



COLORADO
Department of Education

S.B. 23-219 Facility Schools Work Group Annual Report

Submitted to:

**Joint Budget Committee
House Education Committee
Senate Education Committee
State Board of Education**

By:

Office of Facility Schools

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Table of Contents

Executive Summary	3
Membership, Meetings, and Resources	4
• Legislation Required Representation	
• Facility School Work Group Meetings and Resources	
• 2023-24 Stakeholder Groups for Facility School Work Group	
Implementation Progress to Date	8
• Funding	
• Capacity	
• Continuum	
• External Evaluation	
Implementation Data Collection and Feedback	10
• Impact in Key Areas	
• Examples of Positive Change	
• Observations of Continues Challenges	
Next Steps	15
• Funding	
• Capacity	
• Continuum	
• External Evaluation	
Appendix	18



Executive Summary

Facility Schools provide educational services outside of the traditional classroom to students with physical, behavioral, mental health, or special education needs. Facility 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 decreased by over 40% between 2012 and 2022. 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.

During the 2021 legislative session, [Senate Bill 21-274](#) established a Facility School Work Group that was tasked with developing a series of recommendations to help foster a sustainable facility school model to better serve students. The recommendations were intended 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 areas of focus for the Work Group. Providing sustainable funding would ideally support a high-quality education, providing a comprehensive continuum of settings would help ensure that all student needs could be met, and providing additional capacity would help keep the students of Colorado close to their families and communities and minimize costs to the districts. All three are interconnected and support each other to provide a more holistic solution that benefits everyone. The Work Group commenced work in the fall of 2021 and developed a set of recommendations that were presented to the Joint Budget Committee (JBC) at the end of 2022 in their [SB21-274 Facility Schools Work Group Final Report](#).

In April of 2023 Colorado General Assembly passed [Senate Bill 23-219](#), which contained the recommendations put forth by the Facility School Work Group. The bill was signed into law in May of 2023. The system-level recommendations were grounded in the three focus areas: Funding, capacity, and the continuum of student services. Each focus area contained specific items, listed below, to help address student and family needs as well as system shortfalls.

Funding Recommendations:

- ***Baseline Funding***
- ***Tuition Costs***
- ***Medicaid Reimbursements***
- ***Shared Operational Services***

Capacity Recommendation:

- ***Technical Assistance Center***

Continuum Recommendations:

- ***Specialized Day School***
- ***Interagency Resource Guide***
- ***Accountability and Accreditation***

Beginning in June of 2023, with the passage of Senate Bill 23-219, the Facility School Work Group shifted their focus to track implementation of the new legislation and provide feedback and additional



recommendations concerning the work. The [2023 SB-23-219 Annual Report](#) was submitted to the JBC in October of 2023. This first annual report provided information on the progress underway to implement each of the recommendations and provided related baseline data. Since then, the Work Group has continued to collect data, such as attendance and enrollment numbers, as well as track implementation on all recommendations proposed by the initial Facility School Work Group. This document reviews the work to date since the October 2023 Annual Report and outlines next steps in implementation tracking.

Membership, Meetings, and Resources

Legislation Required Representation

SB23-219 required representation from the following entities within the Work Group:

- School Districts
- Boards of Cooperative Services
- Special Education Directors
- Facility Schools and Facility School Board Members
- The Department of Health Care Policy and Financing
- The Department of Education
- The Department of Human Services, Including the Division of Youth Services
- County Departments of Human or Social Services
- Parents, Guardians, and Legal Custodians of Students with Exceptionally Severe or Specialized Needs
- Therapeutic Facilities for Students with Exceptionally Severe or Specialized Needs That Are Not Approved Facility Schools

Work Group members were appointed through the Office of Facility Schools. Representatives were sought through a variety of stakeholder groups and pathways. The office ensured each member had knowledge of or experience with facility schools. A complete list of current Work Group members, representation, and their roles can be found below (Table 1).

