



CSCA & CCHS/CR Weekly Legislative Narrative April 12-16, 2010

Overview

With 18 weekdays left (36 if you count weekends) until adjournment, the legislature has been working to get through bills and conference committees at a furious pace. The legislature continues to introduce bills at this late date with SB10-191 Educator Effectiveness and HB 1406 Energy Standards for School Introduction, and HB 1402 Standards for Charter Schools and Charter School Authorizers were introduced this past week. In budget news, the Joint Budget Committee closed out the long bill, and the conference committee on School Finance concluded its work. Both Chambers must now adopt the reports.

Budget/Long Bill

This week the Joint Budget Committee finalized their work on the FY 10-11 budget as the conference committee for HB10-1376 The Long Bill concluded its work. Any legislative that does not pass in its original form regarding the budget will result in a cut to K-12. The JBC met for several days to finalize recommendations after wading through a number of amendments that were added in each chamber. In addition, they had to take into consideration the budget balancing bills that were also amended differently by each body, HB10-1383, HB10-1387 and HB10-1388, that took the budget out of balance for FY 11-12.

Budget Balancing Bills Linked to Education Funding

Bill #	Title	Revenue	Status
HB10-1320	Tobacco Tax Revenues	\$ 43.7M	4/7 Sent to Governor
HB10-1327	General Fund Cash Fund Transfers	\$ 87.8M	4/7 Sent to Governor
HB10-1339	Limited Gaming Fund Distribution	\$ 2.0M	4/7 Sent to Governor
HB10-1383	CollegeInvest	\$ 25.0M	4/15 Conference Cmte Requested
HB10-1384	Old Age Pension Fund	\$ 14.0M	4/15 House Concurred w/ Conf Cmte
HB10-1387	DMV Financing	\$ 17.3M	4/15 Conference Cmte Requested
HB10-1388	Cash Fund Transfers Augment GF	\$ 25.5M	4/15 Conference Cmte Requested
HB10-1390	FY10-11 General Fund Reserve	\$ 138.7M	4/13 House 2nd Laid Over Daily
SB10-190	Homestead Exemption	\$ 91.7M	4/16 Passed Senate Appropriations

HB10-1383, the bill to liquidate the College Invest Scholarship fund and provide \$46M in revenue to the state. During Senate 2nd reading last week Senator Chris Romer attached an amendment to HB10-1383 that would minimize the impact of the liquidation of the CollegeInvest scholarship fund by requiring the General Assembly to spend down the 4% statutory reserve to 1.5% prior to accessing the scholarship dollars. This would put the K-12 budget \$25 million 'in the hole' starting in FY11-12. The Joint Budget Committee heard a presentation from Rico Munn, Executive Director of the Colorado Department of Higher Education (CDHE) this Thursday regarding the future of the CollegeInvest scholarship fund. Due to new regulations from the Federal government regarding state provision of scholarships and loans and the growing costs of administering CollegeInvest, CDHE has decided to sell the \$1.5 billion scholarship portfolio of

student loans. This will gross about \$35 million in revenue to the state. CollegeInvest's other functions, including the 529 college savings program, and other related agencies, CollegeInColorado and CollegeAssist, won't be affected by the sale. The \$35 million will not be available to the state until at least September and Representative Middleton has already committed bringing legislation that will keep the revenue within CDHE, to be possibly utilized for need-based student aid or to minimize the impact of a proposed transfer out of a CollegeInvest scholarship fund. The JBC is expected to hold a conference committee on HB10-1383 sometime next week, but the fate of the Sen. Romer's CollegeInvest amendment is still not determined. Senator Al White has expressed his intent to strip the amendment but the other members of the committee are hesitant and need to further discuss the proposal.

HB10-1387, the bill to fund the Division of Motor Vehicles within the Department of Revenue by using a transfer of funds from the Highway User Tax Fund, was amended to sunset the funding source after 2 years, which would cause a \$17 million shortfall for K-12 beginning in FY 11-12.

