



Augenblick, Palaich  
and Associates, Inc.

**Analysis of the Costs of  
Colorado's Achievement Plan for Kids (CAP4K)  
Second Interim Report**

Prepared for  
Colorado Department of Education

By  
Augenblick, Palaich and Associates  
and the  
Colorado School Finance Project

October 2011

## **Executive Summary**

This report is the second of three prepared by Augenblick, Palaich and Associates (APA) for the Colorado Department of Education (CDE) to estimate the costs associated with Colorado’s Achievement Plan for Kids (SB 212 of 2008, commonly referred to as CAP4K). CAP4K is designed to “align the public education system from preschool through postsecondary and workforce readiness” [22-7-1002 (4)(a)] and to create a “seamless system of standards, expectations, and assessments from preschool through postsecondary and workforce readiness” [22-7-1002 (4)(c)]. The first report was submitted in March 2010; it focused on the planning phase of CAP4K in three key areas (formerly referred to as components): (1) School Readiness; (2) New Content Standards; and (3) Postsecondary and Workforce Readiness (PWR).

This second report will focus on the implementation phase of each of these areas as they relate to the overall implementation of the new assessment system for CAP4K. APA met with representatives on behalf of each the four key impacted entities- Colorado Department of Education (CDE), Colorado Department of Higher Education, K-12 school districts; and institutions of higher education (IHEs) - in order to understand the activities and associated costs needed to fulfill the requirements of each phase of CAP4K.

In the first report, the following activities were identified as being necessary for the preparation phase of CAP4K:

**Colorado Department of Education-** CDE co-convened regional tours and held meetings with stakeholders; conducted a review of relevant literature and best practice; developed the school readiness and PWR descriptions; developed new content standards; developed school readiness indicators; and developed strategic implementation and outreach plans.

**Department of Higher Education-** DHE held meetings with stakeholders, including representatives of higher education institutions; participated in the development of the PWR description by co-convening regional tours; conducted a literature review; developed a database and conducted an analysis of pertinent data.

**School Districts-** School districts translated new state requirements into local language and local expectations; designed and implemented staff development; adopted the new content standards and aligned their existing curriculum; planned for new assessments; determined material and technology needs; and managed communications with students and families about new requirements (some of these tasks may still be in process).

**Institutions of Higher Education-** IHEs planned for any needed changes to their teacher preparation programs, admissions policies, remediation policies and materials as a result of CAP4K. Community colleges also participated in the development of the school readiness, PWR and content standards.

This second report identified additional tasks for the preparation phase of CAP4K for all entities that have been undertaken since the March 2010 date of the first report, as well as tasks for ongoing implementation tasks for the new assessment system for CDE and school districts. These tasks include:

**Colorado Department of Education-** CDE held internal meetings; co-convened regional tours with DHE; jointly presented to the State Board of Education and the Colorado Commission on Higher Education with DHE; held additional meetings with stakeholders and committees; and developed a Request for Proposals (RFP) for the development of the new assessments to be released in November. Going forward, CDE expects to develop and provide the new assessments and create a student data system.

**Department of Higher Education-** DHE held internal meetings; co-convened regional tours with CDE; jointly presented to the State Board of Education and the Colorado Commission on Higher Education with CDE; held additional meetings with stakeholders; gathered data from the admissions directors at higher education institutions; and contracted with a consultant to produce a data analysis report.

**School Districts-** In addition to further professional development for staff related to Individual Career and Academic Plans (ICAPs) and assessments during the preparation phase, school districts will also undertake several tasks for implementation going forward. These tasks are to: identify school readiness goals for schools and district as part of improvement/strategic plan for accreditation; administer assessments to students; create and update Individual Readiness Plans (IRPs) for all kindergarten and 1<sup>st</sup> grades as well as ICAPs for students in grades 9-12; analyze assessment data; provide additional support and services to 11<sup>th</sup> and 12<sup>th</sup> grade ELL students to reach language proficiency; provide ongoing professional development to staff; manage ongoing communications; integrate technology; and manage the student data system.

**Institutions of Higher Education-** Staff from IHEs met with DHE staff to discuss CAP4K and ICAPs; held trainings and meeting with faculty; supervisors and students; and going forward will align their teacher preparation program curriculum and create and revise materials and guidebooks.

Once activities were identified, APA worked with representatives from each entity to identify the new resources that would be needed due to CAP4K requirements; APA did not include any resources for tasks that would have already been undertaken regardless of CAP4K. Cost estimates based upon the resources determined in this phase of the study were then combined with estimates from the first report. The total estimated costs for all entities as of this report are shown in the table on the following page:

	<b>One-time Preparation Phase Costs</b>	<b>Ongoing Implementation Phase Costs</b>
Colorado Department of Education	\$27,223,772	\$16,684,082
Department of Higher Education	\$273,576	-
K-12 School Districts	\$138,825,753	\$189,069,536
Higher Education Institutions	\$1,731,231	-
<b>Total Estimated Cost for CAP4K for Second Interim Report</b>	<b>\$178,174,124</b>	<b>\$205,753,618</b>

It is important to note that these estimates are based upon current understanding of the expectations of CAP4K and current budget realities, including recent reductions of \$776 million to K-12. As such, any changes in expectations or funding will affect these estimates. These costs will be revisited and finalized in our third and final report to be submitted in October 2012.

## **Contents**

Executive Summary.....	i
Introduction .....	1
Overview of CAP4K .....	1
Scheduled Implementation of CAP4K.....	2
Areas of CAP4K.....	3
Area One- School Readiness .....	3
Area Two- New Content Standards .....	5
Area Three- Postsecondary and Workforce Readiness .....	5
New Assessment System .....	7
Changes in Understanding of CAP4K since First Report .....	8
The Procedure Used to Estimate Costs.....	10
Distinctions Made When Creating Cost Estimates .....	11
Compliance vs. Fulfilling Implied Intent.....	11
New Costs vs. Continued Costs.....	12
One-Time Preparation Costs vs. Ongoing Implementation Costs .....	12
Tasks that Should be Undertaken vs. Those That Can be Undertaken Within Budget Constraints ...	12
Brief Summary of Findings from First Interim Report .....	12
Findings for Second Report: Activities and Costs by Entity .....	14
Colorado Department of Education (CDE).....	14
Colorado Department of Higher Education (DHE).....	16
K-12 School Districts .....	17

Institutions of Higher Education ..... 23

Costs to All Entities during First and Second Reporting Phases ..... 24

Appendices

Appendix A- School District Collection Device for Phase 2

## **Introduction**

This report is the second of three reports designed to estimate the costs associated with Colorado’s Achievement Plan for Kids (SB 212 of 2008, commonly referred to as CAP4K). SB212 required that a study of the “ anticipated ...costs of implementing the provisions” of the law be undertaken and that the Colorado Department of Education (CDE), in consultation with the Colorado Department of Higher Education (DHE), contract with an independent entity to do this work (22-7-1018). Because CAP4K is implemented over several years, interim cost estimates are required to be completed by March 15, 2010 and by October 1, 2011; with a final cost estimate to be completed by October 1, 2012. The legislation also required that separate cost estimates be identified for: 1) the Colorado Department of Education (CDE); 2) the Colorado Department of Higher Education (DHE); 3) 178 school districts in the aggregate (including Boards of Cooperative Education Services and the Charter School Institute); and 4) 27 postsecondary institutions in the aggregate (including 12 four-year public institutions and fifteen two-year public institutions, which includes the community college system).