Table 1
SB23-219 Facility School Work Group Membership By Name, Representation, and Role

Member	Representation Required by Statute	Role/Position
Sarah Baumgartner	School District	Assistant Director of Special Education- Brighton 27J
Laurie Burney	CO Dept. of Human Services	Div. of Child Welfare- Facility Monitoring
Danny Combs	Specialized Day School Parent	Executive Director- TACT and Parent



Kari Chapman	Facility School	Chief Finance Officer- Griffith Facility School
Wendy Dunaway	CO Dept. of Education	Assistant Director- Office of Facility Schools
Mylynda Herrick	Facility School Board Member Parent/Guardian of Student	Parent
Kathleen Homan	CO Dept. of Health Care Policy & Finance	Complex and Supportive Services Unit Supervisor
Sonjia Hunt	Facility School Facility School Board Member	Special Education Director- Hilltop Facility School
Susan Udenberg	BOCES	Executive Director and SPED Director
Erin Osterhaus	Division of Youth Services	Director of Education
Betsy Peffer	School District Facility School Board Member	Out-of-District Coordinator
Steven Ramirez	Facility School Facility School Board Member	CEO- Shiloh Facility School and Board Chair
Deon Roberts	Facility School	Special Education Director- Cedar Springs Hospitals
Robin Singer	CO Dept. of Education	Supervisor- Office of Facility Schools
Judy Stirman	CO Dept. of Education	Director- Office of Facility Schools
Ann Symalla	CO Dept. of Education	Office of Facility Schools
Lindsey Tapp	CO Dept. of Human Services	Foster Care Liaison- Education Specialist
Barb Taylor	Facility School	Special Education Director- Various Facility Schools
Kevin Tracy	Facility School	Chief Officer- Residential & Education Services- Shiloh



Callan Ware	School District Special Education Director	Director of Special Education- Englewood Schools
Laura Writebol	County Depts.- Human Services	Education Liaison - Denver County DHS

Facility School Work Group Meetings and Resources

Facility School Work Group meetings occur approximately once a month, and are typically held virtually, although the June 6, 2024 Facility School Work Group meeting was held in person at the Daniels Fund in Denver Colorado. Meetings are open to the public and include a scheduled time for public comment; however, only Work Group members actively participate in meetings. Meeting dates and time, agendas, meeting notes, and Zoom links are available to the public through the Facility School Work Group page on the Colorado Department of Education website (<https://www.cde.state.co.us/facilityschools/facilityschools-workgroup>). Work Group members have access, through a shared Google folder, to an archive of resources, reports, PowerPoint presentations, and past meeting notes.

2023-2024 Stakeholder Groups of the Facility School Work Group

Stakeholder Groups will be required to address some specific items outlined in SB23-219. The Tuition Cost Stakeholder Group was established to *“analyze and recommend changes to the methods used for calculating tuition costs for approved facility schools”*.

Tuition Cost Stakeholder Group Formation and Work

The stakeholder group was assembled by the Office of Facility Schools and includes SB23-219 Work Group members, Facility School Board members, School District staff, Charter School Institute, and Facility School staff. A complete list of stakeholder group members, representation, and their roles can be found below (Table 2). The stakeholder group developed recommendations for a new tuition system and its recommendations with the SB23-219 Facility School Work Group. Feedback on the new system was provided, edits were made ahead of the Notice of Rulemaking in March 2024. The State Board approved the new tuition system on June 12, 2024. A full review of the new tuition system can be found in Appendix A. With the passage of the new system, the Tuition Cost Stakeholder Group will now plan to meet quarterly to review the implementation process, solve any issues that arise, and provide additional recommendations as necessary. Following the first year of implementation the role of the Tuition Cost Stakeholder Group will be reevaluated.

