

Schedule 13

Department of Education

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-01 State Share of Total Program Increase

Dept. Approval By: Jeff Blanford 11/2/2020

Supplemental FY 2020-21

OSPB Approval By: Aaron Ray - GOVoffice

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$4,183,792,730	\$0	\$4,183,792,730	\$810,909,134	\$810,909,134
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$3,712,030,632	\$0	\$3,712,030,632	\$578,471,080	\$578,471,080
	CF	\$471,762,098	\$0	\$471,762,098	\$232,438,054	\$232,438,054
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$4,183,792,730	\$0	\$4,183,792,730	\$810,909,134	\$810,909,134
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	\$3,712,030,632	\$0	\$3,712,030,632	\$578,471,080	\$578,471,080
	CF	\$471,762,098	\$0	\$471,762,098	\$232,438,054	\$232,438,054
	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

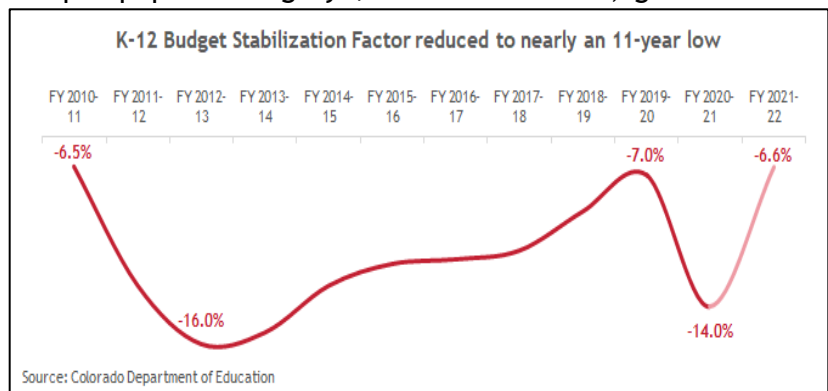


Governor's Office Priority: R-01
Request Detail: State Share of Total Program Increase

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$4,183,792,730	\$4,183,792,730	\$810,909,134	\$810,909,134
FTE	0.0	0.0	0.0	0.0
General Fund	\$3,712,030,632	\$3,712,030,632	\$578,471,080	\$578,471,080
Cash Funds	\$471,762,098	\$471,762,098	\$232,438,054	\$232,438,054
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

The Governor's Office, in collaboration with the Colorado Department of Education (CDE), requests an increase of \$810,909,134 total funds for the State Share of Total Program funding for K-12 public schools, including an increase of \$578,471,080 General Fund, an increase of \$307,872,069 from the State Education Fund, and a decrease of \$75,434,015 from the Public School Fund. The Department's request represents a 19 percent increase to the State Share amount for K-12 funding when compared to FY 2020-21 current appropriations and preserves a \$140 million fund balance in the State Education Fund at the end of FY 2021-22. As a percentage of expenditures from the State Education Fund, this represents a 15 percent reserve. The Department's Total Program request also reduces the Budget Stabilization Factor by \$601 million to 6.6 percent of Total Program, the lowest since FY 2010-11. This request increases per pupil funding by \$902 in FY 2021-22; given research linking higher per pupil funding with improved student outcomes, this request is considered a Step 4 on the State's evidence continuum. This request will require statutory changes through the School Finance Act.



Current Program:

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, pupils enrolled in multi-district online schools, pupils enrolled in grades thirteen and fourteen in Pathways in Technology Early College High School (P-TECH) included in the district extended high school pupil enrollment count, and the Accelerating Students through Concurrent Enrollment (ASCENT) program slots.

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 increase 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 (BSF), formerly the negative factor. In FY 2020-21, the BSF reduced Total Program by approximately \$1.173 billion (14 percent) statewide.

Proposed Solution

The Department requests Total Program increase by \$800 million total funds. This increase is comprised of an \$811 million increase to the State Share and an \$11 million decrease to local share. The Department's estimates assume total funded pupil count will decrease by 1,069 pupils (-0.1 percent) and an inflationary factor of 2.5 percent based on the Office of State Planning and Budgeting (OSPB) 2020 September Forecast. The Department's Total Program request reduces the BSF by \$601 million and maintains a projected ending fund balance in the State Education Fund of \$140 million.

For FY 2020-21, the State Share appropriations for Total Program from these fund sources will change as follows:

- State Education Fund appropriations for Total Program will increase by \$307.8 million from \$298 million in FY 2020-21 to \$605.8 million in FY 2021-22. Based on the OSPB September 2020 Economic Forecast and the State Education Fund appropriations contained in the Department's FY 2021-22 budget request, the State Education Fund is forecasted to have a FY 2021-22 ending fund balance of approximately \$140 million.
- State Public School Fund appropriations will decrease by \$75.4 million from \$174 million in FY 2020-21 to \$98.4 million in FY 2021-22. 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 approximately \$30 million from Marijuana sales tax revenues pursuant to Section 39-28.8-203 (1.5) (B) as forecasted by the OSPB September 2020 revenue forecast.

- General Fund appropriations will increase by \$578.4 million from \$3.71 billion in FY 2020-21 to \$4.29 billion in FY 2021-22.

Anticipated Outcomes:

The Department's request ensures districts will receive the funding necessary for increases in student growth and inflation in FY 2021-22. As a percent of Total Program, the BSF will decrease from 14 percent to 6.6 percent. Overall, the State Share of Total Program funding will increase by 19 percent. Lastly, the request preserves a \$140 million fund balance in State Education Fund at the end of FY 2021-22. As a percentage of expenditures from the State Education Fund, this represents a 15 percent reserve. The Governor's Office requests that any further reduction to the BSF by the General Assembly includes a corresponding transfer into the State Education Fund to maintain this reserve threshold in order to accommodate uncertainty about future revenues.

Specifically, this State Share of Total Program request will increase per pupil funding by \$902 in FY 2021-22, an 11 percent increase over the prior year funding level. Recent research has demonstrated a connection between increased per pupil funding and student outcomes. One analysis of the long-term effects of school finance reforms across multiple states, for example, found that increasing per-pupil spending by 10 percent in all 12 school-age years increases the probability of high school graduation by 7 percentage points for all students, and by roughly 10 percentage points for low-income children.¹ Researchers also observed positive effects on adult wages, with a 9.6 percent increase in adult hourly wages, and a substantial decrease in adult poverty rates resulting from this size investment. States that have enacted school finance reforms that reduce inequality in K-12 spending between rich and poor districts and those that invested additional money for students in poverty, English learners, and those identified for special education have seen the greatest reduction in disparities between student performance.^{2,3,4} As a result of the multiple, longitudinal evaluations of per pupil funding and student outcomes, this request falls as a Step 4 on the State's evidence continuum.

Assumptions and Calculations:

In FY 2021-22, pupil enrollment growth and inflation result in a \$199 million increase to Total Program funding. Reducing the BSF by \$601 million increases Total Program to a total request of \$800 million. Of this amount, \$811 million is State Share (appropriated) and -\$11 million is local share (non-appropriated), as shown in Table 1.

Detailed Assumptions and Calculations for Total Program:

The details for these calculations are summarized in Appendix A. Appendix B shows the OSPB estimates for State Education Fund balance at the end of FY 2020-21 with these recommendations. Appendix C shows the OSPB estimates for the Public School Fund balance at the end of FY 2021-22 with these recommendations.

¹ Jackson, C. K., Johnson, R. C., & Persico, C. (2015). The effects of school spending on educational and economic outcomes: Evidence from school finance reforms. (NBER working paper #20847). Cambridge, MA: National Bureau of Economic Research.

² Nguyen-Hoang, P., & Yinger, J. (2014). Education finance reform, local behavior, and student performance in Massachusetts. *Journal of Education Finance* 39, 297-322.

³ Downes, T. A., Zabel, J., & Ansel, D. (2009). Incomplete grade: Massachusetts education reform at 15. Boston, MA: MassINC.

⁴ Guryan, J. (2001). Does money matter? Regression-discontinuity estimates from education finance reform in Massachusetts. (NBER working paper #8269). Cambridge, MA: National Bureau of Economic Research.

Table 1: Total Program Calculation of State and Local Share	FY 2020-21 Current Appropriation	Change (FY 2021-22 Request Minus FY 2020-21)
State Share (appropriated)	\$4,183,792,730	\$810,909,134
Local Property Tax	\$2,847,374,678	\$1,346,681
Specific Ownership Tax	\$207,176,111	(\$12,148,968)
TOTAL	\$7,238,343,519	\$800,106,847

Appendix A: Budget Request Summary

Colorado Department of Education Public School Finance Act of 1994 Projected Fiscal Year 2021-22 Funding Summary November 2020 Budget Request			
K-12 Total Program	FY 2020-21 Estimate	FY 2021-22 Request	Change
At-risk Funded Count	353,854	353,097	(757)
Funded Pupil Count	896,094	895,025	(1,069)
Average Per Pupil Funding Before BSF	\$9,387	\$9,621	\$234
Base Per Pupil Funding	\$7,084	\$7,261	\$177
Total Program Funding Before Application of Budget Stabilization Factor	\$8,411,855,677	\$8,610,847,260	\$198,991,583
Total Program Funding Before Application of Budget Stabilization Factor	\$8,411,855,677	\$8,610,847,260	\$198,991,583
Budget Stabilization Factor (minus)	<u>-\$1,173,512,158</u>	<u>-\$572,396,894</u>	<u>\$601,115,264</u>
Total Revised Total Program Funding	\$7,238,343,519	\$8,038,450,366	\$800,106,847
Budget Stabilization Factor as a Percent of Total Program	14.0%	6.6%	-7.3%
Funding Sources of Local Share			
Property Taxes	\$2,847,374,678	\$2,848,721,359	\$1,346,681
Specific Ownership Taxes	\$207,176,111	\$195,027,143	-\$12,148,968
TOTAL LOCAL SHARE	\$3,054,550,789	\$3,043,748,502	-\$10,802,287
Funding Sources of State Share			
State Education Fund	\$297,944,140	\$605,816,209	\$307,872,069
State Public School Fund	\$173,817,958	\$98,383,943	-\$75,434,015
General Fund	\$3,712,030,632	\$4,290,501,712	\$578,471,080
TOTAL STATE SHARE	\$4,183,792,730	\$4,994,701,864	\$810,909,134
Average Per Pupil Funding After Negative Factor	\$8,077	\$8,980	\$902

Decreased Student Enrollment

- The Department estimates that funded pupils will decrease from 896,094 in FY 2020-21 to 895,025 in FY 2020-21. This is a decrease of 1,069 or -0.1 percent.