Augenblick, Palaich and Associates, Inc. (APA) was awarded the contract for this cost study in October of 2009. APA is a Denver-based education consulting firm that has worked with policymakers around the nation on issues related to education funding since 1983. APA has undertaken a variety of projects for CDE, numerous Colorado school districts, and several local foundations including ones focused on the use of pupil-weighted funding formulas, analyses of school district budgets, the development of alternative teacher compensation models, and the examination of school reorganization. For this project, the Colorado School Finance Project (CSFP) is a subcontractor to APA for the purpose of providing support and assistance. The CSFP was created in 1995 by the Colorado Association of School Boards, the Colorado Education Association, and the Colorado Association of School Executives and monitors school funding in the state.

## **Overview of CAP4K**

CAP4K is designed to “align the public education system from preschool through postsecondary and workforce readiness” [22-7-1002 (4)(a)] and to create a “seamless system of standards, expectations, and assessments from preschool through postsecondary and workforce readiness” [22-7-1002 (4)(c)]. The legislature recognized that in order to meet such goals it is necessary that “the State Board of Education and the Colorado Commission on Higher Education, with the departments of education and higher education, work in close collaboration” [22-7-1002 (4)(b)] and that it is a “multi-faceted and complex project that will require multiple stages of planning, design, and implementation ... that will likely continue over years” [22-7-1002 (4)(c)]. Fulfilling these expectations “will likely require ...the allocation of new resources to meet increased needs at the state and local levels, including but not limited to significant investment in professional development for educators.” [22-7-1002 (4)(c)]. The CAP4K cost study was expected to address the costs associated with changes made to the existing education system including:

1. Reviewing, adopting, and implementing standards and curricula;
2. Implementing a new assessment system for CAP4K's preschool through elementary and secondary standards;
3. Implementing the school readiness description and assessments, including creating and implementing individualized school readiness plans;
4. Incorporating career and technical education standards into the curricula;
5. Aligning the preschool, elementary, secondary, and postsecondary education curricula with the postsecondary and workforce readiness description and administering and reviewing the postsecondary and workforce planning, preparation, and readiness assessment;
6. Making changes to the postsecondary admissions processes and publications;
7. Reviewing, adopting, and implementing standards in teacher preparation programs [22-7-1018 (1)(c)(I) - (VII)];and
8. Revising graduation requirements and adopting a system of diploma endorsements.

### ***Scheduled Implementation of CAP4K***

The scheduled implementation of CAP4K required a number of benchmarks to be met by CDE, DHE, the State Board of Education, the Colorado Commission on Higher Education, and school districts in the years between 2009 and 2014. A number of these expectations have been fulfilled to date, with the remainder to be completed in the coming years. These benchmarks are as follows:

In 2009, CDE and DHE contracted with an independent entity (APA) to conduct the cost study; the State Board of Education adopted preschool through secondary education course standards; and the State Board of Education and the Colorado Commission on Higher Education created the postsecondary and workforce readiness description.

In 2010, the first cost study report was submitted in March; the State Board of Education and the Colorado Commission on Higher Education mutually adopted the new assessment system (inclusive of school readiness and postsecondary and workforce readiness) on December 6.

In 2011, this second report was submitted in October; CDE is expected to release the RFP for the development of the new assessments by November; local school boards are expected to adopt preschool through secondary education course standards and revise their curricula by December 15. Separate from the requirements for CAP4K, HB 1118 requires that minimum graduation requirements be adopted by December (deadline had been postponed previously to better align with CAP4K).

In 2012, the third cost study report is to be completed by October 1; the State Board of Education is expected to adopt the criteria for high school diploma endorsements by March; DHE is expected to develop annual reports on enrollment and education attainment at postsecondary institutions by February 15; local school districts are expected to develop individualized readiness plans for preschool and kindergarten for the fall semester; and the

Colorado Commission on Higher Education is expected to have reviewed basic skills placement and assessment tests by December 15.

In 2013, CDE is expected to prepare progress and effectiveness reports by February 15; local school districts are expected to have fully implemented new standards and curriculum in their classrooms; and local school districts are expected to administer kindergarten readiness assessments.

In 2014, the Colorado Commission on Higher Education is expected to revise postsecondary admission policies, if needed; and the new summative assessments are expected to be administered (except for the new social studies assessment which will be administered in 2016).

### *Areas of CAP4K*

For the purposes of this report, APA looked at three areas of CAP4K (referred to as components in the first interim report) as they relate to the overall implementation of the new assessment system for CAP4K:

1. School Readiness;
2. New Content Standards; and
3. Postsecondary and Workforce Readiness.

Included below are summaries of each of these areas. Please note that much of the language is school district specific as they originally appeared in the materials provided to school districts.

#### Area One- School Readiness

In December 2008, the State Board of Education adopted the following description of school readiness as part of CAP4K:

*School Readiness describes both the preparedness of a child to engage in and benefit from learning experiences, and the ability of a school to meet the needs of all students enrolled in publicly funded preschool or kindergarten. School Readiness is enhanced when schools, families, and community service providers work collaboratively to ensure that every child is ready for higher levels of learning in academic content.*

Using this description, the State Board is adopting school readiness guidelines that are designed to measure a child's preparedness when entering school and identify areas of improvement. Indicators of children's school readiness include:

- **Social and Emotional Development** (e.g. ability to form human relationships, to get along in a group setting, self-confidence, sense of right and wrong, sense of empathy)

- **Communication and Language Development** (e.g. verbal and non-verbal skills, awareness of representation and meaning, ability to be understood and understand others)
- **Approaches to Learning** (e.g. participate and complete tasks, independently choose activities, age-appropriate level of concentration, problem-solving skills)
- **Content Knowledge** (e.g. basic knowledge of numbers, basic understanding of concepts, i.e., heat/cold, more/less)
- **Physical Well-Being and Motor Development** (e.g. rate of growth, motor skills, medical care)

Under SB 08-212, local education providers will create and implement Individual Readiness Plans (IRPs) for every child to address any areas where improvement is needed. The intent is that IRPs will inform teacher practice and help students progress towards school readiness.

