Schedule 13
"1331" Supplemental for FY 07-08

Decision Item FY 08-09 ☐ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☑ Budget Request Amendment FY 08-09 ☐

Request Title: Increased Spending Authority For BOCES Contract
Department: Education
Priority Number: "1331" Request

Dept. Approval by: [signature] Date: 9/21/07
OSPB Approval: [signature] Date: 9/21/07

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 "1331" Supplemental Request FY 07-08	4 Total Revised Request FY 07-08	5 Base Request FY 08-09	6 Decision/ Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Total Revised Request FY 08-09	10 Change from Base (Column 5) FY 09-10
Total of All Line Items	Total	456,531	762,698	637,157	1,399,855	0	0	0	0	0	0
	FTE	2.6	7.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	456,531	762,698	637,157	1,399,855	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Management and Administration											
State Charter School Institute Administration, Oversight, and Management	Total	456,531	762,698	637,157	1,399,855	0	0	0	0	0	0
	FTE	2.6	7.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE	456,531	762,698	637,157	1,399,855	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

Footnote: No new state spending for Total Program is required for this supplemental. The Department will withhold distributions to member charter schools to pay a contract for services provided to those member charter schools.

Letternote revised text: None

Cash Fund name/number, Federal Fund Grant name:

IT Request: ☐ Yes ☑ No

Request Affects Other Departments: ☐ Yes ☑ No **If Yes, List Other Departments Here:**

"1331" SUPPLEMENTAL REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Education – Charter School Institute
Priority Number:	"1331" Request
Change Request Title:	Increased Spending Authority For BOCES Contract

SELECT ONE (click on box):

- ☐ Decision Item FY 08-09
- ☐ Base Reduction Item FY 08-09
- ☒ "1331" Supplemental Request FY 07-08
- ☐ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- ☐ Not a Supplemental or Budget Request Amendment
- ☒ An emergency
- ☐ A technical error which has a substantial effect on the operation of the program
- ☐ New data resulting in substantial changes in funding needs
- ☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Charter School Institute (CSI) is requesting an increase in its statutory spending authority to account for the unforeseen circumstances in obtaining contracts with a local Board of Cooperative Educational Services (BOCES). The Institute is seeking an increase in spending authority of $637,157 to provide the services through the BOCES needed to support school staff and students.

Background and Appropriation History:

The Charter School Institute was established in 2004 with 2 schools being approved in the initial round of application submissions. These schools accounted for approximately 350 students, this school year 07/08 the institute has 12 schools and in excess of 3,700 students.

Last school year the CSI entered into a contract with the Pikes Peak BOCES as a full member. The contract included the provision of exceptional student services at the Colorado Springs Charter Academy. Those services included a full-time Special

Education teacher and all PT, OT, Speech and Language, etc. services required by students' IEPs. Colorado Springs Charter Academy paid $95,400 for the special education services portion of the contract and CSI $28,400 for administration and general services related to membership in the BOCES.

In the current school year 07/08 CSI is attempting to contract with the Pikes Peak BOCES to provide exceptional student services for up to 4 individual charter institute schools. The BOCES contracts with school districts as the member entity, not individual schools; thus CSI is the sole contract authority, and the contract between CSI and the schools includes the cost of special education services to the schools.

General Description of Request:

The Charter School Institute is requesting that it have the authority to directly spend funds withheld from the distributions to individual charter schools to pay for the contract with the Pikes Peak BOCES serving multiple charter schools during this school year. As mentioned in the "background and history" section, in past years CSI has only paid a minor portion of the BOCES contract and the individual school paid the BOCES directly for the balance of the contract. Going forward CSI must pay the BOCES directly for the total contract amount. In order to accomplish this transaction CSI needs to withhold from the distributions to individual charter schools the amount the individual school would have paid for their share of the BOCES contract. This practice is consistent with how an individual school district would enter into a contract with a BOCES to serve multiple schools within a district. The CSI does not currently have the authority to complete this transaction similar to how a school district would, even though for all practical purposes CSI is acting like a district in this circumstance.

