

S.B. 21-274 Facility Schools Work Group Report

Submitted to:

The Joint Budget Committee of the Colorado General Assembly

By:

S. B. 21-274 Facility Schools Model Work Group

November 2022



Table of Contents

Executive Summary.....	3
Introduction.....	4
Challenge.....	5
Bill Goals and Objectives.....	6
Approach.....	7
Data Collection.....	9
Facility School Desk Review	
Facility School Work Group Survey	
Facility School Survey	
External Program Survey	
Student/Parent/Advocate Survey	
Non-Eligible Program/Center Interviews	
Recommendations.....	14
Funding Recommendations	
Recommendations A- Baseline Funding	
Recommendation B- Shared Operational Services	
Capacity Recommendation	
Recommendation A- Technical assistance center	
Continuum Recommendations	
Recommendation A- Expand Access and Places	
Recommendation B- Improve Process	
Implementation Monitoring Recommendation	
Evaluating Outcomes.....	23
Conclusion.....	26



Executive Summary

Facility Schools provide educational services outside of the traditional classroom to students with physical, behavioral, mental health, or special education needs. Schools are found primarily on the Front Range and operate as day or residential treatment facilities, or in a hospital setting. Each year approximately 6,000 students across the state rely on Facility Schools for critical educational and treatment services, but statewide capacity has decreased by 30% over the past five years. This has led to a decrease in available placement options for students and limited access for students outside the Denver Metro area. This loss of approved Facility School capacity creates significant barriers to academic success for many students and decreases educational opportunities for the state's most vulnerable students.

The Colorado General Assembly passed Senate Bill 21-274, which established a work group that was tasked with developing a sustainable facility school model to better serve students. The charge to the work group was to analyze and evaluate the existing model and develop recommendations to address the educational, physical, behavioral, and mental health needs of children and youth who need advanced services. The bill also identified funding, capacity, and the continuum of student services as specific areas of focus for the work group.

This report documents the work conducted by the work group and its system-level recommendations, including the following:

Funding Recommendations:

- **Implement a Facility Baseline Quality Funding Model** to provide a minimum funding level for each facility school and establish an adequate and reliable revenue stream.
- **Promote Shared Operational Services** to improve identifying services and achieve economies of scale for non-student facing costs.

Capacity Recommendation:

- **Implement a Technical Assistance Center** to provide training/professional development to school district personnel enabling them to provide specific support needs for students in their home district.

Continuum Recommendations:

- **Expand Access and Locations** by broadening the statutory definition of facility schools to enable licensure and approval of new or existing organizations that provide direct specialized services to various student populations, thus addressing the existing educational gaps in the state.
- **Clarify and Improve the Application, Licensure, and Approval Process** through collaborative revisions, clarification or additional support for the licensure and approval process.

Each recommendation was developed to help address the needs of a specific target population of students, specific barriers, or challenges identified over the past year. The recommendations are interwoven and together comprise changes or enhancements to maximize the quality, reach, and scope of the system of Facility Schools across Colorado. Individually, each recommendation can improve a small piece of the puzzle but together these recommendations have the potential to bring impactful and sustainable system change to the students of Colorado.

Introduction

Each year, approximately 6,000 students across Colorado require educational and therapeutic support beyond what is available in the traditional classroom. Many of these students are not currently able to receive appropriate educational services in their home district. ***Students who require out-of-district placement to succeed academically are often placed in Facility Schools in Colorado.*** Existing Facility Schools are primarily located on the Front Range and can provide day and/or residential treatment options for students. Additionally, a limited number of facilities provide educational services in a hospital setting (*Figure 1*). Approximately 1% of Colorado’s K-12 student population (roughly 1,600 students per day or 6,000 students per year) are educated out of district in Facility Schools.

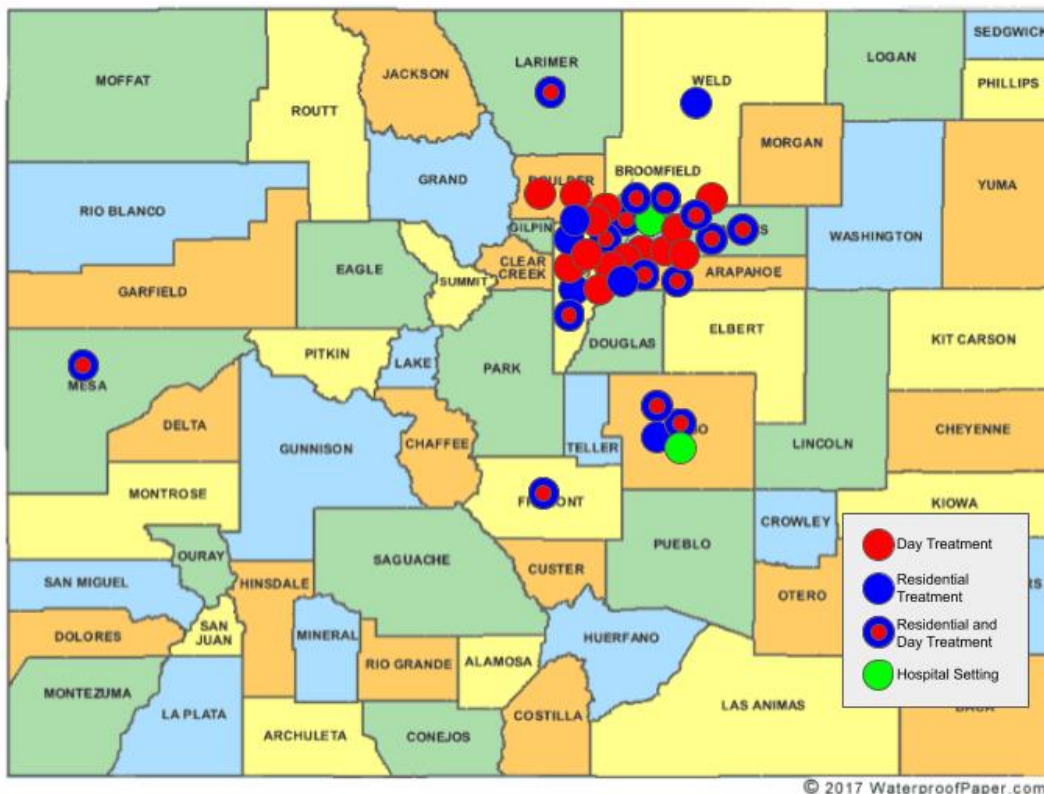


Figure 1



Before 2008, all Facility Schools were independent. As a result, there was very little consistency with regard to record keeping and/or educational standards. In 2008, the General Assembly passed House Bill 08-1204 which established the Office of Facility Schools at the Colorado Department of Education (CDE) and the Facility Schools Board, appointed by the Colorado State Board of Education. The bill detailed duties and responsibilities of the office and the board and created a centralized student record system for all Facility Schools. ***The Office of Facility Schools in conjunction with the Facility School Board developed and adopted curriculum standards and graduation guidelines, implemented common assessment programs, developed post secondary planning, and created an accountability system for the schools.***