In addition to addressing the preparedness of children entering elementary school, School Readiness under CAP4K also addresses the ability of a school to meet the needs of kindergarten students by working collaboratively with families and community service providers. Per CDE, examples of school capacity components include:

- **Professional Proficiency** (e.g. highly trained and qualified adults, knowledge of growth and social development of typically and atypically developing children, ability to translate knowledge into developmentally appropriate practices, application of knowledge of research proven practices to meet the developmental needs of all students)
- **Strategic Thinking in Leadership** (e.g. school leadership which works invitingly with young families, hospitals, child care providers and all P-3 educators to maximize the learning outcomes; leaders who analyze their success and communicate progress and needs in a way which compels parents and local citizens to get involved)
- **Community Services and Family Engagement** (e.g. provide an inventory of all available service providers in neighborhood range – [health, parent education, social service, family support; arrange regular meetings and executive director briefings to facilitate active participation and communication about on-going needs and services; measure outreach, enrollment, alignment of student attendance and satisfaction survey by internal and parent consumers])
- **Structures and Resources** (e.g. developmentally appropriate materials and resources, small class size, availability of full-day kindergarten, appropriate facilities)

These capacity issues are intended to be evaluated as part of the school accreditation process by including readiness indicators in existing plans and reporting structures.

### Area Two- New Content Standards

As part of CAP4K, the state completed a standards review to update Colorado's state content standards. Previously, Colorado Model Content Standards existed in the areas of civics, dance, economics, foreign language, geography, history, mathematics, music, physical education, reading and writing, science, theater, and the visual arts for grades K-12. CAP4K required CDE to revise the standards in three ways: (1) to expand the standards to preschool through grade twelve; (2) to align the standards with the new descriptions of school readiness and postsecondary and workforce readiness; and (3) to meet the highest national and international standards that have been implemented successfully and that meet the legislation's other requirements. School districts were required to revise their standards to meet or exceed the new state standards, at a minimum, in those subject matter areas that are including in the state preschool through elementary and secondary education standards, including but not limited to English language competency.

New content standards and depth of knowledge indicators, by grade level, were created in the following areas:

- Dance
- Drama and Theatre Arts
- Comprehensive Health & Physical Education
- English Language Proficiency
- Mathematics
- Music
- Reading, Writing and Communicating
- Science
- Social Studies
- Visual Arts
- World Languages

The standards were designed to include postsecondary and workforce readiness and 21<sup>st</sup> Century skills in all areas. Standards in the areas of Reading and Math are based upon the common core standards developed by the National Governors Association Center for Best Practices and the Council of Chief State School Officers that have currently been adopted in 33 states.

### Area Three- Postsecondary and Workforce Readiness

The draft definition of postsecondary and workforce readiness (PWR) jointly adopted on June 30, 2009 by the Colorado State Board of Education and the Colorado Commission on Higher Education is as follows:

*“Postsecondary and workforce readiness” describes the knowledge, skills, and behaviors essential for high school graduates to be prepared to enter college and the workforce and to*

*compete in the global economy. The description assumes students have developed consistent intellectual growth throughout their high school career as a result of academic work that is increasingly challenging, engaging, and coherent.*

Postsecondary education and workforce readiness assumes that before graduating high school students are ready and able to demonstrate the following without the need for remediation:

1. **Content knowledge** in the areas of (1) literacy; (2) math; (3) science; (4) social sciences; and (5) the arts and humanities.
2. **Learning and life skills** in the areas of (1) critical thinking and problem-solving; (2) finding and using information/information technology; (3) creativity and innovation; (4) global and cultural awareness; (5) civic responsibility; (6) work ethic; (7) personal responsibility; (8) communication; and (9) collaboration.

Statewide summative assessments will address Postsecondary and Workforce Readiness skills and knowledge. Additionally, districts will be expected to administer a college admissions assessment to 11<sup>th</sup> grade students (The State Board of Education has ratified ACT through 2015). Districts may choose to offer additional college admissions planning and preparation assessments in earlier grades.

While part of separate legislation, CDE believes Individual Career and Academic Plans (ICAPs) will serve as an additional tool for tracking students' PWR planning, preparation and progress. Based upon the language of the ICAP legislation, all students are required to develop an ICAP starting in 9<sup>th</sup> grade in collaboration with their school counselors, school administrators, school personnel and/or "Approved Postsecondary Service Providers" that is used to help establish personalized academic and career goals, explore postsecondary career and educational opportunities, align course work and curriculum, apply to postsecondary institutions, secure financial aid and ultimately enter the workforce." Each ICAP shall include a career planning, guidance and tracking component and a portfolio that reflects, at a minimum: (1) Documentation of the student's efforts in exploring careers including: a written postsecondary and workforce goal for the student; yearly benchmarks for reaching that goal; interest surveys that the student completes; and anticipated postsecondary studies; (2) The student's academic progress including the courses taken, any remediation or credit recovery and any concurrent enrollment credits earned; (3) An intentional sequence of courses reflecting progress toward accomplishment of the student's postsecondary and workforce objectives; (4) Relevant assessment scores; (5) The student's plans for and experiences in Contextual and Service Learning, if applicable; (6) A record of the student's college applications or alternative applications as they are prepared and submitted; (7) The student's postsecondary studies as the student progresses through high school; (8) The student's progress toward securing scholarships, work-study, student loans and grants; and (9) Other data reflecting student progress toward postsecondary and workforce readiness, including the student's understanding of the

financial impact of postsecondary education.”<sup>1</sup> ICAPs should be easily accessible to students, guardians and educators and be transferable in print or electronic form for internal and external district use.

The State Board of Education will adopt a comprehensive set of guidelines for the establishment of high school graduation requirements by December 15, 2011. Districts will be expected to develop graduation requirements that meet or exceed these guidelines to be applicable to students enrolling in ninth grade beginning in the 2012-13 school year (subject to change).

Additionally, the State Board and the Colorado Commission on Higher Education (CCHE) will be jointly adopt high school diploma endorsement criteria indicating a student’s level of postsecondary and workforce readiness. Students receiving a postsecondary and workforce readiness endorsement shall be guaranteed eligibility for credit-bearing courses and are guaranteed to meet minimum academic qualifications for admission into Colorado's moderately selective institutions of higher education subject to additional review of other admission and placement qualification. Beginning in school year 2012-13, high school diploma endorsement criteria **may be used** by districts to indicate a student has achieved postsecondary and workforce readiness or to indicate extraordinary academic achievement, but it is not required.

By 2014, the Colorado Commission on Higher Education will be revising the minimum academic admission standards for first-time freshmen and transfer students to align with high school graduation requirements.

Beginning in the 2011-12 school year, schools will also need to provide additional services and supports for 11<sup>th</sup> and 12<sup>th</sup> grade English language learners if they are unable to meet English language competency standards or demonstrate Postsecondary and Workforce Readiness (subject to review).

