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June 16, 2009

# *update*

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Dwight D. Jones

Commissioner of Education



What a year! Locally and statewide you've weathered the recession, significant budget cuts and other hardships, and have done so with great understanding. Thank you for standing by the department and supporting the reform initiatives we are initiating on your behalf and that of your districts, teachers and students. Together we truly are making strides in improving public education in Colorado, as highlighted in the following briefs. Your partnership makes all the difference.



## **AMERICAN REINVESTMENT AND RECOVERY ACT**

After months of public statements from Washington, D.C., stimulus funds soon will begin to flow to local school districts in Colorado. With this unprecedented infusion of federal investment has also come a great deal of confusion about what it all means for Colorado public schools. CDE is working hard to balance the need to provide timely information to school districts with the reality that guidance from USDE is, in many cases, not yet fully formed and is subject to change. With that in mind, what follows is a quick overview of CDE's approach to the distribution of ARRA funds.

ARRA funds are being distributed via three primary pipelines: State Fiscal Stabilization Funds program, existing federal programs and new allocations. Most of the new allocations will be made available through competitive grant opportunities such as Race to the Top and the Invest in What Works and Innovation funds. Specific and final guidelines for these opportunities have not yet been announced and what information we do hear changes daily – sometimes more often.

Approximately \$250 million is being distributed through Title IA and IDEA. Another \$34 million will be distributed through school improvement grants, with an additional \$9 million being allocated to other federal programs. Distribution through each of these funding streams requires that the funds be used in a manner that is consistent with the respective program *and* meets the unique goals of ARRA.

Congress and USDE have made clear two overarching requirements for the use of these federal stimulus funds: transparency and accountability in their use and investment in innovation and reform efforts that are most likely to improve student achievement for *all* kids. These two imperatives have at times created tension as states, districts and

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schools seek to meet them both without definitive guidance on how to do so. CDE's approach to distribution of ARRA funds is to invest these short-term resources in ways that achieve long-term, sustainable results.

*For more information, contact CDE's ARRA Director, Nina Lopez, at [lopez\\_n@cde.state.co.us](mailto:lopez_n@cde.state.co.us), or visit our Web page at <http://www.cde.state.co.us>.*



#### **INNOVATION**

Earlier this spring I released a paper titled, "Choice and Innovation: Stimulating Education Reform." My intent was not to define *choice* or *innovation*, but to spark different thinking and conversation among educators, parents and concerned citizens about these topics – to consider ideas beyond the flaps of the proverbial box. (To read the paper, visit <http://www.cde.state.co.us/cdecomm/download/pdf/CHOICE.pdf>.)

In it, I identified various programs that were illustrious of this thinking. Yet I failed to include the similar thought that had been brewing among the leadership of Adams County School District 50 in Westminster.

Late last month, Adams 50's superintendent, Roberta Selleck, members of her staff and the district's school board president, Vicki Marshall, provided an overview of this innovative program to me and CDE staff. Their plans include implementing a standards-based education system, eliminating grade levels and concentrating on student proficiency and mastery of content.



#### **THE 2009 LEGISLATIVE SESSION**

There is little doubt that the American Reinvestment and Recovery Act had a profound influence on the education dialogue at the state capitol this spring. While there was much support for the work done in 2008 – particularly the implementation of S.B. 08-212 or CAP4K – there was also a desire to build on that success and push the envelope further. The tone of education policy conversations in Washington certainly encouraged this forward momentum.

A handful of critical issues played a key role in placing Colorado at the forefront of reform efforts – teacher identifiers, dropout prevention, accountability and school finance– that are now viewed across the country as something to be emulated. Though initially these topics were seen as divisive, by the end of the session the Colorado General Assembly had adopted (and the governor has now signed) bills that will help us to address teacher quality (HB 09-1065); increase the graduation rate (HB 09-1243); strengthen accountability of – and provide specific, targeted support for – schools and districts (SB 09-163); and fund schools in a way that both allows districts flexibility in the use of existing resources and increases resources for addressing achievement gaps (SB 09-256). What's more, the success of accomplishing these goals can only be

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attributed to the spirit of collaboration and cooperation among the many and various stakeholders that comprise the education community.