Today, Facility Schools are non-profit or private agencies that provide educational services outside of the traditional classroom to students with physical, behavioral, mental health, or special education needs. Under current state statute, approved Facility Schools must be licensed and approved before they can receive state education funding for educational services provided. Facility Schools that function as day treatment centers or residential treatment centers are licensed by the Colorado Department of Human Services (CDHS), while Facility Schools that operate within hospitals are licensed by Colorado Department of Public Health and Environment (CDPHE). Once licensed, these organizations can be approved by CDE. While all Facility Schools provide educational and therapeutic services for their students, due to the varied needs of Facility School students, appropriate practices with regard to supporting the needs of the students will vary widely from one Facility School to the next and even from one student to the next. Facility School classrooms are often multi-age, multi-grade, and multi-ability. The size of the school can range from fewer than 10 students to over 70 students. The size of the student population typically is driven by the required student-to-staff ratios to effectively address the needs of the student population; higher student needs often require smaller student-to-staff ratios and result in lower overall school populations. Roughly two thirds of Facility School students are in special education programs.

Challenge

Although Facility Schools play a critical role in the educational development of students' lives and the need for this type of programming increases each year, the statewide capacity of Facility Schools over the last five years has decreased by 30%¹. Many Facility Schools have closed in recent years due to lack

¹ SB 21-274, 2021 Annium, 2021 Reg. Session (Colorado 2021).
http://leg.colorado.gov/sites/default/files/2021a_274_signed.pdf



of funding to “keep the doors open” and passage of the federal Family First Act² which limits the number of students some Facility Schools can take on at any one time. Fewer Facility School openings create a number of issues for both students and their home districts. Fewer openings means increased likelihood of placements which are well outside the student’s home community, or even out-of-state placement for students. Because the home district or county must cover the cost of student placement, fewer openings also mean higher costs for school systems. The cost of student placement includes but is not limited to, transportation, treatment, and additional educational costs. Additionally, extremely limited access to a Facility School in some areas of the state creates an inequitable educational environment and negatively impacts the children of Colorado. ***These challenges often create significant barriers to academic success for students across the state and lead to decreased educational opportunities for the State's most vulnerable students.***

Bill Goals and Objectives

Due to the current challenges, the General Assembly passed Senate Bill 21-274 which seeks to address the educational, physical, behavioral, and mental health needs of children and youth who need advanced services. The bill sought to propel: (1) *“the development of a comprehensive continuum of educational settings to support the educational, physical, behavioral, and mental health needs of these children and youth; (2) the provision of adequate educational options that include, but are not limited to, eligible and approved Facility Schools, school districts, boards of cooperative services, multi-district cooperatives, multi-agency partnerships, and the division of youth services; and (3) ensuring the development of a sustainable funding structure that supports a high-quality educational continuum intended to meet the educational needs of children and youth requiring advanced services.”*

S.B. 21-274 tasked CDE with convening a work group composed of a broad spectrum of stakeholders. The work group was tasked with *“developing and implementing a sustainable model that would have the capacity to meet the educational needs of children and youth in or at risk of out-of-home placement and children and youth who are at risk of educational failure due to challenging behavioral, mental or behavioral health needs, or disabilities, regardless of the child’s or youth’s eligibility for special education services.”* The bill outlined numerous objectives including:

- 2a. Define the target population of facility students;
- 2b. Analyze data to determine the educational needs of students in the target population;
- 2c. Analyze cost data for providing educational services to students in the target population;

² H.R. 1892, 115th Congress, 2018 Reg. Session (U.S. 2018) <https://www.congress.gov/bill/115th-congress/house-bill/1892>



- 2d. Evaluate existing capacity within the state, including, but not limited to, the location and number of desks in each Facility School and other programs that currently serve students in the target population in Colorado;
- 2e. Evaluate other effective evidence-based options that currently exist in Colorado or in other states and that may be incorporated into the model to ensure the necessary capacity to serve students in the target population in the state;
- 2f. Identify barriers and develop solutions to address the development of additional capacity in educational programs in meeting the needs of students in the target population;
- 2g. Identify and analyze:
 - I. The state's current capacity to provide appropriate instruction, support, and services to students in the target population;
 - II. The current funding methodology for Facility Schools;
 - III. The federal, state, local, and other sources of funding available to support the current educational options for serving students in the target population, including the restrictions on use of each type of funding;
 - IV. The capacity and funding necessary to adequately serve and support students in the target population who will receive educational services through the model developed;
 - V. The funding methodology and necessary resources to ensure long-term viability;
- 2h. Identify the outcomes that are to be evaluated; and
- 2i. Develop short-term strategies to address the lost capacity of Facility Schools.

Approach

The work group was made up of 31 members representing the following entities: Facility Schools, Facility School Board, the Colorado Department of Education (CDE), school districts, Colorado Department of Human Services (CDHS), county human services departments, parents, Boards of Cooperative Educational Services (BOCES), the Colorado Association of Family and Children's Agencies (CAFCA), child placement agencies, the Division of Youth Services (DYS), and the Department of Health Care Policy and Financing (HCPF). A full list of work group members and their affiliations can be accessed through this [Facility Work Group Members](#) link. Beginning in October 2021, three-hour, virtual, full work group meetings were held once a month with additional focus group meetings and individual interviews being held as needed between meetings. To foster full engagement, agendas and pre-reading material for each meeting identified action and/or decision items. All meetings of the work group were held in accordance with Colorado Open Meetings Law and allowed for non-member comments. After each meeting, notes and resource materials were made available through the [CDE Facility School webpages](#). Meetings routinely included open discussion around decision points. Relevant information and data were gathered between meetings and presented to work group members during meetings to help inform decision points. Design Thinking (Empathize, Define, Ideate, Prototype, and Test) was utilized to drive all work. The work group developed a set of operating guidelines during their first meeting and used a model of consensus decision making for items requiring action.

One of the key tasks of S.B. 21-274 was “defining the target population.” Numerous work group conversations over several months allowed the work group to identify different student populations across the state which provided a more comprehensive understanding of the “target” population and who would benefit from system improvements. While current Facility School students are an obvious target population, the work group brought to light the fact that numerous students across Colorado are eligible for placement but unable to access a seat. Additionally, the work group identified the fact that still other students may not currently qualify for placement but need support beyond what their home school district can currently provide. **A student-centered framework was the culmination of data collection, discussions, and ideation (Figure 2). It focused on the three groups of students mentioned above, the associated challenges they face, and expansions that would support their needs.** This framework provided the needed basis for building recommendations and helped surface and clarify multi-faceted system improvements that are needed.