Table 2

SB23-219 Tuition Cost Stakeholder Group Membership By Name, Representation, and Role

Member	Representation	Role/Position
Kari Chapman	Griffith Center Facility School Facility School Work Group Member	Facility School Finance



Wendy Dunaway	Office of Facility Schools	Assistant Director
Annie Haskins	Office of Facility Schools	SPED/IEP System Administrator
Matt Hudson	Charter School Institute	SPED Director
Sonjia Hunt	Hilltop Facility School Facility School Board Member Facility School Work Group Member	Facility School Special Education Director
Nancy Jones	Lardon Facility School	Facility School SPED Director- Past School District SPED Dir.
Corey Kala	Lardon Facility School	Chief Financial Officer
Lori Kochevar	Office of Facility Schools	Lead- Tuition Cost- Committee Lead
David Molineux	Jefferson Center Facility School Facility School Work Group Member	Facility School Special Education Director
Betsy Peffer	Douglas County School District Facility School Board Member Facility School Work Group Member	School Psychologist
Robin Singer	Office of Facility Schools Facility School Work Group Member	Supervisor- Committee Lead
Judy Stirman	Office of Facility Schools Facility School Work Group Member	Director
Ann Symalla	Office of Facility Schools Facility School Work Group Member	Monitoring Specialist
Barb Taylor	Multiple Facility Schools Facility School Work Group Member	Facility School Special Education Director
Callan Ware	Englewood School District Facility School Work Group Member	SPED Director
Jewell Weber	Joshua School Facility School	Chief Financial Officer



Implementation Progress to Date

Extensive progress has been made to date across all focus areas. Following the passage of Senate Bill 23-219, all SY23-24 implementation requirements were met. By the end of 2023, the new Tuition Cost Calculation Method was finalized, Medicaid Reimbursement Guidance was developed by the Department of Health Care Policy and Finance, and the Interagency Resource Guide was built out through collaborative efforts of the Department of Education, Department of Human Services, and Department of Health Care Policy and Financing. During 2024, further progress has been made and several additional milestones have been met.

Funding

A. Baseline Funding

- a. *Bill Requirements*- SB23-219 “creates a new baseline funding model for approved schools. The bill requires reporting on the new baseline funding model for approved schools.”
- b. *2023 Annual Report Recap*- Ahead of the [2023 Annual Report](#), the Work Group collected historical data, including monthly enrollment data and additional administrative and operational data, that could be used in the analysis of the remodel of baseline funding and updated methods for tracking monthly enrollment.
- c. *2024 Annual Report Progress to Date*- The first year of implementation of the new baseline funding model is complete. Feedback from facility schools and the Work Group is being collected to help consider revisions and refinements to the formula moving forward.

B. Tuition Costs

- a. *Bill Requirements*- SB23-219 requires the Office of Facility Schools to provide “recommendations to change the method used for calculating costs for approved Facility Schools as described in section 22-2-405(5) and identify next steps”.
- b. *2023 Annual Report Recap*- Ahead of the [2023 Annual Report](#), the Tuition Cost Stakeholder Group began reviewing options for an updated method for calculating tuition costs as well as rule changes.
- c. *2024 Annual Report Progress to Date*- The State Board of Education approved a new tuition cost plan and rates. Changes include three category rates. The new rates took effect for SY2024-25. The Facility Schools Expenses Workbook was also updated. Details of the finalized system can be reviewed in Appendix A.

C. Medicaid Reimbursement Guidance

- a. *Bill Requirements*- SB23-219 requires the Department of Health Care Policy and Financing to “recommend a plan to provide guidance to approved schools on the eligibility standards required to request and receive Medicaid reimbursement funding for therapeutic services to the maximum extent feasible.”
- b. *2023 Annual Report Recap*- As of the submission of the [2023 Annual Report](#) to the JBC, the Facility School Work Group was waiting on the Department of Health Care Policy and Finance (HCPF) to share plans on the development of the Medicaid Reimbursement Guidance.
- c. *2024 Annual Report Progress to Date*- Draft guidance has been developed by HCPF.



