

Analysis of the Costs of Colorado's Achievement Plan for Kids (CAP4K)



FIRST INTERIM REPORT

AUGENBLICK, PALAICH AND ASSOCIATES
COLORADO SCHOOL FINANCE PROJECT
JUNE 2010

Overview of Project

2

- APA was selected in October 2009 to analyze the costs of implementing CAP4K for the Colorado Department of Education.
- APA is working jointly with the Colorado School Finance Project; both organizations are contributing support to the project because the costs exceed the contract amount.
- APA will produce three reports as part of this work:
 - First Interim Report: March 2010 (completed)
 - Second Interim Report: October 2011
 - Final Report: October 2012

Scope of Work for First Interim Report

3

- For the first report, APA looked at the costs associated with three components of CAP4K:
 - Component One: School Readiness
 - Component Two: New Content Standards
 - Component Three: Postsecondary and Workforce Readiness (PWR)
- APA's work was focused on costs during the *planning* phase for each component.
- APA developed cost estimates for four entities as required by the contract:
 - Colorado Department of Education (CDE)
 - Colorado Department of Higher Education (DHE)
 - K-12 School Districts - in the aggregate
 - Institutions of Higher Education (IHEs) - in the aggregate

Methodology

4

- APA used the "professional judgment" approach as the basis for its cost estimates. This approach relies on experts, in this case representatives from all affected entities, to identify the resources needed to appropriately complete a given objective.
- APA held the following meetings as part of this approach:
 - In-person meetings with representatives from CDE and DHE;
 - One-on-one meetings with several larger K-12 school districts;
 - Webinars with several mid-sized school districts that then filled out a data collection device independently; and
 - Group meetings with several smaller school districts.
- To collect information from the IHEs, APA distributed a survey to each institution; DHE coordinated the responses.

How Costs Were Estimated

5

- To estimate the costs of the planning phase of CAP4K for each entity:
 - APA worked with each group to develop lists of activities and tasks that they felt were important to undertake to comply with CAP4K.
 - For each activity or task, estimates of the amount of personnel time and other costs, such as supplies and materials, were developed.
 - Salaries and benefits were then applied to personnel time and combined with other costs to produce total figures.

Distinctions Made When Estimating Costs

6

- APA made a number of distinctions when determining what costs were associated with the planning phase of CAP4K:
 - Planning vs. Implementation
 - × APA focused on costs incurred when planning for CAP4K, not actual implementation.
 - Compliance vs. Fulfilling Implied Intent
 - × APA developed cost estimates only for the costs associated with complying with the legislation, not fulfilling it's implied intent.
 - New Costs vs. Continued Costs
 - × APA focused on new costs instead of costs to continue activities that may have been taking place already or costs that involve redirecting personnel that were already available.
 - One-Time vs. Ongoing Costs
 - × APA also attempted to distinguish between "one-time" costs and costs that recur year after year; however this distinction could not be easily made in the planning phase.
 - Tasks that Should be Undertaken vs. Those That Can be Undertaken Within Budget Constraints
 - × APA asked entities to identify tasks and the resources needed to properly implement CAP4K, not just the scaled down method they would use given current budget issues.

CDE: Activities

7

- The Colorado Department of Education undertook the following activities during the initial phase of CAP4K:
 - 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
 - Developed strategic implementation and outreach plans

CDE: Costs by Component

8

- Each of these activities applied to one or more component, and the resources needed to fulfill each task were allotted accordingly.
- The costs by component to CDE for the initial phase of CAP4K are:

Component 1: School Readiness	Component 2: New Content Standards	Component 3: Postsecondary and Workforce Readiness	Total
\$250,339	\$929,716	\$341,117	\$1,521,172

DHE: Activities

9

- The Department of Higher Education undertook the following activities during the initial phase of CAP4K:
 - Held meetings with stakeholders, including representatives of higher education institutions
 - Participated in the development of the PWR description by:
 - ✦ Co-convening regional tours
 - ✦ Conducting a literature review
 - ✦ Developing a database and conducting an analysis of pertinent data

DHE: Costs by Component

10

- Each of these activities was to fulfill the Postsecondary and Workforce Readiness component
- The costs by component to DHE for the initial phase of CAP4K are:

Component 1: School Readiness	Component 2: New Content Standards	Component 3: Postsecondary and Workforce Readiness	Total
No Costs at this Phase of the Study	No Costs at this Phase of the Study	\$141,473	\$141,473

K-12 School Districts: Activities

11

- School Districts are planning to undertake the following activities during the initial phase of CAP4K:
 - Translate new state requirements into local language and local expectations
 - Design and implement staff development
 - Adopt the new content standards and align their existing curriculum
 - Plan for new assessments
 - Develop a PWR program
 - Determine material and technology needs
 - Manage communications with students and families about new requirements

K-12 School Districts: Costs by Component

12

- School districts were more comfortable estimating the resources needed to fulfill the New Content Standards component.
- Due to uncertainty about what the School Readiness assessment would look like, APA calculated a range of potential costs.
- Districts were unable to estimate what activities they would undertake to fulfill the PWR component due to lack of understanding about what is expected of them.

K-12 School Districts: Costs by Component

13

- Per pupil costs for each component were created, with an adjustment by size, and then applied to all Colorado school districts to create total costs.
- The costs by component to school districts for the initial phase of CAP4K will be:

Component 1: School Readiness	Component 2: New Content Standards	Component 3: Postsecondary and Workforce Readiness	Total
\$2,596,988 to \$13,277,343	\$125,915,881	Could Not Estimate at this Time	\$128,512,869 to \$139,193,224

IHEs: Activities

14

- Institutions of Higher Education are planning to undertake the following activities during the initial phase of CAP4K:
 - Plan for any needed changes to their teacher preparation programs, admissions policies, remediation policies and materials
 - Community colleges also participated in the development of the school readiness, PWR and content standards

IHEs: Costs by Component

15

- Costs were calculated by type of institution (research, moderately selective, modified open and community college) but are shown in single totals for all types of institutions below.
- The costs by component to IHEs for the initial phase of CAP4K will be:

Component 1: School Readiness	Component 2: New Content Standards	Component 3: Postsecondary and Workforce Readiness	Total
\$192,374	\$851,910	\$502,897	\$1,547,181

Total Costs to All Entities During Phase I

16

- APA attempted to assign a cost to the activities each entity was undertaking; this was easier to do for CDE and DHE.
 - School districts are only beginning to implement CAP4K and their understanding of what will be required is limited.
 - ✦ Preliminary cost estimates from the interim report do not include costs to districts for the PWR component and include a range for the school readiness component.
- All figures in the interim report should be considered rough estimates only. APA intends to review and refine these figures to produce a more complete and accurate cost picture in subsequent reports.

Total Costs to All Entities During Phase I

17

- With the previous caveats in mind, preliminary costs estimates by component for all entities during the initial phase of CAP4K are:

Entity	Component 1: School Readiness	Component 2: New Content Standards	Component 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	Cannot Estimate at this Time	\$128,512,869 to \$139,193,224
Institutions of Higher Education	\$192,374	\$851,910	\$502,897	\$1,547,181
Preliminary Estimate for All Entities (Excluding PWR for school districts)				\$131,547,181 to \$142,440,214

Next Steps

- APA and CSFP will meet with CDE in the next few weeks to begin the second phase of the study.
- Keep updating the descriptions of the components as further information becomes available, for example discussion around national standards and assessments.
- Begin meetings with the four stakeholder groups late in the year or early 2011.
- Other