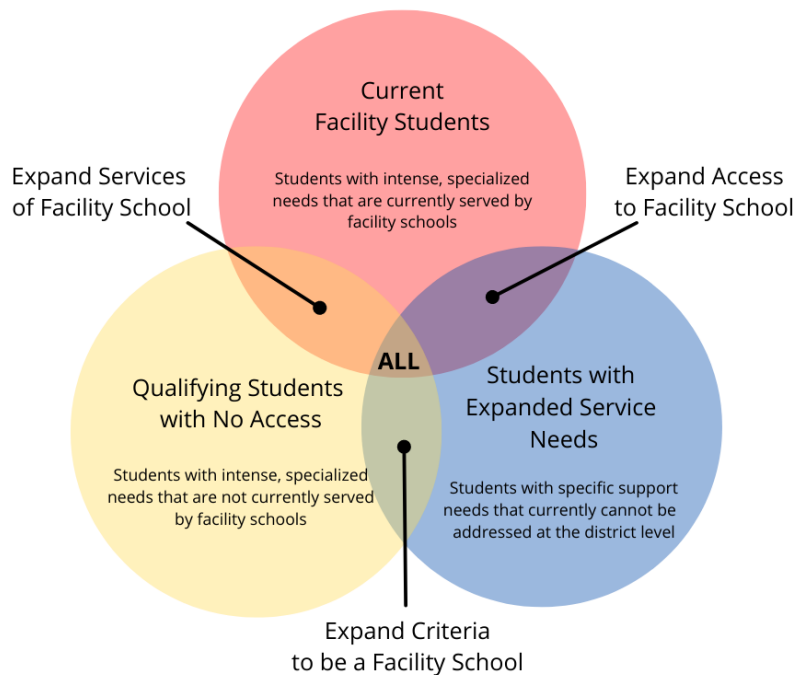


Figure 2



Data Collection

Data collection was conducted over the entire tenure of the work group. Information was collected through desk reviews, surveys, and interviews. Existing CDE data were compiled and reviewed with the work group at the onset of the work. New data were also collected, analyzed, and shared with the work group from numerous sources including current approved Facility Schools, external non-facility schools and programs throughout Colorado, as well as students, families, and advocates who have firsthand experience with both Facility Schools and non-facility programs throughout the state.

Facility School Desk Review

Prior to the creation of S.B. 21-274, a Joint Budget Committee analyst worked directly with the Office of Facility Schools to gain understanding and raise awareness regarding existing challenges for Facility Schools in Colorado. As a result of this work, a stakeholder group was convened during the 2021 legislative session to discuss the current state of Facility Schools. The group collected preliminary data regarding Facility Schools and helped to draft the resulting bill. These data, in addition to other information currently available through CDE, were utilized for an initial desk review to provide a starting point for the S.B. 21-274 work. The desk review included a review of basic statistics regarding services provided, seats available, location, ages served, types of disabilities served, and gender groups served within currently active Facility Schools across the state. ***This information was gathered to help build an understanding of the current landscape of Facility Schools that exists in Colorado. This review also helped to evaluate existing capacity to accept students (Objective 2d) and analyze current capacity to provide appropriate instruction, support, and services (Objective 2g).*** Data were based on published information on the Colorado Department of Education Facility Schools website.

The major takeaway from the desk review was that the current distribution of Facility Schools typically serves a small, selective population, and Facility Schools are densely clustered in the Denver Metro area. Some key findings from the Facility School Desk Review were the following:

- Schools are most often structured to support students ages 10-18 years of age.
- Because most schools are located in the Denver metro area, there are very few options in rural areas, especially in areas west of the Continental Divide.
- Over 50% of existing schools serve twenty-five or fewer students at a given time, and a few schools are limited to six students at a time.
- Most frequent placing agencies are school districts and CDHS.
- The majority of students that are placed stay at the Facility School for less than one year.



Facility Work Group Survey

The Facility Work Group survey collected perspectives directly from the work group regarding what members felt was important to focus on during the work and where members felt recommendations needed to be headed. ***This survey provided important baseline information regarding member perspectives.*** Twenty-three of the 31 work group members completed the survey. A complete list of survey questions can be accessed through this [Facility Work Group Survey](#) link.

A major takeaway from the survey was that the work group believed that current Facility School funding is inadequate and without adequate funding, a sustainable system capable of meeting student needs was not possible. Some key findings from the Facility Work Group survey were the following:

- 64% of work group members prioritized funding changes in recommendations.
- All work group members felt that the current funding model for Facility Schools was inadequate.
- Work group members felt that increasing the overall budget of Facility Schools was critical in addition to addressing the current irregular flow of funding to Facility Schools.
- Work group members believed that adjustments were needed regarding the current funding model, specifically around redesigning access to both student-facing and non-student-facing resources.
- Work group members felt that addressing the educational needs of current students required increasing the scope of needs covered by services at Facility Schools.
- Work group members also identified the need to increase the number of facilities statewide as critical to a successful redesign.
- Lastly, the work group members wanted to design recommendations that would help to address the geographical distribution of Facility Schools statewide, increase available openings, and reassess academic expectations and milestones for Facility Schools.

Facility School Survey

The Facility School survey provided information about existing services, support, capacity, and staff available at current Facility Schools as described below. Additionally, it provided information regarding challenges and barriers preventing facilities from providing greater educational quality and capacity. ***This survey helped to identify existing hurdles for Facility Schools and the students they currently serve. This survey also helped to determine the educational needs of Facility School students (S.B. 21-274 Objective 2b) and evaluated existing capacity to accept students (S.B. 21-274 Objective 2d). Additionally, it enabled the identification of barriers towards meeting the needs of current Facility School students (S.B. 21-274 Objective 2f) and it provided an analysis of the capacity to provide appropriate instruction, support, and services (S.B. 21-274 Objective 2g).*** The survey was shared online with 29 Facility School directors. Eighteen completed the survey, ten completed some portion of the survey, and one did not provide any information. Respondents represented a range of Facility School



sizes, focus areas, and geographical distributions. A complete list of survey questions can be accessed through this [Facility School Survey](#) link.

The major takeaway of this survey was that the vast majority of current Facility Schools are not sustainable entities due to revenue limitations that are the direct result of the current funding model and minimum required budget expenditures. Some key findings from the Facility School survey were the following:

- 76% of current Facility Schools operate at a loss with educational expenses outpacing annual educational revenue.
- 58% of respondents reported revenue streams that covered less than 75% of their budget.
- Schools that were not operating at a loss typically had minimal support staff to assist with student-facing and non-student-facing operations.
- Most current Facility Schools are very small (fewer than 25 students total), due in large part to state guidelines regarding student-teacher ratios and square-footage requirements.
- Staff costs always make up the largest percentage of budget use, and a significant amount of each school's budget is required to cover standard positions such as Facility Director positions, teachers, para professionals, custodial positions, maintenance staff, and food service providers.
- On average, Facility Schools rely on per pupil revenue (PPR) and tuition for 85% of their yearly revenue.
- Due to the mobility of the students served, consistent funding is not standard because PPR and tuition costs are based on the number of students attending the Facility School daily.