Decreased At-Risk Counts

- The Department estimates at-risk students will decrease from 353,854 in FY 2020-21 to 353,097 in FY 2021-22. This is a decrease of 757 students or -0.2 percent. As a percent of total funded pupils, 40 percent of students will be considered at-risk in FY 2021-22.

Per Pupil Funding

- The request uses an inflation factor of 2.5 percent based on the OSPB 2020 September Revenue Forecast.
- The inflation rate will increase base per pupil funding by \$177 from \$7,084 in FY 2020-21 to \$7,261 in FY 2021-22. This is an increase of 2.5 percent.
- After all school finance formula factors are calculated (including the reduction to the BSF), the statewide average per pupil revenue will increase by \$902 from \$8,077 in FY 2020-21 to \$8,980 in FY 2021-22. This is an increase of 11 percent.

Budget Stabilization Factor

- The total BSF dollar amount in FY 2021-22 will be \$572.4 million compared to \$1.173 billion in FY 2020-21, which represents a \$601 million reduction to the BSF.
- As a percent of Total Program, the BSF will decrease from 14 percent in FY 2020-21 to 6.6 percent in FY 2021-22, the lowest BSF as a percent of Total Program since FY 2010-11.

Appendix B - State Education Fund Balance

Office of State Planning and Budgeting Estimated State Education Fund Balance Projected Fiscal Year 2021-22 Funding Summary November 2020 Budget Request			
	FY 2020-21 Estimate	FY 2021-22 Request	Change
Beginning Balance	\$143,344,862	\$378,084,607	\$234,739,745
Estimated Revenues (OSPB Forecast)			
Amendment 23 Revenues	\$699,413,136	\$672,348,261	-\$27,064,875
Additional General Fund revenues directed to SEF	\$113,000,000	\$23,000,000	-\$90,000,000
Additional Federal Fund revenues directed to SEF	\$37,000,000	\$0	-\$37,000,000
Total revenue directed to SEF	\$849,413,136	\$695,348,261	-\$154,064,875
Other transfers into SEF	\$6,216,339	\$2,250,000	-\$3,966,339
Other income and interest income	\$6,994,131	\$6,953,483	-\$40,649
Total Funds to SEF	\$13,210,470	\$9,203,483	-\$4,006,988
TOTAL Forecasted Available SEF Funds	\$1,005,968,468	\$1,082,636,350	\$76,667,882
Estimated Expenditures (Department Request)			
Categorical programs	\$180,707,904	\$189,319,738	\$8,611,834
Various other expenditures	\$115,186,817	\$113,455,403	-\$1,731,414
Liabilities and Statutory Transfers	\$34,045,000	\$34,045,000	\$0
Total SEF expenditures for purposes other than Total Program	\$329,939,721	\$336,820,141	\$6,880,420
SEF expenditures for Total Program	\$297,944,140	\$605,816,209	\$307,872,069
TOTAL Forecasted SEF Expenditures	\$627,883,861	\$942,636,350	\$314,752,489
Projected Ending Fund Balance	\$378,084,607	\$140,000,000	(\$238,084,607)

Note: The SEF FY 2021-22 ending balance reflects additional revenue available from CDE R-09 Return Unused Fund Balance (\$2.25M to SEF) and reduced various other expenditures from CDE R-06 Clean-Up of Outdated Long Bill Appr & Program Susp (\$1M) and R-08 Personal Services and Operating Reduction (\$0.7M).

Appendix C - Public School Fund Balance

Office of State Planning and Budgeting Estimated Public School Fund Balance Projected Fiscal Year 2021-22 Funding Summary November 2020 Budget Request			
	FY 2020-21 Estimate	FY 2021-22 Request	Change
Beginning Balance	\$22,285,482	\$63,287,825	\$41,002,343
Estimated Revenues (OSPB Forecast)			
FML revenues	\$30,312,597	\$31,811,829	\$1,499,232
Other Revenue (Audit Recoveries, At-Risk Transfer, Marijuana Funding)	\$29,182,648	\$31,397,260	\$2,214,612
Total revenue directed to PSF	\$59,495,245	\$63,209,089	\$3,713,844
Permanent fund transfer	\$21,000,000	\$21,000,000	\$0
General Fund or other transfer	\$105,000,000	\$4,591,038	-\$100,408,962
Other Diversions	\$50,381,897	\$0	-\$50,381,897
Total Funds to PSF	\$176,381,897	\$25,591,038	-\$150,790,859
TOTAL Forecasted Available PSF Revenue	\$258,162,624	\$152,087,952	-\$106,074,672
Estimated Expenditures (Department Request)			
Expenditures for other than total program	\$13,822,482	\$13,787,002	-\$35,480
Liabilities and Statutory Transfers	\$7,234,359	\$7,234,359	\$0
Total PSF expenditures for purposes other than total program	\$21,056,841	\$21,021,361	-\$35,480
PSF expenditures for total program	\$173,817,958	\$98,383,943	-\$75,434,015
TOTAL Forecasted PSF Expenditures	\$194,874,799	\$119,405,304	-\$75,469,495
Projected Ending Fund Balance	\$63,287,825	\$32,682,648	(\$30,605,177)

Note: The PSF FY 2021-22 ending balance reflects additional revenue available from CDE R-07 Reduce Capital Construction Assistance Funding (\$4.5M to PSF) and reduced expenditures for other than total program from CDE R-08 Personal Services and Operating Reduction (\$35K).

Schedule 13

Department of Education

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-02 Categorical Programs Inflation Increase

Dept. Approval By: Jeff Blanford 11/2/2020

Supplemental FY 2020-21

OSPB Approval By: Aaron Ray - GOVoffice

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$503,151,657	\$0	\$503,155,591	\$8,611,834	\$8,611,834
FTE		72.1	0.0	72.1	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$157,976,667	\$0	\$157,976,667	\$0	\$0
	CF	\$177,453,151	\$0	\$177,453,389	\$8,611,834	\$8,611,834
	RF	\$191,090	\$0	\$191,090	\$0	\$0
	FF	\$167,530,749	\$0	\$167,534,445	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$362,680,692	\$0	\$362,684,276	\$4,863,634	\$4,863,634
02. Assistance to Public Schools, (B) Categorical Programs, (1) District Programs Required by Statute - Special Education - Children With Disabilities	FTE	63.0	0.0	63.0	0.0	0.0
	GF	\$93,572,347	\$0	\$93,572,347	\$0	\$0
	CF	\$112,650,811	\$0	\$112,650,811	\$4,863,634	\$4,863,634
	RF	\$191,090	\$0	\$191,090	\$0	\$0
	FF	\$156,266,444	\$0	\$156,270,028	\$0	\$0

Total		\$35,369,854	\$0	\$35,369,966	\$1,464,115	\$1,464,115
02. Assistance to Public Schools, (B) Categorical Programs, (1) District Programs Required by Statute - English Language Proficiency Program	FTE	4.6	0.0	4.6	0.0	0.0
	GF	\$3,101,598	\$0	\$3,101,598	\$0	\$0
	CF	\$21,003,951	\$0	\$21,003,951	\$1,464,115	\$1,464,115
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$11,264,305	\$0	\$11,264,417	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$62,032,729	\$0	\$62,032,790	\$1,511,183	\$1,511,183
	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	\$0	\$0
	CF	\$25,110,502	\$0	\$25,110,563	\$1,511,183	\$1,511,183
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$27,778,242	\$0	\$27,778,242	\$592,307	\$592,307
	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	\$0	\$0
	CF	\$9,985,392	\$0	\$9,985,392	\$592,307	\$592,307
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$12,844,494	\$0	\$12,844,591	\$177,037	\$177,037
	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	\$0	\$0
	CF	\$7,344,494	\$0	\$7,344,591	\$177,037	\$177,037
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$1,314,250	\$0	\$1,314,250	\$2,976	\$2,976
	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	\$0	\$0
	CF	\$526,605	\$0	\$526,605	\$2,976	\$2,976
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$1,131,396	\$0	\$1,131,476	\$582	\$582
	FTE	1.0	0.0	1.0	0.0	0.0
02. Assistance to Public Schools, (B) Categorical Programs, (2) Other Categorical Programs - Comprehensive Health Education	GF	\$300,000	\$0	\$300,000	\$0	\$0
	CF	\$831,396	\$0	\$831,476	\$582	\$582
	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



Governor's Office Priority: R-02
Request Detail: Categorical Programs Inflation Increase

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$512,645,217	\$512,645,217	\$8,611,834	\$8,611,834
FTE	0.0	0.0	0.0	0.0
General Fund	\$163,765,474	\$163,765,474	\$0	\$0
Cash Funds	\$181,157,904	\$181,157,904	\$8,611,834	\$8,611,834
Reappropriated Funds	\$191,090	\$191,090	\$0	\$0
Federal Funds	\$167,530,749	\$167,530,749	\$0	\$0

Summary of Request

The Governor's Office, in collaboration with the Colorado Department of Education (CDE), requests a cash fund increase of \$8,611,834 from the State Education Fund in FY 2021-22 and ongoing to fund a 2.5% inflation increase for the education programs commonly referred to as "categorical programs." Colorado school districts may receive funding to pay for specific categorical programs designed to serve particular groups of students or student needs in addition to funding from the School Finance Act formula. The categorical programs 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 categorical programs in FY 2020-21 is \$512,645,217. Of this amount, \$344,923,378 is State funding (General Fund and cash fund), which is subject to the inflationary increases for categorical programs each year pursuant to Section 17 of Article IX of the State Constitution. The OSPB September 2020 Economic Forecast indicates a 2.5% inflationary rate adjustment for FY 2021-22, which results in a categorical program increase of \$8.6 million. The inflationary increase is not required to be equally distributed to every categorical program. The Department requests that the \$8.6 million in increased funding be allocated among the programs based on the "gap" in funding between the state and federal revenues provided to the programs versus the actual reported district expenditures as reported to the Department. This request is not considered on the State's evidence-based policy continuum.

Current Program:

Colorado school districts may receive funding to pay for specific categorical programs designed to serve particular groups of students or particular student needs in addition to funding provided to public schools from the School Finance Act formula. 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.

Problem or Opportunity:

Total funding appropriated for categorical programs in FY 2020-21 is \$512,645,217. Of this amount, \$344,923,378 is State funding (General Fund and cash fund), which is subject to the inflationary increases for categorical programs each year pursuant to Section 17 of Article IX of the State Constitution. The OSPB September 2020 Economic Forecast indicates a 2.5% inflationary rate adjustment for FY 2021-22. This results in an increase of approximately \$8.6 million over current State funding amounts to be appropriated for the categorical programs.

