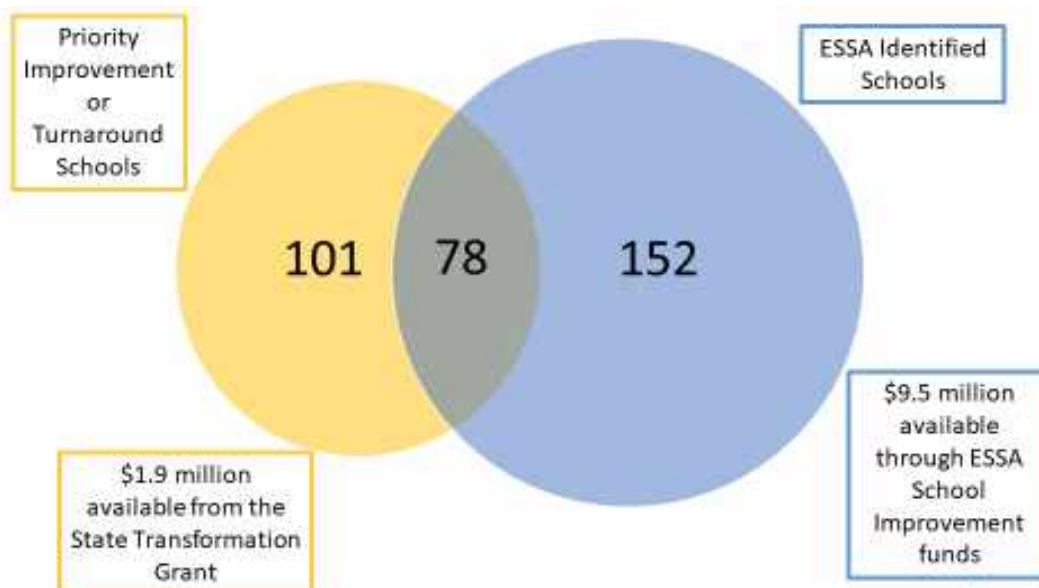
Department Priority: R-04
Request Detail: Funding for School Turnaround

Summary of Incremental Funding Change for FY 2019-20	Total Funds	General Fund
Funding for School Turnaround	\$2,352,193	\$2,352,193

Problem or Opportunity:

Problem or Opportunity:

The passage of Every Student Succeeds Act in 2015 resulted in changes to which Colorado schools are eligible for federal Title I-A School Improvement funding. For the most recent year, 2017, 101 schools identified as Turnaround or Priority Improvement by the state accountability system only are not eligible for federal support. The School Transformation Grant (formerly the School Turnaround Leaders Development Program), which was created in statute to address the needs of these schools can only provide adequate grant support for approximately 38 of the 101 schools identified. The figure below illustrates the 101 schools that are identified only by the state system (and not the federal) are limited in their eligibility for funding.



While 179 schools were identified under the state system, 78 of those were also identified under ESSA and thus are eligible for the ESSA Title IA School Improvement resources.

The Department's FY2018-19 Performance Plan has set the goal of ensuring at least 80% of state-identified schools improve and maintain improvement going forward. The request of \$2,345,619 would provide the Department an opportunity to meet that goal by allowing the Department to provide state grant funds and personnel to support an additional 42 schools in 2019-20, which would result in supports for approximately 80 out of the 101 schools identified. In addition to increasing the number of schools supported, the request would enable the Department to better integrate the state and federal turnaround programs to provide a complete menu of services to all schools needing assistance.

This request will allow the Department to provide state-funded support comparable to the federal Title I School Improvement Program. As noted above, 101 schools that are identified as needing turnaround support under the state system are not eligible to receive federal school improvement grants or other support. This request seeks to provide supports to the schools identified under the state system of accountability to meet the Department's goal of serving and improving 80% of state-identified schools.

Background:

In an effort to integrate and improve the effectiveness of school improvement efforts the Department created a few more intensive supports, one of which is the Turnaround Network. The Network provides numerous supports to schools and districts to improve outcomes for all students. The Network uses a guiding framework to support schools in developing a rigorous improvement plan around four research-based conditions to improve school performance and achievement:

1. Culture Shift: Build a school culture focused on student learning and parent and community engagement.
2. Instructional Transformation: Design and implement a rigorous, aligned, and engaging academic program that is responsive to student learning needs, is driven by data, and is flexible to meet the needs of all students.
3. Talent Development: Employ systems and strategies to recruit, develop, evaluate, and retain excellent teachers and staff.
4. Leadership: Customize and target leadership development to meet the improvement needs at all levels of the educational system.

The Department provides an array of support to schools and districts for turnaround, but the primary mechanism for service delivery in the Turnaround Network has two major components:

- A Turnaround Manager at the Department is assigned to each school. The Turnaround Manager and school district personnel working as a team develop an improvement plan with the specific strategies tailored to the school's needs based on a review of all available information.
- Grants to the schools of \$40,000-\$80,000 provide financing necessary to implement the strategies developed by the team. The average cost is approximately \$50,000.

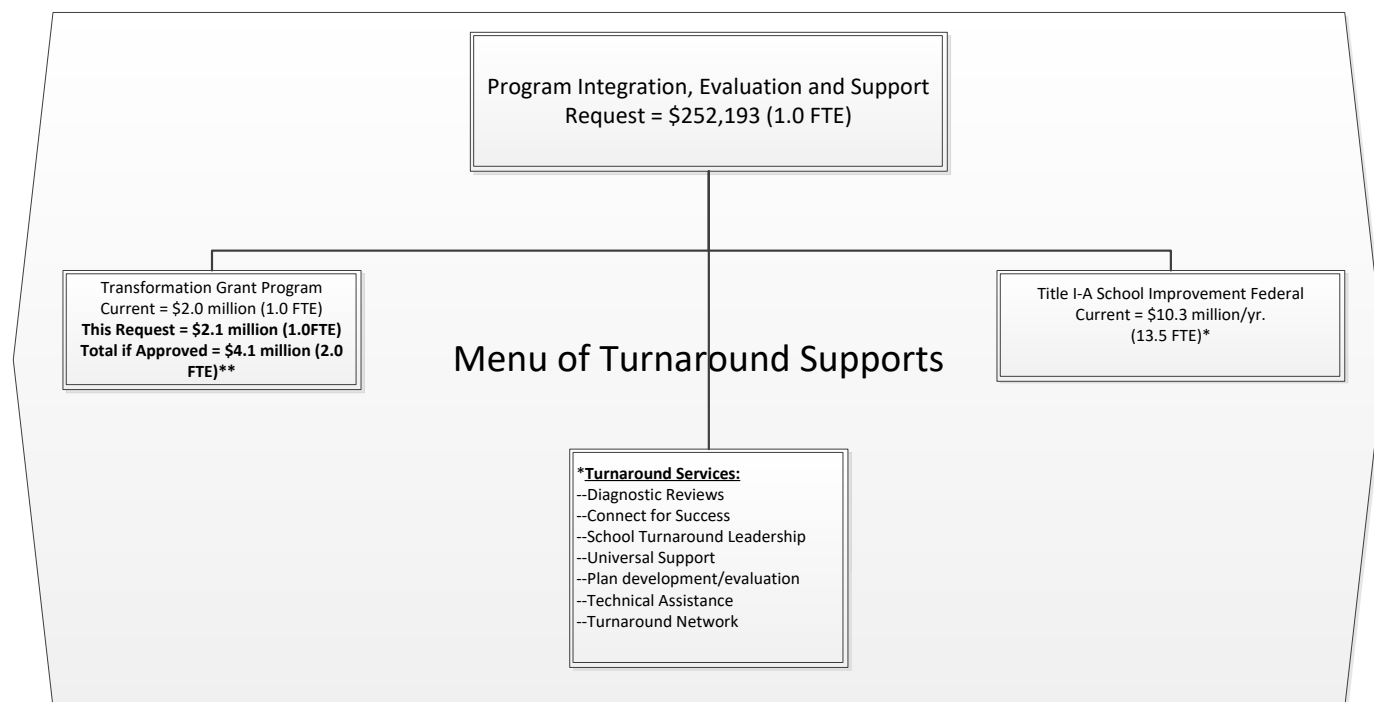
Currently, the state School Transformation Grant program is appropriated 1.0 FTE and \$2 million to assist schools identified as Priority Improvement or Turnaround status. With the passage of HB18-1355, the use of funds expanded from solely School Turnaround Leadership Development to allow a full menu of supports for state identified schools, comparable to the federal ESSA Title IA funds. In 2017, 101 schools were identified as Priority Improvement or Turnaround only (and additional 78 were identified under

ESSA) and therefore eligible and prioritized for the state program. However, the 2017 appropriation only permitted the Department to serve approximately 38 schools.

Proposed Solution:

In order to improve the education outcomes for almost 80,000 students enrolled in our lowest performing schools in the State, the Department is requesting \$2.345 million and 2.0 FTE to integrate the programs and activities under the federal Title I-A School Improvement Grant and the School Transformation Grant program. The funding will provide access to supports and resources for a greater number of schools identified as Turnaround and Priority Improvement. Ultimately, this item will allow the Department to improve the educational outcomes for more Colorado students with the greatest academic needs.

The chart below the breakdown of how the funding will be utilized:



***NOTE:** The additional turnaround services are also funded from the state and federal funding sources. The Department offers a menu of services to match each school and districts with supports that address their specific needs.

****NOTE 2:** See below for the breakdown of the request between the Transformation Grant Program and the Program Integration, Evaluation and Support.

The total cost of the request can be found in the Assumptions and Calculations section, but the Department is requesting the funding in two parts for the most effective solution:

- **Program Integration, Evaluation and Support:** This portion of the request is to better integrate the state and federal turnaround activities through evaluation and support:
 - **\$117,759 for 1.0 FTE (position cost including benefits of \$12,759)**

- This position will be responsible for program coordination, administration, service delivery and technical assistance across both the state and the federal programs in order to best meet the needs of Colorado’s identified schools and districts.
 - Help establish a comprehensive system of tracking across both programs for all supports districts and schools are receiving.
 - Help match the proper supports/resources by program to each district and school.
 - This position will also serve as a Turnaround Support Manager, when necessary and appropriate to add capacity to the State Transformation Program, when necessary.
 - Finally, this position will oversee the evaluation component of the request (described below), and spearhead the changes/improvements identified when the evaluation is complete.
- **\$100,000 Evaluation:** The evaluation will be conducted across both the federal and state grant programs as well as the menu of services and supports. This will allow the Department to identify exemplars across the state, the most effective practices, and areas for refinement and improvement.
- **\$21,675 Operating and Travel:**
 - One-time PC, furniture and other costs: \$10,175
 - Additional operating of \$6,500 is estimated over the amounts estimated by the FTE template due to on-site technical assistance required of these positions. Often these individuals conduct trainings that require an official function.
 - The additional \$5,000 of travel is also due to the on-site assistance these positions will provide to schools across the state.
- **Transformation Grant Program \$2.1 million:**
 - **\$1,995,000 in Grants/support to schools.** This appropriation would allow an additional 40 grants to schools requiring turnaround support, or other services to aid in improving results.
 - **\$117,759 and 1.0 FTE Turnaround Support Manager:** An additional Turnaround Manager dedicated to the state program to focus on providing technical assistance and other services to schools and districts receiving Transformation Grant assistance. This amount includes \$12,759 in Health/Life/Dental and other benefits, which will be included in the centralized appropriations for the department.

The approval of this request would allow the state to provide high-quality support and resources to 80% of the state identified schools, increasing the likelihood of positive gains in student achievement. It would also allow CDE to learn about the impact of supports and refine them to ensure the greatest return on investment.

These additional resources would also enable the Department to execute its Performance Plan goal that 80% of schools identified by the State’s accountability system as Priority Improvement or Turnaround in 2017 earn an Improvement rating or higher by 2022, and maintain that higher rating. In short, it would significantly increase the number of schools that can take the necessary steps forward for their students and provide more intensive, targeted support to additional schools.

Schools and their districts are encouraged to access support funds based on their identified needs. For some schools and districts, their needs are best met through CDE’s more intensive support structures within the Turnaround Network. Based on 2017 SPF results:

- Seven out of nine Cohort 1 Turnaround Network schools have earned and maintained an improvement rating or higher for two years.
- Of the 15 Cohort 2 Turnaround Schools, we’ve seen moderate increases in SPFs. Six of the schools have earned a Performance rating and an additional school has earned an Improvement rating.

The early results are encouraging, and the Department seeks to build on what is working and expand the support it can provide.

In order to better learn about the impact of the support structures developed by the Department as well as these additional uses of the school improvement funds, the request includes \$100,000 annually for evaluation of the programs. The Department values ensuring continuous improvement so that the supports offered lead to the greatest return on investment.

Ultimately, the impact of these funds should be seen for the approximately 80,000 students in identified schools in increased achievement and growth in English language arts, math, science and English language proficiency, as well as post-secondary readiness workforce readiness measures.

Without additional resources, the Department will be challenged in its ability to provide adequate and impactful supports for all of our state-identified Priority Improvement and Turnaround schools. Students will be enrolled in schools that are identified for improvement but do not have the support and resources available to improve.