External Program Survey

This survey collected information and perspectives from BOCES and school district personnel regarding barriers and challenges they face with regard to supporting students in their home district as well as securing them placement in out-of-district programs and facilities. Additionally, the survey provided insights into programs, services, and support that have been beneficial for districts as a whole and individual students specifically. This survey helped to develop a clear picture of the needs that currently exist outside of Facility Schools and potential solutions to help address the growing population of students that don't currently have access to Facility Schools. ***This survey helped to determine the educational needs of students with expanded service needs across the state (S.B. 21-274 Objective 2b) and evaluated existing capacity to accept students (S.B. 21-274 Objective 2d). It also provided a means of identifying and evaluating other effective evidence-based options that currently exist in Colorado (S.B. 21-274 Objective 2e). Additionally, it enabled the identification of barriers towards meeting the needs of students in-district across the state (S.B. 21-274 Objective 2f), and it provided an analysis of the current capacity to provide appropriate instruction, support, and services in-district (S.B. 21-274 Objective 2g).*** The survey was written and distributed in conjunction with the Consortium of Directors of Special Education. Fifty-eight BOCES and Single District Administrative Units filled out the survey. All



regions across Colorado were represented in the results. A complete list of survey questions can be accessed through this [External Program Survey](#) link.

The major takeaway of the survey was that districts across the state have an increasing number of students who need support beyond what can be currently provided in-district. In most districts surveyed, only a small percentage of students who need additional support currently attend or even have access to Facility Schools. Some key findings from the External Program survey were the following:

- 93% of external program staff reported that there were students with significant support needs in their school district or administrative unit (AU) that would benefit from different and expanded programming through facility schools.
- Many resources were identified by external program staff as components that would help the districts provide needed support for these students. (*Expanded resources included increases in FTE positions, support recruiting and retaining qualified staff, increases in training for staff, support finding qualified/knowledgeable trainers, support with program development, access to specialized service providers, and increases in available community resources.*)
- External program staff reported that a higher percentage of students were attending out-of-district non-facility programs compared to the number attending approved Facility Schools.
- Across the state, the most frequently identified reasons for lack of placement in Facility Schools were finding no “fit” with support needs of the student and finding no openings available for the student. In rural areas, prohibitive geographic location with available placement options was identified as an additional common issue.

Student/Parent/Advocate Survey

The Student/Parent/Advocate survey collected information from across the state from key stakeholders regarding challenges, barriers, and issues that have arisen for students and their families who need support beyond the traditional classroom. Additionally, the survey collected first-hand experience regarding individuals, programs, services, and support that currently exist which have provided the opportunity for students across the state to succeed in an academic setting. ***This survey provided a critical first-hand perspective from the stakeholders that will be most impacted by these proposed recommendations. This survey also helped to determine the educational needs of students across the state (S.B. 21-274 Objective 2b) and evaluate existing capacity to accept students (S.B. 21-274 Objective 2d). Additionally, it helped to identify and evaluate other effective evidence-based options that currently exist in Colorado (S.B. 21-274 Objective 2e), and it enabled the identification of barriers towards meeting the needs of current Facility School students (S.B. 21-274 Objective 2f).*** Two hundred and twenty-two respondents completed the survey. Representation from across the state was obtained and input was provided from parents, advocates, and both current and former students who require(d) expanded services in school. A complete list of survey questions can be accessed through this [Student/Parent/Advocate Survey](#) link.



The major takeaway of the survey was that many students' common needs are not being met across the state, but there are a number of supports that could be beneficial both in- and out-of-district.

Some key findings from the Student/Parent/Advocate survey were the following:

- Students, parents, and advocates identified numerous student needs as requiring support outside of the traditional classroom, but the most common needs were intellectual disabilities, behavioral issues, autism spectrum disorders, mental health challenges, and emotional difficulties.
- The most common barriers and/or challenges identified by students, parents, and advocates within the traditional classroom in a non-facility school district were: no or limited access to trained staff; no or limited access to appropriate classroom accommodations; no or limited access to social/emotional and/or mental health support; and no or limited access to flexible routine, schedule, and/or classroom expectations.
- The most commonly identified supports that respondents believed would help drive success were regular interaction with support staff trained with needed skill sets, access to more programs and services, having social/emotional and/or mental health needs addressed regularly, and more tailored classroom accommodations.
- Many students, parents, and advocates identified numerous Colorado-based, non-facility programs as being very beneficial for the academic success of students.

Non-Eligible Programs/Centers Interviews

Multiple interviews were conducted with non-eligible programs and centers across the state to help develop a better understanding of barriers these organizations have faced with regard to becoming an approved Facility School. ***These interviews provided the necessary information to enable the work group to draft recommendations to help expand the continuum of Facility School providers while ensuring that quality of service is not jeopardized. These interviews provided a means of identifying and evaluating other effective evidence-based options that currently exist in Colorado (S.B. 21-274 Objective 2e) and enabled the identification of barriers towards meeting the needs of students in-district across the state (S.B. 21-274 Objective 2f).*** Representatives from multiple organizations identified on both the Parent/Student/Advocate survey and the Work Group survey were interviewed.

The major takeaway of these interviews was that licensing requirements are often approached with a one-size-fits-all mentality, but the unique needs of the population served creates a situation that must be handled on more of a case-by-case basis. Additionally, the lack of a centralized organizational hub for the licensure and approval process makes an already cumbersome process extremely difficult.

Some key findings from the Non-Eligible Programs/Centers Interviews were the following:

- Many interviewees indicated that the day care and treatment requirements that are needed for the CDHS licensure step do not make sense with the population they serve and, in many cases, go against evidence based best-practices for the students they serve.



- Due to the involvement of multiple departments within the licensure and approval process, interviewees indicated inconsistency exists regarding definitions and requirements.
- Interviewees felt that a new place of convergence is required with CDE redefining what “direct specialized academic instruction” means and CDHS redefining what “treatment” means to help ease the burden of the licensure and approval process while helping to ensure quality of service at newly approved Facility Schools.
- Lastly, interviewees strongly believed that working towards alignment of expectations and steps within the application process will help to ensure programs and centers that are making an impact for the students of Colorado can join the Facility School continuum.

Recommendations

Over the last year, the work group reached consensus on a set of recommendations aimed to address a whole system model for Facility Schools in Colorado. Recommendations were developed to directly address the needs of the three aforementioned student populations (Current Facility Students, Qualifying Students with No Access, and Students with Expanded Service Needs). Additionally, recommendations were developed based on the information and data reviewed in the previous section.