Proposed Solution:

The Department requests that the \$8.6 million in increased funding be allocated among the programs based on the gap in funding between the state and federal revenues provided to the programs versus the actual reported district expenditures as reported to the Department. The additional funding to these programs will provide funding equal to the funding shortfall calculated for FY 2019-20.

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 2020-21 appropriations subject to Section 17 of Article IX of the State Constitution by an inflation rate of 2.5%. The inflationary rate used the applicable rate for FY 2021-22 projected in the OSPB September 2020 Economic Forecast.

Table 1: Requested Increase for Categorical Programs					
	FY 2020-21 Total Fund Appropriation	Deduct Federal Funds	Deduct Reappropriated Funds	Deduct Public School Transportation Fund*	Total
All Categorical Programs	\$512,645,217	(\$167,530,749)	(\$191,090)	(\$450,000)	\$344,473,378
Applicable OSPB Inflation Factor (September 2020 Economic Forecast)					0.025
Total amount of inflation for categorical programs					\$8,611,834
<i>*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.</i>					

The inflationary increase is not required to be distributed to every categorical program. The Department requests that the \$8.6 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 detailed distribution of additional funding is outlined in Appendix A.

Table 2: Requested Allocation for Categorical Programs Increase			
	FY 2020-21 Appropriation	FY 2021-22 Department Request	Percent Increase
(1) District Programs Required by Statute			
Special Education Programs for Children with Disabilities	\$206,223,158	\$4,863,634	2.4%
English Language Proficiency Program	\$24,105,549	\$1,464,115	6.1%
(2) Other Categorical Programs			
Public School Transportation	\$62,032,729	\$1,511,183	2.4%
Career and Technical Education Programs	\$27,778,242	\$592,307	2.1%
Special Education Programs for Gifted and Talented Children	\$12,844,494	\$177,037	1.4%
Expelled and At-Risk Student Services Grant Programs	\$9,493,560	\$0	0.0%
Small Attendance Center Aid	\$1,314,250	\$2,976	0.2%
Comprehensive Health Education	\$1,131,396	\$582	0.1%
Total amount of inflation for categorical programs	\$344,923,378	\$8,611,835	2.5%

Appendix A

Appendix A: Requested Increase for Categorical Programs										
	Special Education Program 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 18-19 Total District Expenditures	\$1,092,519,518	\$264,736,870	\$275,988,233	\$124,866,741	\$39,224,632	\$7,469,695	\$1,502,566	\$907,092	\$1,807,215,347
B.	FY 18-19 Total State / Federal Revenues	<u>-395,619,913</u>	<u>-55,183,170</u>	<u>-59,697,814</u>	<u>-40,091,865</u>	<u>-13,885,932</u>	<u>-8,254,050</u>	<u>-1,076,550</u>	<u>-823,775</u>	<u>-574,633,068</u>
C.	FY 18-19 Funding Gap Between District Expenditures and State / Federal Revenues	\$696,899,605	\$209,553,700	\$216,290,419	\$84,774,876	\$25,338,701	-\$784,355	\$426,016	\$83,317	\$1,232,582,279
D.	Proportional Percentage of Total Excess Expenditures	57%	17%	18%	7%	2%	0%	0%	0%	100%
E.	FY 2020-21 State Approps subject to inflation increase	\$206,223,158	\$24,105,549	\$61,582,729	\$27,778,242	\$12,844,494	\$9,493,560	\$1,314,250	\$1,131,396	\$344,473,378
F.	R-2 Allocation of the inflation adjustment (see notes)	\$4,863,634	\$1,464,115	\$1,511,183	\$592,307	\$177,037	\$0	\$2,976	\$582	\$8,611,834
G.	Base & Other Requests	\$0	\$0	\$61	\$0	\$97	\$111	\$0	\$80	\$349
H.	State funds transferred from other Departments/Programs	\$191,090	\$0	\$450,000	\$0	\$0	\$0	\$0	\$0	\$641,090
I.	FY 21-22 Est. Federal Funds	<u>\$156,266,444</u>	<u>\$11,264,305</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$167,530,749</u>
J.	FY 2021-22 Subtotal for the Categorical Programs adjusted by Inflation	\$367,544,326	\$36,833,969	\$63,543,973	\$28,370,549	\$13,021,628	\$9,493,671	\$1,317,226	\$1,132,058	\$521,257,400
FY 2021-22 Total Request for Categorical Programs (All Funds and Request Items Included)										\$521,257,400
<i>General Fund</i>										<i>\$163,765,474</i>
<i>Cash Funds - State Education Fund & Public School Transportation Fund</i>										<i>\$189,770,087</i>
<i>Reappropriated Funds</i>										<i>\$191,090</i>
<i>Federal Funds</i>										<i>\$167,530,749</i>

Notes for Appendix A:

Row A: FY 2018-19 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: FY 2018-19 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 2020-21 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 2021-22 base adjustments, such as Salary Survey and other request items that impact a categorical program.

Totals: The FY 2021-22 total request for all categorical programs.

Schedule 13

Department of Education

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-03 State Match for Colorado Imagination Library

Dept. Approval By: Jeff Blanford 11/2/2020

Supplemental FY 2020-21

OSPB Approval By: Aaron Ray - govoffice

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$410,221	\$907,140
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$410,221	\$907,140
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$410,221	\$907,140
	FTE	0.0	0.0	0.0	0.0	0.0
03. Library Programs, (A) Library Programs, (1) Library Programs - Colorado Imagination Library Program	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$410,221	\$907,140
	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



Governor's Office Priority: R-03
Request Detail: State Match for Colorado Imagination Library

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$0	\$0	\$410,221	\$907,140
FTE	0.0	0.0	0.0	0.0
General Fund	\$0	\$0	\$0	\$0
Cash Funds	\$0	\$0	\$410,221	\$907,140
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

To improve kindergarten readiness, parent and family engagement, and third grade reading, the Governor's Office requests a Marijuana Tax Cash Fund increase of \$410,221 for the Colorado Imagination Library (CO IL) program in FY 2021-22 and \$907,139 in FY 2022-23, in accordance with SB20-185. This increase will provide a state match for this evidence-based program to help bring one book per month to 32,305 more children - birth through age 5 - across the state, whose parents would like to participate in the program.



Research has demonstrated that the Imagination Library program in other states has led to a 90 percent increase in kindergarten readiness, significant improvements in third grade reading, increased parent and family engagement, including reading at home, and increased engagement with public libraries. A portion of this funding is also requested to evaluate outcomes of the state-wide program in Colorado. This request currently falls at a Step 4 on the State's evidence continuum and funding for a high-quality evaluation of outcomes in Colorado would move it along the continuum to a Step 5. The State Board of Education voted unanimously to approve this budget request from the Governor.

Current Program:

In 2020, the General Assembly passed SB20-185 (the Colorado Imagination Library Program), which requires, subject to available appropriations, the state librarian in the Department of Education to contract with a Colorado nonprofit organization for the creation and operation of the Colorado Imagination Library Program. Such non-profit will establish county-based affiliate programs, develop and promote a public awareness campaign, support enrollment growth, and contract with a national nonprofit organization that will work with CO IL to identify eligible children and mail age-appropriate, high-quality books each month to those children at no cost to families.

The Dolly Parton Imagination Library (DPIL) program is a national non-profit organization meeting the criteria under SB20-185. DPIL is a voluntary program that mails one book per month to children starting from enrollment (as early as birth) to their fifth birthday. The books are age-appropriate, high-quality, and selected by a committee of nationally recognized educators, and related professionals. Many of the books also include reading strategies for parents to utilize during shared reading time to engage their child and increase vocabulary and comprehension skills. Parents sign their children up for the program through local affiliate programs (such as rotary clubs, non-profit organizations, or school districts) that contract with a statewide non-profit organization working directly with DPIL.

DPIL exists across the country in local jurisdictions and statewide in Tennessee and North Carolina. In Colorado, DPIL has 26 local affiliate programs that work directly with DPIL, including Grand Junction, Fruita, and Colorado Springs. These affiliate programs serve a combined 11,500 students. However, these local affiliate programs are often small and do not have statewide reach. SB20-185 was passed unanimously by the Senate and nearly unanimously by the Colorado House of Representatives as a way to increase the reach of an evidence-based program like DPIL.

There is no other organization within Colorado that provides similar services as the Colorado Imagination Library. Other book giving programs in the state include Reach out and Read, which operates in Colorado and provides gently used books at in-person wellness visits for young children, and Book Trust, which works with elementary educators in 50 Colorado schools and gives children book vouchers to "buy" books. In this case, teachers place book orders and books are delivered to classrooms, but the scope is very small comparatively. However, no other state-wide program provides one age-appropriate, high-quality book per month for free to children from birth to age 5.

Problem or Opportunity:

Strong research suggests that early literacy is the foundation of learning. Before third grade, a child learns to read. After third grade, a child reads to learn. Students who cannot read by the end of third grade are four times more likely to drop out of high school ([Annie E. Casey Foundation](#)). Without a strong literacy foundation built on strong family engagement practices, children who lack the ability to read by third grade are unlikely to catch up to their peers and risk falling further and further behind.

The National Commission on Reading found that the single most significant factor influencing a child's early educational success is an introduction to books and being read to at home prior to beginning school. By the age of 2, children who are read to regularly display greater language comprehension, larger vocabularies, and higher cognitive skills than their peers ([Raikes et al.](#),

2006). Children who are read to at least three times a week by a family member are almost twice as likely to score in the top 25% in reading compared to children who are read to less than 3 times a week ([Denton and West, 2002](#)). In addition to long-term reading success, an abundance of evidence indicates that specific early literacy skills are predictive of mathematics development because many aspects of early mathematics skills are largely language dependent ([Purpura et al., 2017](#)).