The outcome of the 2009 legislative session is a slate of new laws that will not only place Colorado among the top states competing for ARRA Race to the Top funds, but also begin to shift education in a way that will undoubtedly result in better and more equitable education for Colorado's children.



**SENATE BILL 09- 163 -- THE "ACCOUNTABILITY" BILL**

With the passage of Senate Bill 09-163, Colorado's landmark legislation to create a single, aligned system of education accountability and support, we anticipate several positive changes for Colorado's public schools and their students. S.B. 09-163 establishes clear expectations for educators at the state, district and school levels that are consistent with current requirements for district accreditation and NCLB. Overall achievement will be based on the same four performance indicators: academic growth, student achievement levels, extent of achievement gaps and postsecondary and workforce readiness.

The department's continued work on the creation and production of the Colorado Growth Model aligns with the spirit of this bill and enhances communication about school performance, replacing the weighted index ranking system with a more transparent, "four quadrant" approach which is accessible in part online: [https://cdeapps.cde.state.co.us/growth\\_model\\_public/](https://cdeapps.cde.state.co.us/growth_model_public/)

CDE is also working to develop an implementation outline that will address the numerous regulations and policies that will be put in place to carry out the requirements of SB 163.



**STATEWIDE SYSTEM OF SUPPORT**

In an effort to provide greater service to the field and support of enhanced student achievement, the Colorado Department of Education is diligently working to create a comprehensive statewide system of accountability and support to help build the capacity of districts to develop high-performing schools and achieve their goals of greater student outcomes. S.B. 09-163 provides the necessary policy on which the department can establish this system. As we work to dissect bill language to determine action items and create timelines for implementation, the department is fine-tuning a plan to truly partner with local districts in their efforts to achieve better results and build capacity where needed.

Input from 350 stakeholders (teachers, principals, superintendent, district-level leaders, BOCES directors, professional association members, parents and community

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members) has informed and helped to direct this work, which will result in a model and structure to match district performance and need with autonomy, resources and support.

Staff from across the department is finalizing a “prototype” as I write, and we will begin to pilot this model with a handful of districts in the coming months.



**TURNAROUND**

As the department continues to focus on a comprehensive system of service and support to the field, CDE will in the near future identify districts that may be interested in partnering with the department through turnaround grants – ARRA funds allocated to CDE specifically to assist districts in need of improvement. This initiative will be aimed at providing specific assistance to districts struggling to meet accountability measures and AYP targets. Colorado, along with Massachusetts, Maryland and Mississippi, is a recipient of a grant from the National Governors Association to investigate turnaround options. Mass Insight, an education and research institute, has partnered with the department in creating strategies to turnaround chronically low-performing schools.



**ACCREDITATION**

The district accreditation process is an integral part of the statewide system of support. As you might imagine since the passing of S.B. 09-163, CDE has received a flurry of questions as to what will be its impact on the accreditation process.

During FY 2007-08, the department developed a new accreditation process comprised of what we termed “the five points of accountability.” When reviewed according to this rubric, districts are assessed in five areas: achievement growth and status; achievement gaps pertaining to minority and low-SES students; postsecondary readiness; financial and school safety compliance; and the quality of the districts improvement plan. With only a few exceptions, districts were evaluated for 2008-09 according to the new process yet “held harmless,” retaining their rating from the previous year.

Input from the field was gathered and discussed to ensure there will be no surprises when the process is implemented in fall 2009.

Meanwhile, the implementation of S.B. 09-163 will take shape in a manner similar to how the new accreditation process was rolled out this past year. In August, CDE will begin gathering stakeholder input to help inform and develop the required sets of rules, which will begin to be presented to the state board in draft form in November. Research and development design work for the school-level performance framework, and revisions to the district-performance framework, will begin in September. Additional input received in regard to the accreditation process will be considered alongside this

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work, and result in new rules for accreditation. A draft of these rules will be considered by the board in November, with the expectation that the state board will adopt permanent rules in February 2010.

For more information, please contact Richard Wenning ([wenning\\_r@cde.state.co.us](mailto:wenning_r@cde.state.co.us)) or Jhon Penn ([penn\\_j@cde.state.co.us](mailto:penn_j@cde.state.co.us)).