D. Shared Operational Service

- a. *Bill Requirements-* SB23-219 “creates the shared operational services grant program to award a grant to eligible applicants to contract for two years with an organization that coordinates shared operational services.”
- b. *2023 Annual Report Recap-* Ahead of the [2023 Annual Report](#), the operational services grant recipient was determined and was awaiting approval by the state board.
- c. *2024 Annual Report Progress to Date-* The State Board of Education approved Colorado Association of Families and Children’s Agencies (CAFCA) as the grantee at their regular board meeting in October 2023. Funds were distributed, Dave Sevick was named Director of Development and Member Services, and an Advisory Council was seated. A needs assessment is currently underway and a shared purchasing process is being piloted.

Capacity

A. Technical Assistance Center

- a. *Bill Requirements-* SB23-219 “creates the technical assistance center in the Office of Facility Schools to provide technical assistance support to school districts and related administrative units, with a priority to serve rural and remote school districts and related administrative units. Beginning in the 2023-24 budget year, the center is required to assess the needs of school districts and related administrative units.”
- b. *2023 Annual Report Recap-* Ahead of the [2023 Annual Report](#), a job description for the technical assistance center coordinator was being developed and the Office of Facility Schools was informally collecting data to help assess potential needs of school districts and related administrative units.
- c. *2024 Annual Report Progress to Date-* The position for the technical assistance center was filled and the new coordinator started on July 1, 2024. The coordinator has begun to connect and do outreach with internal and external stakeholders, collect data to help steer future work, build out a resource hub, and attend relevant conferences and meetings.

Continuum

A. Specialized Day Schools

- a. *Bill Requirements-* SB23-219 “creates the specialized day school as a type of approved school. The facility school board shall promulgate rules for a facility to become authorized to operate as a specialized day school.”
- b. *2023 Annual Report Recap-* Ahead of the [2023 Annual Report](#), the Facility Schools Board was updating rules, CCR 304-1, to include a process to authorize specialized day schools.
- c. *2024 Annual Report Progress to Date-* Rules were approved by the Facility School Board in December 2023. Teaching the Autism Community Trades (TACT) and Austin Centers for Exceptional Students (ACES) both progressed through the pilot authorization process and were approved in August 2024. Additional sites have expressed interest in becoming Specialized Day Schools, a type of approved Facility School

B. Interagency Resource Guide

- a. *Bill Requirements-* SB23-219 requires the CDE, Department of Human Services (CDHS), HCPF, and the Department of Public Health and Environment (CDPHE) to “collaborate



and create an interagency resource guide to provide assistance to facilities that are pursuing licensing or authorization to operate as an approved school. The Bill requires the state agencies to identify and recommend legislation and changes to each department's respective rules and administrative processes to facilitate licensing, authorization, and approval processes for facilities seeking to operate as approved schools."

- b. 2023 Annual Report Recap- Ahead of the [2023 Annual Report](#), a draft Interagency Resource Guide was written and reviewed by stakeholders including the SB23-219 Work Group Members.
 - c. 2024 Annual Report Progress to Date- A finalized version of the guide has been posted on the CDE website. The finalized Interagency Resource Guide can be reviewed in Appendix B.
- C. Accountability and Accreditation
- a. Bill Requirements- SB23-219 requires the Facility Schools Board *"to adopt accountability and accreditation measures for approved schools."*
 - b. 2023 Annual Report Recap- The Facility Schools Board will update current rules, CCR 304-1, to include the process to accredit approved facility schools and the components of the accreditation outcome reports.
 - c. 2024 Annual Report Progress to Date- The Facility School Board updated and adopted CCR 304-1 rules to include the process to accredit approved facility schools and complete outcome reports. The Facility Schools Board will develop and approve the draft report template by the spring of 2025. The Office of Facility Schools is currently working on accreditation standards, measures, data collection and process.