Anticipated Outcomes:

The Department’s Performance Plan contains the goal that 80% of schools identified as Priority Improvement or Turnaround in 2017 will improve their rating to Improvement or higher and maintain that performance by 2022. However, using current resources, we are unable to provide intensive services to all schools identified as Priority Improvement or Turnaround (in 2017 this was 80 of the 101 schools). While the department does provide general supports to identified schools, current resources limit the number of schools that can be served through CDE’s intensive support structures (the Turnaround Network and Connect for Success) and limit the grant funding available to support schools in implementing turnaround initiatives. In order to reach these strategic plan goals to raise student achievement, additional resources to support schools are crucial.

The Department has already seen success in employing these strategies. For example, one district, Adams 12, that joined the Turnaround Network for assistance with six of its schools saw six of them move off the clock (to an Improvement or Performance rating) with the 2016 School Performance Frameworks and five of them remained off the accountability clock into 2017. The district also added an additional school to the Network for the 2018-19 school year. The district describes the impact of the Turnaround Network as follows:

Adams 12 Five Star Schools has been fortunate to be a part of the Turnaround Network since its inception in 2014. The strategic support and networking throughout the state and nationally created opportunities for our most impacted schools that were underperforming and not meeting the needs of students. Because of our engagement in the work with the Colorado Department of Education

and the Turnaround Network, we have seen dramatic and sustained performance from almost all of our participating schools... We attribute the success of these schools to the clearly defined focus and support provided through the Turnaround Network.

Lake County, a much smaller, rural districts, also joined the Network with three schools. In 2016, two of the three schools had earned Improvement ratings (1 school was still Priority Improvement). By 2017 none of the schools were identified as Priority Improvement or Turnaround (two were Performance and one was Improvement). The superintendent of Lake County, Wendy Wyman, described the process as thus:

Once we were incentivized to act we needed support. We wanted to improve, but didn't have all of the knowledge or capacity to do it on our own. Through work with the Turnaround Network at the CDE we built our capacity to turn our schools around.

With these additional resources, CDE aims to ensure that the 80% goal in our strategic plan is met or exceeded. This will mean that tens of thousands of students will receive a better education, greatly increasing their potential in life.

Assumptions and Calculations:

Description	Amount	Assumption
Grants to identified schools	\$1,995,000	Approx. \$50,000/school and 40 Schools
2.0 FTE for Turnaround and Integration Support	\$179,993	See FTE template for calculations
Centralized Appropriations	\$55,525	See FTE template for calculations
Operating	\$15,175	*See below
Travel	\$6,500	*See below
Program Evaluation	\$100,000	Based on program staff estimates for evaluations done on programs of similar size.
Total:	\$2,352,193	

*--The travel and operating expenses are based on actual costs incurred by existing Turnaround Managers at the Department. It is expected that the costs for the new FTE will be consistent with existing staff. The costs for operating, equipment, etc have been included in the FTE template and the FTE line in the table above. The additional operating and travel which are over and above the operating and other costs calculated by the template are included in the Operating and Travel lines; however, these are ongoing costs rather than one-time. The Department expects to absorb the additional costs with vacancy savings in the first year of the request.

Please see the next page for the FTE calculations related to this request.

Expenditure Detail		FY 2019-20		FY 2020-21	
<i>Personal Services:</i>					
Classification Title	Monthly Salary	FTE		FTE	
Turnaround Support Manager	8,333	1.8	\$179,993	2.0	\$199,992
PERA			\$18,719		\$20,799
AED			\$9,000		\$10,000
SAED			\$9,000		\$10,000
Medicare			\$2,610		\$2,900
STD			\$342		\$380
Health-Life-Dental			\$15,854		\$15,854
Subtotal Position 1, 2.0 FTE		1.8	\$235,518	2.0	\$259,925
<i>Subtotal Personal Services</i>					
		1.8	\$235,518	2.0	\$259,925
<i>Operating Expenses:</i>					
Regular FTE Operating Expenses	\$500	1.8	\$900	-	\$0
Telephone Expenses	\$450	1.8	\$810	-	\$0
PC, One-Time	\$1,230	1.8	\$2,214	-	\$0
Office Furniture, One-Time	\$3,473	1.8	\$6,251	-	\$0
Travel		1.8	\$6,500	2.0	\$6,500
Other operating expenditures		1.8	\$5,000	20.0	\$5,000
<i>Subtotal Operating Expenses</i>			\$21,675		\$11,500
<u>TOTAL REQUEST</u>					
		1.8	\$257,193	2.0	\$271,425
<i>General Fund:</i>			\$257,193		\$271,425

Schedule 13

Department of Education

Funding Request for The FY 2019-20 Budget Cycle

Request Title

R-05 Colorado Preschool Program Tax Check-off

Dept. Approval By: 	_____	Supplemental FY 2018-19
OSPB Approval By: 	_____	Budget Amendment FY 2019-20
	X	Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,754,244	\$0	\$1,825,286	\$410,000	\$0
	FTE	17.9	0.0	17.9	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$84,387	\$0	\$86,621	\$410,000	\$0
	RF	\$1,669,857	\$0	\$1,738,665	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,754,244	\$0	\$1,825,286	\$410,000	\$0
	FTE	17.9	0.0	17.9	0.0	0.0
02. Assistance to Public Schools, (A) Public School Finance, (1) Public School Finance - Administration	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$84,387	\$0	\$86,621	\$410,000	\$0
	RF	\$1,669,857	\$0	\$1,738,665	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Education Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact



Cost and FTE

- The Department is requesting spending authority of \$410,000 from the Public Education Fund to provide one-time funding for students in the Colorado Preschool Program. There is no FTE associated with this request.

Current Program

- Senate Bill 11-109 created a check-off item on the Colorado State income tax return for the Colorado Preschool Program.
- The check-off was included for tax years 2012 – 2017 and raised approximately \$450,000 that was deposited into the Public Education Fund.
- There is a remaining balance of \$410,000 in the fund.

Problem or Opportunity

- With the remaining funding available from the tax check-off, the Department plans to provide all Colorado Preschool Programs with a one-time allocation.
- Each preschool site will receive a minimum of \$500. The remainder will be awarded proportionally based on enrollment, which will ensure that all programs receive sufficient funding.

Consequences of Problem

- If this request is not approved, the Department will not be able to provide the additional one-time funding in FY 2019-20.

Proposed Solution

- Literacy is integral to the Department's annual Performance Plan, and a primary goal of all schools and districts. Specifically, it directly relates to the key initiative of Supporting High Quality Learning and Literacy for All Students.
- This additional funding will provide assistance for every Colorado Preschool Program classroom in the State.



COLORADO
Department of Education

John W. Hickenlooper
Governor

Katy Anthes
Commissioner

FY 2019-20 Funding Request | November 1, 2018

Department Priority: R-05
Request Detail: Colorado Preschool Program Tax Check-off

Summary of Incremental Funding Change for FY 2018-19	Total Funds	State Public School Fund
Colorado Preschool Program Tax Check-off Fund Usage	\$410,000	\$410,000

Problem or Opportunity:

Senate Bill 11-109 created a tax check-off to collect donations for the Public Education Fund. Money in the fund is distributed to the Department of Education for use in the Colorado Preschool Program (CPP). A total of \$450,000 has been raised in tax years 2012 – 2017 as a result of voluntary tax check-off donations. This request is for authorization to use the fund balance of approximately \$410,000.

The CPP serves children who have factors present in their lives that may put them at-risk for future academic success. The CPP is currently authorized for 29,360 half-day preschool slots – the potential to serve approximately 70% of Colorado four-year olds with qualifying risk factors. Recent legislative expansions to CPP in the form of Early Childhood At-Risk Enhancement slots (ECARE) funded 9,200 additional slots for school districts to use flexibly to serve eligible children through half-day or full-day preschool or full-day kindergarten.

Children eligible for CPP are enrolled in 174 of the State’s 178 school districts plus the Colorado Charter School Institute. Eligibility for CPP includes, but is not limited to, the presence of significant family risk factors that relate to a child’s development (i.e., eligibility for free and reduced price meals, homelessness of the child’s family or the child is in need of language development). The State funds CPP through the public school finance formula with local programs receiving .5 per pupil revenue (PPR) per slot for each child served. Total CPP funding for 2018 – 2019 is projected to be \$122,757,820. CPP funding flows directly to school districts based on their verified fall pupil count. With the exception of a five percent allocation for administrative costs, the funds go to the classroom.

Proposed Solution:

The Department is proposing to use the funds to provide additional funding to each program funded by the CPP. Specifically, the Department proposes to provide a minimum of \$500 per CPP funded program and a distribution of the remaining funds to each program based on student enrollment. This process would ensure that the smallest programs (i.e., the 49 programs serving 10 or fewer students) receive sufficient funds while

also enabling the larger programs (the 8 programs serving 500 or greater students) a proportional amount. This infusion of funds would be a one-time distribution.

The Department considered using the funds to provide additional program slots. With an average cost per slot of \$3800, approximately 108 slots could become available for one year based on the current tax check-off fund balance. The Department determined that this option had a limited reach across preschool programs and therefore disregarded it.

Anticipated Outcomes:

The outcomes of this request will be measured through the annual report each funded program provides to the Department. Programs receiving CPP funds must annually complete and submit a comprehensive plan to the Department that addresses the following components as defined in the CPP Act: (1) program quality, (2) staff development, (3) family partnering, (4) family support, and (5) program evaluation. The Department will request programs to provide information regarding how the funds were utilized.

This request relates directly to the Department’s key initiative focused on Strong Foundations.

Assumptions and Calculations:

The table below illustrates the fund distribution such that each program receives a minimum of \$500 and a proportional distribution of remaining funds according to enrollment (allocation of slots).

COUNTY	DISTRICT	2017-2018 CPP and ECARE Total Allocation	2017-2018 District Percentage of Total Slots	Projected Fund Distribution
LINCOLN	KARVAL RE-23	1	0.004%	\$ 511.37
BACA	CAMPO RE-6	2	0.007%	\$ 522.74
LAS ANIMAS	BRANSON REORGANIZED 82	3	0.011%	\$ 534.11
LAS ANIMAS	KIM REORGANIZED 88	3	0.011%	\$ 534.11
BACA	PRITCHETT RE-3	3	0.011%	\$ 534.11
BACA	VILAS RE-5	3	0.011%	\$ 534.11
WELD	PAWNEE RE-12	4	0.014%	\$ 545.49
LOGAN	PLATEAU RE-5	4	0.014%	\$ 545.49
WASHINGTON	WOODLIN R-104	4	0.014%	\$ 545.49
EL PASO	EDISON 54 JT	5	0.018%	\$ 556.86
LINCOLN	GENOA-HUGO C113	5	0.018%	\$ 556.86
PROWERS	GRANADA RE-1	5	0.018%	\$ 556.86
YUMA	LIBERTY J-4	5	0.018%	\$ 556.86
MINERAL	CREEDE SCHOOL DISTRICT	6	0.021%	\$ 568.23
ARAPAHOE	DEER TRAIL 26J	6	0.021%	\$ 568.23
KIT CARSON	HI-PLAINS R-23	6	0.021%	\$ 568.23
KIOWA	PLAINVIEW RE-2	6	0.021%	\$ 568.23
KIT CARSON	ARRIBA-FLAGLER C-20	7	0.025%	\$ 579.60

COUNTY	DISTRICT	2017-2018 CPP and ECARE Total Allocation	2017-2018 District Percentage of Total Slots	Projected Fund Distribution
WELD	BRIGGS DALE RE-10	7	0.025%	\$ 579.60
GILPIN	GILPIN COUNTY RE-1	7	0.025%	\$ 579.60
HUERFANO	LA VETA RE-2	7	0.025%	\$ 579.60
LAS ANIMAS	PRIMERO REORGANIZED 2	7	0.025%	\$ 579.60
SAN JUAN	SILVERTON 1	7	0.025%	\$ 579.60
WASHINGTON	ARICKAREE R-2	8	0.028%	\$ 590.97
KIT CARSON	BETHUNE R-5	8	0.028%	\$ 590.97
LOGAN	BUFFALO RE-4J	8	0.028%	\$ 590.97
CHEYENNE	CHEYENNE COUNTY RE-5	8	0.028%	\$ 590.97
HINSDALE	HINSDALE COUNTY RE 1	8	0.028%	\$ 590.97
OURAY	OURAY R-1	8	0.028%	\$ 590.97
CONEJOS	SOUTH CONEJOS RE-10	8	0.028%	\$ 590.97
LAS ANIMAS	AGUILAR REORGANIZED 6	9	0.032%	\$ 602.34
WASHINGTON	AKRON R-1	9	0.032%	\$ 602.34
KIOWA	EADS RE-1	9	0.032%	\$ 602.34
ELBERT	KIOWA C-2	9	0.032%	\$ 602.34
WELD	PRAIRIE RE-11	9	0.032%	\$ 602.34
ELBERT	ELBERT 200	10	0.035%	\$ 613.72
LAS ANIMAS	HOEHNE REORGANIZED 3	10	0.035%	\$ 613.72
CHEYENNE	KIT CARSON R-1	10	0.035%	\$ 613.72
JACKSON	NORTH PARK R-1	10	0.035%	\$ 613.72
OTERO	CHERAW 31	11	0.039%	\$ 625.09
LOGAN	FRENCHMAN RE-3	11	0.039%	\$ 625.09
YUMA	IDALIA RJ-3	11	0.039%	\$ 625.09
BENT	MC CLAVE RE-2	11	0.039%	\$ 625.09
SAGUACHE	MOUNTAIN VALLEY RE 1	11	0.039%	\$ 625.09
ARAPAHOE	BYERS 32J	12	0.042%	\$ 636.46
EL PASO	CHEYENNE MOUNTAIN 12	12	0.042%	\$ 636.46
MESA	DE BEQUE 49JT	12	0.042%	\$ 636.46
DOLORES	DOLORES COUNTY RE NO.2	12	0.042%	\$ 636.46
EL PASO	HANOVER 28	12	0.042%	\$ 636.46
SEDGWICK	REVERE SCHOOL DISTRICT	12	0.042%	\$ 636.46
OURAY	RIDGWAY R-2	12	0.042%	\$ 636.46
BACA	WALSH RE-1	12	0.042%	\$ 636.46
PROWERS	WILEY RE-13 JT	12	0.042%	\$ 636.46
FREMONT	COTOPAXI RE-3	14	0.049%	\$ 659.20
EL PASO	MIAMI YODER 60 JT	14	0.049%	\$ 659.20
KIT CARSON	STRATTON R-4	14	0.049%	\$ 659.20
MORGAN	WELDON VALLEY RE-20(J)	14	0.049%	\$ 659.20