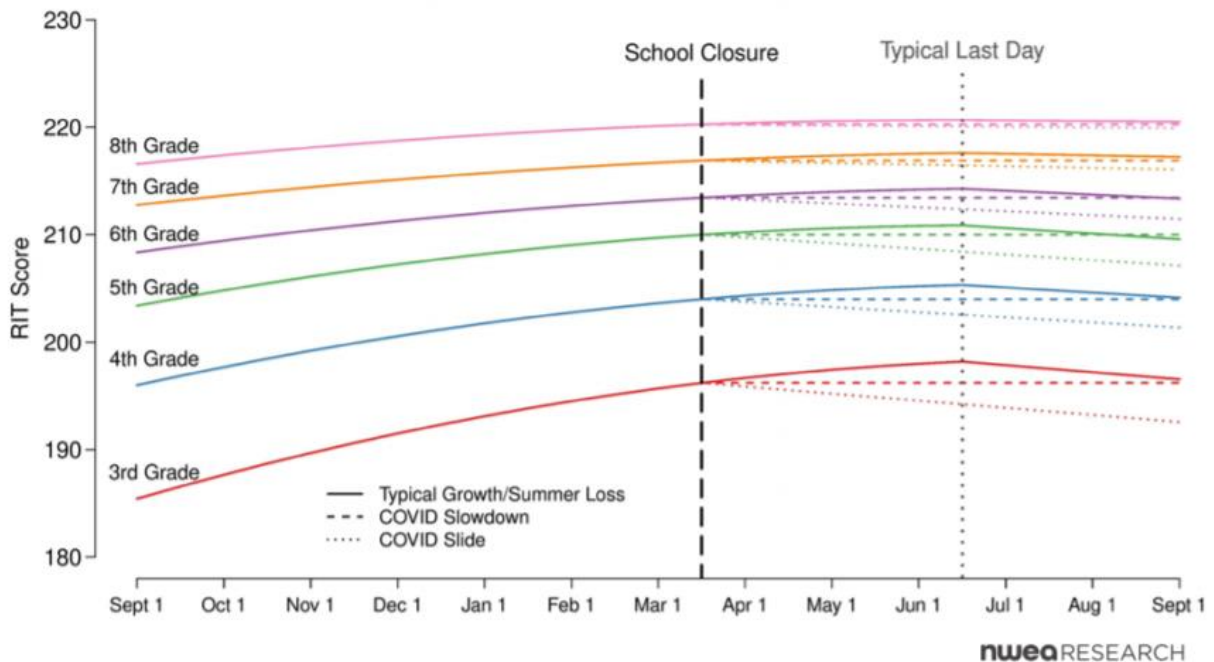
In Colorado, only 41% of children met or exceeded reading expectations in third grade, while 23.2% approached expectations, and 36% partially met or did not meet expectations. There are also significant gaps that exist in literacy based on race, income, and status as a student with disabilities or English learner.

Research has demonstrated the impact of parents' reading at home to their children starting at birth. In 2018, a national [survey](#) showed that just 42% of parents read to their children on a daily basis.

Kindergarten readiness is also a strong predictor of success in school and in life. In Colorado, only 44% of children are prepared for kindergarten based on kindergarten readiness [assessments](#). There are strong and persistent gaps that exist in kindergarten readiness based on race and income.

Early literacy challenges in Colorado are anticipated to only worsen as a result of the impact of COVID on learning loss. Preliminary [research](#) suggests that preliminary suggest students will return in fall 2020 with roughly 70% of the learning gains in reading relative to a typical school year as a result of the COVID slide from the school closures in the spring.

Figure 2. Reading forecast



Proposed Solution:

In order to improve kindergarten readiness, parent and family engagement, and third grade reading, the Governor's office requests \$410,221 in FY 2021-22 and \$907,139 in FY 2022-23 from the Marijuana Tax Cash Fund as a State match for the Colorado Imagination Library program. This funding will be utilized to contract with a statewide non-profit to administer the program, conduct outreach to local affiliate programs who can conduct outreach to families, and to provide funding to purchase books, supplies, and mailing for CO IL books. In addition, a portion of this funding will be used to evaluate outcomes of the program in Colorado.

The DPIL, which meets the criteria of SB20-185, has demonstrated positive results for literary and student and family engagement across the country. Using the Letter Naming Fluency (LNF) test and controlling for race, gender, ESL status, special education status, and free- and reduced-lunch status, consistent DPIL participation "increases the odds of being ready for school by 90 percent" (Ridzi 2017). In addition, According to an internal study done by Shelby County Public Schools in Tennessee, DPIL resulted in an 11% increase in 3rd grade reading scores (Sell 2015). Moreover, DPIL has demonstrated positive impacts on frequency and quality of family reading (Ridzi 2014) and doubled the percentage of parents reading daily from 29% to 59.3% (Ridzi).

If not approved, young Colorado children, particularly from disadvantaged backgrounds, are less likely to have access to age-appropriate, high-quality books that can help to increase parent engagement in reading, kindergarten readiness, and ultimately third grade literacy. These impacts will have a long-term negative impact on Colorado children's academic achievement, high school graduation rates, and ultimately our state's long-term economic productivity.

About 16% of children who are not reading proficiently by the end of third grade do not graduate from high school on time, a rate four times greater than that for proficient readers ([Annie E. Casey Foundation](#)). Low achievement as early as fourth grade is a powerful predictor of high school and college graduation rates, as well as lifetime earnings ([McKinsey](#)). Two-thirds of students who cannot read proficiently by the end of fourth grade will end up in jail or on welfare ([Begin to Read](#)).

Anticipated Outcomes:

If approved, the Governor's office anticipates 43,633 children and their families will benefit from Imagination Library in 2021-2022 and 83,911 children and their families will benefit in 2022-2023. Colorado is likely to see a positive impact on kindergarten readiness rates, parent and family engagement and reading at home, public engagement with local libraries, and ultimately third grade reading and other academic measures. The Governor's Office also anticipates this program will help close persistent gaps in literacy achievement for populations that have historically struggled with reading, including low-income students, children of color, students with disabilities, and English learners.

Assumptions and Calculations:

Right now, there are roughly 11,328 kids currently enrolled in DPIL local affiliates across Colorado, with about 11,000 waiting for a local program to be established. Each month, in partnership with local programs, DPIL mails a high-quality, age appropriate book to all registered children, addressed to them, at no cost to the child's family. On a monthly basis, these local affiliates provide \$2.10 per child (\$25.2 total per year) to the national DPIL nonprofit, which then works with local affiliates to mail all of the books to enrolled families.

SB20-185 creates, subject to available appropriations, a statewide match for all private donations to the program. This budget request assumes that enrollments in CO IL increase from 4% to 13% over the 2021-22 school year and from 14% to 25% over the 2022-2023 fiscal year. This percentage increase is based on similar states that have adopted DPIL on a five year phase in to full implementation, which assumes about 65% of children enrolled in five years at equilibrium. This means all of the current affiliates could double their enrollment, and the state will be able to support about 35 new affiliates. In addition, this budget request assumes 20% in administrative costs for salaries, outreach, communications, partner development, and evaluation for the first year, as well as 10% in administrative costs for such costs ongoing.

Local affiliates fundraised \$289,800 for program costs in the 2019-2020 budget year. As more local affiliates join the program, they will be expected to raise the \$1.05 necessary to meet the local contribution of the program in order to obtain the statewide match.

In addition, this budget request assumes that Serve Colorado, which has announced a statewide partnership with Colorado Imagination Library, will help to transition its fundraising partners involved with One Book Colorado transition their support to CO IL, which would provide \$128,000. This \$128,000 is critical for meeting the federal match required for Serve Colorado’s community service programming and will help local jurisdictions build their programs over the next year. This funding can also be used to create a distressed affiliate fund to help affiliate programs that have trouble meeting their match requirement and to supplement funding for a high-quality evaluation of the program.

Colorado (64 Counties)						
COVERAGE AREA POPULATION:		335,642				
TARGETED PERCENT ENROLLED:		83,911 (25%)				
50% COST OF BOOKS & MAILING PER CHILD:		\$1.05				
The Expenses Below Reflect the Corresponding Percentage of the Budgeted Population						
	FY 2021-2022 Registered Population	Number of Children Registered	Year 1 Cost (50% match)	FY 2022-2023 Registered Population	Number of Children Registered	Year 2 Cost (50% match)
Mo. 1	4%	13,426	\$14,097	14%	46,990	\$49,339
Mo. 2	5%	16,782	\$17,621	15%	50,346	\$52,864
Mo. 3	5%	16,782	\$17,621	16%	53,703	\$56,388
Mo. 4	6%	20,139	\$21,145	17%	57,059	\$59,912
Mo. 5	7%	23,495	\$24,670	18%	60,416	\$63,436
Mo. 6	7%	23,495	\$24,670	19%	63,772	\$66,961
Mo. 7	8%	26,851	\$28,194	20%	67,128	\$70,485
Mo. 8	9%	30,208	\$31,718	21%	70,485	\$74,009
Mo. 9	10%	33,564	\$35,242	22%	73,841	\$77,533
Mo. 10	11%	36,921	\$38,767	23%	77,198	\$81,058
Mo. 11	12%	40,277	\$42,291	24%	80,554	\$84,582
Mo. 12	13%	43,633	\$45,815	25%	83,911	\$88,106
Book Totals		Year 1	\$341,851		Year 2	\$824,672
Administrative Totals			\$68,370			\$82,467
Actual Totals			\$410,222			\$907,140

Schedule 13

Department of Education

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-04 Repurposing Early Intervention Evaluation Funding

Dept. Approval By: Jeff Blanford 11/2/2020

Supplemental FY 2020-21

OSPB Approval By: Aaron Ray - GOVoffice

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$362,680,692	\$0	\$362,684,276	\$0	\$0
	FTE	63.0	0.0	63.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$93,572,347	\$0	\$93,572,347	\$0	\$0
	CF	\$112,650,811	\$0	\$112,650,811	\$0	\$0
	RF	\$191,090	\$0	\$191,090	\$0	\$0
	FF	\$156,266,444	\$0	\$156,270,028	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$362,680,692	\$0	\$362,684,276	\$0	\$0
02. Assistance to Public Schools, (B) Categorical Programs, (1) District Programs Required by Statute - Special Education - Children With Disabilities	FTE	63.0	0.0	63.0	0.0	0.0
	GF	\$93,572,347	\$0	\$93,572,347	\$0	\$0
	CF	\$112,650,811	\$0	\$112,650,811	\$0	\$0
	RF	\$191,090	\$0	\$191,090	\$0	\$0
	FF	\$156,266,444	\$0	\$156,270,028	\$0	\$0

Auxiliary Data

Requires Legislation? YES

Type of Request?

Department of Education Prioritized Request

Interagency Approval or Related Schedule 13s:

Impacts Other Agency



Governor's Office Priority: R-04
Request Detail: Repurposing Early Intervention Evaluation Funding

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$2,776,932	\$2,776,932	\$0	\$0
FTE	0.0	0.0	0.0	0.0
General Fund	\$2,776,932	\$2,776,932	\$0	\$0
Cash Funds	\$0	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

The Governor's Office requests a technical legislative change with a net neutral budget impact at the Colorado Department of Education (CDE) to correspond with the requested transfer of authority from CDE to the Colorado Department of Human Services (CDHS) for Early Intervention (EI) evaluations. This request was developed with the technical collaboration of the Colorado Department of Education.