Additional, detailed information about S.B. 09-163, the current accreditation process and how the two will be incorporated to form a comprehensive statewide system of accountability and support will be sent to superintendents in mid-July. This information will also be posted on the department's School and District Accreditation Web page: [http://www.cde.state.co.us/index\\_accredit.htm](http://www.cde.state.co.us/index_accredit.htm).



**CDE'S REGIONAL MANAGERS**

Just as you've grappled with the budget crisis in your districts, I have equally had to assess the budget at the department. Currently, federal funds account for 90 percent of each regional manager; only 10 percent is supported through state funds. Given this scenario – and the fact that the Office of Inspector General is paying us special attention – we have realized that we cannot sustain the regional management structure as it is presently. As such, the role of regional managers is changing to reflect alignment with funding source(s).

While we continue to recreate this system, please know that our goal is to maintain a high level of communication with and support to the field. Of course, once these decisions are made, we will relay the changes and new process to superintendents.



**SENATE BILL 09-256 – PUBLIC SCHOOL FINANCE**

As mentioned in the Recovery Act briefing on the first two pages of this *Update*, State Fiscal Stabilization Funding will be one of the sources used to fund the Public School Finance Act's total program funding for school districts and the Charter School Institute. Of the \$5.7 billion in total program funding, \$2 billion (35 percent) is projected to be received from local property taxes and specific ownership taxes, and \$3.55 billion (62 percent) from state sources. The remaining \$171 million (3 percent) will be from federal state-fiscal stabilization funds.

Again, \$152 million has been allotted for FY 2009-10, with the remaining \$17.8 million designated for FY 2010-11. They will be awarded to districts to maintain formula funding at the level required for FY 2009-10. Allocations by district can be viewed at <http://www.cde.state.co.us/cdefinance/SchoolFinanceFundingFY2009-10.htm>.

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At the May 8 meeting of the Financial Policies and Procedures Committee meeting, updates to the *Financial Policies and Procedures Handbook* and *Chart of Accounts* were presented for the committee's review. The revisions include multiple statutory changes related to accounting requirements for school districts and charter schools, including:

- The elimination of required budgeting for instructional supplies and materials dollars/allocations to capital/insurance reserve funds; the elimination of all minimum spending levels within the capital reserve fund and the elimination of restrictions on money transfers from the capital/insurance reserve funds.
- The replacement of all references to “per pupil operating revenue” with “per pupil revenue” (because the required allocation to capital/insurance reserve no longer applies).
- The modification of “local override” language, changing the limit from 20 percent total program funding to 25 percent of total program funding or \$200,000 (whichever is greater) and changing the reporting requirement to the state board.
- Modifications to the “transportation excess costs override” language on ballots to allow the ballot question to include an annual calculation of excess transportation costs allows the override to include capital expenditures for transportation.
- Additions related to a district's ability to obtain a letter of credit or to designate real property owned by the district as all or a portion of the required TABOR reserve, along with the establishment of a district emergency reserve.
- The addition of a “fiscal emergency restricted reserve account” for districts' use in budgeting to restrict the use of their portion of \$110 million in formula funding until further action of the Colorado General Assembly or Jan. 29, 2010, whichever comes first.

At the committee's June 26, 2009 meeting, the committee will discuss the proposed changes, edit as necessary and adopt the revised handbook and chart of accounts.



**IN CLOSING ...**

As always, thank you for your interest in and support of the Colorado Department of Education's efforts to reform, transform and improve public education for all of Colorado. Thank you also for all you do in your local communities to provide the best possible opportunities for your students.

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*For more information, please visit the department's Web site: <http://www.cde.state.co.us>.*

*UPdate is a periodic review of matters and issues pertinent to education across Colorado. Written by Colorado Commissioner of Education Dwight D. Jones, this brief is distributed via e-mail to board of education members, district superintendents and staff, state legislators, community leaders, educators, parents and other concerned citizens. To be included or removed from this mailing list, or to receive news releases, department highlights or notice of various CDE events, please visit <http://www.cde.state.co.us/Communications/index.html>.*