COUNTY	DISTRICT	2017-2018 CPP and ECARE Total Allocation	2017-2018 District Percentage of Total Slots	Projected Fund Distribution
PHILLIPS	HAXTUN RE-2J	15	0.053%	\$ 670.57
ROUTT	HAYDEN RE-1	15	0.053%	\$ 670.57
SEDGWICK	JULESBURG RE-1	15	0.053%	\$ 670.57
CHAFFEE	BUENA VISTA R-31	16	0.056%	\$ 681.95
SAGUACHE	MOFFAT 2	17	0.060%	\$ 693.32
ALAMOSA	SANGRE DE CRISTO RE-22J	17	0.060%	\$ 693.32
ELBERT	BIG SANDY 100J	18	0.063%	\$ 704.69
WASHINGTON	OTIS R-3	18	0.063%	\$ 704.69
EL PASO	PEYTON 23 JT	18	0.063%	\$ 704.69
ROUTT	SOUTH ROUTT RE 3	18	0.063%	\$ 704.69
BACA	SPRINGFIELD RE-4	18	0.063%	\$ 704.69
OTERO	FOWLER R-4J	19	0.067%	\$ 716.06
PROWERS	HOLLY RE-3	19	0.067%	\$ 716.06
LA PLATA	BAYFIELD 10 JT-R	20	0.071%	\$ 727.43
ADAMS	BENNETT 29J	20	0.071%	\$ 727.43
LINCOLN	LIMON RE-4J	20	0.071%	\$ 727.43
SAN MIGUEL	NORWOOD R-2J	20	0.071%	\$ 727.43
GRAND	WEST GRAND 1-JT	20	0.071%	\$ 727.43
MONTEZUMA	DOLORES RE-4A	21	0.074%	\$ 738.80
RIO BLANCO	RANGELY RE-4	21	0.074%	\$ 738.80
EL PASO	CALHAN RJ-1	22	0.078%	\$ 750.18
COSTILLA	SIERRA GRANDE R-30	22	0.078%	\$ 750.18
ADAMS	STRASBURG 31J	22	0.078%	\$ 750.18
YUMA	WRAY RD-2	22	0.078%	\$ 750.18
MONTROSE	WEST END RE-2	23	0.081%	\$ 761.55
CUSTER	CUSTER COUNTY SCHOOL DISTRICT C-1	24	0.085%	\$ 772.92
PHILLIPS	HOLYOKE RE-1J	25	0.088%	\$ 784.29
EL PASO	MANITOU SPRINGS 14	25	0.088%	\$ 784.29
RIO GRANDE	SARGENT RE-33J	25	0.088%	\$ 784.29
MONTEZUMA	MANCOS RE-6	26	0.092%	\$ 795.66
MESA	PLATEAU VALLEY 50	27	0.095%	\$ 807.03
RIO BLANCO	MEEKER RE1	29	0.102%	\$ 829.78
YUMA	YUMA 1	30	0.106%	\$ 841.15
ELBERT	ELIZABETH C-1	31	0.109%	\$ 852.52
WELD	AULT-HIGHLAND RE-9	32	0.113%	\$ 863.89
LARIMER	ESTES PARK R-3	32	0.113%	\$ 863.89
CONEJOS	SANFORD 6J	32	0.113%	\$ 863.89
KIT CARSON	BURLINGTON RE-6J	35	0.123%	\$ 898.01
TELLER	CRIPPLE CREEK-VICTOR RE-1	37	0.130%	\$ 920.75

COUNTY	DISTRICT	2017-2018 CPP and ECARE Total Allocation	2017-2018 District Percentage of Total Slots	Projected Fund Distribution
SAN MIGUEL	TELLURIDE R-1	37	0.130%	\$ 920.75
GRAND	EAST GRAND 2	39	0.138%	\$ 943.49
EL PASO	LEWIS-PALMER 38	40	0.141%	\$ 954.87
CLEAR CREEK	CLEAR CREEK RE-1	41	0.145%	\$ 966.24
RIO GRANDE	DEL NORTE C-7	41	0.145%	\$ 966.24
HUERFANO	HUERFANO RE-1	41	0.145%	\$ 966.24
PARK	PLATTE CANYON 1	41	0.145%	\$ 966.24
LA PLATA	IGNACIO 11 JT	42	0.148%	\$ 977.61
PITKIN	ASPEN 1	45	0.159%	\$ 1,011.72
CROWLEY	CROWLEY COUNTY RE-1-J	45	0.159%	\$ 1,011.72
COSTILLA	CENTENNIAL R-1	46	0.162%	\$ 1,023.10
RIO GRANDE	MONTE VISTA C-8	46	0.162%	\$ 1,023.10
WELD	WINDSOR RE-4	46	0.162%	\$ 1,023.10
BENT	LAS ANIMAS RE-1	47	0.166%	\$ 1,034.47
MORGAN	WIGGINS RE-50(J)	48	0.169%	\$ 1,045.84
ROUTT	STEAMBOAT SPRINGS RE-2	49	0.173%	\$ 1,057.21
WELD	PLATTE VALLEY RE-7	50	0.176%	\$ 1,068.58
OTERO	ROCKY FORD R-2	53	0.187%	\$ 1,102.70
CHAFFEE	SALIDA R-32	53	0.187%	\$ 1,102.70
MORGAN	BRUSH RE-2(J)	56	0.197%	\$ 1,136.81
PARK	PARK COUNTY RE-2	59	0.208%	\$ 1,170.93
GUNNISON	GUNNISON WATERSHED RE1J	61	0.215%	\$ 1,193.67
TELLER	WOODLAND PARK RE-2	64	0.226%	\$ 1,227.79
WELD	EATON RE-2	65	0.229%	\$ 1,239.16
FREMONT	FREMONT RE-2	66	0.233%	\$ 1,250.53
CONEJOS	NORTH CONEJOS RE-1J	71	0.250%	\$ 1,307.39
ARCHULETA	ARCHULETA COUNTY 50 JT	75	0.264%	\$ 1,352.87
LAKE	LAKE COUNTY R-1	75	0.264%	\$ 1,352.87
WELD	WELD COUNTY RE-1	77	0.272%	\$ 1,375.62
EL PASO	ACADEMY 20	78	0.275%	\$ 1,386.99
EL PASO	ELLCOTT 22	83	0.293%	\$ 1,443.85
WELD	WELD COUNTY SCHOOL DISTRICT RE-3J	83	0.293%	\$ 1,443.85
WELD	JOHNSTOWN-MILLIKEN RE-5J	88	0.310%	\$ 1,500.71
OTERO	EAST OTERO R-1	91	0.321%	\$ 1,534.82
GARFIELD	GARFIELD 16	99	0.349%	\$ 1,625.79
PROWERS	LAMAR RE-2	102	0.360%	\$ 1,659.91
SAGUACHE	CENTER 26 JT	105	0.370%	\$ 1,694.02
LAS ANIMAS	TRINIDAD 1	105	0.370%	\$ 1,694.02
SUMMIT	SUMMIT RE-1	115	0.406%	\$ 1,807.74

COUNTY	DISTRICT	2017-2018 CPP and ECARE Total Allocation	2017-2018 District Percentage of Total Slots	Projected Fund Distribution
LOGAN	VALLEY RE-1	121	0.427%	\$ 1,875.97
EL PASO	FALCON 49	125	0.441%	\$ 1,921.46
GARFIELD	GARFIELD RE-2	130	0.458%	\$ 1,978.31
ARAPAHOE	SHERIDAN 2	147	0.518%	\$ 2,171.63
MOFFAT	MOFFAT COUNTY RE:NO 1	167	0.589%	\$ 2,399.07
EL PASO	WIDEFIELD 3	176	0.621%	\$ 2,501.41
MONTEZUMA	MONTEZUMA-CORTEZ RE-1	180	0.635%	\$ 2,546.90
PUEBLO	PUEBLO COUNTY 70	183	0.645%	\$ 2,581.01
WELD	WELD COUNTY S/D RE-8	185	0.652%	\$ 2,603.76
ALAMOSA	ALAMOSA RE-11J	194	0.684%	\$ 2,706.10
ARAPAHOE	LITTLETON 6	206	0.726%	\$ 2,842.56
MORGAN	FORT MORGAN RE-3	207	0.730%	\$ 2,853.93
MONTROSE	MONTROSE COUNTY RE-1J	229	0.807%	\$ 3,104.11
EAGLE	EAGLE COUNTY RE 50	234	0.825%	\$ 3,160.97
LA PLATA	DURANGO 9-R	238	0.839%	\$ 3,206.45
DELTA	DELTA COUNTY 50(J)	247	0.871%	\$ 3,308.80
ARAPAHOE	ENGLEWOOD 1	248	0.874%	\$ 3,320.17
EL PASO	FOUNTAIN 8	264	0.931%	\$ 3,502.12
GARFIELD	ROARING FORK RE-1	273	0.963%	\$ 3,604.46
FREMONT	CANON CITY RE-1	276	0.973%	\$ 3,638.58
DOUGLAS	DOUGLAS COUNTY RE 1	279	0.984%	\$ 3,672.69
LARIMER	THOMPSON R2-J	298	1.051%	\$ 3,888.75
ADAMS	MAPLETON 1	334	1.178%	\$ 4,298.13
	CHARTER SCHOOL INSTITUTE	354	1.248%	\$ 4,525.56
LARIMER	POUDRE R-1	370	1.305%	\$ 4,707.51
BOULDER	ST VRAIN VALLEY RE 1J	450	1.587%	\$ 5,617.24
ARAPAHOE	CHERRY CREEK 5	461	1.626%	\$ 5,742.33
BOULDER	BOULDER VALLEY RE 2	465	1.640%	\$ 5,787.82
EL PASO	HARRISON 2	488	1.721%	\$ 6,049.37
WELD	GREELEY 6	613	2.161%	\$ 7,470.82
ADAMS	ADAMS 12 FIVE STAR SCHOOLS	693	2.444%	\$ 8,380.55
ADAMS	SCHOOL DISTRICT 27J	755	2.662%	\$ 9,085.60
MESA	MESA COUNTY VALLEY 51	845	2.980%	\$ 10,109.04
EL PASO	COLORADO SPRINGS 11	854	3.011%	\$ 10,211.39
ADAMS	ADAMS COUNTY 14	941	3.318%	\$ 11,200.72
ADAMS	WESTMINSTER PUBLIC SCHOOLS	1,210	4.267%	\$ 14,259.70
PUEBLO	PUEBLO CITY 60	1,445	5.095%	\$ 16,932.03
JEFFERSON115	JEFFERSON COUNTY R-1	1,614	5.691%	\$ 18,853.84
ARAPAHOE	ADAMS-ARAPAHOE 28J	1,731	6.104%	\$ 20,184.33

COUNTY	DISTRICT	2017-2018 CPP and ECARE Total Allocation	2017-2018 District Percentage of Total Slots	Projected Fund Distribution
DENVER	DENVER COUNTY 1	6,303	22.225%	\$ 72,175.51

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Schedule 13

Department of Education

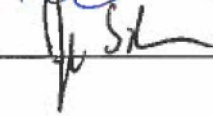
Funding Request for The FY 2019-20 Budget Cycle

Request Title

R-06 Charter School Institute Mill Levy Equalization

Dept. Approval By: 

Supplemental FY 2018-19

OSPB Approval By: 

Budget Amendment FY 2019-20

Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$11,047,724	\$0	\$11,047,724	\$10,000,000	\$10,000,000
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$5,523,862	\$0	\$5,523,862	\$5,000,000	\$5,000,000
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$5,523,862	\$0	\$5,523,862	\$5,000,000	\$5,000,000
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$11,047,724	\$0	\$11,047,724	\$10,000,000	\$10,000,000
	FTE	0.0	0.0	0.0	0.0	0.0
01. Management and Administration, (D) State Charter School Institute, (1) State Charter School Institute - CSI Mill Levy Equalization	GF	\$5,523,862	\$0	\$5,523,862	\$5,000,000	\$5,000,000
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$5,523,862	\$0	\$5,523,862	\$5,000,000	\$5,000,000
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Education Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact



Cost and FTE

- The Board of the Charter School Institute requests an additional \$5 million General Fund appropriation to the Mill Levy Equalization Fund for distribution to the Colorado Charter School Institute's charter public schools.