School Finance Act

On Thursday, the conference committee on HB10-1369 School Finance Act met to hammer out several discrepancies between the House and Senate versions of the bill. Conferees were Rep. Scanlan, chair, Reps Pommer and Masey; Sen. Bacon, vice chair, Sens. Steadman and King. Issues included:

- Cuts to the seven districts who are primarily funded through local revenues.
 - The seven districts who receive little to no state funded were addressed by an amendment that requires those districts to buy-back their state categorical aid up to the percentage of cut that every other district is receiving. CDE will then use those funds by redistributing them to all the other school districts through the categoricals (for example, transportation).
- Reporting requirement regarding consolidation of school districts by county.
 - This language was removed entirely.
- Ability of school districts to access declining enrollment averaging funding by shifting district charter schools to the Charter School Institute.
 - Prohibits this option; district may only utilize declining enrollment from students that are attending school in the district. This will only affect one school district, Lewis-Palmer, in Colorado Springs.

The bill now awaits final approval in both chambers this week.

SB10-191 Ensuring Quality Instruction through Educator Effectiveness (EQUITEE) (Sens. Johnston & Spence / Reps. Scanlan & Murray)

Senate Bill 10-191, "Concerning Ensuring Quality Instruction through Educator Effectiveness (EQUITEE)," was officially introduced this week amid numerous news stories and editorials around the topic of educator and principal evaluations. SB 191, sponsored by Sens. Michael Johnston and Nancy Spence and Reps. Christine Scanlan and Carole Murray, has nine bi-partisan co-sponsors in the House and five bi-partisan co-sponsors in the Senate indicating broad support for the legislation.

Once the bill was introduced, stakeholders voiced concerns about local control issues and the short amount of time allowed the Governor's Council on Educator Effectiveness to produce recommendations (originally due by December 31, 2010). Senator Johnston has been having

conversations with those groups and expects to amend the bill substantially in the Senate Education Committee meeting scheduled for Wednesday, April 21 at 1:30 pm. Amendments to address the following issues are expected:

- Extending the timeline so that recommendations from the Governor’s Council would be due by March 1, 2011 and the State Board of Education would be required to adopt rules based on those recommendations by June 30, 2011. The legislature would then review the rules with the ability to alter or repeal them by January 31, 2012.
- The school districts would begin working with the department to develop assessments during the 2011-2012 school year. During the 2012-13 school year districts will volunteer to “beta test” the evaluation systems and then there will be statewide implementation of the system in 2014-15. The data collected during the last phase of implementation will inform how teachers lose tenure.
- Principals’ evaluations will reflect 50% of student academic growth (instead of 66%).
- Additional language requiring the Governor’s Council to consider special populations and highly mobile students.

The Colorado Education Association (CEA) has been the most vocal opponent of the bill arguing that it “throws teachers under the bus.” However, educational practitioner and professional groups have been hesitant to fully support the legislation until they see specific bill language addressing their concerns.

SCR10-1002 & HCR10-002 Authority for the General Assembly to Enact Additional Education Funding

Senate Concurrent Resolution 10-002 and House Concurrent Resolution 10-1002, both sponsored by Senators Williams and Romer and Rep Benefield, seek to give the General Assembly authority to enact statutes that result in additional funding for preschool through postsecondary education without approval from voters. These additional revenues would not be subject to the current constitutional limitations on fiscal year spending. HCR10-002 is expected to be heard by the House Education Committee on Monday 4/19 and SCR10-002 is scheduled for the Senate Education Committee on Thursday 4/29. Both resolutions are expected to pass committee but not garner the required 2/3 vote of each body to pass on the floor; the sponsors feel it is important to advance the conversation regarding increases to education revenue and set the stage for future efforts.