The set of recommendations designed by the S.B. 21-274 Facility School Work Group aimed to strengthen the entire system by focusing on all students across the state and addressing needs at multiple levels within the system. Recommendations focus on current Facility School students by addressing current Facility School budget shortfalls to help close the fiscal gap and ensure current students can receive the educational support they need. Recommendations focus on qualifying students with no access by strengthening direct services and support within the districts. Lastly, recommendations focus on non-qualifying students by addressing the current scope of the Facility School continuum through proposed changes to definitions and criteria for becoming an approved Facility School. Combined, these recommendations will help ensure that all students across Colorado have access to the educational support and services they need to thrive academically.

Funding Recommendation A: Facility School Quality Baseline Funding

The S.B. 21-274 Facility School Work Group recommends a Facility Quality Baseline Funding model as a foundational and fundamental need. The baseline funding model would create a minimum funding level for the educational and therapeutic costs of each facility school to help establish an adequate and reliable revenue stream. The baseline funding level should be designed in accordance with the minimum required set of student-facing staff and resources. The desired result will be to close the fiscal shortfall between current educational expenses and educational revenues by establishing a



minimum revenue threshold in order for the state to meet its legal obligation to provide educational services to at-risk students including students with disabilities.

The Problem: ***At present, Facility Schools are provided with a preset dollar amount per student, per day for educational services provided to the students under their care.*** The current dollar amount is based on a funding model that relies on a daily per pupil rate (PPR) and daily tuition rate; however funding for Facility School staffing needs to be year-long, not a day to day basis. Several Facility Schools receive no funding beyond those two sources. Facility Schools are not eligible to receive special education funding (ECEA-SPED), also known as Tier A or Tier B funding, that would normally be available for school districts across Colorado. For over half of the schools surveyed, PPR and daily tuition made up over 75% of their annual revenue. In SY21-22, the PPR was \$53.19 per student per day, and the average tuition rate for special education students only was \$114.00 per student per day. Facility Schools only receive funding for the days that students attend school. The average stay for a Facility School student is 90 days or less. This means that most schools receive less than \$15,000 per student. The fiscal needs of Facility Schools (with a highly mobile, high needs and small student population) are not well aligned to the existing funding model. Most students do not stay in Facility Schools for a full year but instead move back and forth over weeks or months. Additionally, more than half of Facility Schools have 25 students or fewer due to the current federal Family First Prevention Services Act (Family First), which results in very low enrollment numbers. Often Facility School students require the support of multiple additional staff personnel, specialized equipment, and extensive classroom accommodations. Inconsistent and fluctuating enrollment leads to unpredictable revenue streams for these schools. As a result, many Facility Schools are unable to plan ahead and/or predict how much funding will be available to them at any given time. With the additional in-class staffing requirements needed to support Facility School students, administrative costs, educational supply costs, and other student-facing expenses, these variable and unstable budgets provide far less than what is required to sustain a school supporting the educational needs of these youth. As a result of all these factors, the current funding model creates an unsustainable and woefully underfunded system for the fiscal needs of Facility Schools.

The Prototype Solution: ***Baseline funding establishes a minimum funding allocation needed to ensure schools have enough revenue for essential educational costs.*** Many school districts across the country utilize baseline funding to support schools, especially those that are educating smaller and more specialized groups of students.^{3,4} It must be noted that no matter how small the Facility School is, several programming staff positions are necessary including a facility director to oversee operations, clinical and educational leads to coordinate educational support for students in the classroom, therapists, and teachers to help address individual student educational needs, and other in-class staff.

³ Education Commission of the States, “50 State Comparison”, <https://reports.ecs.org/comparisons/k-12-and-special-education-funding-02>

⁴ Urban Institute, “How do school funding formulas work?”, <https://apps.urban.org/features/funding-formulas/>



Smaller schools who serve extremely high need students will require even more staff. School funding must reflect the needs of the students, and it can not be a one-size-fits-all approach.

Over several months, the work group developed and refined a Quality Baseline Funding Model for Facility Schools. ***The funding model establishes the core minimum educational requirements for providing quality support for facility students.*** Essential components with estimated costs are listed below. It should be noted that this baseline model is not creating a requirement to hire the identified staff positions and equipment listed but instead is developing a way to ensure that all facilities have the sufficient and consistent revenue needed to purchase those positions and items if desired/needed. Flexibility is inherent in the system because this baseline funding would only provide Facility Schools with dollar amounts that are equivalent to the cost of the core minimum requirements. Baseline Funding could go into effect for the 2023-24 school year and is intended to address the inherent lack of economies of scale within a Facility School.

Table 1: Proposed Baseline Funding Components

Position/Item	Description ⁵	Equivalent	Costs ⁶
Student Facing Staff Positions			
Facility Director	50% of full time, 1 per corporation	Superintendent or Executive Director	\$64,528
Special Education Director	Full time, 1 per up to 2 facilities	SPED Director	\$110,255 - \$132,296
Clinical Lead	Portion of salary to address educational coordination in the classroom, 1 per up to 25 students	Clinical Coordinator or Principal	\$90,757 - \$103,775
Education Lead	Full time, 1 per up to 40 students	Education Coordinator or Principal	\$90,757 - \$103,775
Licensed Therapist	Portion of salary to address individual student educational needs, 1 per up to 16 students	Occupational/Speech /Language Therapist	\$70,180 - \$82,822
Licensed Special Education Teacher	Full time, 1 per up to 8 students	SPED Teacher	\$58,439 - \$66,847
In Class Staff	Full time, 1 per up to 8 students	Teaching Assistant-SPED	\$28,221 - \$39,336

⁵ Listed ratios were determined based on CDHS suggested best practices and regulations

⁶ Salary ranges were determined based on data collected from CDE, US Department of Education, and Common Sense Institute



Non-personnel Costs			
Per-pupil cost for classroom items, classroom technology, classroom curriculum, classroom overhead costs	Funding could be utilized to cover any of the following as needed: furniture, equipment supplies, computers, smartboards, books, software, security costs, property destruction, maintenance, transportation, utilities, communication		\$1,050 - \$1,200/pupil

Funding Recommendation B: Facility School Shared Operational Services

The S.B. 21-274 Facility School Work Group recommends that funding be provided to identify and develop a set of Shared Operational Services across interested Facility Schools. This shared services model could be funded through a two-year grant. The application for this grant would be open to interested existing Facility Schools. The grant would pay for additional administrative capacity to conduct an assessment of operational needs, identify eligible services, and develop mechanisms to realize economies of scale for non-student-facing staff, services, and/or resources. The desired result will be to close the fiscal shortfall between current expenses and revenues by reducing operational expenses and improving efficiencies.