Current Program

- Charter schools have been part of Colorado's public school system for over 25 years, serving over 115,000 students in over 245 schools.
- The Colorado Charter School Institute (CSI) was created by the Legislature in 2004 to address the growing number of charter schools, the desire for innovative models to better serve at-risk students, and the need for another mode of authorizing charter schools than school district authorizers.
- CSI authorizes 39 public charter schools across the state. Last year, CSI schools served over 17,500 students, or just over 14% of Colorado's charter school population.
- CSI's statutory mission is to foster high-quality charter schools that demonstrate high academic performance with a particular focus on service to at-risk students.

Problem or Opportunity

- House Bill 17-1375 requires school districts to distribute funding received from local property taxes generated by Mill Levy Overrides (MLO) on an equal per pupil basis to district charter schools.
- Recognizing that CSI schools have no access to local tax revenue, HB 17-1375 created the Mill Levy Equalization Fund.
- Though the intention of HB 17-1375 was to provide equitable funding for all of Colorado's public charter schools, this funding is subject to annual appropriation.
- Last year's CSI Mill Levy Equalization funding request was approved for \$5.5 million, thereby making a first step towards funding equity. This year's funding request seeks to move CSI students closer to public funding equity with their district counterparts.

Consequences of Problem

- The intent of HB 17-1375 will not be achieved until the students attending CSI public schools have the same access to public funding sources as their district peers.

Proposed Solution

- CSI requests \$5 million additional General Fund appropriation to the Mill Levy Equalization Fund for distribution to CSI schools in accordance with statute.



COLORADO

Department of Education

John W. Hickenlooper
Governor

Terry Croy-Lewis
Executive Director, CSI

FY 2019-20 Funding Request | November 1, 2018

Department Priority: R-06

Request Detail: Charter School Institute Mill Levy Equalization

Summary of Incremental Funding Change for FY 2019-20	Total Funds	General Fund
CSI Mill Levy Equalization	\$10,000,000	\$5,000,000

Problem or Opportunity:

Background on Colorado Charter School Authorizers

Charter School Authorizers

Charter schools are accountable to their charter school authorizer for meeting the local, state, and federal requirements. An authorizer is an entity approved by the state legislature to:

- 1) Approve and deny charter school applications,
- 2) Regularly monitor and evaluate the academic, financial, and organizational performance of their charter schools, and
- 3) Non-renew or revoke the charter contract of charter schools not meeting performance expectations.

In Colorado, charter schools can be authorized by school districts retaining exclusive chartering authority or by the Charter School Institute (CSI), Colorado's only statewide authorizer. Currently, 170 of the 178 school districts in Colorado retain exclusive chartering authority (ECA), and 45 of those districts authorize one or more charter schools. CSI authorizes charter schools 1) in districts that do not retain ECA and 2) in districts that retain ECA and either release the charter to CSI or waive ECA. Currently, CSI authorizes schools within 17 school districts.

Of the 8 districts that do not retain ECA:

- The first four districts below are small (<3,000 students) and none of these districts authorize any charter schools. There are no CSI-authorized charter schools located in these districts either.
- The remaining districts are larger (>3,000 students) and most authorize charter schools. None of the district-authorized charter schools included in the counts below sought authorization by CSI despite having the option to do so.

Districts without ECA	# of Charters Authorized by the District
1. Bayfield 10 JT-R (La Plata)	0
2. Cheyenne County RE-5	0
3. Julesburg RE-1	0
4. Sierra Grande R-30	0
5. Fort Morgan RE-3	0
6. Mesa County Valley 51	3
7. Poudre R-1	4
8. Roaring Fork RE-1	1

Background on CSI

The Colorado Charter School Institute (CSI) was created by the Legislature in 2004 in response to the growing demand for more charter public schools, the desire for innovative models serving at-risk students, and to offer an alternate mode of authorizing charter schools than the traditional district charter school authorizer.

CSI Portfolio of Schools

CSI started authorizing in 2005 with two charter schools: one offering a Core Knowledge program in Colorado Springs and the other offering a Montessori program on the Western slope.

CSI now authorizes 39 public charter schools across the state, from Grand Junction to Calhan, Durango to Steamboat Springs. CSI schools offer 14 unique educational models—including Alternative Education, Classical, Dual-Language, Early College, Montessori, Project-based, and Waldorf to name a few—and the schools collectively serve over 17,500 PK-12 students, or just over 14% of Colorado’s charter school population.

Portfolio Shifts over Time

The CSI portfolio has expanded and contracted since then with:

- the formation of new charter public schools,
- expansions and replications of existing high performing charter schools,
- transfers of charter schools into and out of CSI portfolio, and
- closures of persistently low performing charter schools.

This past year, CSI has experienced all of the above scenarios. The CSI portfolio has seen the approval and opening of a new charter school, expansion of existing CSI charter schools, closure of a CSI charter school, transfer of a charter school into the CSI portfolio, and transfer of a charter school out of the CSI portfolio.

New Schools

In order to have a new school application considered by the CSI Board, it must be coming from an applicant proposing to locate in one of the few districts that do not retain ECA or it must require a district’s release to apply to CSI. For the small percentage of applicants that have the opportunity to consider CSI for authorization, an even smaller percentage decide to seek authorization by CSI and do so for a variety of reasons.

- While finances play a role, **many schools have chosen to forgo the financial incentive in order to be authorized by CSI.** The Colorado Early College network, for example, has

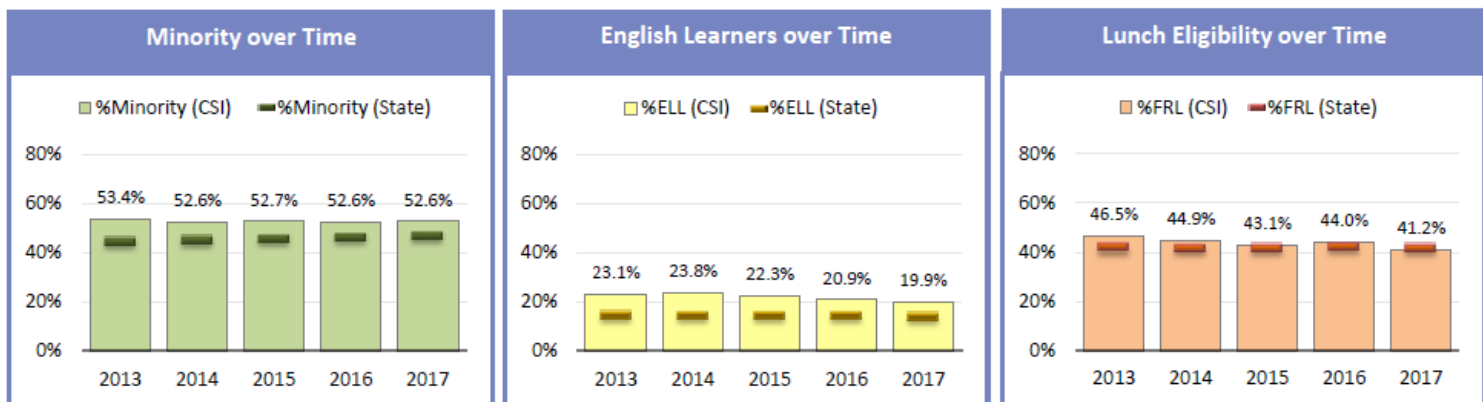
forgone the mill levy sharing from its four schools’ geographic districts—well over \$1 million of mill levy override dollars across the network prior to full equalization funding that would be required in 2019—for the ability to be monitored by one authorizer.

- While applicants consider a variety of factors in deciding where to locate the proposed school and whether to seek authorization by CSI, **the law (CRS 22-30.5-510) makes it abundantly clear that the authorizer evaluate applications based on the extent to which they meet an identified need in the community.** Therefore, it is to an applicant’s advantage to focus on these statutory requirements in application development as opposed to determining its location solely on where it can access the greatest mill levy override or per pupil revenue.

For the small percentage of applicants that can seek authorization by CSI, **only 44% have been approved in CSI’s history.** And, it is important to note this rate does not account for the many applicants that choose to withdraw their applications from consideration prior to board action. For example, during the Fall 2018 application cycle, 1 of the 2 applicants withdrew prior to board action.

A Focus on At-Risk Students

The statutory mission of CSI is to foster high-quality charter schools that demonstrate high academic performance with a particular focus on service to at-risk students. In 2017-2018 school year, 100% of CSI schools earned one of the state’s highest two ratings for academic performance—Performance and Improvement—and collectively served students of color, English Learners, and students eligible for free or reduced price lunch at rates similar to that of the state. Furthermore, CSI continues to prioritize service to and outcomes for at-risk students.



Autonomy and Accountability

A fundamental premise behind charter schools is that increased autonomy with greater accountability can lead to improved outcomes for students and schools. The CSI approach to authorizing charter schools balances autonomy and accountability. CSI offers its schools the flexibility to choose the educational models and methods that best meet the unique needs of their students and communities and holds them accountable to clear expectations for academic, financial, and organizational performance. Higher performing schools benefit from increased autonomy and lower performing schools receive additional interventions and supports that seek to guide them towards improvements.

A Focus on Local Comparison

One primary way in which CSI holds its schools accountable is through regular review and analysis of student and school outcome data. As previously noted, CSI authorizes 39 schools across Colorado that offer 14 educational models including Montessori, early college, and language immersion. Due in part to the wide variety of models and geographies, CSI does not evaluate a school’s outcomes in comparison to other CSI schools (unlike most school districts).

Rather, CSI school evaluations include strong indicators of charter viability and sustainability and CSI compares the performance of its schools to schools that those students might otherwise attend and evaluates the school's outcomes in comparison to the outcomes the geographic district or the schools nearest to the CSI school. This is seen in both the CSI annual evaluation that determines a school's accreditation rating as well as the annual review and associated programming related to special populations.

Additionally, many state processes also consider the geographic district instead of CSI. For example, CSI schools are funded through the School Finance Act based on the per pupil revenues for schools in the geographic district in which each school is located. At-risk funding is determined when comparing a school's at-risk service to that of the geographic district.

Background on Mill Levy Override Revenue and Charter Schools

The Passage of House Bill 17-1375ⁱ

In 2018, mill levy overrides generated over \$1B of local property tax revenue for use by public schools across the state. Historically, a district-authorized charter school's access to local mill levy override revenues has varied greatly depending on decisions made by the authorizing school district.

In the 2017 legislative session, there was a concerted bipartisan effort to ensure that all public school students have access to an equitable share of public school funds, regardless of what type of public school they attend. As a result, House Bill 17-1375 was signed into law on June 2, 2017.

HB 17-1375 requires school districts to distribute funding they receive from local property taxes generated by Mill Levy Overrides (MLO) on an equal per pupil basis to district charter schools beginning in the 2019-2020 year. Additionally, out of recognition that CSI schools have no access to local tax revenue, the bill created the Mill Levy Equalization Fund, a mechanism for providing equitable funding to CSI students.

While the bill created the mechanism for funding, no dollars were allocated to the CSI fund, resulting in a persistent funding inequity for the 17,500 public school children that are attending CSI schools.

CSI FY 2018-19 Budget Request to Appropriate Funds to the Mill Levy Equalization Fund

To address the persisting funding inequity for CSI students, the Governor's FY 2018-19 budget request included a \$5.5 million dollar transfer from the state's general fund to the CSI Mill Levy Equalization fund to be distributed to CSI schools in the 2018-2019 school year. The requested dollar amount was based on the amount of MLO revenue that each geographic district was choosing to share with their district authorized charter schools.

The long bill included the \$5.5M transfer to the CSI MLE fund, and was the first step on the road to ensuring funding equity for students attending public charter schools within the same geographic boundary.

FY 2018-19 Request

Student attends a traditional school in ABC school district



Student attends an district-authorized charter school in ABC school district



Student attends a CSI-authorized charter school located in ABC school district



CSI's FY18-19 request sought parity between students attending district- and CSI-authorized charter schools located in the same district.

FY 2019-20 Implementation of HB 17-1375

HB 17-1375 requires school districts to distribute funding they receive from local property taxes generated by Mill Levy Overrides (MLO) on an equal per pupil basis to district charter schools beginning in FY 2019-20. Accordingly, a transfer of \$25.7 million into the CSI Mill Levy Equalization Fund would be required to ensure CSI students have access to the same level of per-pupil MLO revenue as district students. This amount represents full equalization and is calculated on a school by school basis, using the per-pupil MLO for each CSI school's geographic district. This calculation method aligns with statute, which requires that no CSI school receives a greater per-pupil amount than the per-pupil MLO of the district in which the CSI school is located.

While \$25.7 million is required for full equalization, CSI's FY 2019-20 request of an additional \$5 million is based on the recommendation of the Governor's Office. CSI schools appreciate the Governor Office's recognition of the importance of MLO funding equity between CSI schools and their district counterparts, and CSI will continue to push for parity.