Amendment 23 of the Constitution (C.R.S. 22-55-107) requires that the Categorical programs, of which EI evaluation funding through Special Education Programs for Children with Disabilities is one, increase by the rate of inflation each year and that funding for Categorical educational programs cannot be reduced. By moving the authority for EI evaluations to CDHS, the \$2.7M General Funds at CDE that have been used for EI evaluations for children from birth to age two will be allocated to other special education activities for students ages three to 21 that are funded through the Categorical program line for Special Education Programs for Children with Disabilities.

This request for a technical legislative change is contingent on the appropriation of EI evaluation funding at CDHS (see CDHS R-06). The Governor's Office respectfully requests that the Joint Budget Committee make this technical adjustment to CDE statute. With demonstrated positive outcomes for children served through the EI program, the program falls at Step 3 on the State's evidence continuum.

Current Program:

Early Intervention evaluations are a requirement under the federal Individuals with Disabilities Act (IDEA), Part C, the Program for Infants and Toddlers with Disabilities. Part C funds Colorado to operate a comprehensive statewide program of EI services for infants and toddlers with disabilities, ages birth through two years. CDHS is the lead agency for Part C and, under C.F.R. 303.120, is required to have the authority and oversight for all Part C activities, which include evaluations and direct services. Federal law reads that “each [state] must include a single line of responsibility in a lead agency designated or established by the Governor that is responsible for” Part C. Under C.F.R. 303.302(a)(3), the lead agency must also ensure rigorous standards for appropriately identifying infants and toddler with disabilities for early intervention services.

In 2007, however, Colorado legislation gave CDE the responsibility for conducting Part C evaluations through Administrative Units (AUs) (CRS 22-20-118). This also directed funding from the Exceptional Children's Education Act (ECEA) to pay for the EI evaluations conducted by Special Education Administrative Units, under the authority of CDE. This funding had previously been used for other special education activities for children ages three to twenty-one.

To identify a solution for the bifurcation of EI authority, the Colorado Legislature passed HB 18-1333, requiring CDE and CDHS to hire a facilitator to conduct a study of the administration of EI evaluations and to submit a [report](#) to the Joint Budget Committee by June 30, 2019. A Task Force of EI stakeholders was convened beginning in September 2019 and unanimously recommended that CDHS assume full responsibility of EI evaluation activities through a planned transition process contingent upon Exceptional Children's Education Act (ECEA) dollars currently used for EI Evaluations at CDE be reallocated for the provision of special education services for children from three years to twenty-one years of age as required under the ECEA (22-20-102, C.R.S.).

Problem or Opportunity:

The transfer of authority for the EI evaluations from CDE to CDHS will enable CDHS to monitor, enforce, and correct evaluation activities for children referred for Part C activities, while also increasing efficiency of operations between evaluations and direct services. Funding the EI evaluations at CDHS will be done through savings from the Department's EI direct services cost containment strategies (see CDHS R-06). As a result of the requested legislative change, funding at CDE that has been used for EI evaluations will be allocated to other special education activities for children ages three to twenty-one, consistent with the use of funds prior to 2007.

Proposed Solution:

The Governor's Office proposed legislative solution for a statute change at CDE reflects the unanimous recommendation of K-12 and early childhood EI evaluation stakeholders. Specifically, this proposed solution honors the task force's recommendations 1 and 7:

Recommendation 1:

Ensure CDHS has the authority for monitoring, enforcement and correction of Early Intervention Evaluations, which may include a change to state education statute. By November 1, 2019, with stakeholder input, select the administrative structure that ensures CDHS has the authority for monitoring, enforcement and correction of Early Intervention evaluations, which includes a planned transition process.

Recommendation 7:

Use Early Intervention funds to pay for Early Intervention Evaluations, including Medicaid where possible. Exceptional Children's Education Act (ECEA) dollars currently used for Early Intervention Evaluations should be reallocated for the provision of special education services for children from three years to twenty-one years of age as required under the ECEA (22-20-102, C.R.S.).

As part of this solution, the Governor's Office proposes that CDHS and CDE reconvene the task force group with representation all stakeholders and levels of the system, including early childhood and K-12 advocates, families, and EI evaluation providers, to develop a phased transition process to ensure continuity of evaluations and direct services care for families, as well as to align on best practices for evaluation processes that reflect the diverse needs of EI families across the State.

Amendment 23 of the Constitution (C.R.S. 22-55-107) requires that the Categorical programs, of which EI evaluation funding through Special Education Programs for Children with Disabilities is one, increase by the rate of inflation each year and that funding for Categorical educational programs cannot be reduced. By moving the statutory authority for EI evaluations to CDHS, the \$2.7M General Funds at CDE that have been used for EI evaluations for children from birth to age two will be allocated to other special education activities for students ages three to 21 that are funded through the Categorical program line for Special Education Programs for Children with Disabilities.

However, the Governor's Office notes that CDHS will still require appropriations to conduct EI evaluations, which the Department has requested in the Governor's FY 2021-22 Budget. This request for a technical legislative change at CDE is contingent on the appropriation of EI evaluation funding at CDHS (see CDHS R-06).

Anticipated Outcomes:

The Governor's Office anticipates that the proposed solution will enable CDHS to monitor, enforce, and correct evaluation activities for children referred for Part C activities, while also increasing efficiency of operations between evaluations and direct services and improving the care experience for children and families. Funding the EI evaluations at CDHS will be done through savings from the Department's EI direct services cost containment strategies. As a result of this legislative change, funding at CDE that has been used for EI evaluations will be allocated to other special education activities for children ages three to twenty-one, consistent with the use of funds prior to 2007.

Assumptions and Calculations:

As this is a technical legislative change with a net neutral budget impact, no assumptions and calculations are applicable.

Schedule 13

Department of Education

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-01 COE Program Financial Restructure

Dept. Approval By: Jeff Blanford 11/2/2020

Supplemental FY 2020-21

OSPB Approval By: Aaron Ray - GOVoffice

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$12,410	\$12,410
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$12,410	\$12,410
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$12,410	\$12,410
01. Management and Administration, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$0	\$0	\$0	\$0	\$0
Administration and Centrally-Appropriated Line Items - Statewide Training	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$12,410	\$12,410
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Education Non-Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact

Schedule 13

Department of Education

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-02 Annual Fleet Vehicle Req

Dept. Approval By: Jeff Blanford 11/2/2020

Supplemental FY 2020-21

OSPB Approval By: Aaron Ray - GOVoffice

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$26,196	\$0	\$26,196	\$10,844	\$10,844
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$26,196	\$0	\$26,196	\$10,844	\$10,844
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$26,196	\$0	\$26,196	\$10,844	\$10,844
	FTE	0.0	0.0	0.0	0.0	0.0
04. School for the Deaf and the Blind, (A)	GF	\$26,196	\$0	\$26,196	\$10,844	\$10,844
School Operations, (1)	CF	\$0	\$0	\$0	\$0	\$0
School Operations - Vehicle Lease Payments	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Education Non-Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact

Schedule 13

Department of Education

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-03 OIT_FY22 Budget Request Package

Dept. Approval By: Jeff Blanford 11/2/2020

Supplemental FY 2020-21

OSPB Approval By: Aaron Ray - GOVOffice

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,228,473	\$0	\$1,163,907	(\$156,376)	(\$156,376)
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$528,980	\$0	\$501,178	(\$67,336)	(\$67,336)
	CF	\$182,920	\$0	\$173,306	(\$23,284)	(\$23,284)
	RF	\$516,573	\$0	\$489,423	(\$65,756)	(\$65,756)
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,228,473	\$0	\$1,163,907	(\$156,376)	(\$156,376)
	FTE	0.0	0.0	0.0	0.0	0.0
01. Management and Administration, (B) Information Technology, (1) Information Technology - Payments to OIT	GF	\$528,980	\$0	\$501,178	(\$67,336)	(\$67,336)
	CF	\$182,920	\$0	\$173,306	(\$23,284)	(\$23,284)
	RF	\$516,573	\$0	\$489,423	(\$65,756)	(\$65,756)
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Education Non-Prioritized Request

Interagency Approval or Related Schedule 13s:

Impacts Other Agency

Schedule 13

Department of Education

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-05 Maintain JBC Reductions from FY 2020-21

Dept. Approval By: Jeff Blanford 11/2/20

Supplemental FY 2020-21

OSPB Approval By: Aaron Ray - GOVoffice

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$551,657	\$0	\$1,476,948	(\$925,255)	\$0
FTE		0.4	0.0	0.8	(0.4)	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$925,255	(\$925,255)	\$0
	CF	\$551,657	\$0	\$551,693	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$0	\$0	\$675,255	(\$675,255)	\$0
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (1) Health and Nutrition - Local Food Purchasing Program	FTE	0.0	0.0	0.4	(0.4)	0.0
	GF	\$0	\$0	\$675,255	(\$675,255)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21	FY 2021-22	FY 2022-23		
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$551,657	\$0	\$801,693	(\$250,000)	\$0
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (4) Professional Development and Instructional Support - Computer Science Education Grants for Teachers	FTE	0.4	0.0	0.4	0.0	0.0
	GF	\$0	\$0	\$250,000	(\$250,000)	\$0
	CF	\$551,657	\$0	\$551,693	\$0	\$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



Department of Education

State Board of Education

FY 2021-22 Funding Request
November 2, 2020

Katy Anthes, Ph.D.
Commissioner

Department Priority:R-05
Request Detail: Maintain JBC Reductions from FY2020-21

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$551,657	\$1,476,948	(\$925,255)	\$0
FTE	0.0	0.4	(0.4)	0.0
General Fund	\$0	\$925,255	(\$925,255)	\$0
Cash Funds	\$551,657	\$551,693	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

As part of its budget balancing for FY 2020-21 the General Assembly suspended the General Funded Computer Science Grant Program (\$250,000) and Local School Food Purchasing Program (\$675,255) through HB20-1418 School Finance Act. During the spring 2020 budget balancing these programs were suspended in FY 2020-21 to be restored in FY 2021-22. Given these grant programs are new and have not yet been implemented, the Department proposes that the General Assembly continue these reductions into FY 2021-22, resulting in \$925,255 of savings in the General Fund.

We appreciate our strong and ongoing partnership with the Governor’s Office as we have prepared this request.

Current Program:

Currently both of these programs are suspended in FY 2020-21.