### ***New Assessment System***

The new assessment system that assesses students on each of the above areas (school readiness, content standards and PWR) will include the following elements, some of which are new and some that are currently administered:

1. School Readiness (Ready Child) Assessment to be administered to all incoming kindergarten students;
2. Numeracy and literacy assessments administered in grades 1, 2 and 3<sup>2</sup>;
3. English Language Proficiency Assessment administered in grades K-12 both upon the students arrival and annually;
4. College Admissions Assessment administered to 11<sup>th</sup> grade students;

---

<sup>1</sup> State Board of Education, Department of Education, 1 CCR 301-81 “Rules governing standards for Individual Career and Academic Plans.”

<sup>2</sup> Numeracy assessments were not a part of the original CAP4K legislation, but have since been included

5. State Summative Assessments(CSAP replacement exams) to measure end-of-year mastery which include math, reading and writing assessments administered in grades 3-11, science and social studies assessments administered once in elementary, middle and high school<sup>3</sup>. This is paired with an Alternate State Summative Assessment in the same grades and areas; and
6. Voluntary Interim Assessments which are ongoing measures for grades K-12 in both state summative subjects and non-state-summative subjects to be taken three to four times a year. CDE will be providing these assessments pending fiscal feasibility.

### **The Assessment Transition Plan**

The new assessment system will not be implemented until 2014. In the meantime, the state begins the transition to the new system in 2012, with the Transition Colorado Assessment Program ("TCAP"). The transition assessment will look like current assessment but will only test, where possible, the material found in both old and new standards. CDE will issue a description of what content that means for each grade in April 2011. The TCAP will have no shift in content grade expectations and no new content, such as the personal financial literacy or summative social studies assessments. Finally, the use of the same test blueprint will not change growth model or accountability ratings until 2014. Please see below for the assessment transition timeline:

**Spring 2011** - CSAP as usual

**Spring 2012** - Transition Colorado Assessment Program (TCAP)

*CDE will assemble and administer a CSAP transition test using the New Colorado Academic Standards with current test items that are common to both the old and new standards.*

**Spring 2013** - TCAP transition test (plus pilot of the test items)

**Spring 2014** - New Colorado Assessment administered<sup>4</sup>

### ***Changes in Understanding of CAP4K since First Report***

Part of the process in compiling these reports is meeting with CDE and DHE staff at the beginning of each phases work. As CAP4K is still being implemented, these meetings have identified areas where CAP4K has evolved since the previous report and it is possible that further changes will occur by the third report. There were a number of key changes and developments since the first report which include:

1. The three components of School Readiness, Content Standards; and PWR are no longer thought of separately by CDE but are instead considered to be part of an interwoven and overlapping system of reform. Therefore, while estimates in the first report were disaggregated by

---

<sup>3</sup> Social studies assessments were not a part of the original CAP4K legislation, but have since been included

<sup>4</sup> Social studies assessments will not be administered until 2016.

component, resource estimates in this phase of work will look at the costs of implementation for CAP4K as a whole. Diploma endorsements that will not be addressed until the final report.

2. Previous interpretation of CAP4K expectations was that districts would need to develop a separate Postsecondary and Workforce Readiness program; it was unclear at the time of the first report what this would entail and as such a cost estimate was not developed in this area. CDE has since clarified that there is no need for a separate PWR program. PWR is instead considered to be an integral part of the K-12 curriculum. Districts are therefore only required to administer one college admissions assessment in 11<sup>th</sup> grade and are not required to administer other PWR assessments in other grades as previously anticipated (since mastery assessments will address PWR skills already).
3. Individual Career and Academic Plans (ICAPs) which were a part of separate legislation have since been incorporated with CAP4K efforts and as such resources associated with these efforts will be included in our estimates.
4. As expected, CDE will develop new state summative assessments in the areas of Math, Reading, Writing, Science, and Social Studies to measure end-of-year mastery. However, an additional year of testing in the 11<sup>th</sup> grade is a new development. CDE will also be creating voluntary interim assessments that districts can elect to administer.
5. CDE will be selecting school readiness assessment options that expand upon Results Matter Assessments which are already being used in many districts for Early Childhood Education. As such, the resources needed for the area of school readiness identified in the first report for the planning phase as a range will likely be at the lower end of the cost range. Going forward we will use the lowest figure of that range.
6. CDE is developing a resource bank of professional development tools and materials that districts can access to create or supplement their professional development system. This may reduce the need for districts to develop their own professional development materials going forward.
7. CDE hopes to create an integrated student data system, to allow staff, students and parents to review assessment results and access additional materials such as student Individual Career and Academic Plans (ICAPs).
8. At the time of our data collection, CDE had not released their recommendations for the assessment administration method. It was assumed that the length of time needed for each testing subject area assessment will be approximately the same as the amount of time currently required to administer a CSAP subject area test, regardless of whether it is administered online or paper pencil. We had additional discussions around resource needs if the assessments are online, but did not create cost estimates since too many influencing variables were unknown.

### *The Procedure Used to Estimate Costs*

Developing cost estimates for any piece of legislation can be difficult for a variety of reasons: (1) legislation may be so broad that it is difficult to define it clearly; (2) there may be numerous ways to accomplish the goals of the legislation; and (3) complying with the requirements of the legislation may be different from achieving the outcomes or goals of the legislation. Preparing cost estimates for CAP4K is particularly tricky because: (1) in part, the legislation defines a completely new undertaking; (2) costs need to be estimated not only for the state but also for education institutions; (3) different institutions are at different places in terms of legislative requirements – that is, some had already been working on parts of the legislation before it was enacted; (4) the national economic recession hit Colorado just as the legislation was beginning to be implemented, which resulted in agencies and institutions focusing a great deal of their attention on reducing costs; and (5) CAP4K is one of several statutory requirements that school districts and postsecondary institutions face that interact with each other in some way, including alternative teacher preparation programs (SB 160), educator evaluation systems (SB191), new accreditation and accountability systems (SB 163), concurrent enrollment (HB 1319), individual career and academic plans (included in SB 256), and ongoing requirements of the federal Elementary and Secondary School Act (commonly referred to as No Child Left Behind), and development of the “Higher Education Plan”.

As part of the contract between CDE and APA, APA held initial meetings prior to undertaking data collection for each of the reports to define the scope of the work (as required by the legislation). The first report focused on:

1. The school readiness description and planning for its implementation in school districts and potential impact on postsecondary institutions;
2. Elementary and secondary grade level standards and planning for their implementation in school districts and potential impact on postsecondary institutions; and
3. The postsecondary and workforce readiness description and planning for its implementation and potential impact on postsecondary institutions.

The second report builds upon the findings of the first report with the additional tasks to examine resource needs for the following tasks:

1. Developing and implementing assessments (including school readiness, literacy, numeracy, and mastery assessments) in school districts and for CDE;
2. Developing Individualized Readiness Plans (IRPs) for kindergarten and first grade students and developing Individual Career and Academic Plans (ICAPs) for 9<sup>th</sup> through 12<sup>th</sup> grade students in school districts;
3. Revising teacher preparation programs for higher education institutions and DHE;

4. Providing professional development for all entities; and
5. Gathering, compiling, and evaluating data for all entities.