The Problem: ***As currently funded, Facility Schools across Colorado are struggling to keep their doors open due to the gap between expenditures and revenue.*** In addition to student facing costs, there are numerous critical but expensive business operations costs that impact school budgets that cannot be ignored. Back-office operation costs will vary from school to school but commonly include custodial, information technology, maintenance, financial and placement coordination for students and families, and food services, to name a few. When small schools are responsible for covering each and every one of these non-student facing operational necessities on their own, the costs can be overwhelming and prohibitive.

The Prototype Solution: Although these services are necessary for the day-to-day operations of all Facility Schools, it is possible to use an economies of scale approach to addressing the problem. Many of the business operation expenses that impact financial management in Facility Schools across Colorado are not unique to one school. For example, all schools, regardless of size, need to obtain custodial services. ***While one independent school may struggle to find affordable service options in its region, a network of schools that come together to collectively purchase services as a single larger consumer creates a more attractive client for vendors which results in increased competition and ultimately lower prices.*** This type of service coalition is not new to Colorado. The Colorado Education Broadband Coalition has organized this type of aggregated service model since 2017 and has seen great success with regard to obtaining quality broadband across the state at significantly reduced prices. Through a



similar approach, Facility Schools across the state could develop highly effective economies of scale that would reduce the cost of back-office operations.

During multiple work group meetings, a Shared Operational Service Model was designed and a timeline was created. ***The two-year grant plan looks to first identify one or two services that could be shared across multiple organizations and then implement service contracts through state-level Requests for Proposals (RFPs) to operationalize shared services.*** Research and planning will be required during the initial stages to identify services that will result in the highest budgetary impact once shared. Through the centralization and sharing of common back-office services, current Facility Schools can potentially realize a portion of the economies of scale that many large school districts across the state are already benefiting from. Identification of services could take place during the 2023-24 school year and implementation of the shared services model could go into full effect beginning the 2024-25 school year.

Table 2: Proposed Shared Operational Services Two-Year Grant Plan

Grant Plan Components	Component Specifics
Year 1: Focus on Identification of Services and Development of Model	
Proposed Budget	\$100,000
Request for Proposal	<ul style="list-style-type: none"> ● Assessment of Facility School Services ● Identification of 1-2 high impact services to operationalize in year 2 ● Develop a model to pay for identified services
Year 2: Focus on Operationalizing Identified Services	
Proposed Budget	\$200,000
Request for Proposal	<ul style="list-style-type: none"> ● Contract to complete services

Capacity Recommendation A: Development of a technical assistance center to support school districts

The S.B. 21-274 Facility School Work Group recommends that the Colorado Department of Education develop a technical assistance center for the provision of training and professional development to support districts. This center would provide specific support needs to maintain students in their home district. Rural school districts that currently do not have access to facility schools should receive priority assistance. The desired result will be to increase the capacity of the state to serve students with specific support needs that cannot currently be addressed at the district level.



The Problem: The current distribution of Facility Schools throughout Colorado creates challenges for many qualified students when it comes to access. ***Due to the geographic distribution and limitations with regard to available slots, many school districts are forced to try to provide services and support to students on their own.*** Many districts do not have the staffing or resources available to effectively help these students who otherwise qualify for Facility School placement. Without additional resources and support available at the district level, many of these students are left falling behind academically.

The Prototype Solution: If students are unable to come to the Facility School type services, the services must find a way to go to the students. ***Although physical location and limited available openings limit access to Facility Schools for some, there are multiple ways that support can be provided indirectly to the students through working with staff within the school district.*** Supporting district teachers and school staff through various training and professional development opportunities can help to address several of the currently unmet needs identified in both the External Program Survey as well as the Parent/Student/Advocate Survey.

In the spring, the work group conceptualized a technical assistance center. ***The center would function across the state and work to provide both in-person and virtual training and professional development options for teachers, administrators, and in-class staff.*** Services would be prioritized for rural districts that were unable to find suitable placement for students in their communities. The desired result of the center would be to have additional training for district staff to better equip them to address specific needs of students with specialized instruction and related service requirements. Buildout and staffing of the center could take place during the 2023-24 school year. Delivery of services could begin during the 2024-25 school year with priority of initial programming directed to rural districts.

<p>CDE would be responsible for setting up and managing the technical assistance center. The structure of the center would need to be flexible to ensure that the ever changing needs of the students across Colorado could be continuously met. Additional FTE is expected for the Colorado Department of Education to provide the technical assistance. These positions may be full time, part time, or contracted. They will need to be flexible based on the needs of school districts.</p>	
<p>The center would address the following:</p>	<ul style="list-style-type: none"> ● Coordinated support and technical assistance provided to school districts and Facility Schools ● Central location within the state ● Available staffing resources to deploy across the state for training ● Strong connections with both school districts and Facility School to enable facilitation of support and services
<p>The center would incorporate the following components:</p>	<ul style="list-style-type: none"> ● Training and professional development would be provided to staff in district ● Both in-person and virtual training, coaching, and professional development options would be available ● Priority for in-person training, coaching, and professional development would go to the rural areas in the state



Continuum Recommendation A: Expand Access and Locations for Student Services in the Facility School Continuum

The S.B. 21-274 Facility School Work Group recommends that the Colorado Department of Education reinforce existing standards for facility schools while expanding the definition of facility schools to address the disparity between student needs and the existing continuum of services within Colorado. This will allow the Colorado Department of Education to approve new or existing organizations serving various student populations to provide direct specialized services as a part of the state's continuum of educational services. The desired outcome will be to increase the capacity of the state to provide a full continuum of services for students with specific support needs, as required by the Individuals with Disabilities Education Act (IDEA).

The Problem: In both the Parent/Student/Advocate survey, as well as the Work Group survey, numerous existing non-facility programs and centers across Colorado were identified as effective sources of support for students with expanded service needs. While not all the programs and centers identified on the surveys are looking to become part of the Continuum of Specialized Education at this time, several have pursued the license requirements and approval process with varying levels of success. ***While it is critical to ensure that programs and centers that become Facility Schools are held to high quality standards, it is also of paramount importance that students across the state have access to the support they need to thrive.*** If effective programs and centers currently exist that have as yet been unsuccessful in joining the Continuum of Specialized Education, it begs the question: What is preventing these programs and centers from obtaining a license and receiving approval from the CDE? Based on interviews conducted with staff from existing non-facility programs, for many, obtaining a CDHS license for treatment can be a significant barrier. A treatment license currently requires clinical level support to be provided to the students on site. It is important to note that the CDHS license is related to mental health supports, not supports specific to educational needs only. Many existing non-Facility programs and centers across the state currently provide support exclusively in the form of programming and related services that help support students with disabilities. In these cases, the intensity of service needs for the student is beyond what the home district can currently provide, so without the assistance of these outside organizations, these students would not be able to achieve their academic goals. However, due to the current requirements to become an approved Facility School, these programs and centers can not currently become part of the continuum. ***While it is critical that approved schools are held to a high standard to ensure students receive quality services, the current license requirement all but eliminates a place within the Continuum of Specialized Education for students who only need educational and related services to succeed academically.*** In order to ensure that students across the state are able to access the services and support they need to achieve their academic goals, it is important to reevaluate the necessary qualifications and process to become an approved Facility School.