External Evaluation

- A. Third-Party Evaluation
- a. Bill Requirements- SB23-219 requires the Office of Facility Schools to *"contract with a qualified third-party evaluator to evaluate and report whether the work group recommendations resulted in more effective services and better access to those services for students with exceptionally severe and specialized needs."*
 - b. 2023 Annual Report Recap- Ahead of the [2023 Annual Report](#), the Office of Facility Schools had begun to collect data to be utilized by evaluators to assess implementation of the work group recommendations and associated outcomes.
 - c. 2024 Annual Report Progress to Date- The Office of Facility Schools is collecting data for use by the evaluator. The deadline for a third-party evaluation was extended from September 1, 2025 to September 1, 2026 by the legislature in the 2024 session.

Implementation of Data Collection and Feedback

Impact in Key Areas

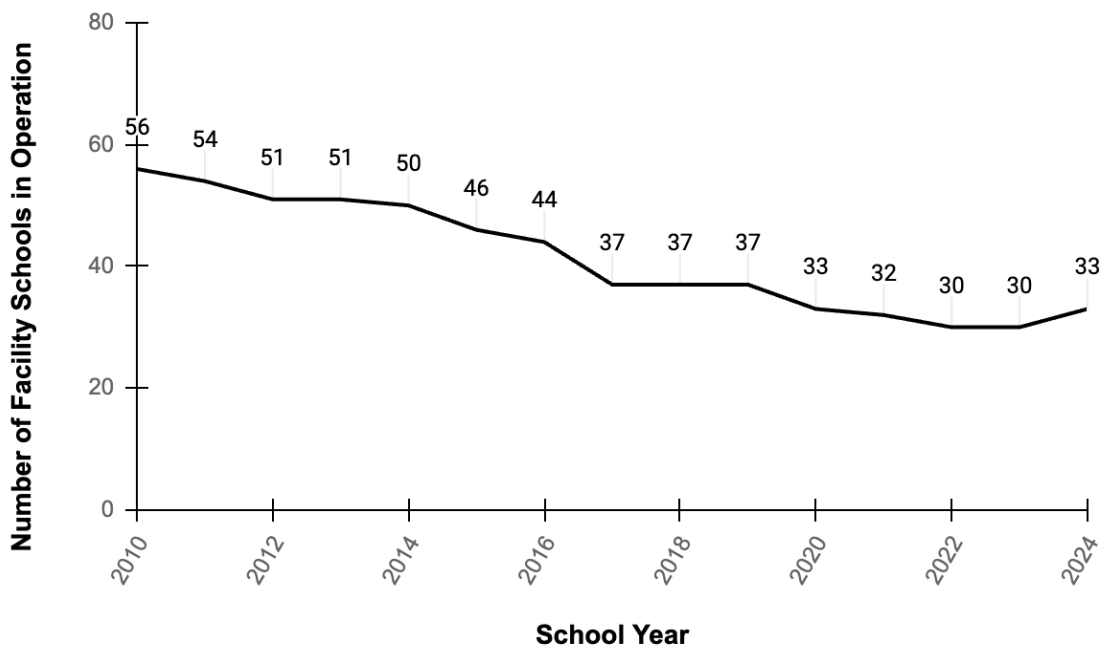
As part of the implementation process, the Facility School Work Group has collected data in key areas to help better understand the impact of the work. Data collection and analysis is currently in progress in a number of areas; however, several data points have already been collected and analyzed and illustrate positive change is already taking place as a response to the passage of Senate Bill 23-219. The following



information demonstrates how implementation has already enhanced the capacity and continuum of facility schools.

- Facility Schools have increased in number. For the past 15 years, the number of facility schools across the state has continued to drop. This year marks the first time that the number has increased since before 2010. Three new facility schools were approved this year (Figure 1). Increasing the number of facility schools in the state will likely help increase statewide capacity by providing more available student placements, and introducing new facility schools with potentially different specializations will likely help increase statewide continuum through the expansion of programming options.