Activities associated with new graduation requirements and diploma endorsements will be addressed in the third and final report.

APA used a methodology to develop cost estimates for both reports that is commonly referred to as the “professional judgment” approach among school finance policy makers and practitioners. This approach, which has been used effectively in multiple K-12 school finance studies conducted across the country, typically utilizes panels of experts to identify programs, staffing and materials that can be translated into costs for hypothetical school districts of specific sizes and with specific student enrollment characteristics. Using this approach in the CAP4K setting, APA asked affected parties to develop lists of the tasks and activities they felt were necessary to undertake in order to implement each CAP4K component. They were also asked to estimate both the amount of time different people would need to complete those activities and any other costs for supplies, materials, technology, meetings and contracts with specialists.

For both reports, APA met with CDE and DHE and communicated via email to develop the lists of tasks and activities they had undertaken and planned to undertake and to obtain time estimates for different staff. For school districts, it was determined that it would be difficult to gather needed information from all districts in the state through a survey. Therefore, APA staff spoke with school districts of various sizes to discuss the activities that they had undertaken or planned to undertake for CAP4K. For postsecondary institutions, staff at DHE worked with postsecondary institutions to estimate the activities that they had undertaken or planned to undertake.

### *Distinctions Made When Creating Cost Estimates*

APA made several important distinctions when capturing what activities and resource costs could be attributed to CAP4K. These included: (1) activities, tasks and resources needed for compliance vs. fulfilling the implied academic goals and intent of the legislation, (2) new vs. continued activities, which were translated to costs, (3) one time vs. ongoing activities that were translated to costs; and (4) defining efforts that should be made to effectively and efficiently comply with CAP4K vs. those that could be undertaken in an environment of budget reductions. Each of these distinctions is described in greater detail below.

#### Compliance vs. Fulfilling Implied Intent

APA differentiated between the costs of complying with CAP4K and the costs of fulfilling the intended objectives of the legislation. Compliance costs refer to those incurred by affected entities to meet the stated requirements of the legislation. For example, CAP4K requires that school districts assess incoming kindergarten or first grade students and, on the basis of the results, create an individualized plan so that each student is prepared academically and socially for school. In this example, compliance

costs are those associated with developing the assessment procedure, actually conducting the assessment, reviewing results, and preparing plans for individual students on the basis of those results. However, what would not be included in this example are any resources needed to ensure that the student, once assessed, becomes school ready. While the implied intent of the legislation is that all students become school ready, the resources needed to do so go beyond compliance with the legislation and are as a result, outside of this study's scope of work.

### New Costs vs. Continued Costs

APA also focused on new costs. Because CAP4K is, in some cases, replacing components of the education system that had been in place previously, some costs are not new costs – they simply continue activities that may have been taking place already or involve redirecting personnel that were already available. We felt that it was inappropriate to attribute such continued costs to CAP4K as a result and have excluded any continuing costs.

### One-Time Preparation Costs vs. Ongoing Implementation Costs

APA also attempted to distinguish between “one-time” costs during the preparation phase (including planning and development) and implementation costs that recur year after year. It is useful to understand for any of the four entities which activities are expected to only be undertaken once, even if it takes a year or two to complete such activities, and to distinguish such activities, and their associated costs, from those that are expected to be undertaken on a regular basis. For example, the cost of creating assessments may be largely at the front end, while administering those assessments would be an ongoing cost. The first interim report primarily focused on one-time preparation costs while this report includes both additional preparation costs for all entities and ongoing costs for school districts and CDE.

### Tasks that Should be Undertaken vs. Those That Can be Undertaken Within Budget Constraints

Finally, APA wanted to estimate the costs of those activities that each of the four affected entities believed needed to be done in order to comply with CAP4K, not just those activities that the entities could afford to do given the budget constraints and reductions that went into effect as CAP4K was being implemented. The impact of these budget reductions as they relate to the costs identified will be discussed in further detail later in this report.

## **Brief Summary of Findings from First Interim Report**

In the first report APA developed cost estimates for the four impacted entities (CDE, DHE, school districts, higher education institutions) for the planning phase of CAP4K. Additionally, APA identified a number of tasks that were undertaken by each entity during the preparation phase (which for some areas of CAP4K are still in process). The activities identified to be undertaken to prepare for CAP4K implementation were:

**Colorado Department of Education-** CDE co-convened regional tours and held meetings with stakeholders, conducted a review of relevant literature and best practice, developed the school readiness and PWR descriptions, developed new content standards, developed school readiness indicators, and developed strategic implementation and outreach plans.

**Department of Higher Education-** DHE held meetings with stakeholders, including representatives of higher education institutions, and participated in the development of the PWR description by co-convening regional tours, conducted a literature review, developed a database and conducted an analysis of pertinent data.

**School Districts-** School districts translated new state requirements into local language and local expectations, designed and implemented staff development, adopted the new content standards and aligned their existing curriculum, planned for new assessments, determined material and technology needs, and managed communications with students and families about new requirements.

**Institutions of Higher Education-** IHEs planned for any needed changes to their teacher preparation programs, admissions policies, remediation policies and materials as a result of CAP4K. Community colleges also participated in the development of the school readiness, PWR and content standards.

It is important to note that CDE and DHE were further on the implementation timeline than school districts and IHEs at the time of the last report. This had a significant impact on the ability of CDE and DHE to estimate the resources they need to comply with CAP4K. School districts, in particular, were only beginning to implement CAP4K and their understanding of what was to be required of them was limited; as such, it was difficult to predict what their costs would be at the time. APA therefore only included costs to districts that could comfortably be estimated at the time; this meant that the total cost estimates shown below did not include costs to districts for the PWR component and included a range of costs for the school readiness component. Since the first report there have been a number of changes in the understanding of CAP4K as described previously, particularly around PWR as well as what a school readiness assessment would look like. These changes have impacted the figures presented in the first report and as such when totals for both the planning and implementation phase are shown at the conclusion of this report they will be adjusted according.

As such, all figures from that report were considered to be rough estimates based upon available knowledge at the stage and APA reviewed and refined these figures to produce a more complete and accurate cost picture in this report and will finalize these figures in the third and final report that will follow in 2012.

The total estimated costs by area for each entity that appeared in the previous report are shown in the table on the following page:

Entity	Area 1: School Readiness	Area 2: New Content Standards	Area 3: Postsecondary and Workforce Readiness	Total
Colorado Department of Education	\$250,339	\$929,716	\$341,117	\$1,521,172
Department of Higher Education	-	-	\$178,637.66	\$178,638
K-12 School Districts	\$2,596,988 to \$13,277,343	\$125,915,881	Could Not be Estimated at the Time	\$128,512,869 to \$139,193,224
Higher Education Institutions	\$192,374	\$851,910	\$502,897	\$1,547,181
<b>Total Estimated Cost for CAP4K from First Interim Report (Incomplete)</b>				<b>\$131,547,181 to \$142,440,214</b>

## Findings for Second Report: Activities and Costs by Entity

### *Colorado Department of Education (CDE)*

APA met with CDE and communicated via email to determine what activities it was undertaking to fulfill CAP4K during the second phase focused on implementation. These estimates are independent of from any fiscal notes submitted by CDE to the legislature.