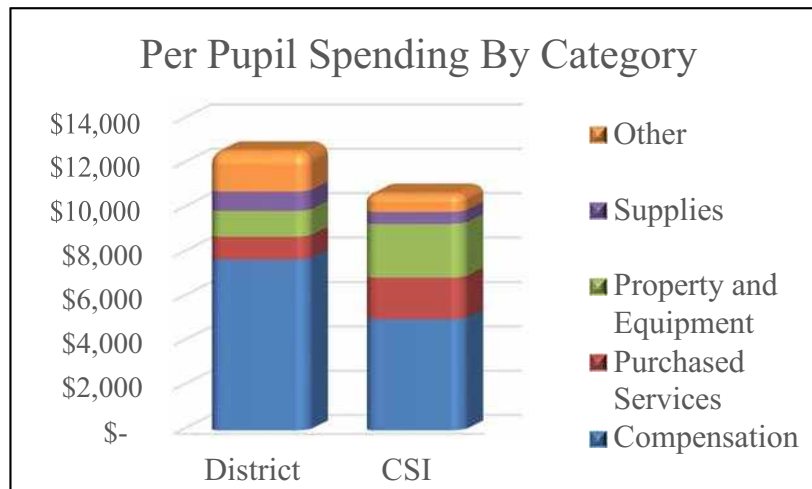
Consequences of the Problem

Without equitable funding and without a legal mechanism to raise local funding, CSI schools, teachers, and communities will continue working towards the same standards but will do so with fewer resources resulting in numerous inequities for CSI students, including limited facilities, food service and transportation options, higher staff turnover due to lower salaries.

While the funding of this request will take an additional step toward equalized funding for CSI students, many inequities still remain. In total across the state, it is estimated that CSI students have access to approximately \$2,400 less per pupil than their public school peers. This equals approximately \$2.1 billion dollars, and is broken down into the following sources.

Public Funding Source	State Aggregate Amount	Average Per Pupil Amount
Mill Levy Override	\$1.1 B	\$ 1,239
Bond Redemption Mills	\$975 M	\$ 1,150
Federal Forest Funds	\$1.5 M	\$ 3.04
Federal Mineral Lease Funds	\$1.6 M	\$ 6.98
Total Estimated Inequity	\$2.1 B	\$ 2,399

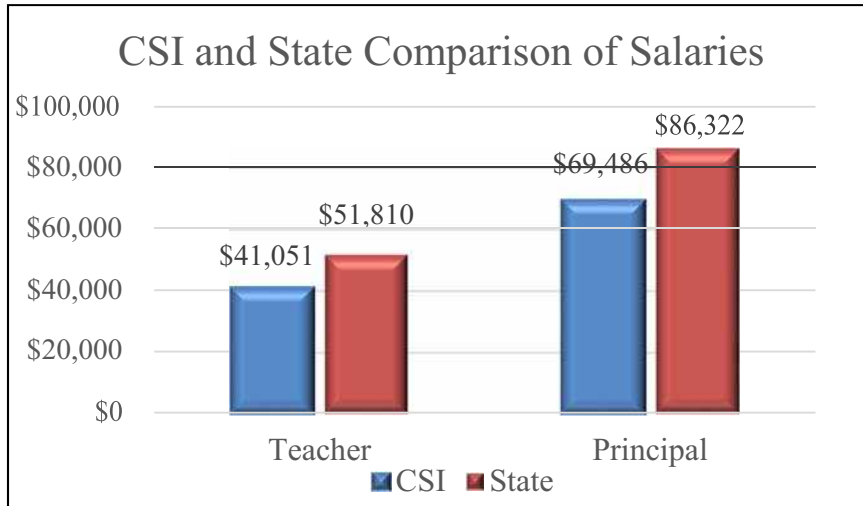
On a per pupil basis, CSI schools spend less on staff compensation and more on facility costs than district schools, not necessarily out of choice, but out of reduced access to all public school funding sources and lower availability of adequate facilities. The effects of the reduced access to public school funding are illustrated in the following graph which compares FY 2016-17 per pupil spending by category between Colorado School Districts and CSI.



Some of the greatest inequities, which could be addressed in part with mill levy equalization dollars, CSI schools face are highlighted in the following sections.

I. Impacts on the Teaching Force

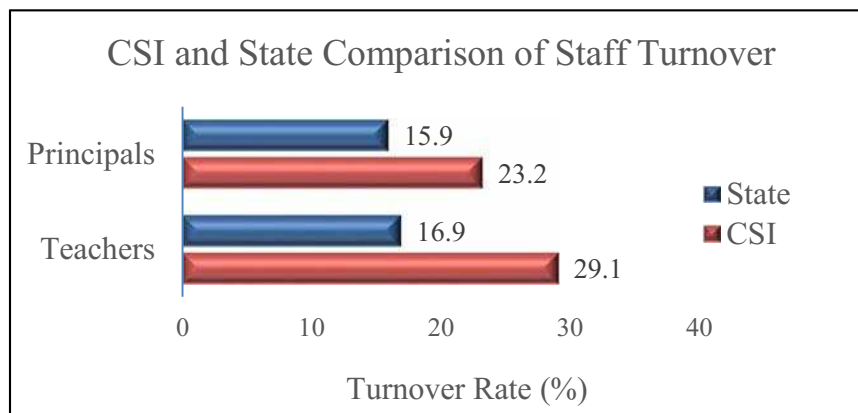
When looking at teacher and principal salaries, CSI charter school teachers are receiving about \$10,000 less than their peers in the state. What’s more is that this discrepancy is not isolated to the 2016-2017 school year.



While teachers often choose to work at a charter school because of its mission, its model, and the students it’s serving, the lack of adequate compensation requires teachers to take on multiple jobs, find roommates, or ultimately leave the charter school in order to keep up with the cost of living.

	School Districts	CSI	VAR CSI Over/(Under) School Districts
Per Pupil Spending - Administrator Compensation	\$ 1,201	\$ 530	-55.9%
Per Pupil Spending - Professional - Instructional Compensation	\$ 6,155	\$ 3,337	-45.8%

The teacher turnover rate of CSI charter schools is nearly double that of the state’s public schools as a whole, with non-competitive compensation driving much of this turnover.



II. School Facilities

Inequitable funding plays a role in the challenges public charter schools face regarding school facilities. And again, this issue is more acute for CSI schools, which are not authorized by a school district but by a state-appointed board that does not have land, facilities, or access to local tax revenue. As shown in the following table, facility costs make up 18.3 percent of total spending for CSI schools and 3.8 percent of total spending for non-CSI schools.

	Non-CSI Schools	CSI Schools
Facility Costs as Percent of Total Spending	3.8%	18.3%
Schools Spending more than 15% on Facilities	3.1%	51.6%

Inadequate Facilities

While CSI charter schools end up spending a greater percentage of their budget on facilities, this does not lead to CSI charters being able to purchase or lease adequate facilities.

The cost and availability of facilities in Eagle County was perhaps the single most limiting factor in Stone Creek's facility selection. Stone Creek Charter School is a public K-8 school, with three campuses spread across 20 miles of I-70 between Gypsum and Edwards. Two of the campuses, serving grades K-4 and 5-8, lease vacant space in churches. While they were fortunate to find affordable and adequate church space to lease, these facilities have their own challenges. Every weekend, the school is required to tear down the school (i.e. school desks, equipment, decorations) and put back church (i.e. church furniture and artifacts) every Friday afternoon in preparation for weekend church activities, then adjust again Sunday evening in preparation for school on Monday. The school continues to work towards a future campus where all grades are under one roof. In fact, the board has had a standing facility committee with this particular charge. If Stone Creek received the same percentage of mill levy equalization funds that its geographic school district shares with its charter school, the school would receive over \$750,000 annually.

Unfavorable Rates & Terms

Though many in the charter sector agree that charter schools should not plan to spend more than 15-20% of revenue on facility costs, the reality is that many can't find viable options within this range. This is particularly an issue for charter schools that are starting up and have not yet had the opportunity to build a track record of success or may be starting up with smaller enrollment numbers, factors which can lead to less favorable terms such as higher interest rates, balloon payments, and less access to a variety of lenders.

Examples of unfavorable rates and terms can be found across the CSI portfolio, including:

- Colorado Military Academy, which opened in the fall of 2017, has entered into a facility financing agreement with a 20 year term, and an 8.8 percent interest rate. This will require the school to spend approximately 25 percent of its budget on facility costs.
 - The Fort Collins and Colorado Springs campuses of the Global Village Academy both spent more than 25 percent of their budget on facility costs in FY 2015-16.
-

Unfortunately many charters, both CSI and district charters, struggle with limited options when it comes to lenders, but we will continue to advocate and try to attract more interest for businesses to enter the market, which will result in a more competitive market.

III. Transportation and Food Services

Inequitable funding compounds the heightened challenges CSI schools face when it comes to offering additional services like transportation and lunch programs. While these services may be commonplace in districts and even an option offered to charter schools authorized by school districts, CSI charter schools are located all over the state, making a centralized food service and transportation provider unfeasible. These issues are heightened for CSI charters located in rural areas due to limited viable contracting options.

Transportation

Less than half of CSI schools have the ability to offer regular transportation services between school and homes, and many cite the high costs of starting up a transportation program as a limiting factor. The only way that Two Rivers Community School in Glenwood Springs, a public K-8 school offering a place-based learning and language immersion model, could manage the high start-up costs of offering transportation was through grants and donations.

Start-up costs aren't the only limitations, however. Two Rivers Community Schools, in addition to other charter schools in the CSI portfolio, continue to face challenges with the high costs of maintaining vehicles and have had to fall back on family carpools on days when the bus wasn't functioning properly. While not required to provide transportation, former co-leader Adriana Hire shared the importance of aligning the school's mission with its practices, "We seek to attract all students, and offering food services and transportation are ways to ensure we are doing that. And, because field trips are an essential part of our place-based education program, we could not fulfill our program without transportation. While we don't have a playground for our little ones, we do have transportation and a kitchen." Over 50% of the school's student body relies on the transportation offered by Two Rivers. The school buses students from Glenwood Springs, New Castle, and as far away as Rifle. If Two Rivers Community School received the same level of MLO funding that charters within its geographic district receive, it would receive nearly \$500,000 annually.

Food Service

Generally, district-run charter schools work with their districts to receive a full service food service program through them. In such situations, districts may fund the food service program start-up costs of these charter schools through the district's food service funds and equipment necessary remains owned by district.

CSI charter schools don't always have the opportunity for this coordination with their district and many times seek non-district School Food Authorities (SFA's) to support their food service program. Unlike district-run charters, CSI charter schools find themselves paying the start-up costs of offering a food service program, which could include everything from purchase of equipment, to upgrade of facilities, to hiring staffing for administration of the programming. The cost of a warming kitchen is expensive, but a full kitchen is usually out of reach for CSI charter schools. Rural charters have additional struggles due to the limited options available due to geography.

One of the biggest challenges for smaller charters is offering a food service program that breaks even financially. Several charters contract with a vendor to provide meals since they may not have adequate facilities or staffing to provide the service in-house. However, the cost of offering a food service program is not covered by the federal reimbursements. After accounting for the fixed cost of a meal, the cost of staff, and the SFA administration fee, the cost of operating the food service program exceeds the highest allowable federal reimbursement for students eligible for free lunch. One CSI school's insistence on offering healthier meals to students ended in a food service program deficit of \$75,000.

Simply put, CSI students, families, teachers, and administrators face significant and unique challenges due to inequitable funding caused by a lack of access to local tax dollars available to other public schools in their respective taxing jurisdiction.

Proposed Solution:

As HB 17-1375 is fully implemented beginning in the 2019-2020 school year, school districts will be required to either adopt a plan for distributing the revenue to its schools on an equal per student basis or distribute 95% of per pupil revenue to innovation school students and public charter school students of the school district.

CSI requests a \$5M increase to the transfer from the General Fund to the Mill Levy Equalization Fund for Fiscal Year 2019-20 to be distributed to CSI schools in accordance with statute.

Anticipated Outcomes:

The outcome of this funding request will be measured by the extent to which public school students attending CSI schools achieve funding parity with all other public school students in Colorado. As the intent of HB 17-1375 was to ensure all public school students, regardless of public school type, had equal access to mill levy override dollars, funding this request will move the state closer to fulfilling the intent of the Legislature.

The consequences of persistent public funding inequities for schools who receive less than an equitable share of public resources for their students create additional obstacles to overcome including a diminished ability to retain high-quality teachers, secure facilities that are conducive to learning, and to provide food and transportation services to students. Given that these obstacles can have a profound impact on student learning, it is anticipated that this funding will enable CSI schools to better serve the children of Colorado. While this proposed solution does not address the greater issues surrounding public school finance throughout the State, it does get the state one step closer to funding equity for all public school students.

Assumptions and Calculations:

The calculations are based on the sum of the total mill levy equalization for each CSI school.