Figure 1
Number of Facility School Operating In Colorado By Year



- Enrollment has likely been under counted in past years. Historically, ‘Count Day’ for facility schools has been conducted on December 1 of each year and no other enrollment counts have been conducted. ‘Count Day’ for SY23-24 reported 796 students; however a more detailed analysis of student enrollment during the entire month illustrated that during the month of December 2023, 1,016 unique students were served by facility schools across Colorado. Furthermore, an analysis of enrollment from September 2023 through April 2024 illustrated that over 2,800 unique students were served across the state and roughly 10 percent of those students were served by more than one facility school (Table 3). Data collected from different time frames illustrates that capacity of facility schools is a fluid measure, and accurate counts may require more than a single day to complete in the future. Additionally, data illustrating that many students attend more than one facility school in a given year likely support the notion that



expanding the continuum of service options for students to address a wide variety of student needs across the state is a critical component of the work.

Table 3
SY2023-24 Enrollment Count By Time Frame

SY23-24 Enrollment Counts	
Time Frame	Enrollment Count
"Count Day" Dec 1, 2023	796
"Month of December" Dec 1-31, 2023	1,016
"School Year" Sept 1- Apr 30, 2023	>2,800
<i>10% of students were served by more than one school during year</i>	

- Staff numbers and salaries have increased. Since SY21-22, staff counts have increased across the board. Facility schools’ staff counts have increased 3.2 percent, paraprofessional counts have increased by 15 percent, and hospital staff counts have increased by over 40 percent. Additionally, average teachers salaries have seen a 33 percent increase in that time frame (Table 4). Increases in the number of staff can increase the capacity of a given facility school. Additionally, increases in staff numbers could provide a means for facility schools to provide additional services, thus impacting the educational services continuum. Increases in salaries could also help retain staff year to year which could positively impact both capacity and continuum. These increases should help to address the existing unmet needs of students across the state.

Table 4
Percent Change in Staff Number and Salaries

Change since SY21-22	
Staff Type	Percentage Increase
Facility School Staff	3.20%
Paraprofessionals	15%
Hospital Staff	40%
<i>Teacher's salaries have increased 33% since SY21-22</i>	

- Staff retention has increased. A comparison of retention from SY21-22 to SY22-23 and SY22-23 to SY23-24 demonstrated that among all facility schools there was an average increase in retention levels since implementation of SB23-219 began. Overall, staff retention increased from 33 percent to 53 percent. Retention rates of paraprofessionals increased from just 16 percent to 35 percent and retention rates for teachers increased from 40 percent to 58 percent. All staff positions saw an increase of approximately 20 percentage points over the time period examined.



Additionally, all staff types, with the exception of paraprofessionals, saw a greater than 50 percent retention rate from SY22-23 to SY23-24 (Table 5). As mentioned above, an increase in staff retention could help to positively impact both capacity and continuum of Facility Schools across Colorado.

Table 5
Percent Change in Staff Retention Per and Post Implementation

Staff Retention Over Time			
Staff Type	Retention SY21-22 to SY22-23	Retention SY22-23 to SY23-24	% Pt. Increase in Retention Rate
All Facility School Staff	33%	53%	20
Teachers	40%	58%	18
Paraprofessionals	16%	35%	19
Day Treatment Facility Staff	30%	53%	23

Examples of Positive Change

In addition to data collection, the Work Group collected feedback and input from those individuals ‘on the ground’ to help highlight improvements that have occurred since implementation began. During the June 6th, 2024 meeting, attendees were asked to provide insights into successes resulting from Senate Bill 23-219. Feedback brought to light that increased funding is helping to expand the opportunities for a quality education for students across Colorado. Additionally, feedback highlights that many components of the legislation are helping to increase capacity through the expansion of staff and increase continuum through the expansion of program and support offerings. The following are paraphrased comments shared at the June 6, 2024 in-person Work Group meeting.