Problem or Opportunity:

The Computer Science Grant and Local School Food Purchasing Programs have not yet been implemented, and they are suspended for FY 2020-21. As a result, there is an opportunity to use the funding that would be available in FY 2021-22 for the ongoing budget balancing measures.

Proposed Solution:

The Department proposes that the General Assembly continue the suspensions for these programs. As noted above, due to legislative action during the 2020 session, these programs have not yet been implemented. Therefore, the Department recommends the General Assembly utilize these appropriations for budget balancing the State's budget, and consider restoring the programs when the state's economy improves. This will require legislative changes to Section 22-97-203, C.R.S. and Section 22-100-102, C.R.S.

Anticipated Outcomes:

If approved, this request will provide \$925,255 of General Fund for FY 2021-22 budget balancing.

Assumptions and Calculations:

This request contains the total appropriation for both programs:

- **Computer Science:** \$250,000
- **School Food Purchasing:** \$675,255 (0.4 FTE)

Schedule 13

Department of Education

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-06 Clean-Up of Outdated Long Bill Appr & Program Susp

Dept. Approval By: Jeff Blanford 11/2/2020

Supplemental FY 2020-21

OSPB Approval By: Aaron Ray - GOVOffice

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$32,895,037	\$0	\$32,895,837	(\$1,276,222)	(\$50,000)
FTE		17.7	0.0	17.7	(0.2)	0.0
Total of All Line Items Impacted by Change Request	GF	\$212,222	\$0	\$212,222	(\$212,222)	\$0
	CF	\$25,496,180	\$0	\$25,496,329	(\$1,064,000)	(\$50,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$7,186,635	\$0	\$7,187,286	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$32,632,815	\$0	\$32,633,615	(\$1,014,000)	\$0
01. Management and Administration, (C)	FTE	17.5	0.0	17.5	0.0	0.0
Assessments and Data Analyses, (1)	GF	\$0	\$0	\$0	\$0	\$0
Assessments and Data Analyses - Statewide Assessment Program	CF	\$25,446,180	\$0	\$25,446,329	(\$1,014,000)	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$7,186,635	\$0	\$7,187,286	\$0	\$0

Total		\$50,000	\$0	\$50,000	(\$50,000)	(\$50,000)
01. Management and Administration, (C)	FTE	0.0	0.0	0.0	0.0	0.0
Assessments and Data Analyses, (1)	GF	\$0	\$0	\$0	\$0	\$0
Assessments and Data Analyses - Basic Skills Placement or Assessment Tests	CF	\$50,000	\$0	\$50,000	(\$50,000)	(\$50,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21	FY 2021-22		FY 2022-23	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$212,222	\$0	\$212,222	(\$212,222)	\$0
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (6) Other Assistance - Workforce Diploma Pilot Program	FTE	0.2	0.0	0.2	(0.2)	0.0
	GF	\$212,222	\$0	\$212,222	(\$212,222)	\$0
	CF	\$0	\$0	\$0	\$0	\$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



Department of Education

State Board of Education

FY 2021-22 Funding Request
November 2, 2020

Katy Anthes, Ph.D.
Commissioner

Department Priority: R-06
Request Detail: Clean-up of Outdated Long Bill Appropriation and Program Suspensions

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$32,895,037	\$32,895,837	(\$1,276,222)	\$0
FTE	17.7	17.7	(0.2)	0.0
General Fund	\$212,222	\$212,222	(\$212,222)	\$0
Cash Funds	\$25,496,180	\$25,496,329	(\$1,064,000)	(\$50,000)
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$7,186,635	\$7,187,286	\$0	\$0

Summary of Request

The Department is proposing the reduction of \$1,276,222 Total Funds, including \$212,222 General Funds and \$1,064,000 cash funds, and a reduction of 0.2 FTE in FY 2021-22. The Department is proposing to suspend funding for two programs to generate the following savings in FY 2021-22:

- The Workforce Development Pilot Project: \$212,222
- The 4th and 7th Grade Social Studies assessments: \$1,014,000

In addition, the Department is requesting to eliminate the \$50,000 appropriation for Basic Skills Assessment, which has been under-utilized or not utilized each year. The Department requests the Joint Budget Committee amend statute to allow for the program suspension and Long Bill line elimination.

We appreciate our strong and ongoing partnership with the Governor’s Office as we have prepared this request.

Current Program:

The Workforce Development Pilot was established in FY 2019-20 to support adults without a high school credential. The program provides financial incentives to eligible providers who are able to re-engage and support adults seeking to obtain a high school diploma or other equivalent credentials. There is 0.2 FTE associated with this program.

Statute currently directs the 4th and 7th Grade Social Studies assessments to be administered on a sampling basis throughout the State. The test is administered to one-third of 4th and 7th graders in each district.

The Basic Skills Placement or Assessments line in the Long Bill provides reimbursement to schools and districts to administer college assessment placement tests.

Problem or Opportunity:

Due to the limited coverage of the 4th and 7th Grade Social Studies assessments, and the need to find overall savings for the state budget the Department is recommending this program be suspended for one year. The logistical challenges that may be present in the Spring due to COVID-19 combined with the fact that this test is sample based means that it could be difficult to obtain quality information about student performance.

The Workforce Diploma Pilot program is a three-year pilot program, established in 2019, that provides financial incentives for eligible adult education providers who are able to re-engage adults and support them in obtaining a high school diploma and other credentials. While this is a promising program, it is not tied directly to K-12 core academic instruction. Therefore, the Department is recommending this program be suspended for one year.

Since its creation in HB 12-1345, the Basic Skills Placement funding has been under-utilized or not utilized each year (see Assumptions and Calculations for detail). In fact, the Department has only had expenditures in this program once since its creation in 2012. The total appropriation is \$50,000 per year, and, since FY 2012-13, the Department has only expended \$13,000 in total for this program.

Proposed Solution:

The Department recommends suspending the 4th and 7th Grade assessments for FY 2021-22, to realize a cash fund savings of \$1,014,000 in FY 2021-22. This will require legislative changes to Section 22-7-1006.3, C.R.S.

The Department requests the General Assembly suspend the Workforce Development Pilot Program for FY 2021-22 to realize a General Fund savings of \$212,222. This will require legislative changes to Section 22-10.3-103, C.R.S.

Finally, the Department recommends the General Assembly repeal the Basic Skills Placement and Other Assessments and the \$50,000 cash fund appropriation in FY 2021-22 and ongoing. This will require legislative changes to Section 22-32-109.5(4), C.R.S.

Anticipated Outcomes:

If the General Assembly approves this request, it will result in a FY 2021-22 savings to the State of \$1.27 million.

Assumptions and Calculations:

The bullets below provide the specific reductions in each program:

- Suspend 4th and 7th Grade Social Studies assessments: \$1,014,000
- Suspend Workforce Development Pilot Program FY 2021-22: \$ 212,222
- Eliminate Basic Skills Placement: \$ 50,000

Total for this request: \$1,276,222

Schedule 13

Department of Education

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-07 Reduce Capital Construction Assistance Funding

Dept. Approval By: Jeff Blanford 11/2/2020

Supplemental FY 2020-21

OSPB Approval By: Aaron Ray - GOVOffice

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$91,820,762	\$0	\$91,820,762	(\$4,591,038)	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$91,820,762	\$0	\$91,820,762	(\$4,591,038)	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$60,000,000	\$0	\$60,000,000	(\$3,000,000)	\$0
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (2) Capital Construction - Capital Construction Assistance Board - Cash Grants	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$60,000,000	\$0	\$60,000,000	(\$3,000,000)	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$31,820,762	\$0	\$31,820,762	(\$1,591,038)	\$0
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (2) Capital Construction - State Aid For Charter School Facilities	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$31,820,762	\$0	\$31,820,762	(\$1,591,038)	\$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



Department of Education

State Board of Education

FY 2021-22 Funding Request
November 2, 2020

Katy Anthes, Ph.D.
Commissioner

Department Priority:R-07
Request Detail: Reduce Capital Construction Assistance Funding

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$91,820,762	\$91,820,762	(\$4,591,038)	\$0
FTE	0.0	0.0	0.0	0.0
General Fund	\$0	\$0	\$0	\$0
Cash Funds	\$91,820,762	\$91,820,762	(\$4,591,038)	\$0
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

The Department is proposing a total cash fund reduction of \$4,591,038 in FY 2021-22. This comprises a \$3 million (5%) reduction to the Capital Construction Assistance Board Cash Grants, and a \$1,591,038 (5%) reduction to the State Aid for Charter School Facilities. These reductions can be swept from the Public School Capital Construction Assistance Fund to the Public School Fund to support funding for Total Program and contribute to balancing the FY 2021-22 State budget. The Department requests the Joint Budget Committee make the necessary statutory changes to allow for these reductions.

We appreciate our strong and ongoing partnership with the Governor’s Office as we have prepared this request.

Current Program:

The Building Excellent Schools Today grant program (BEST) provides funding to address primarily health, safety, and security issues in public school facilities. BEST utilizes cash and financing through Certificates of Participation (COPS) to award grants. Grantees are required to provide a match.

This request is to reduce the appropriation for cash funding. Smaller projects, such as roof repairs, HVAC and boiler replacements, and security and fire suppression system improvements are typically funded with cash.

For larger projects, such as new schools and major renovations and additions, BEST often utilizes COPS that are repaid through program revenues and revenues raised by grantees (typically through bonds or mill levies). Currently, BEST has long-term debt service obligations for COPS, equivalent to the \$110M appropriation in FY 2019-20. As a result, this appropriation can not be reduced lower than the FY 2019-20 level.

State Aid for Charter Schools provides a per pupil allocation to qualified charter schools to be used for construction, demolition, remodeling, maintaining, financing, purchasing, or leasing of land, buildings, or facilities. This program is funded from the Public School Fund and a percentage of marijuana excise tax.

Problem or Opportunity:

The Department identified a 5% reduction in each of these programs as an opportunity to contribute to support funding for Total Program and contribute to balance the FY 2021-22 budget given the limited direct programmatic or operational impact on students.

Proposed Solution:

The Department recommends the \$4.59 million in reductions be used to support funding for Total Program. The proposed 5% reduction to the BEST cash grants will return the funding level between FY 2015-16 and FY 2016-17 levels. The proposed 5% reduction to the State Aid to Charter Schools will maintain funding levels between FY 2019-20 and FY 2020-21 appropriations.

Anticipated Outcomes:

If this proposal is approved, it will make available an additional \$4.59 million available for reducing the impact on Total Program or other priorities the General Assembly has identified to balance the budget.