The Prototype Solution: ***To help expand the Continuum of Specialized Education for those sites that do not have the appropriate CDHS treatment license but are effectively supporting students with***



expanded service needs in Colorado, changes should be made to provide “space” within the continuum for those organizations, while ensuring they are providing students with quality services and support. (Figure 3).

Following numerous discussions and review of input from outside organizations, the work group came to consensus that changes must be made to the qualifications required to obtain a license from CDHS. **Qualification changes must create a space for those organizations that provide support to students that require direct specialized instruction and related services to address needs that can not be supported currently in the student’s home district.** Challenges can vary from one school district to the next but can include not having the specific staff required to support student needs (e.g. Intellectual/Developmental Disability with extremely aggressive behaviors), especially in small, rural areas. Many districts do not have the mental health/behavior components required to support more intense needs of some students. School districts are also challenged by geographic isolation from the necessary services and/or specialists to effectively address student needs. Consideration of changes could begin during the 2023-24 school year. These schools would be incorporated into the baseline funding model as New Day Specialized Schools, they would be considered CDE approved Facility Schools.

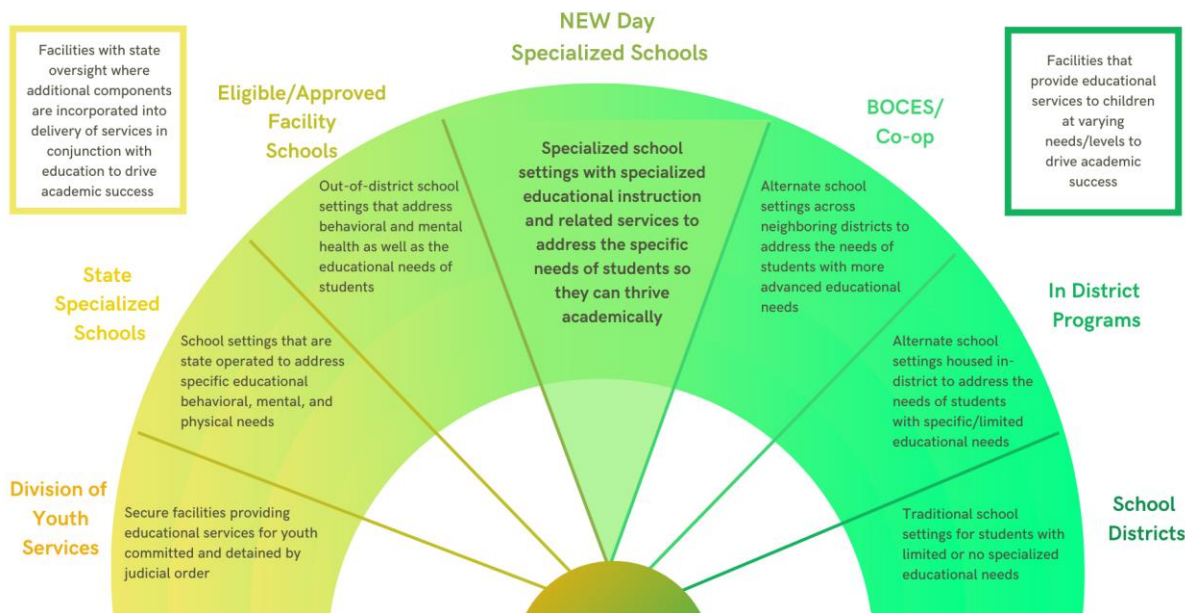


Figure 3

Continuum Recommendation B: Clarify and Improve the Process to Qualify as a Facility School

The S.B. 21-274 Facility School Work Group recommends that the Office of Facility Schools collaborate with other state-level entities to promote revisions, clarification, or additional support for the licensure and approval process. This would include CDE, CDHS, CDPHE, and HCPF collaborating on written guidance



that becomes publicly available with step-by-step instructions for how to become an approved Facility School. The desired outcome will be to make the process of becoming an approved facility school more efficient while updating and aligning requirements to address current student need.

The Problem: Some non-facility programs identified in the Parent/Student/Advocate survey were eligible to become an approved Facility School but had not completed the process. ***Through interviews with these organizations, it was determined that the current process to become licensed and approved can be cumbersome, confusing, and in some cases inconsistent.*** As a result, some organizations that could become an approved Facility School choose not to do so. This situation can result in students across Colorado missing out on the opportunity to access educational programming and support they need to succeed academically.

The Prototype Solution: ***To help expand the Continuum of Specialized Education for programs and centers that have the appropriate CDHS or CDPHE licensing but have not yet sought CDE approval, changes should be made to the application process to help encourage more organizations to apply and streamline the process to minimize the burden of securing licensing and approval.***

Following numerous discussions and review of input from outside organizations, the work group came to consensus that changes must be made to the process for obtaining licensure and approval as a Facility School. ***Process changes must take place throughout the application process. CDE, CDHS, CDPHE, and HCPF need to streamline and clarify the licensure and approval process to help ensure that there is continuity throughout the application process and clear expectations for applicants.***

Consideration of process changes could begin during the 2023-24 school year.

Implementation Monitoring Recommendation

The Facility Schools Model Work Group recommends providing funding to establish and maintain a representative work group to monitor the implementation of the new facility schools model. During the full period of implementation, this work group would meet periodically to assess progress and advise the legislature on updates or changes to consider with regard to the effectiveness of the recommendations and possible modifications to preserve the intent of the recommendations. S.B. 21 - 274 provides a timeline for implementation of recommendations that begins July 1, 2023 and extends through June of 2027. This representative work group would be established and be tasked with its purpose and responsibilities no later than October 2023.

The Problem: ***Systems level change requires careful monitoring and support to drive success.*** The current bill mandates the work group to “develop and implement a sustainable model.” The recommendations developed by the S.B. 21-274 Facility School Work Group can only work if those in charge of the changes have the proper guidance from those individuals who worked to draft the recommendations. As a result, the work should not end with this report. In addition, these



recommendations are grounded in the best information the work group had at the time. As recommendations are implemented, new information may come to light and the new work group might see a need to adjust or modify the recommendations accordingly.

The Prototype Solution: ***Through the maintenance and/or reconvening of all or part of the S.B. 21-274 Facility School Work Group following approval of the recommendations by the legislature, successful implementation can be assured.***

The work group identified the need for the reconvening of the Facility School Work Group following approval or modification of the recommendations to both monitor progress of implementation as well as support and guide the next phase of the work. Several recommendations involve the potential development of new offices, teams, and personnel. As a result, it will be critical that the work group continues to exist to answer questions, oversee changes, monitor progress, and help identify any refinements that are needed during implementation.