In order for CSI to complete this transaction with the Pikes Peak BOCES and provide services to these schools, CSI is requesting an increase of $637,157 cash funds exempt spending authority to the State Charter School Institute Administration, Oversight, and Management appropriation. CSI will simply withhold a portion of the distributions from specific institute charter schools and pay the BOCES contract directly.

Consequences if Not Funded:

CSI will not be able to contract with the BOCES to provide Exceptional Student services and staff to for individual charter schools. The schools are required to provide specific services and the schools would fail to meet specific requirements.

All schools are required to have a nurse on staff or a nurse RN (with a BS degree) to oversee the ongoing school clinics, Audio logical testing and formulation of remediation programs, physical and occupational therapy for special needs students, speech therapy, vision and hearing screening for all students on an annual basis, outreach counseling for students , the hiring of special education teachers for school unable to provide teachers in the required amount (this may be a sharing of a specific teacher over multiple schools) and technology services for schools to obtain IT support, procurement of both computer software and hardware.

Calculations for Request:

Summary of Request FY 07-08	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$637,157			$637,157		
Increased Spending Authority For BOCES Services to Schools	$590,157			$590,157		
Increased Spending Authority For BOCES Administrative Fee to CSI	$47,000			$47,000		

Assumptions for Calculations:

The basis of calculation of the $637,157 for this request is extrapolated from the original BOCES estimate for a charter schools consisting of 305 students to all four schools with a student population of 1,049.

This formula used is only an approximation of the final statement of work and contract language as we are currently waiting to receive this information from the BOCES.

- Original Contract Estimate for 07/08 with ONLY Colorado Springs Charter academy (305 students) is $171,590.
    - This is an estimated cost of approximately $562.60 per student.
- The projected number of student in schools anticipated to be covered by the BOCES contract for FY 07/08 is 1,049.
- Using the estimated cost per student the estimated BOCES contract for FY 07/08 is **$590,157**.
- The BOCES charges an administration fee to the school district, in this case that would be the Charter School Institute, and the estimated amount for this fee is **$47,000** in FY 07/08. (This is based on conversations with Pikes Peaks BOCES staff.)

Impact on Other Government Agencies: None.

Cost Benefit Analysis: This is a technical request for spending authority. No cost benefit analysis is provided.

Implementation Schedule:

Task	Month/Year
Finalize and Sign Contract Between BOCES and CSI	September 2007
Payments to BOCES Quarterly	September 2007
Payments to BOCES Quarterly	December 2007
Payments to BOCES Quarterly	March 2008
Payments to BOCES Quarterly	June 2008

Statutory and Federal Authority:

Section 22-30.5-501, C.R.S. (2006), 1) The general assembly hereby finds, determines, and declares that:
(a) There is a growing demand for more charter schools in the state.
(b) There is an underserved population of at-risk students in the state, for whom innovative educational models are needed.
(2) The intent of the general assembly in establishing the state charter school institute pursuant to this part 5 is to:
(a) Provide an alternative mode of authorizing charter schools as a means to assist school districts in utilizing best practices for chartering schools and to approve and oversee charter schools in school districts not desiring to do so themselves; and
(b) Preserve the authority of a school district to authorize charter schools, at the school district's option.

Section 22-30.5-503(1)(IV)(c), C.R.S. (2006), The institute is authorized to enter into contracts or service agreements with any public or private contractor to provide administrative services or technical assistance to institute charter schools pursuant to this part 5. Any such contract or service agreement shall also include provisions establishing liquidated damages and penalties for failure to comply with the terms and conditions of the contract and shall be in accordance with rules promulgated by the institute board.

Section 22-30.5-505(4)(d), C.R.S. (2006), To cooperate and contract with the state or federal government or an agency or instrumentality thereof and to apply for and receive grants or financial assistance from any such entities;

Section 22-30.5-505(4)(f), C.R.S. (2006), To do or perform an act authorized by this part 5 by means of an agent or by contract with a person, firm, or corporation;

Performance Measures:

The Department is in the process of developing performance measure in the Strategic Planning process. A performance measure is not available at this time.