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## **News Release**

### ***Independent Analysis of CDE Funding Shows Over-Reliance on Federal Sources***

The Colorado Department of Education relies too heavily on federal funding to support its operations, according to an independent analysis presented to the State Board of Education at its monthly work session today.

"The options currently available to CDE in terms of using funding flexibility or aligning resources to departmental priorities are limited," the report states. "CDE is among the lowest funded of state education agencies when comparing total spending per student, proportion of state funding directed toward operations, and an increasing reliance on federal allotments."

While federal funding is expected to increase, the report continues, "such funding lacks the flexibility that CDE needs to make the type of adjustments required to support the changes called for in *Forward Thinking*."

Commissioner Dwight D. Jones launched *Forward Thinking*, the department's new plan to increase the graduation rate and close the achievement gap in all Colorado schools, in September, 2007.

The main goal of *Forward Thinking* is "to create a purpose-driven and dynamic system of educational leadership, service and support that relentlessly focuses on the learning of ALL students."

To better understand the various funding streams that support the 40 business and educational functions carried out by CDE, Commissioner Jones requested an independent analysis of the department's financial structure.

The report was conducted as a collaborative undertaking by School Services of California, Inc. under contract to the Southwest Comprehensive Center at WestEd, a non-profit research, development and service agency.

One goal of *Forward Thinking* was to make “efficient, effective use” of federal, state and private funds.

“Efficient and effective use of resources presumes that sufficient resources exist to achieve specific outcomes and accomplish an organization’s high-priority work,” the new report states. “While *Forward Thinking* elaborates on desired outcomes for the CDE, funding that can be directed in support of requisite endeavors is the critical building block.”

The report draws three “essential findings:”

- CDE relies heavily on federal funding to support operations—far above the level of other states. As one example, the Maryland Department of Education receives 4.3 times the state funding that Colorado receives.
- Federal mandates—not departmental priorities—define the CDE due to over reliance on federal funding to support operations.
- CDE’s budget is treated as a cash flow device—much like a checkbook—rather than a statement of policy.

“A major challenge faced by CDE that needs to be considered above all else is the lack of available resources,” the report states. “Absent an increase in flexible funding for state operations—ideally in the form of General Fund support—changes could be made, yet their impact will be felt only at the margins of the CDE’s ongoing responsibilities.”

The complete WestEd report can be found on the CDE Web site at this address:

<http://www.cde.state.co.us/communications/download/PDF/20080409cdefundingreport+Cover.pdf>

**For more information, contact** Mark Stevens, 303-866-3898, or Megan McDermott, 303-866-2334, in the CDE Office of Communications. To sign up for the CDE e-mail news service, please visit

<http://www.cde.state.co.us/Communications/index.html>.

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