During the implementation phase CDE was primarily engaged in meeting related to the development for the new assessment system. As such they engaged in the following activities:

**Internal Meetings:** The team of staff members at CDE responsible for CAP4K met on a regular basis to ensure tasks were being completed in a timely manner and that the implementation process was aligned and focused.

**Meetings with DHE:** CDE staff met with staff at DHE weekly for six months to discuss progress and coordinate their efforts in regards to CAP4K.

**Regular Meetings with Stakeholders:** CDE held regular meetings with key stakeholders, including school district officials, throughout the implementation phase. This ensured that stakeholders were aware of the process and understood the direction CDE was moving towards.

**Assessment Subcommittees:** CDE convened assessment subcommittee meetings to garner ideas, suggestions, and recommendations concerning the design of the new assessment system.

**Technical Advisory Committee Meetings:** CDE convened meetings to discuss technical components regarding changes potentially needed for implementation of CAP4K.

**Working with National Assessment Consortia:** CDE staff attended meetings to observe national discussion around assessments and the Common Core Standards.

**Joint Regional Tour with DHE:** CDE and DHE convened ten regional meetings across the state to gather feedback from the public to inform the development of assessments. This included developing and producing materials, preparing for the meetings, and travel for CDE staff.

**Contracting with Assessment Solutions Group (ASG):** CDE contracted with ASG to develop a cost estimate for producing a new assessment. This was used to inform their development of the Request for Proposals for potential vendors.

**Development of RFP for New Assessments:** Based upon the work of CDE staff, informed by the recommendations of the assessment subcommittee and the cost work of ASG, CDE developed a request for proposals (RFP) for vendors to create the new mastery assessments.

**Joint Presentations to State Board of Education (SBE) and Colorado Commission on Higher Education (CCHE) with DHE:** CDE and DHE presented twice to the SBE and CCHE on their progress with CAP4K implementation and to get approval for actions going forward.

Going forward with implementation, at this time CDE also expects to:

**Develop and Provide New Assessment System:** This includes both the end of year mastery assessments that will replace CSAP, as well as school readiness assessments and interim assessments. The development of new assessments is expected to cost the state \$25 million based upon the estimate for the RFP. Ongoing it is estimated that it will cost the state \$38.1 million for the new state assessment system annually once the transition is completed, roughly \$16.7 million more than the current assessment system. It is unclear if these costs reflect implementation of all the technology components for data collection of a new system.

**Develop Student Data Dashboard:** CDE will develop a student data access portal that will allow educators, students and parents to access student assessment data. The costs associated with this data system are included in the estimates for the new assessment system above.

### Total Costs for CDE

APA worked with CDE to gather estimates of personnel time, materials and travel costs, and contractor fees related to the tasks described above. APA used actual salaries and benefits provided by CDE to determine the cost of the personnel time. These costs are then combined with the figures presented in

the first report. One-time costs for the preparation phase and the ongoing implementation phase costs are shown separately. The costs are presented in the table that follows:

	<b>One-time Preparation Phase Costs</b>	<b>Ongoing Implementation Phase Costs</b>
<b>Reported in First Interim Report</b>	\$1,521,172	-
<b>Reported in Second Interim Report</b>	\$25,702,600	\$16,684,082
<b>Total</b>	<b>\$27,223,772</b>	<b>\$16,684,082</b>

According to CDE, for the 2010-2011 school year there were 843,316 K-12 students in Colorado; therefore the preparation phase total cost of \$27,223,772 represents about \$32.28 per student and the implementation phase total cost of \$16,684,082 represents about \$19.78 per student .

### ***Colorado Department of Higher Education (DHE)***

APA met with DHE to determine costs associated with CAP4K since March 2010. DHE staff determined that the majority of their work in this phase has been to support higher education institutions with teacher preparation programs. During this time, DHE engaged in the following activities:

**Internal Meetings:** DHE staff members responsible for CAP4K met on a regular basis to ensure tasks were being completed in a timely manner and that everyone was focused on required steps in the implementation process.

**Meetings with CDE:** DHE staff met with staff at CDE weekly to discuss progress and coordinate their efforts in regards to CAP4K.

**Meetings with Stakeholders:** DHE met with key stakeholder groups, including representatives from the higher education institutions and their faculty both to educate them about upcoming changes and to keep them apprised of progress in the implementation of CAP4K.

**Joint Regional Tour with CDE:** DHE partnered with CDE to convene twelve regional meetings to gather feedback in order to develop the PWR description, as described in the previous section. Their efforts included preparation in advance of the meetings, development of materials, staff attending meetings, and associated travel costs.

**Joint Presentations to State Board of Education (SBE) and Colorado Commission on Higher Education (CCH) with CDE:** DHE and CDE presented twice to the SBE and CCH on their progress with CAP4K implementation and to get approval for actions going forward.

**Data Gathering Meeting with Admissions Directors:** DHE staff met with admissions directors to gather data for CAP4K. This included preparation time for staff prior to the meetings.

**Contracting with a Consultant to Produce Data Analysis Report:** DHE hired a consultant to assist with analysis of data gathered from higher education institutions. DHE collaborated with the consultant on various tasks and managed and oversaw the consultant’s work.

Total Costs for DHE

Based upon the activities described above, the associated costs reported in both this report and the one prior were considered to be one-time costs associated with the preparation phase. As such, there are no ongoing costs to include in this report, though there may be in the final report. The costs associated with CAP4K for DHE are as follows:

	<b>One-time Preparation Phase Costs</b>	<b>Ongoing Implementation Phase Costs</b>
<b>Reported in First Interim Report</b>	\$141,473	-
<b>Reported in Second Interim Report</b>	\$132,103	-
<b>Total</b>	<b>\$273,576</b>	-

According to DHE there are 255,000 students in Colorado public higher education; therefore the preparation costs for CAP4K of \$273,576 would be about \$1.07 per student.

***K-12 School Districts***

For both phases of the costing out study, APA collected information in a manner that would allow us to determine if the size of a school district had an impact on the costs associated with CAP4K. In order to accomplish this, APA divided the 178 school districts in the state into six groups: 1) Above 40,000 students; 2) 20,000 to 40,000 students; 3) 10,000 to 20,000 students; 4) 3,000 to 10,000 students; 5) 1,000 to 3,000 students; and 6) below 1,000 students. For this phase, APA gathered information from at least two districts in each size category either by in-person meeting or webinar.