The total mill levy equalization for each CSI school is calculated using the most recent available information for the following data points and the following formula as described in statute:

- FY 2017-18 Mill Levy Override Revenues for each respective accounting districtⁱⁱ
 - FY 2017-19 District projected funded pupil count^{iv}
 - FY 2019-20 CSI projected funded pupil count
-



See Appendix A for detailed data and calculations by school

ⁱ <https://leg.colorado.gov/bills/hb17-1375>

ⁱⁱ <https://www.cde.state.co.us/cdefinance/sfmilllevy>

^{iv} <https://www.cde.state.co.us/cdefinance/publicschoolfinanceactof1994-fy2018-19>

Appendix A CSI Mill Levy Equalization Preliminary Calculation*

District	CSI School Name	2019-20 CSI School Projected Funded Count ¹	District Per Pupil Override Funding ²	Per Funded Count Full Day Kinder Override Funding	Voter Approved Override Funding at Full Equalization	Full Day Kinder Override Funding at Full Equalization	(Full Equalization) ³	2019-20 Budget Request
ADAMS 12 FIVE STAR	ACADEMY OF CHARTER SCHOOLS	1,776.60	\$ 961	\$ -	\$ 1,706,919	\$ -	\$ 1,706,919	\$ 1,056,843
ADAMS 12 FIVE STAR	GLOBAL VILLAGE ACADEMY - NORTHGLENN	783.20	\$ 961	\$ -	\$ 752,482	\$ -	\$ 752,482	\$ 465,901
ADAMS 12 FIVE STAR	THE PINNACLE CHARTER SCHOOL	1,927.70	\$ 961	\$ -	\$ 1,852,092	\$ -	\$ 1,852,092	\$ 1,146,727
AURORA	COLORADO EARLY COLLEGES - AURORA	350.00	\$ 1,274	\$ -	\$ 446,069	\$ -	\$ 446,069	\$ 208,204
AURORA	MONTESSORI DEL MUNDO CHARTER SCHOOL	326.60	\$ 1,274	\$ -	\$ 416,246	\$ -	\$ 416,246	\$ 194,284
AURORA	NEW AMERICA SCHOOL - LOWRY	441.00	\$ 1,274	\$ -	\$ 562,047	\$ -	\$ 562,047	\$ 262,337
AURORA	NEW LEGACY CHARTER HIGH SCHOOL	116.00	\$ 1,274	\$ -	\$ 147,840	\$ -	\$ 147,840	\$ 69,005
BRIGHTON 27J	HIGH POINT ACADEMY	706.80	\$ 42	\$ -	\$ 29,997	\$ -	\$ 29,997	\$ 29,997
CALHAN	FRONTIER CHARTER ACADEMY	57.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COLORADO SPRINGS	COLORADO MILITARY ACADEMY	733.50	\$ 2,609	\$ -	\$ 1,913,655	\$ -	\$ 1,913,655	\$ 436,336
COLORADO SPRINGS	COLORADO SPRINGS CHARTER ACADEMY	457.10	\$ 2,609	\$ -	\$ 1,192,545	\$ -	\$ 1,192,545	\$ 271,914
COLORADO SPRINGS	COLORADO SPRINGS EARLY COLLEGES	725.00	\$ 2,609	\$ -	\$ 1,891,479	\$ -	\$ 1,891,479	\$ 431,279
COLORADO SPRINGS	GLOBAL VILLAGE ACADEMY - COLORADO SPRINGS	443.40	\$ 2,609	\$ -	\$ 1,156,802	\$ -	\$ 1,156,802	\$ 263,765
COLORADO SPRINGS	JAMES IRWIN CHARTER ACADEMY	313.30	\$ 2,609	\$ -	\$ 817,380	\$ -	\$ 817,380	\$ 186,372
COLORADO SPRINGS	LAUNCH HIGH SCHOOL	101.00	\$ 2,609	\$ -	\$ 263,503	\$ -	\$ 263,503	\$ 60,082
COLORADO SPRINGS	MONARCH CLASSICAL SCHOOL OF THE ARTS	420.00	\$ 2,609	\$ -	\$ 1,095,753	\$ -	\$ 1,095,753	\$ 249,845
COLORADO SPRINGS	MOUNTAIN SONG COMMUNITY SCHOOL	304.00	\$ 2,609	\$ -	\$ 793,117	\$ -	\$ 793,117	\$ 180,840
COLORADO SPRINGS	THOMAS MACLAREN STATE CHARTER SCHOOL	794.80	\$ 2,609	\$ -	\$ 2,073,582	\$ -	\$ 2,073,582	\$ 472,801
COMMERCE CITY	COMMUNITY LEADERSHIP ACADEMY/ VICTORY PREP	964.85	\$ 685	\$ -	\$ 661,244	\$ -	\$ 661,244	\$ 573,959
DOUGLAS	COLORADO EARLY COLLEGES DOUGLAS COUNTY	700.00	\$ 521	\$ -	\$ 364,896	\$ -	\$ 364,896	\$ 364,896
DURANGO	ANIMAS HIGH SCHOOL	250.00	\$ 1,550	\$ -	\$ 387,419	\$ -	\$ 387,419	\$ 148,717
DURANGO	MOUNTAIN MIDDLE SCHOOL	244.00	\$ 1,550	\$ -	\$ 378,121	\$ -	\$ 378,121	\$ 145,148
EAGLE	STONE CREEK SCHOOL	315.30	\$ 2,149	\$ -	\$ 677,619	\$ -	\$ 677,619	\$ 187,562
EAST GRAND	INDIAN PEAKS CHARTER SCHOOL	31.20	\$ 1,691	\$ -	\$ 52,744	\$ -	\$ 52,744	\$ 18,560
JEFFERSON COUNTY	GOLDENVIEW - NEW 2019	689.00	\$ 1,411	\$ -	\$ 972,157	\$ -	\$ 972,157	\$ 409,864
MESA VALLEY	CAPROCK ACADEMY	823.10	\$ 724	\$ -	\$ 595,607	\$ -	\$ 595,607	\$ 489,636
MESA VALLEY	MONUMENT VIEW MONTESSORI	27.50	\$ 724	\$ -	\$ 19,899	\$ -	\$ 19,899	\$ 16,359
POUDRE	COLORADO EARLY COLLEGE FORT COLLINS	1,300.00	\$ 1,304	\$ -	\$ 1,695,817	\$ -	\$ 1,695,817	\$ 773,329
POUDRE	GLOBAL VILLAGE ACADEMY - FORT COLLINS	195.20	\$ 1,304	\$ -	\$ 254,633	\$ -	\$ 254,633	\$ 116,118
POUDRE	T. R. PAUL ACADEMY OF ARTS & KNOWLEDGE	210.80	\$ 1,304	\$ -	\$ 274,983	\$ -	\$ 274,983	\$ 125,398
ROARING FORK	ROSS MONTESSORI SCHOOL	313.50	\$ 1,595	\$ -	\$ 499,974	\$ -	\$ 499,974	\$ 186,491
ROARING FORK	TWO RIVERS COMMUNITY SCHOOL	316.20	\$ 1,595	\$ -	\$ 504,280	\$ -	\$ 504,280	\$ 188,097
SALIDA	SALIDA MONTESSORI CHARTER SCHOOL	91.60	\$ 1,358	\$ -	\$ 124,409	\$ -	\$ 124,409	\$ 54,490
STEAMBOAT SPRINGS	MOUNTAIN VILLAGE MONTESSORI CHARTER SCHOOL	142.50	\$ 604	\$ 6,870	\$ 86,050	\$ 85,872	\$ 171,922	\$ 84,769
WESTMINSTER 50	CROWN POINTE CHARTER ACADEMY	457.30	\$ 846	\$ -	\$ 386,884	\$ -	\$ 386,884	\$ 272,033
WESTMINSTER 50	EARLY COLLEGE OF ARVADA	350.00	\$ 846	\$ -	\$ 296,107	\$ -	\$ 296,107	\$ 208,204
WESTMINSTER 50	RICARDO FLORES MAGON ACADEMY	292.00	\$ 846	\$ -	\$ 247,037	\$ -	\$ 247,037	\$ 173,701
Total		18,491.45			\$ 25,591,387	\$ 85,872	\$ 25,677,258	\$ 10,523,862

1) FY 2019-20 Projected Funded Pupil Count by School

2) Equal to total district FY18 Mill Levy Override (MLO) revenue divided by FY19 Projected district funded pupil count (district managed and district charter)

3) Requested funds distributed on an equal per pupil basis across all CSI pupils utilizing FY20 projected funded pupil count, not to exceed the per pupil MLO revenue for the accounting district

***Actual distribution will change when FY 2019-20 Funded Pupil Counts and Mill Levy Override amounts are finalized**

Schedule 13

Department of Education

Funding Request for The FY 2019-20 Budget Cycle

Request Title

R-07 Colorado School for the Deaf and Blind Teacher Salaries

Dept. Approval By: *[Signature]* Supplemental FY 2018-19

OSPB Approval By: *[Signature]* Budget Amendment FY 2019-20

X Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$10,703,618	\$0	\$10,890,791	\$396,307	\$396,307
FTE		153.1	0.0	153.1	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$9,037,993	\$0	\$9,222,884	\$396,307	\$396,307
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$1,665,525	\$0	\$1,667,907	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$10,703,618	\$0	\$10,890,791	\$396,307	\$396,307
FTE		153.1	0.0	153.1	0.0	0.0
04. School for the Deaf and the Blind, (A) School Operations, (1) School Operations - Personal Services	GF	\$9,037,993	\$0	\$9,222,884	\$396,307	\$396,307
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$1,665,525	\$0	\$1,667,907	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Education Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact



Cost and FTE

- Using the El Paso #11 School District salary scale, the Department is requesting \$396,307 on-going General Fund for salary increases for the teachers at the Colorado School for the Deaf and the Blind (CSDB).

Current Program

- By statute, 22-80-106.5, C.R.S., teacher salaries at CSDB are tied directly to the El Paso #11 school district teacher salaries. When the El Paso #11 school board votes to increase salaries for teachers in the district, CSDB implements the same salary schedule the following year.

Problem or Opportunity

- For FY 2018-19, the El Paso #11 school board voted to increase salaries for teachers in the district; therefore, CSDB is requesting a FY 2019-20 increase for its teachers to match the new El Paso #11 salary scale.
- All other CSDB staff are paid according to the scale.
- The new schedule will have average teacher salary of \$59,026 and a starting salary of \$39,000.

Consequences of Problem

- The Department is required by statute 22-80-106.5, C.R.S. to make this request, when the El Paso #11 school board makes changes to its teacher salary scale.

Proposed Solution

- This request is a technical adjustment to comply with the statute that requires CSDB to implement the El Paso #11 salary schedule. The total cost of this request is \$396,307 General Fund.



COLORADO
Department of Education

John W. Hickenlooper
Governor

Katy Anthes
Commissioner

FY 2019-20 Funding Request | November 1, 2018

Department Priority: R-07

Request Detail: Colorado School for the Deaf and the Blind Teacher Salaries

Summary of Incremental Funding Change for FY 2019-20	Total Funds	General Fund
Colorado School for the Deaf and the Blind Teacher Salaries	\$396,307	\$396,307

Problem or Opportunity:

CSDB teachers, who follow the District 11 salary scale, do not receive any State of Colorado across-the-board or merit salary increases, as they are compensated in accordance with the provisions of the salary schedule adopted by the Colorado Springs District 11 Board of Education as of January 1 of the previous fiscal year and the established CSDB procedures adopted to implement the salary schedule. It is important CSDB aligns with the District 11 salary scale and supports teachers in very difficult-to-fill positions. The Colorado Springs District 11 Board of Education and the Colorado Springs Education Association agreed upon experience step increases and academic credit increases, as compensation for teachers in School Year 2018-19. The salary schedule was also revised to reflect a new beginning salary of \$39,000, with appropriate increases throughout.

Proposed Solution:

- CSDB proposes funding the experience step increases, based upon the El Paso District 11 pay schedule.
- If not funded, CSDB will still be required to compensate the teachers, based upon current statute, but will be forced to reduce services in other areas to fund the increases.
- According to C.R.S (2009) Section 22-80-106.5, CSDB is required to compensate teachers based upon the Colorado Springs District 11 salary schedule and the established CSDB procedures adopted to implement the salary schedule.

Anticipated Outcomes:

- If the funding increase is approved, the teachers will receive experience step increases based upon the revised El Paso District 11 pay schedule, and new teachers' salaries will begin with a base of \$39,000.

Assumptions and Calculations:

- The salary increase is based on experience steps according to the placement of those teachers on the Colorado Springs District 11 salary schedule.