CAP4K Implementation Update

Passed in 2008, the Colorado Achievement Plan for Kids (CAP4K) legislation included a variety of educational reforms to be implemented through 2014. The reforms mandated through CAP4K include descriptions of workforce readiness, innovative model content standards, a brand new state assessment system, alignment of local district and school curricula with the new model content standards, new types of high school diplomas and alignment of college admissions requirements with the new K-12 system. According to a new study by Augenblick, Palaich and Associates, the cost of implementing the remaining portions of CAP4K is anywhere between \$131.5 million to \$142.4 million or more. All but about \$3 million of that cost burden would be placed on districts and other local education providers. Two more cost studies are expected to be released on October 1st of 2011 and 2012. Of particular concern is the brand new state assessment system, which is estimated to cost up to \$80 million in implementation costs. The state is looking to utilize Race to the Top funds, if awarded, in order to cover some of these costs. However, with the anticipated grant money reduced by over \$200 million, from \$377 to \$175 million, Race to the Top could possibly fall short in covering these implementation costs. Officials are now also looking at

the newly announced Race to the Top Innovation in Assessments grant competition, which requires participation in a multi-state consortium. Colorado currently belongs to the SMARTER consortium, which is made up of 24 states and focuses adaptive-assessment technology.

In order to adjust for the revenue shortfalls, uncertainty around new Federal regulations and continuing assessment consortium work, the implementation timelines for CAP4K will be modified. HB10-1013 Modifications to School Finance, sponsored by Representative Middleton and Senator Romer, contained a variety of technical changes to the School Finance Act requested by the Colorado Department of Education. Included was an extension of the timelines for the statewide assessment system. Under current law the State Board of Education has until December 15, 2010 to adopt a new assessment system. HB10-1013 added language that allows the SBE to wait to adopt the standards “on December 15, 2010 or as soon thereafter as fiscally practicable”. This provides the necessary leeway CDE needs to continue the reform and assessment development process. Also included in HB10-1013:

- Extends the adoption of graduation guidelines from December 2010 to December 2011.
- Postpones the requirement that districts align their graduation requirements to the new statewide system to the 2012-2013 school year.
- Specially endorsed diplomas would be adopted ‘as soon as fiscally practicable’ after July 1, 2011.
- Delays the requirement that high school students successfully complete a postsecondary and workforce readiness program an additional year until December 2013.
- Delays the school district use of individual preschool readiness plans one year until Fall 2013
- Moves the deadline for the cost study of new assessments (similar to what was released this week) from October 1st 2010 and 2011 to October 1st 2011 and 2012.

Upcoming Dates

- Bill Hearings –
 - Conference Committees
 - HB10-1383 Funding Financial Assistance for Higher Education
 - Announced Conferees: Joint Budget Committee
 - At Issue: Role of CollegeInvest scholarship fund in funding the state budget.
 - HB10-1387 DMV Transfers to HUTF
 - Announced Conferees: Joint Budget Committee
 - At Issue: The 2-year sunset included by the Senate that would require K-12 to find an alternate funding source in future years of \$17 million. The House version made the transfers indefinite.
 - HB10-1388 Cash Fund Transfers to Augment the General Fund
 - Announced Conferees: Joint Budget Committee
 - At Issue: Fund transfer to accommodate Sen. Steadman amendment in Long Bill directed towards child welfare programs. Sen. Steadman’s partner amendment to this in the Long Bill was stripped earlier this week.
 - HB10-1273 Art Education for Workforce Development
 - Announced Conferees: Reps. Merrifield, Solano, McNulty

- At Issue: Amendment in Senate Education committee that directs the State Board of Education to adopt graduation guidelines around the arts.
- Monday
 - House Education Committee
 - HCR10-1002 Rep. Benefield – General Assembly Authority To Enact Additional Education Funding
- Wednesday
 - Senate Education Committee
 - SB10-191 Sens. Johnston & Spence - Principal And Teacher Effectiveness
 - Testimony will be limited to 2 hours for the proponents and 2 hours for the opponents
 - Any bills not heard on April 21 will be heard Thursday, April 22 at 1:30 p.m.
- Thursday
 - Senate Education Committee
 - Any bills that were not heard on April 21 will be heard on Thursday, April 22, 1:30 p.m.