Regardless of the communication method, APA used the same collection device for all districts. This device can be seen in Appendix A and was developed by first meeting with one district’s staff to discuss what types of tasks districts might be undertaking in order to fulfill CAP4K. APA’s meeting with this initial district allowed us to generate a basic list of tasks that would serve as a starting point for our later discussions with other districts. By generating such a list in advance, districts could better focus on system design instead of developing new lists of tasks each time from scratch. However, all districts

were able to add, delete and alter tasks as they saw fit so they were in no way limited to or constrained by the initial list of tasks. Districts then described the processes they would implement, the time allocated, and the materials needed to accomplish these tasks.

For this report APA held meetings (in person and via webinar) to gather data with the following 12 districts:

- Adams 12 Public Schools;
- Creede School District;
- El Paso County District 11;
- Greeley Public Schools;
- Jefferson County Public Schools;
- Littleton Public Schools;
- Lone Star School District;
- Mesa County Valley Public Schools;
- Montrose Public Schools;
- Pueblo County School District 70;
- Sheridan School District; and
- Steamboat Springs School District.

As was the case in the first reporting phase, the list and description of tasks that districts will undertake in order to implement the new assessment system represents some of the most important information to come forward as a result of this data collection. Through our discussions with districts we were able to ascertain what tasks for the new assessment system would involve new resources as a result of CAP4K and tasks that represented a continuation of activities they already engaged in; this distinction will be noted in the description of each task. Further, while districts varied in how they approached these tasks, there appeared to be commonalities for a majority of districts in many of the resources they identified. Where possible this will be described. With these thoughts in mind, the following tasks (both new and continuing) were identified by districts for this phase:

**Identify school readiness goals for schools and district as part of improvement/strategic plan for accreditation:** As described in the description of school readiness, a number of indicators were created that addressed the capacity of schools and districts to support students becoming school ready. CDE expects schools and districts to incorporate goals for these indicators in their improvement plans and will be including some evaluation measures of these goals as a part of accreditation. While it was difficult for districts to fully identify what they would need to without a clear understanding of what the measures would be, the majority of districts indicated that they would bring together teachers and administrators to engage in strategic thinking in this area. This would be a new task, with most of the effort in the first year with some time spent revisiting goals annually.

**Administer school readiness assessment to entering kindergarten or 1<sup>st</sup> grade students:** While some districts engaged in some sort of induction testing of entering students, the majority did not, so this

would be a new task for them under CAP4K. Districts identified that this type of testing would be one-on-one with a teacher at the beginning of the school year and would require on average a half hour per student of the teacher's over a period of time to administer.

**Create Individualized Readiness Plans (IRPs) for all students:** Once entering students have been assessed IRPs will need to be created for every student. This is a new task for schools under CAP4K. These IRPs were thought to require the same level of effort as current Individual Learning Plans so districts were comfortable identifying the amount of new time it would require of kindergarten teachers to create and revisit the IRPs throughout the year and for 1<sup>st</sup> grade teachers to continue to revisit these plans until the end of the 1<sup>st</sup> grade year; this involved on average an hour for kindergarten teachers per student and a half hour for 1<sup>st</sup> grade teachers.

**Give literacy and numeracy assessments to students in 1<sup>st</sup> through 3<sup>rd</sup> grade:** Students in the primary grades are required to be given literacy and numeracy assessments in grades 1-3 for CAP4K. All districts we spoke with explained that they already did literacy assessments for the Colorado Basic Literacy Act (CBLA) so this would not be a new task for CAP4K but not every district currently did numeracy assessments.

**Give annual end of year mastery assessments (CSAP replacement) including Math, Reading and Writing in grades 3-11, Science and Social Studies once each in elementary, middle and high school:** School districts currently administer the majority of these assessments already, so the only new tasks associated with CAP4K would be to give Math, Reading and Writing in 11<sup>th</sup> grade and to give the social studies assessment once in elementary, once in middle school and once in high school. This involved additional support to proctor exams in some districts and additional time to process exams for all districts. The primary concern in this area for districts was being able to administer these assessments without taking away instructional time. Several districts discussed the need for two additional days of instructional time to address this issue.

**Give English Language Proficiency Assessments upon arrival and annually:** Districts currently give language assessments to their ELL populations and would continue to do so under CAP4K but no new resources would be needed.

**Give College Admissions assessment in 11th grade:** Districts will continue to give the ACT to students in the 11<sup>th</sup> grade so this will not be a new task. A few districts also will be giving additional related assessments (such as the EXPLORE or PLAN) but because these are not required for CAP4K we did not capture any resources in order to do so.

**Give voluntary Interim Assessments K-12, three to four times a year in both summative and non-summative subject areas:** As part of the new assessment system, CDE is developing interim assessments (as is fiscally feasible) that districts can choose to administer, potentially in place of other assessments that they are currently giving. Since they are not required to give these interim assessments this is not a new task of CAP4K, but during our discussions it became clear that this could be an area of savings for districts in the future, though at what level cannot be estimated at this time.

**Assessment data analysis:** With new summative assessments and school readiness assessments there will be an increased amount of available data that will need to be analyzed and utilized to improve instruction. Districts indicated that there was a need for additional data support to help teachers leverage this additional data.

**Create and update Individual Career and Academic Plans (ICAPs) in grades 9-12:** While ICAPs were a part of separate legislation, CDE has decided that they are a good method of monitoring students postsecondary and workforce readiness. As such, the resources needed for districts to create and update these ICAPs in the 9<sup>th</sup> through 12<sup>th</sup> grade (not in middle school though districts may be doing so) will be included in our estimates. For districts this meant that they needed either additional time for teachers and/or counselor personnel to assist students with their ICAPs.

**Provide additional support and services to 11<sup>th</sup> and 12<sup>th</sup> grade ELL students to reach language proficiency:** District ELL populations vary widely, but where these populations existed in later grades districts explained that they would need to provide either additional teaching personnel or coaching assistance for teachers to help these students reach language proficiency.

**Provide ongoing professional development to staff on school readiness, content standards, assessments, PWR, 21st Century skills:** In the first reporting phase, we captured in our estimates resources needed to provide upfront training on CAP4K and the new content standards to all teachers. In this phase we considered primarily any resources that would be needed for professional development for CAP4K annually. While districts provide professional development every year independent of CAP4K, they identified there would be an increased need to provide additional coaching and training support on an ongoing basis due to the volume of changes happening at once. One-time trainings on the new assessments and on assessment data would also be needed for some teaching personnel that was not captured in the first reporting phase.

**Manage communications (including with parents, community, and staff):** The majority of districts felt that they could accomplish this task through their currently available communication means, therefore no additional resources would be needed specifically for CAP4K.

**Integrate technology:** Districts primarily spoke of the need for more technology, both hardware and bandwidth, if the assessment system was online. There were concerns about rendering all computers in the school unavailable if all the about lab space was used during the testing window. To alleviate this additional devices (desktops, laptops, netbooks or tablets depending on the design of the assessments) would be required. It was suggested that they might be needed at the 2: 1 student to device ratio. There was additional discussion about the need for IT personnel to handle maintenance on the increased number of devices as well as to manage security and support concerns during testing. The need for additional bandwidth was also an important issue in a number of districts, though it varied. At the time of data collection, assessment design had not been finalized we could not accurately estimate the new resources that would be needed and any possible costs in this area are not shown.