Position Title	Salary Schedule Placement	Salary Schedule Placement	FY19	FY20	Difference
	FY19	FY20	PLACEMENT	PLACEMENT	
Transition Teacher	I-B	I-C	\$35,868	\$40,576	\$4,708
Teacher of the Visually Impaired	I-C	I-D	\$36,586	\$41,388	\$4,802
Transition Teacher	I-C	I-D	\$36,586	\$41,388	\$4,802
Teacher of the Deaf	I-D	I-E	\$37,317	\$42,216	\$4,899
Teacher of the Deaf, Distance	I-E	I-F	\$38,064	\$43,060	\$4,996
Physical Education Teacher	I-E	I-F	\$38,064	\$43,060	\$4,996
Teacher of the Deaf	II-E	II-F	\$39,850	\$45,046	\$5,196
Teacher of the Deaf	III-D	III-E	\$40,819	\$46,111	\$5,292
Physical Therapist	III-S (21)	III-S (21)	\$57,157	\$63,301	\$6,144
Teacher of the Deaf	III-S (21)	III-S (21)	\$57,157	\$63,301	\$6,144
Special Education Teacher	II-N	II-M	\$47,624	\$49,462	\$1,838
Teacher of the Visually Impaired	IV-C	IV-D	\$41,736	\$47,118	\$5,382
Teacher of the Deaf	IV-E	IV-4	\$43,422	\$47,118	\$3,696
Transition Teacher	IV-O	IV-P	\$55,108	\$59,755	\$4,647
Teacher of the Deaf	IX-N	IX-M	\$62,565	\$67,723	\$5,158
Audiologist	IX-S (20)	IX-S (21)	\$70,459	\$79,347	\$8,888
Occupational Therapist	IX-S (22)	IX-S (22)	\$73,305	\$80,934	\$7,629
Teacher of the Visually Impaired	V-C	V-D	\$43,452	\$49,027	\$5,575
Speech Therapist	V-C	V-D	\$43,452	\$49,027	\$5,575
Teacher of the Deaf	V-E	V-F	\$45,208	\$51,008	\$5,800
Orientation & Mobility Spec	V-E	V-F	\$45,208	\$51,008	\$5,800
Special Education Teacher	V-F	V-G	\$46,112	\$52,028	\$5,916
Transition Teacher	V-F	V-G	\$46,112	\$52,028	\$5,916
Teacher of the Deaf	VI-H	VI-I	\$49,870	\$56,240	\$6,370
Teacher of the Deaf	VI-B	VI-C	\$44,283	\$49,939	\$5,656
Speech Therapist	VI-E	VI-F	\$46,994	\$52,996	\$6,002
Teacher of the Visually Impaired	VI-E	VI-F	\$46,994	\$52,996	\$6,002
Teacher of the Deaf	VI-G	VI-H	\$48,892	\$55,137	\$6,245
Teacher of the Visually Impaired	VI-H	VI-I	\$49,870	\$56,240	\$6,370
Teacher of the Deaf	VI-I	VI-J	\$50,868	\$57,365	\$6,497
School Counselor	VI-J	VI-K	\$51,885	\$58,512	\$6,627
Communication Specialist	VII-D	VII-E	\$47,823	\$53,905	\$6,082
Teacher of the Deaf	VII-D	VII-E	\$47,823	\$53,905	\$6,082

School Psychologist	VII-E	VII-F	\$48,780	\$54,983	\$6,203
Teacher of the Deaf	VII-E	VII-F	\$48,780	\$54,983	\$6,203
Teacher of the Visually Impaired	VII-G	VII-H	\$50,751	\$57,205	\$6,454
Physical Education Teacher	VII-G	VII-H	\$50,751	\$57,205	\$6,454
Teacher of the Deaf	VII-H	VII-I	\$51,766	\$58,349	\$6,583
Teacher of the Visually Impaired	VII-H	VII-I	\$51,766	\$58,349	\$6,583
Transition Teacher	VIII-C	VIII-D	\$48,602	\$54,759	\$6,157
Teacher of the Visually Impaired	VIII-G	VIII-H	\$52,609	\$59,272	\$6,663
Teacher of the Visually Impaired	VIII-H	VIII-I	\$53,661	\$60,457	\$6,796
Teacher of the Deaf	VIII-I	VIII-J	\$54,734	\$61,666	\$6,932
Teacher of the Deaf	VIII-N	VIII-M	\$60,431	\$65,440	\$5,009
School Counselor	VIII-N	VIII-M	\$60,431	\$65,440	\$5,009
Teacher of the Deaf	VIII-N	VIII-M	\$60,431	\$65,440	\$5,009
Teacher of the Visually Impaired	VIII-P	VIII-Q	\$62,872	\$70,835	\$7,963
Transition Teacher	VIII-Q	VIII-R	\$64,130	\$72,252	\$8,122
Educ Media Specialist	VIII-Q	VIII-R	\$64,130	\$72,252	\$8,122
School Psychologist	VIII-R	VIII-S(19)	\$65,412	\$73,697	\$8,285
Teacher of the Visually Impaired	VIII-S (19)	VIII-S (20)	\$66,721	\$75,171	\$8,450
Communication Specialist	VIII-S (21)	VIII-S (22)	\$69,416	\$78,207	\$8,791
Teacher of the Visually Impaired	VIII-S (22)	VIII-S (22)	\$70,804	\$78,207	\$7,403
Teacher of the Deaf	VIII-S (22)	VIII-S (22)	\$70,804	\$78,207	\$7,403
Teacher of the Deaf	VII-M	VII-N	\$57,153	\$64,421	\$7,268
Music/Drama Teacher	VII-Q	VII-R	\$61,865	\$69,730	\$7,865
Teacher of the Deaf	VII-S (20)	VII-S (21)	\$65,651	\$72,548	\$6,897
Transition Teacher	VI-L	VI-M	\$53,981	\$60,876	\$6,895
Orientation & Mobility Spec	VI-R	VI-S(19)	\$60,791	\$68,557	\$7,766
Transition Teacher	VI-S (19)	VI-S (20)	\$62,007	\$69,928	\$7,921
Transition Teacher	V-M	V-N	\$52,968	\$59,764	\$6,796
Transition Teacher	V-O	V-P	\$55,108	\$62,178	\$7,070
Special Education Teacher	V-R	V-S(19)	\$58,481	\$65,984	\$7,503
				<u>Total</u>	<u>\$396,307</u>

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Schedule 13

Department of Education

Funding Request for The FY 2019-20 Budget Cycle

Request Title

R-08 Education Leadership Council Priorities-Career Dev.

Dept. Approval By: 

Supplemental FY 2018-19

OSPB Approval By: 

Budget Amendment FY 2019-20

X

Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$12,002,802	\$0	\$12,009,918	\$6,000,000	\$0
FTE		2.0	0.0	2.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$2,000,000	\$0	\$2,000,000	\$0	\$0
	CF	\$10,002,802	\$0	\$10,009,918	\$6,000,000	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$10,002,802	\$0	\$10,009,918	\$1,500,000	\$0
FTE		2.0	0.0	2.0	0.0	0.0
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (B) Other Assistance - School Counselor Corps Grant Program	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$10,002,802	\$0	\$10,009,918	\$1,500,000	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$2,000,000	\$0	\$2,000,000	\$4,500,000	\$0
FTE		0.0	0.0	0.0	0.0	0.0
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (B) Other Assistance - Career Development Success Pilot Program	GF	\$2,000,000	\$0	\$2,000,000	\$0	\$0
	CF	\$0	\$0	\$0	\$4,500,000	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? YES

Type of Request? Department of Education Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact



Cost and FTE

- The Governor’s Office, in alignment with the emerging recommendations from the Education Leadership Council (ELC), requests \$6 million from the State Education Fund for one-time funding for education programs. This request addresses the Governor’s priority to support student transitions into the workforce.

Current Program

- ELC is a nonpartisan, multi-stakeholder council, created through an Executive Order in June of 2017 by Governor John Hickenlooper. The ELC is made up of 25 leaders from government, business and the non-profit community with experience in early childhood, education, and economic development. Following extensive stakeholder outreach and feedback, ELC is developing recommendations that will be voted on in December 2018.

Problem or Opportunity

The funding will be used for career development, concurrent enrollment, and career advising.

Consequences of Problem

- The programs identified for funding address current pressing problems in education across the state.

Proposed Solution

The funding will be distributed as follows:

- Career development: \$3 million. This funding will be used to address a funding gap between demand for these services and the available funding. This funding will provide incentives for 3,000 additional industry credentials in high-demand jobs across Colorado. Students earning credentials are prepared to immediately get a living wage job and enter the workforce following high school.
- Concurrent Enrollment: \$1.5 million. This funding will provide innovation grants for 30 to 40 school districts. Currently, approximately 50 school districts have limited to no participation in concurrent enrollment.
- Career advising expansion: \$1.5 million. The funding will be used for statewide expansion of highly trained career coaches for all sectors of the economy. This funding will generate capacity for more consistent career advising approach.



COLORADO
Department of Education

John W. Hickenlooper
Governor

Katy Anthes, Ph.D.
Commissioner

FY 2019-20 Funding Request | November 1, 2018

Department Priority: R-08

Request Detail: Education Leadership Council Emerging Priorities – Career Development

Summary of Incremental Funding Change for FY 2019-20	Total Funds	General Fund
Governor's Requests in Alignment with ELC Emerging Priorities – Career Development	\$6,000,000	\$0

Request Summary:

The Governor's Office is requesting investments in programs that are aligned with the Governor's priorities and emerging recommendations from the Education Leadership Council (ELC). ELC is a nonpartisan, multi-stakeholder council, created through an Executive Order in June of 2017 by Governor John Hickenlooper. The ELC is made up of 25 leaders from government, business and the non-profit community with experience in early childhood, education, and economic development. Following extensive stakeholder outreach and feedback, ELC is developing recommendation that will be voted on in December 2018. This request represents the emerging initial recommendations that are aligned with the Governor's priorities to support student transitions into the workforce. The request is for \$6 million in FY 2019-20 from the State Education Fund for one-time funding to support these investments. The projects identified address pressing problems, are proven to be effective, are supported by stakeholders, and are shovel ready.

Problem or Opportunity:

The funding will be distributed for two priority areas such as: Career development and concurrent enrollment, as well as career advising.

1. Career Development and Concurrent Enrollment

In its first two years, the program has received requests for completion of nearly 9,000 industry credentials earned by students, and distributed incentives for 3,000 credentials, less than half of the credentials earned. Current funding is \$2 million per year, which is an increase from \$1 million in 2017. The \$3 million to date has covered one-third of all eligible credentials earned. The Department of Education anticipates receiving at least \$6 million in requests for 2018-19.

One-third of all Colorado high school students earn college credits in high school through concurrent enrollment and 85% of students enrolled in dual enrollment enroll in college. Yet, only 43% of participating school districts have 10% or fewer high school students participating in concurrent enrollment and 23% have 5% or fewer students participating. There is opportunity to expand concurrent enrollment opportunities across Colorado.

School districts cite the following reasons for low to no participation:

- Do not have capacity to offer Concurrent enrollment courses on high school campus
- Distance from and online limitations with potential college partner
- Limited ability to partner with college that may be able to provide services that connect with student interests
- Cannot afford to pay student tuition and provide broad access to opportunity
- Increased need to prioritize funds and determine how to handle decreases/cuts in funding.
- Prioritizing opportunities for postsecondary experiences

2. Career Advising

The funding will be used for statewide expansion of highly trained career coaches/counselors, specifically focusing on high-need sectors of the economy. This funding will generate capacity for more consistent career advising approach.

The Department consistently hears that Coloradans are unable to learn about which jobs can support their families longer term. This cadre of coaches, counselors and advisers will build the capacity to support our workforce and credential needs. This capacity and expertise for career counseling are needed in K-12, higher education and workforce sectors to support the job demands of our state. Additionally, counselors and coaches need training to understand what training students and adults need for these jobs.

Proposed Solution:

Career development and concurrent enrollment- \$4.5 million. This funding will be used to address a funding gap between demand for these services, programs and the available funding. In addition, this funding will be used to improve the process for career development and concurrent enrollment, including innovation incubator grants locally to expand concurrent enrollment and credential attainment.

Career Development Program:

Participating districts or charter schools receive up to \$1,000 in incentive funds for each high school student who successfully completes qualified industry credential programs, internships, residencies, construction pre-apprenticeship or construction apprenticeship programs, or qualified Advanced Placement (AP) courses.

From the 37 participating school districts (35% rural and 10% charter), statewide credentials have grown from a few hundred to thousands over the past three years. While there have been several coordinated efforts between K-12, higher education and business, this program is certainly a significant contributing factor in encouraging industry credential attainment while in high school.

The majority of credentials are earned in Skilled Trades & Technical Services (31%), STEM & IT (26%), Health Care & Criminal Justice (25%) and Hospitality, Human Services & Education (16%). A small number Business and Agriculture are both at 1%.

The funding is distributed in tiers, with industry credential being funded before all other qualified programs. We have never fully-funded the industry credential tier and therefore none of the other categories of construction apprenticeship, internships or AP courses have been funded.

Concurrent Enrollment:

Through one-time innovation incubator grants to locals (around \$50,000 each), the Department could further scale more permanent availability of concurrent enrollment to support more student's earning an industry credential in high school and ensuring concurrent enrollment availability across Colorado school districts.

Career advising expansion - \$1.5 million. The funding will be used for statewide expansion of highly trained career coaches/counselors/advisors, specifically focusing on high-need sectors of the economy. This funding will generate capacity for more consistent career advising approach.

This capacity and expertise for career counseling is needed in K-12, higher education and workforce sectors to support the job demands of our state. Additionally, counselors and coaches need training to understand what training students and adults need for these jobs.

Anticipated Outcomes:

Career Development: Anticipated outcome is to generate an additional 3,000 credentials obtained by Colorado high school students and encourage scale/broad availability for Colorado students to earn an industry credential, while in high school that leads to a living-wage job to support our state's economy. This one-time investment will allow for a more permanent scale of credential opportunities to be available across Colorado. Students who earn a credential are more prepared for additional education beyond high school and to more quickly contribute to our state's economy through a living wage job and the associated benefits of paying taxes, etc.

Concurrent Enrollment: One-time innovation grants will encourage more permanent adoption and participation in concurrent enrollment statewide. Examples may include focus on improving concurrent enrollment processes to be easier for students to enroll in, and high schools and colleges to offer broader concurrent enrollment course offerings. Some areas of our state offer little to no concurrent enrollment, these innovation grants will help us fill in the gaps of concurrent enrollment availability with this one-time investment.