- The funding for facility schools has been more stable since the new Baseline Funding Model was put in place. Funding based on enrollment vs. attendance is more stable and helps cover the actual cost of employees because it allows us to still pay and employ staff when students are absent. Stable funding helps complete more accurate market analysis on hard-to-fill positions and increase pay accordingly and staff vacancies are easier to fill as a result. Additionally, property damage caused by students can more easily be addressed with the new funding structure.
- With the new funding, our school was able to make significant improvements to our outside areas. We made improvements to our outside picnic shelter area through the purchase and construction of sturdy, high quality furniture and pavilion. In the past, cheap plastic chairs and tents were all we could afford and they would quickly get destroyed. Having the shelter has given us more opportunities to connect with our students outside and provides a comfortable area for students to learn in nature. We were also able to re-sod our outdoor field area and have a construction team come out and remove weeds and rocks. This has provided our students with a safe place for students to participate in sport activities and games, something they could not do previously.



- The 10 percent increase in paraprofessional's salaries will help Facility Schools become more competitive relative to public school salaries.
- The new Baseline Funding has allowed salaries to be increased to at least match the school districts in the area. As a result this is the first time in three years that our Center will be fully staffed to begin the school year and additional staff won't need to get pulled out of their normal role to fill vacancies.
- Our facility school has been able to hire a dedicated staff Training Specialist which we hope will help to improve staff retention as well as student outcomes. Additionally, we are creating internal teacher development programs in partnership with ASPIRE.
- Standardizing tuition costs into three categories is helping everyone with budgeting and understanding costs. It should also allow facility schools to have a more consistent stream of funding which will help keep programs afloat. Additionally, the creation of the expense workbook should also allow for more transparency and help to better explain costs for those creating and paying the bills.
- The creation of a standardized contract is a huge win for school districts who are paying tuition. This will make it easier to keep track of all of the different contracts and will allow districts to easily obtain information that in the past was often buried in the contract or not provided at all.

Observations of Continued Challenges

Although significant headway has been made towards implementing all of the issues that Senate Bill 23-219 sought to address, it is important to continue to identify areas that are not reaching desired benchmarks and any unexpected challenges that have arisen and were not initially targeted by the bill. As such, the Work Group collected feedback and input from individuals at the June 6th and subsequent meetings regarding insights into continued struggles and whether there were additional supports necessary to affect change. Feedback illustrates that while recent increases in salaries for facility school staff are helping to make positions more competitive, staff retention continues to be a challenge as illustrated by the fact that paraprofessional retention, although up from the previous year, is still only 35 percent. Additionally, feedback highlights the fact that truly addressing the capacity and continuum of facility schools across the state will require a multipronged approach which addresses numerous existing internal and external barriers. The following are paraphrased comments collected from the Work Group.

- Although the new Baseline Funding Formula is allowing facility schools to pay more competitive salaries they continue to have trouble filling vacant positions. Teaching positions have been the hardest to fill, followed by paraprofessionals, and certain Special Services Providers (SSP). Turnover continues to be higher in facility schools compared to public schools, in large part due to the severe needs of the students.
- An increase in paraprofessional salaries this school year will help facility schools to be more competitive with public school salaries, however providing resiliency training for staff on a quarterly basis is likely to improve staff retention.
- While the increased funding is very helpful, finding better ways to attract candidates who are interested in working with students with severe needs, autism, and behavioral issues would also help fill vacant positions. Creating a facility school cohort or alternative pathways for licensure may be helpful in attracting applicants to fill vacancies.
- Capacity in rural areas remains a challenge - administrative units are unable to hire staff to serve exceptionally severe student needs. The TACT will not be effective if districts don't have the staff to train and support.



- The items currently addressed through the implementation process are definitely making positive change, however there are still several areas that are critical to the success of a Facility School that may need additional focus in the future, including Public Employees Retirement Association (PERA) or a shared retirement funding plan, and other options for educational funding for at-risk and underserved student populations, similar to Title I. Additionally, options for property, buildings, and start-up costs for brand new facility schools should be explored especially in rural areas, along with the shared services/purchasing program to reduce costs for things like equipment, vehicles and curriculum. Transportation is an ongoing issue, especially for those students that aren't identified for special education.
- As a program within a larger center, the additional funding has been helpful because it provides a better foundation to advocate for the things the program needs since the program is no longer losing money. However, programs that are part of a larger center may still have some decision making out of their control.
- As new and continued challenges are highlighted, additional data points may be required to help better understand and tackle problems of practice to allow the Work Group to ensure that implementation is having the desired impact on the system.