CDE made their recommendations to the State Board of Education, who then approved the following transition from administering assessments via paper and pencil to online: administering science online in 2014; writing online in 2015; reading and social studies online in 2016; and culminating in all summative assessments being online in 2017 with the addition of the online math assessment. CDE has left it open to the vendors responding to the RFY what the hardware requirement (desktop, laptop, netbook, or tablet) will be for the assessments.

**Manage student data system:** Districts would need to manage their data entry into the state’s student data system which could require additional staff time due to the new data related to CAP4K. As such, a portion of this staff time would be a new resource.

### Total Costs for School Districts

APA asked districts to identify the resources, such as staff time or materials, they would need in order to complete the tasks described previously. Districts were asked to only identify new resources required for CAP4K not resources for tasks they would be undertaking regardless of CAP4K. APA provided the districts with a collection device that allowed them to identify the effort needed to accomplish each task, but did not ask them to translate or calculate this into total costs. This meant that the districts did not know what the costs would be and instead were only focused on the resources and time needed to complete each task.

As was mentioned above, due to the timeline for implantation of all the elements of CAP4K many districts did not have a full understanding of what resources would be needed for each task. Once APA had costed out the resources identified by districts, there was a fair amount of variation in the per pupil cost estimates. While most districts above 5,000 had per pupil costs that were comparable, there were some outliers that made us uncomfortable coming to a single estimate based upon these figures alone. However, we felt that we had heard enough common themes in our discussions to estimate an average base model of how districts would be approaching the implementation phase of CAP4K. This included resources like additional teacher time for school readiness assessments and IRPs, additional data analysis personnel, additional assessment processing support, counselor time for ICAPs, professional development coaching support, and two days of additional instructional time to allow for new assessments without compromising instruction. When APA costed out this base model we came to a per pupil amount of \$220 for ongoing implementation. This was consistent with the weighted average of all districts over 5,000. The additional one-time preparation phase costs identified this round (that were not included in the first interim report) were much more constant and averaged \$12 per student. Given that the districts we spoke with below 5,000 had higher per pupil cost needs for both planning and implementation we determined a size adjustment to be necessary.

### ***Adjusting Costs for the Size of Districts***

The state currently allocates funds to districts using a size adjustment under the School Finance Act. Since our study found that costs varied based upon size, APA used the state’s adjustment to model costs for the state. APA took the state’s current adjustment which gives every district at least some level of

size adjustment and set the lowest adjustment to 1.0. The table below shows examples of this size adjustment at various enrollment points:

Enrollment	School Finance Act Current Adjustment (with lowest set at 1.0)
50	2.33
100	2.14
500	1.19
1000	1.09
2500	1.02
5000	1.00
10000	1.00
20000	1.00
40000	1.00
80000	1.00

**Total Costs for School Districts**

One-time preparation costs for this reporting phase ranged from \$12 to about \$28 per student once size adjusted in addition to the costs identified in the first interim report. Ongoing implementation costs ranged from \$220 to \$508 per student based upon size. The totals for resources identified related to CAP4K for school districts are shown in the table below:

	<b>One-time Preparation Phase Costs</b>	<b>Ongoing Implementation Phase Costs</b>
<b>Reported in First Interim Report</b>	\$128,512,869	-
<b>Reported in Second Interim Report</b>	\$10,312,884	\$189,069,536
<b>Total</b>	<b>\$138,825,753</b>	<b>\$189,069,536</b>

With 843,316 K-12 students in Colorado per CDE, that would be \$164.62 per student for one-time preparation phase costs and \$224.20 per student for ongoing implementation costs.

It is important to note that these costs estimates must be considered in the context of the budget reductions school districts have experienced in recent years. These budget cuts currently reflect reductions of \$776 million to K-12. APA frequently heard comments that districts may have been able to absorb additional resource needs with available staff and dollars previously, but due to reductions their available funds were greatly reduced and that a number of needed positions had been eliminated or would be once grant funds ran out. As such, it is important to note that the cost estimates given here are made in light of these reductions and any further reductions could increase the resources needed.

### ***Institutions of Higher Education***

APA worked with DHE staff who met with higher education academic officers to estimate the efforts of higher education institutions related to CAP4K. In this second phase of reporting the majority of activities were undertaken by institutions with teacher preparation programs. These activities included:

**Meetings with DHE staff to Discuss CAP4K and ICAPs:** Representatives from 18 institutions attended a retreat with DHE staff to understand CAP4K legislation and its impact. School counselor faculty also met to discuss CAP4K and ICAPs specifically.

**Staff Training and Meetings for Faculty, Supervisors and Students:** Institutions with teacher preparation programs had meetings with their faculty, supervisors and students to explain CAP4k and its impact on their program.

**Aligning Curriculum:** Institutions with teacher preparation programs had to align the curriculum of their teacher programs to reflect the updated standards of CAP4K.

**Creating and Revising Materials and Guidebooks:** Institutions with teacher preparation programs reviewed, updated and created materials in light of the changes due to CAP4K.

### **Total Costs for Higher Education Institutions**

Based upon the above activities and time required, APA developed associated costs. Costs were estimated using an average hourly wage for an associate professor (\$50 an hour including benefits) since representatives from higher education institutions thought that would be most appropriate. While costs in the first report were shown aggregated by type of institution (four year versus two year), they are instead shown here in total for all institutions. So far no ongoing costs have been estimated, so all figures are considered one-time costs during the implementation phase. These costs are shown in the table that follows:

	One-time Preparation Phase Costs	Ongoing Implementation Phase Costs
Reported in First Interim Report	\$1,547,181	-
Reported in Second Interim Report	\$184,050	-
<b>Total</b>	<b>\$1,731,231</b>	-

This would be \$6.79 per student using DHE’s estimate of 255,000 students enrolled in public higher education.

### Costs to All Entities during First and Second Reporting Phases

As seen in previous sections, costs determined in this phase of the study were combined with costs from the previous phase to create total costs for each entity. The total preliminary estimated costs for all entities are shown in the table below:

	One-time Preparation Phase Costs	Ongoing Implementation Phase Costs
Colorado Department of Education	\$27,223,772	\$16,684,082
Department of Higher Education	\$273,576	-
K-12 School Districts	\$138,825,753	\$189,069,536
Higher Education Institutions	\$1,731,231	-
<b>Total Estimated Cost for CAP4K for Second Interim Report</b>	<b>\$178,174,124</b>	<b>\$205,753,618</b>

It is important to note that these estimates are based upon current understanding of the expectations of CAP4K and current budget realities, including recent reductions of \$776 million to K-12. As such, any changes in expectations or funding will affect these estimates. These costs will be revisited and finalized in our third and final report to be submitted in October 2012.