Evaluating Outcomes

As mentioned above, it will be critical that, following approval or modifications of the work group recommendations, the progress and impact of implementation is carefully monitored. Given this, the work group developed a series of methods to help track and measure progress and impact of implementation. These methods help to identify the outcomes that are to be evaluated by the work (*S.B. 21-274 Objective 2h*). Following full implementation in 2027 additional evaluating outcomes could be developed to help determine whether the proposed system changes are helping to improve academic performance and outcomes for students.

Tracking Funding Recommendation A: Facility School Quality Baseline Funding

Effective tracking of Baseline Funding will help to demonstrate that Facility Schools are more sustainable than under the current model and have the capacity to expand services and resources beyond what was previously possible. The following are recommended tracking parameters:

- Conduct a comparison of revenue vs spending at Facility Schools before and after Baseline Funding implementation to help determine whether Facility Schools on average are better able to cover the costs of education and therapeutic services (speech, occupational, etc.) for the students they serve
- Track average teacher salary before and after implementation of Baseline Funding to help determine whether Facility School salaries are able to be more competitive compared to school districts



- Track vacancy rate for student-facing staff before and after implementation of Baseline Funding to help determine whether Facility Schools are better able to recruit and retain quality staff
- Identify items prioritized with any future supplemental funding⁷ to help determine whether additional funding changes are required to sustain Facility Schools
- Track whether prioritized supplemental funding items continue to be accessible to Facility Schools with Baseline Funding only in future years to help determine whether funding recommendations help to address current shortfalls
- Following full implementation in 2027, assess whether existing Facility Schools are more likely to be running at capacity compared to previous years to help determine if Facility schools are able to maximize per pupil funding
- At three-year intervals, beginning at full implementation in 2027, assess whether adjustments are required to the Baseline Funding Model to enable expansion of the capacity of existing Facility Schools
- Track additional Facility School closures and compare with pre-baseline funding trends, evaluate in conjunction with overall Facility School capacity changes to help determine whether recommendations have the desired effect of making Facility Schools more sustainable

Tracking Funding Recommendation B: Facility School Shared Operational Services

Effective tracking of Shared Operational Services will help to demonstrate that Facility Schools are more sustainable through the development of a coalition to share the costs of non-student facing operational expenditures. The following are recommended tracking parameters:

- Year 1
 - Track development and awarding of a RFP to coordinate shared services to ensure work is on schedule
 - Track development of plan to identify and operationalize at least one shared service in year 2 to ensure work is on schedule and plan for year two is viable
- Year 2
 - Track the development and awarding of a RFP to operationalize shared services to ensure work is on schedule
 - Track spending in Facility Schools before and after operationalization of shared services to help determine whether individual school operational costs decrease in areas with shared services
 - Track effectiveness and quality of shared service to help determine whether shared operational services has the desired effect of minimizing operational costs across the state including reduced staff time to coordinate and manage the individual services

⁷ At the February 4, 2022 SB 21-274 Facility School Work Group meeting, members came to consensus that immediate recommendations should be sent to the JBC to request stop-gap supplemental funding that had been provided to Facility Schools for the 2021-22 fiscal year, be provided again for the 2022-23 fiscal year.



Tracking Capacity Recommendation A: Support for a Technical Assistance Center

Effective tracking of the technical assistance center will help determine if districts are benefiting from available training and professional development and whether students have access to more resources and support in-district. The following are recommended tracking parameters:

- Track recruitment and hiring of person(s) to lead and manage the center to ensure work is on schedule
- Track identification of statewide priorities and resources to enable implementation to ensure that identified priorities align with work group recommendations
- Track the number, location, and specifics of requests by districts filled by the center team to help determine if services are being utilized and target areas are being prioritized
- Collect satisfaction information from districts across the state with regards to center services to help ensure that services provided are filling the districts needs
- Track the number of students that are able to be retained in district as a result of the potential expansion of available support to help determine if the recommendation is having the desired impact of increasing the number of students statewide that can be served in-district

Tracking Continuum Recommendations A & B: Expand Access and Locations for Student Services in the Facility School Continuum & Clarify and Improve the Process to Qualify as a Facility School

Effective tracking of the expansion of student services in the Facility School Continuum will help determine if changes are increasing the number of Facility Schools statewide, the number of students served by Facility Schools, and the scope of student needs covered by Facility Schools. The following are recommended tracking parameters:

- Track changes made to the application process by the Office of Facility Schools to ensure changes are inline with recommendations made by the work group
- Track changes made to the definitions of Facility Schools and how those changes work to expand the continuum to ensure that changes are inline with the recommendations made by the work group
- Track the number of newly approved Facility Schools since inception of changes to help determine whether changes have the desired effect of increasing the number of locations available statewide
- Track the number of students statewide that are currently being served as well as those waiting for Facility School placement to help determine whether changes have the desired effect of increasing access to Facility Schools statewide



- Collect satisfaction information from organizations that have started and/or completed the process since inception of changes to help ensure that changes have improved the process for programs and centers that are looking to join the Facility School continuum
- Collect satisfaction information from students and parents/guardians that have utilized Facility Schools since inception of changes to ensure that changes to the Facility School continuum have not resulting in unintended negative effects with regards to quality of service for students and families

Conclusion

Facility Schools in Colorado work hard to provide support for students across the state who struggle with physical, behavioral, mental health, or special educational needs that hamper their academic success in a traditional classroom. However in recent years, many Facility Schools have been forced to close their doors due to the gap that exists between operational costs and yearly revenue. As a result, the number of available slots for students has decreased and more and more school districts are forced to try and support students with significant needs on their own or to place students in non-facility school settings including out-of-state placements. S.B. 21-274 was intended to drive the development and implementation of a revised, sustainable Facility School model that would have the capacity, the continuum of services, and funding to meet the educational needs of children and youth with challenging behavior, mental, or behavioral health needs, or disabilities, regardless of eligibility for special education services. The recommendations presented in this report were developed by the S.B. 21-274 Facility School Work Group following months of data collection, analysis and review, stakeholder interviews and surveys, dialogue, deliberation, and consensus decision making. This work was approached with systems thinking to ensure that the resulting recommendations would be comprehensive and sustainable. Each recommendation was developed to help address the needs of a specific target population of students and their families and specific barriers and challenges identified over the past year. ***Components of the Facility Schools System Model set of recommendations are closely tied to each other and all work together to provide the needed change to maximize the work, reach, and scope of Facility Schools across the state. Individually, each recommendation can improve a small piece of the puzzle. Together these recommendations can help bring long-lasting, impactful change to the students of Colorado.***