Assumptions and Calculations:

The table below summarizes the impact on each program:

Program Name	FY 2021-22 Base Approp	Proposed Reduction (5%)	Remaining Approp. FY 2021-22
--------------	------------------------	-------------------------	------------------------------

Capital Construction Assistance Board – Cash Grants	\$60,000,000	(\$3,000,000)	\$57,000,000
State Aid for Charter School Facilities	\$31,820,762	(\$1,591,038)	\$30,229,724

Schedule 13

Department of Education

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-08 Personal Services and Operating Reductions

Dept. Approval By: Jeff Blanford 11/2/20

Supplemental FY 2020-21

OSPB Approval By: Aaron Ray - GOVOffice

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$76,907,663	\$0	\$78,264,023	(\$1,716,123)	(\$1,716,123)
FTE		161.0	0.0	161.0	(9.8)	(9.8)
Total of All Line Items Impacted by Change Request	GF	\$19,558,296	\$0	\$20,616,843	(\$617,981)	(\$617,981)
	CF	\$37,731,982	\$0	\$37,738,299	(\$797,894)	(\$797,894)
	RF	\$6,708,206	\$0	\$6,899,785	(\$300,248)	(\$300,248)
	FF	\$12,909,179	\$0	\$13,009,096	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$354,167	\$0	\$354,237	(\$35,417)	(\$35,417)
01. Management and Administration, (A)	FTE	2.0	0.0	2.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$354,167	\$0	\$354,237	(\$35,417)	(\$35,417)
Administration and Centrally-Appropriated Line Items - State Board of Education	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$4,662,006	\$0	\$4,663,789	(\$176,193)	(\$176,193)
01. Management and Administration, (A)	FTE	34.6	0.0	34.6	(2.0)	(2.0)
Administration and Centrally-Appropriated Line Items, (1)	GF	\$1,546,820	\$0	\$1,547,349	(\$100,850)	(\$100,850)
	CF	\$186,144	\$0	\$186,177	\$0	\$0
Administration and Centrally-Appropriated Line Items - General Department and Program Administration	RF	\$2,929,042	\$0	\$2,930,263	(\$75,343)	(\$75,343)
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$5,845,927	\$0	\$7,196,642	(\$78,847)	(\$78,847)
01. Management and Administration, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$1,682,930	\$0	\$2,659,795	(\$78,847)	(\$78,847)
	CF	\$1,028,944	\$0	\$1,088,209	\$0	\$0
Administration and Centrally-Appropriated Line Items - Health, Life, and Dental	RF	\$715,651	\$0	\$897,100	\$0	\$0
	FF	\$2,418,402	\$0	\$2,551,538	\$0	\$0
	Total	\$2,400,236	\$0	\$2,334,222	(\$33,076)	(\$33,076)
01. Management and Administration, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$773,531	\$0	\$747,246	(\$33,076)	(\$33,076)
	CF	\$389,672	\$0	\$362,837	\$0	\$0
Administration and Centrally-Appropriated Line Items - Amortization Equalization Disbursement	RF	\$299,139	\$0	\$303,180	\$0	\$0
	FF	\$937,894	\$0	\$920,959	\$0	\$0
	Total	\$2,400,236	\$0	\$2,334,222	(\$33,076)	(\$33,076)
01. Management and Administration, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$773,531	\$0	\$747,246	(\$33,076)	(\$33,076)
	CF	\$389,672	\$0	\$362,837	\$0	\$0
Administration and Centrally-Appropriated Line Items - Supplemental Amortization Equalization Disbursement	RF	\$299,139	\$0	\$303,180	\$0	\$0
	FF	\$937,894	\$0	\$920,959	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,241,882	\$0	\$1,241,882	(\$37,000)	(\$37,000)
01. Management and Administration, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$87,218	\$0	\$87,218	\$0	\$0
	CF	\$262,844	\$0	\$262,844	(\$37,000)	(\$37,000)
Administration and Centrally-Appropriated Line Items - Leased Space	RF	\$13,798	\$0	\$13,798	\$0	\$0
	FF	\$878,022	\$0	\$878,022	\$0	\$0
	Total	\$35,480	\$0	\$35,480	(\$35,480)	(\$35,480)
01. Management and Administration, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Administration and Centrally-Appropriated Line Items, (1)	GF	\$0	\$0	\$0	\$0	\$0
Administration and Centrally-Appropriated Line Items - Reprinting and Distributing Laws Concerning Education	CF	\$35,480	\$0	\$35,480	(\$35,480)	(\$35,480)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$4,573,915	\$0	\$4,574,862	(\$10,000)	(\$10,000)
01. Management and Administration, (B)	FTE	30.9	0.0	30.9	0.0	0.0
Information Technology, (1) Information Technology - Information Technology Services	GF	\$3,939,464	\$0	\$3,940,334	(\$10,000)	(\$10,000)
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$634,451	\$0	\$634,528	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$32,632,815	\$0	\$32,633,615	(\$50,000)	(\$50,000)
01. Management and Administration, (C)	FTE	17.5	0.0	17.5	(1.0)	(1.0)
Assessments and Data Analyses, (1)	GF	\$0	\$0	\$0	\$0	\$0
Assessments and Data Analyses - Statewide Assessment Program	CF	\$25,446,180	\$0	\$25,446,329	(\$50,000)	(\$50,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$7,186,635	\$0	\$7,187,286	\$0	\$0
	Total	\$765,973	\$0	\$766,082	(\$4,250)	(\$4,250)
01. Management and Administration, (C)	FTE	4.1	0.0	4.1	0.0	0.0
Assessments and Data Analyses, (1)	GF	\$467,973	\$0	\$468,082	(\$4,250)	(\$4,250)
Assessments and Data Analyses - Longitudinal Analyses of Student Assessment Results	CF	\$298,000	\$0	\$298,000	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$672,672	\$0	\$672,863	(\$9,914)	(\$9,914)
01. Management and Administration, (C)	FTE	4.0	0.0	4.0	0.0	0.0
Assessments and Data Analyses, (1)	GF	\$37,309	\$0	\$37,316	\$0	\$0
Assessments and Data Analyses - Preschool to Postsecondary	CF	\$635,363	\$0	\$635,547	(\$9,914)	(\$9,914)
Education Alignment	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$2,011,257	\$0	\$2,011,815	(\$130,500)	(\$130,500)
01. Management and Administration, (C)	FTE	12.5	0.0	12.5	(1.0)	(1.0)
Assessments and Data Analyses, (1)	GF	\$1,874,519	\$0	\$1,875,031	(\$118,000)	(\$118,000)
Assessments and Data Analyses - Educator Effectiveness Unit	CF	\$136,738	\$0	\$136,784	(\$12,500)	(\$12,500)
Administration	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$1,784,651	\$0	\$1,784,886	(\$64,568)	(\$64,568)
01. Management and Administration, (C)	FTE	11.4	0.0	11.4	(1.0)	(1.0)
Assessments and Data Analyses, (1)	GF	\$1,234,319	\$0	\$1,234,554	(\$64,568)	(\$64,568)
Assessments and Data Analyses - Accountability And Improvement Planning	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$550,332	\$0	\$550,332	\$0	\$0
	Total	\$1,904,480	\$0	\$1,905,255	(\$224,905)	(\$224,905)
	FTE	17.9	0.0	17.9	(2.5)	(2.5)
02. Assistance to Public Schools, (A) Public School Finance, (1)	GF	\$0	\$0	\$0	\$0	\$0
Public School Finance - Administration	CF	\$87,494	\$0	\$87,519	\$0	\$0
	RF	\$1,816,986	\$0	\$1,817,736	(\$224,905)	(\$224,905)
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$462,000	\$0	\$462,000	(\$387,000)	(\$387,000)
02. Assistance to Public Schools, (A) Public School Finance, (1)	FTE	0.0	0.0	0.0	0.0	0.0
Public School Finance - Financial Transparency	GF	\$0	\$0	\$0	\$0	\$0
System Maintenance	CF	\$462,000	\$0	\$462,000	(\$387,000)	(\$387,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$10,000	\$0	\$10,000	(\$10,000)	(\$10,000)
02. Assistance to Public Schools, (A) Public School Finance, (1) Public School Finance - District Per Pupil Reimbursements for Juveniles Held in Jail	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$10,000	\$0	\$10,000	(\$10,000)	(\$10,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$12,844,494	\$0	\$12,844,591	(\$226,000)	(\$226,000)
02. Assistance to Public Schools, (B) Categorical Programs, (2) Other Categorical Programs - Special Education Programs for Gifted and Talented Children	FTE	1.5	0.0	1.5	(1.0)	(1.0)
	GF	\$5,500,000	\$0	\$5,500,000	\$0	\$0
	CF	\$7,344,494	\$0	\$7,344,591	(\$226,000)	(\$226,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$24,987	\$0	\$24,987	(\$24,897)	(\$24,897)
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (1) Health and Nutrition - Breakfast After the Bell	FTE	0.3	0.0	0.3	(0.3)	(0.3)
	GF	\$24,987	\$0	\$24,987	(\$24,897)	(\$24,897)
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$150,000	\$0	\$150,000	(\$15,000)	(\$15,000)
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (2) Capital Construction - Financial Assistance Priority Assessment	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$150,000	\$0	\$150,000	(\$15,000)	(\$15,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$545,861	\$0	\$677,529	(\$15,000)	(\$15,000)
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (4) Professional Development and Instructional Support - Content Specialists	FTE	5.0	0.0	5.0	0.0	0.0
	GF	\$0	\$0	\$131,515	\$0	\$0
	CF	\$545,861	\$0	\$546,014	(\$15,000)	(\$15,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$403,932	\$0	\$404,026	(\$15,000)	(\$15,000)
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (4) Professional Development and Instructional Support - English Language Learners Technical Assistance	FTE	5.0	0.0	5.0	0.0	0.0
	GF	\$348,248	\$0	\$348,336	(\$15,000)	(\$15,000)
	CF	\$55,684	\$0	\$55,690	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$1,180,692	\$0	\$1,181,038	(\$100,000)	(\$100,000)
	FTE	14.3	0.0	14.3	(1.0)	(1.0)
03. Library Programs, (A) Library Programs, (1) Library Programs - Administration	GF	\$913,280	\$0	\$913,597	(\$100,000)	(\$100,000)
	CF	\$267,412	\$0	\$267,441	\$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



Department of Education

State Board of Education

FY 2021-22 Funding Request
November 2, 2020

Katy Anthes, Ph.D.
Commissioner

Department Priority: R-08
Request Detail: Personal Services and Operating Reductions

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$78,138,830	\$79,488,434	(\$1,716,123)	(\$1,716,123)
FTE	161.0	161.0	(9.8)	(9.8)
General Fund	\$19,584,334	\$20,640,580	(\$617,981)	(\$617,981)
Cash Funds	\$37,995,188	\$37,999,885	(\$797,894)	(\$797,894)
Reappropriated Funds	\$7,618,344	\$7,809,466	(\$300,248)	(\$300,248)
Federal Funds	\$12,940,964	\$13,038,503	\$0	\$0

Summary of Request

The Department is requesting a \$1,716,123 total fund reduction, including reductions of \$617,981 General Fund, \$797,894 cash funds, and \$300,248 reappropriated funds, and a decrease of 9.8 FTE in FY 2021-22 and ongoing. In the interest of identifying any and all opportunities to reduce costs and appropriations, the Department reviewed all operating/state-level budgets to identify opportunities to reduce costs and contribute to state-wide budget balancing efforts. The Department has identified a total of \$1.7 million of reductions in personal services, vacancy savings, contracts, operating and travel.