Career Advising Expansion: More than 5,000 career counselors and advisors in K-12, higher education and workforce will participate in proven career-coaching models to support the highest need sectors of our state's economy and in-demand jobs. Anticipated outcomes are for more students and adults to better understand the jobs available now and in the future that offer a living wage in Colorado as well as the training they need to get them. By building career counseling and advising expertise statewide at the primary supply intersections of our economy we will be able to more nimbly pivot to fill high-need, living wage jobs.

Assumptions and Calculations:

Career Development: \$3 million – this will provide incentive dollars for 3,000 additional industry credentials in high-demand jobs across Colorado. Students earning credentials are prepared to immediately get a living wage job and enter the workforce following high school.

Concurrent Enrollment: \$1.5 million – provide innovation grants to 30-40 school districts. Approximately, 50 school districts have limited (<5%) to no participation in concurrent enrollment.

Career Counselor Corps Expansion: \$1.5 million – cost per counselor, adviser or coach trained is \$300 to \$400.

Proposed Statutory Changes:

The following statutory changes are requested:

22-55-103 (6) FOR THE 2019-20 BUDGET YEAR, THE STATE TREASURER, BEFORE JUNE 30, 2020, SHALL TRANSFER FROM THE GENERAL FUND TO THE STATE EDUCATION FUND SIX MILLION DOLLARS.

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Schedule 13

Department of Education

Funding Request for The FY 2019-20 Budget Cycle

Request Title

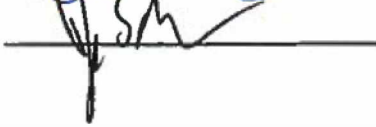
R-09 Education Leadership Council Priorities-Educator Talent

Dept. Approval By:



Supplemental FY 2018-19

OSPB Approval By:



Budget Amendment FY 2019-20

X

Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,000,000	\$0	\$1,000,000	\$4,000,000	\$0
	FTE	0.0	0.0	1.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$3,000,000	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$1,000,000	\$4,000,000	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (4) Professional Development and Instructional Support - Retaining Teachers Grant Program	Total	\$3,000,000	\$0	\$1,000,000	\$3,000,000	\$0
	FTE	0.0	0.0	1.0	0.0	0.0
	GF	\$3,000,000	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$1,000,000	\$3,000,000	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (4) Professional Development and Instructional Support - Principal Academy	Total	\$0	\$0	\$0	\$1,000,000	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$1,000,000	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? YES

Type of Request?	Department of Education Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact
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Cost and FTE

- The Governor’s Office, in alignment with the emerging recommendations from the Education Leadership Council (ELC), requests \$4 million from the State Education fund for one-time funding for education programs. This request supports the Governor’s priority to elevate the teaching profession, support school leaders, and address educator shortages.

Current Program

- ELC is a nonpartisan, multi-stakeholder council, created through an Executive Order in June of 2017 by Governor John Hickenlooper. The ELC is made up of 25 leaders from government, business and the non-profit community with experience in early childhood, education, and economic development. Following extensive stakeholder outreach and feedback, ELC is developing recommendation that will be voted on in December 2018.

Problem or Opportunity

The funding will be distributed in priority areas such as teacher shortage investments and principal training programs.

Consequences of Problem

- The programs identified for funding address current pressing problems in education across the state.

Proposed Solution

The funding will be distributed as follows:

- Teacher shortage investments - \$3 million. This funding will build on the investments made in FY 2018-19 to encourage new teachers entering the profession and for teacher retention. These one-time funds will be converted to grant programs in alignment with HB 18-1412 and HB 18-1332 to directly support districts, charter schools, and educator preparation programs.
- Principal Academy - \$1 million. The funding will be used to develop a principal academy to provide for professional development and leadership training for principals.



COLORADO
Department of Education

John W. Hickenlooper
Governor

Katy Anthes, Ph.D.
Commissioner

FY 2019-20 Funding Request | November 1, 2018

Department Priority: R-09

Request Detail: Education Leadership Council Emerging Priorities – Educator Talent

Summary of Incremental Funding Change for FY 2019-20	Total Funds	General Fund
Governor's Requests in Alignment with ELC Emerging Priorities – Educator Talent	\$4,000,000	\$0

Request Summary:

The Governor's Office is requesting investments in programs that are aligned with the Governor's priorities and emerging recommendations from the Education Leadership Council (ELC). ELC is a nonpartisan, multi-stakeholder council, created through an Executive Order in June of 2017 by Governor John Hickenlooper. The ELC is made up of 25 leaders from government, business and the non-profit community with experience in early childhood, education, and economic development. Following extensive stakeholder outreach and feedback, ELC is developing recommendation that will be voted on in December 2018. This request represents the emerging initial recommendations that are aligned with the Governor's priorities to elevate the teaching profession and school leaders. The request is for \$4 million in FY 2019-20 from the State Education Fund for one-time funding to support these investments. The projects identified address pressing problems, are proven to be effective, are supported by stakeholders, and are shovel ready.

Problem or Opportunity:

The funding will be distributed for the following priority areas such as: teacher shortage investments and principal professional development programs.

1. Continuation of teacher retention investments made in FY2018-19

In FY 2018-19, HB 18-1332 provided \$2 million to invest in partnerships among educator preparation programs (EPPs) and local education providers (LEPs) to invest in initiatives that address teacher shortages in Colorado. These grants were titled Plan Into Action grants.

The purpose of Plan Into Action grants were to fund deep, meaningful partnerships among Educator Preparation Programs, school, school districts, and BOCES. These partnerships focus on one of the following strategies:

- Increase the number of teachers trained through traditional and alternative teacher preparation programs to include teacher residencies and Grow Your Own programs;
- Increase the number of dual licensure program offerings in teacher shortage areas;
- Increase the use of technology to support long-distance supervision and support for educator candidates and newly licensed educators.

- Align teacher preparation program content and endorsements with the needs and expectations of LEPs, and;
- Align teacher preparation programs with specific needs of local education providers and collaboratively implement innovations.

HB 18-1412 is a grant program that provides schools districts, public schools, and BOCES the opportunity to implement a wide variety of locally appropriate strategies to improve their ability to successfully retain teachers. A total of \$2,742,557 is made available for grants over three years (FY 2018-19 through FY 2020-21).

In both cases, these funds are being accessed and are utilized by districts and charter schools. While many districts and schools were funded, there were district and school educator recruitment and retention needs left that continued to be unfunded. Several districts and schools were not funded (or decided not to apply at a late date because they were aware of limited funding) due to more need than available monies. Those districts continue to struggle with educator shortages.

As identified by the ELC, there is an ongoing opportunity with FY 2019-20 funds to allocate more money directly to local education agencies that can utilize the funds over the course of a three-year grant cycle to recruit, prepare and retain educators in their hard to fill areas.

2. Development of the Colorado Principal Leadership Academy

After studying the issue, the ELC noted that Colorado has limited investment in ongoing principal professional development as a strategy for education improvement in both the arenas of educator recruitment and retention and student achievement. In a February 2017, policy brief from the American Institutes for Research (AIR), it was noted, “Again and again, states and districts have focused on teachers rather than principals when making policy and allotting funds and resources for professional development and support.

Principals’ groups and other educators have long lamented that school leaders are often absent from the policymaking process or included as afterthoughts. But many aspects of learning are influenced by the quality of a school’s leader. After all, principals recruit, retain, and support quality teachers, and research shows that quality teachers are the most important element in student success. School leaders influence student learning, the strength of the teachers, and the health of the school environment. And it is the principal who leads and oversees change at the school level. Principals’ continuous improvement and learning is important for student and teacher learning, policy implementation, and cultivating healthy and supportive school communities.

Research about the importance of school leaders for teaching and learning is compelling. But for principals to be effective and continue to grow, they need access to ongoing, high-quality professional learning. And we know that today’s principals have too few opportunities to hone their craft and focus on improving key practices for teaching and learning.”

We know that principal leadership and professional development support for them is imperative for the changing the school environment and for increasing student achievement:

Evidence suggests that principals can play an important role in reaching our national goals of high achievement for all students. School leaders are powerful levers for change—when given the right training and support. But most of our nation’s school principals do not have access to professional learning that reflects what is happening in schools today (e.g., changing demographics, large-scale reform initiatives, changing technology, evolving instructional

strategies) and what we know are effective practices (Ikemoto, Taliaferro, Fenton, & Davis, 2014; Darling-Hammond et al., 2009; School Leaders Network, 2014).

As part of the 2017 Educator Shortage report and as part of the 2018 ELC recommendation for ensuring great leaders and teachers, the concept of a Principal Leadership Academy arose. The multi-year academy will focus on the growth and development of multiple cohorts of Colorado principals with the intention of positively impacting student achievement, educator recruitment and educator retention.

Proposed Solution:

Teacher shortage investments - \$3 million. This funding will build on and further extend the investments made in FY 2018-19 to encourage new teachers entering the profession and for teacher retention.

The funding investments that began in FY 2018-19 are being used by districts and educator preparation providers to target, attract and prepare educators in high need and shortage content and geographic areas (such as remote rural areas). These investments are positively and directly impacting districts' and charter schools' ability to support educators.

Feedback from districts, charter schools and educator preparation programs has noted that they are most interested in opportunities directly around locally formulated and innovative educator preparation and support programs as well as programs for ongoing retention of educators. The two grant funded programs with the most interest from the FY2018 funding is HB 18-1214 and HB 18-1332.

The ELC and the CDE continue to hear from districts and charter schools about ongoing funding needs for programs that support recruitment and retention of educators. The proposed additional one-time continuation of grant opportunities in FY 2019-20 of grant programs outlined in HB 18-1214 and HB 18-1332 will allow for even further impact by disseminating funds to districts, charter schools, and educator preparation programs that were not able to be funded due to limitations in funding amounts.

Each of these grant programs can be distributed in tiers to ensure that large, medium and small districts and charter schools have equal access to the funds in order to drive their recruitment and retention strategies at a local level.

Principal Leadership Academy - \$1 million – The funding will be used to develop a multi-year academy that will focus on the growth and development of multiple cohorts of Colorado principals with the intention of positively impacting student achievement, educator recruitment and educator retention. The academy will be ran with statewide cohorts of principal leaders and focus on the following vision:

- Increase the application of effective leadership practices in a rapidly changing and sometimes tumultuous environment
- Learn from and develop connections to peers across the state and nation
- Increase the understanding of systemic change and experience in-state and out of state education environments in which change is happening
- Increase the knowledge of and implementation of effective community based partnership conversations and practices
- Increase the application of educator talent development, including recruitment and retention best practice strategies
- Increase the skills and focus on collaborative leadership and capacity building in school teachers and educators

Proposed topics at this time (but not limited to) include:

- Leadership in rapidly changing and sometimes tumultuous environment
- Reflection and its use in personal and professional growth
- Understanding and experiencing systemic change in schools
- Collective leadership and collaboration for recruitment and retention of educators
- Community partnership development
- Developing leadership voice through communication strategies
- Quality parent engagement
- Inclusive leadership

Anticipated Outcomes:

Teacher shortage investments - \$3 million. These one-time funds will be used as grant funds for district and charter schools with the outcome expectation that they will:

1. Increase the number of high-quality educators in hard to fill content and geographical areas;
2. Create sustainable partnerships with districts and educator preparation programs that focus on developing more educators in hard to fill content and geographical areas;
3. Create programs to retain educators and demonstrate ongoing retention of those educators over the course of the grant cycle

Principal Leadership Academy: The following outlines the expected outcomes for the principal leadership academy.

1. Principals will build their existing skills
2. Principals will have experiences leading to new understanding of leadership opportunities and to new strategies for leadership to meet the increasing challenges of this position
3. Schools will see an increase in educator recruitment, retention and student achievement

Assumptions and Calculations:

Teacher shortage investments - \$3 million. These one-time funds will be converted to grant programs in alignment with HB 18-1412 and HB 18-1332 to directly support district, charter schools, and educator preparation program needs.

Principal Leadership Academy: \$1 million. These funds will provide convening and travel (mileage and hotel) stipends for all principals in each cohort, technical support and consulting for professional development, and convenings. A program coordinator will also be funded to ensure support, alignment and facilitation of the program. Specific activities that will be funded include (but may not be limited to):

- Staggered development of two cohorts each with 20 member principals with more than 3 years' experience as a principal
 - Targeted development of leaders from less than 10,000 student district
 - District and charter principals representation
- Exploratory and project based learning (PBL) created through cohort direction
- Cohort 1 - 6 gatherings of at least 2 days each over 24 months, with the rest of the collaborative meetings to be defined and directed by the principal leadership academy cohort
- Cohort 2 - 6 gatherings of at least 2 days each over 24 months, with the rest of the collaborative meetings to be defined and directed by the principal leadership academy cohort

- Additional cohorts may be identified based on funding level
- Upon completion of cohorts the development of a statewide mentor program will begin

Proposed Statutory Changes:

The following statutory changes are requested:

22-55-103 (6) FOR THE 2019-20 BUDGET YEAR, THE STATE TREASURER, BEFORE JUNE 30, 2020, SHALL TRANSFER FROM THE GENERAL FUND TO THE STATE EDUCATION FUND FOUR MILLION DOLLARS.