We appreciate our strong and ongoing partnership with the Governor’s Office as we have prepared this request.

Current Program:

The Department manages two major types of funding:

- **Administrative/State-level funding:** this funding is for Department level expenditures and activities such as payroll, operating, travel and contract services. The Department has discretion and control over how it uses and allocates these funds within the requirements of the authorizing legislation or other rules and regulations. Administration constitutes approximately 2% of the Department's total budget.

This Change Request contains reductions to the administrative and state-level funding received by the Department.

- **Distribution:** the other major category of funding for the Department is paid or distributed to schools, districts, and other eligible recipients, usually through formula or competitive grants. Distribution funding comprises a little over 98% of the Department's annual budget. Reductions for these programs/items have been included in other Change Requests in the Department's FY 2021-22 budget submission.

Problem or Opportunity:

While the travel and other restrictions resulting from the COVID-19 pandemic have created significant challenges, they also created an opportunity to identify cost savings in some CDE state-level activities. For example, the costs associated with in-person meetings and technical assistance are significantly less in FY 2020-21 than they have been historically, and that trend is expected to continue for the foreseeable future.

The Department also reviewed FTE and vacant positions. Where possible the Department has elected to leave vacancies open or eliminate positions to accrue savings there as well.

The Department reviewed all state-level and administrative funding and made reductions wherever possible, while also working to preserve core infrastructure.

Proposed Solution:

The Department proposes reductions in 23 Long Bill lines resulting in a total savings of \$1.7 million. Please see the Assumptions and Calculations section for details.

The reduction of \$387,000 from the Financial Transparency System Maintenance appropriation can be achieved by moving the Financial Transparency for Colorado Schools website from an externally hosted system to one maintained internally by CDE. This may require legislative changes to Section 22-44-105, C.R.S.

Anticipated Outcomes:

The primary outcomes will be cost savings of \$1.7 million to contribute to the state-wide budget balancing efforts. While the selected reductions were identified to have the least impact on student-facing programs, reductions may have some impact on the services provided to school districts and the operations of CDE.

Assumptions and Calculations:

The table below summarizes all Long Bill lines/programs and the amounts identified for reductions.

Program/LB Line	Category	FTE	Amount
State Board of Education	Reduce Operating and Travel	0.0	\$35,417
General Department and Admin.	Reduce Staff and Operating	2.0	\$176,148
Health, Life, and Dental	2.5% Personal Services Reduction	0.0	\$78,847
Amortization Equalization Disbursement	2.5% Personal Services Reduction	0.0	\$33,076
Suppl. Amortization Equalization Disbursement	2.5% Personal Services Reduction	0.0	\$33,076
Leased Space	Reduce Operating	0.0	\$37,000
Reprinting and Distributing Laws Concerning Ed.	Reduce Operating/Contracts	0.0	\$35,480
Information Technology Services	Reduce Operating	0.0	\$10,000
Statewide Assessment Program	Reduce Payroll/FTE	1.0	\$50,000
Longitudinal Data Analysis of Student Assessment Results	Reduce Operating	0.0	\$4,250
Preschool to Postsecondary Education Align.	Reduce payroll/FTE	0.1	\$9,914
Educator Eff. Unit Admin.	Reduce Payroll/FTE and Operating	1.0	\$130,500
Accountability and Improvement Planning	Reduce Payroll/FTE and Operating	1.0	\$64,568
Public School Finance--Administration	Reduce Payroll/FTE and Operating	2.5	\$224,905
Financial Transparency System Maintenance	Reduce Operating/Contracts	0.0	\$387,000
District Per Pupil Reimbursements for Juveniles Held in Jail	Reduce Operating	0.0	\$10,000

Special Education Programs for Gifted and Talented Children	Reduce Payroll/FTE and Operating	1.0	\$226,000
Breakfast After the Bell Program	Reduce Payroll/FTE and Operating	0.3	\$24,897
Capital Construction – Priority Assessment	Reduce contract costs	0.0	\$15,000
Content Specialists	Reduce Operating	0.0	\$15,000
English Language Learners – Technical Assistance	Reduce Operating	0.0	\$15,000
Library Programs – Administration	Reduce Payroll/FTE	1.0	\$100,000
	Total:	9.8	\$1,716,123

Schedule 13

Department of Education

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-09 Return Unused Fund Balances

Dept. Approval By: Jeff Blanford 11/2/2020

Supplemental FY 2020-21

OSPB Approval By: Aaron Ray - GOVOffice

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$6,803,928	\$0	\$6,804,306	(\$250,000)	\$0
FTE		12.0	0.0	12.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$6,803,928	\$0	\$6,804,306	(\$250,000)	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$5,094,358	\$0	\$5,094,358	(\$250,000)	\$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 - At-Risk Supplemental Aid	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$5,094,358	\$0	\$5,094,358	(\$250,000)	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Total		\$1,709,570	\$0	\$1,709,948	\$0	\$0
FTE		12.0	0.0	12.0	0.0	0.0
02. Assistance to Public Schools, (C) Grant Programs, Distributions, and Other Assistance, (3) Reading and Literacy - Early Literacy Program Administration and Technical Support	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$1,709,570	\$0	\$1,709,948	\$0	\$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



Department of Education

State Board of Education

FY 2021-22 Funding Request
November 2, 2020

Katy Anthes, Ph.D.
Commissioner

Department Priority: R-09
Request Detail: Return Unused Fund Balances

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$6,803,928	\$6,804,306	(\$250,000)	\$0
FTE	0.0	0.0	0.0	0.0
General Fund	\$0	\$0	\$0	\$0
Cash Funds	\$6,803,928	\$6,804,306	(\$250,000)	\$0
Reappropriated Funds	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0

Summary of Request

The Department requests a one-time cash fund sweep of \$3,000,000 across three programs in FY 2021-22. As part of the budget balancing measures taken by the State this year, the Department has identified three programs or cash funds with available balances that may assist with the Governor’s and General Assembly’s budget balancing efforts.

The following funds and/or appropriations are expected to have the following available balances in FY 2020-21:

Fund/Program	Estimated Available Balance
Early Literacy Fund/READ Act	\$2,000,000
Return of Unused At-Risk Supplemental Aid	\$250,000
Return Fund for Quality Phys Ed Pilot	\$750,000

The purpose of this proposal is to make these balances available to the General Assembly to support funding for Total Program or budget balancing efforts in FY 2020-21. The Department requests the Joint Budget Committee sponsor the necessary legislation to sweep these fund balances.

We appreciate our strong and ongoing partnership with the Governor's Office as we have prepared this request.

Current Program:

The Early Literacy Fund is a cash fund that finances the Reading to Ensure Academic Development (READ Act), created by Section 22-7-1210, C.R.S.

The At-Risk Supplemental Aid provides supplemental funding for district and charter schools which have a higher percentage of at-risk pupils as defined by 22-54-103, C.R.S.

The Quality Physical Education Pilot, created in SB19-246, is a program to provide grants to eligible schools or districts to implement a program of comprehensive physical education.

Problem or Opportunity:

In each of the programs, there is available funding to be used in the State's budget balancing.

- The READ Act was reauthorized by SB19-199. During FY2019-20, the Department was unable to use the funding for in-person training, technical assistance, and other requirements of the program due to the pandemic. Consequently, there is a fund balance of \$2 million available. This amount represents fund balance and is unencumbered and not appropriated in FY 2020-21.
- The funding required for the At-Risk Supplemental Aid Program is estimated to be at least \$250,000 less than the current appropriation of \$5,094,358 based upon historical expenditures.
- The Quality Physical Education Pilot has \$750,000 available that has not yet been distributed to its three grantees.

Proposed Solution:

The Department recommends the following disposition of each of the programs:

- Sweep \$2 million from the Early Literacy Fund into the State Education Fund.
- Revert \$250,000 from the At-Risk Supplemental Aid appropriation to the State Public School Fund.
- Revert \$750,000 from the Quality Physical Education Pilot Program to the Marijuana Excise Tax Fund.

Anticipated Outcomes:

If approved, this request will provide \$3 million cash funds that can be used to support the State Share of Total Program increase or statewide budget balancing efforts in FY 2021-22.

Assumptions and Calculations:

The Early Literacy Program experienced significant challenges implementing the Evidence-Based Training Program due to COVID-19 restrictions. The in-person trainings that were planned could not be completed, resulting in significant cost savings.

As of July 1, 2020, the General Assembly transferred \$3.5 million out of the Early Literacy Fund as a result of the FY 2019-20 implementation challenges. For FY 2020-21, the Department anticipates a fund balance of at least \$2 million available in the Fund June 30, 2021. Due to ongoing travel and other restrictions in the State, Department staff will work with JBC staff to evaluate whether there are additional savings in the current year as a result of ongoing concerns and restrictions.

The funding required for the At-Risk Supplemental Aid Program has historically been less than the appropriation. Over the past three years, the average reversion has been \$587,410. Therefore, even if the state experiences an increase in the number of at-risk students during FY 2020-21, it is reasonable to assume that expenditures will be at least \$250,000 less than the current appropriation of \$5,094,358.

The Quality Physical Education Pilot Program was granted funding in 2019 with three-year rollover authority. While not ideal, the Department could return the balance on the grant for future year awards. Approximately \$750,000 of the original appropriation of \$1.1 million remains, which supports three pilot schools. Due to the COVID-19 pandemic, it is difficult for CDE staff to determine the level of fidelity to which this program may be implemented as a result of the variation by which physical education is conducted during the 2020-21 school year with one school remote, one hybrid and one in-person.