Next Steps

A full review of the 2023 “Next Steps” can be accessed in the [2023 Annual Report](#).

Funding

- Baseline Funding- Based on feedback collected from Facility Schools and Work Group members regarding the first year of Baseline Funding implementation, revisions and refinements to the formula will be considered. Additionally, feedback regarding data collection will be gathered to help collect more meaningful and accurate data for tracking and evaluation purposes moving forward.
- Tuition Costs- Implementation of the new tuition cost system took effect for SY2024-25. An end of year financial summary will be created **and implemented** at the end of SY2024-25.
- Medicaid Reimbursement Guidance- Medicaid Reimbursement Guidance will be finalized by HCPF.
- Shared Operational Services- The needs assessment will be finalized to determine the best direction of the work and the shared purchasing process will be implemented following completion of the pilot. A plan of sustainability will be developed to ensure shared operational services can continue after the two-year grant is complete. Additionally, an ‘End of Year’ financial summary will be prepared at the completion of SY24-25.

Capacity

- Technical Assistance Center- Ahead of the end of SY2024-25 a Facility School Technical Assistance center website will be built out. The center will also be conducting a needs assessment to help determine what supports would be most beneficial for schools districts and administrative units and data collection tools and processes will be established within the center. Additionally,



meetings with various stakeholders and potential resource providers for the center will take place.

Continuum

- A. Specialized Day Schools- The overall process and guidance for becoming a Specialized Day School will be reviewed and refined as implementation continues. Revisions will be finalized in the spring of 2025. Once finalized, the authorization process will be carried out with additional sites that have expressed interest in becoming Specialized Day Schools.
- B. Interagency Resource Guide- During SY2024-25 adjustments and revisions will be made as necessary to the Interagency Resource Guide and reposted for public access on the CDE, CDHS, and HCPF websites.
- C. Accountability and Accreditation- An outline of the accreditation process, standards, and framework will be finalized ahead of the SY2024-25 annual report.

External Evaluation

- A. Third-Party Evaluation- A Statement of Work written by the Office of Facility Schools with input from the Work Group will be completed by the Fall of 2024. Applications will be reviewed and an evaluator will be selected by the Spring of 2025.



Appendix A

Tuition Cost Rate System 2024

History

State law has required school districts to pay tuition-related costs to facility schools since 1983. See H.B. 83-1504. Since then, facility schools have itemized certain costs and expenses for special education services and submitted these amounts to CDE for approval. Facility schools then bill districts for the services. Aside from being able to submit documents electronically now, the process has virtually stayed the same over the years.

In 2023, the Colorado legislature enacted S.B. 23-219, which required CDE's Office of Facility Schools to assemble stakeholders and work group members "to analyze and recommend changes to the methods used for calculating tuition costs for approved facility schools." The group convened in July 2023 to review the current tuition cost process and recommend changes. CDE brought the recommended changes to the State Board in early 2024, and the State Board amended the ECEA rules to implement the changes. The following information summarizes the new system for facility school tuition costs.

Overview of New System and its Development

The workgroup and stakeholders met to examine the strengths and weaknesses of the existing tuition cost process and ultimately proposed a new tiered system for tuition costs.

Previously, facility schools had to submit itemized documentation of certain costs to CDE on an annual basis. Under the new system, CDE will establish categories of facility schools for tuition cost purposes and set a tuition cost rate for each category. The categories will be based on the needs of students served and the educational programming offered by each school. The rate for each category will be based primarily on special education staff salaries, special education staff employment benefits, and additional expenses for special education such as professional development, assessments, and specialized equipment. Additional education costs, individualized add-on costs, and day treatment fees, as defined below, are not included in the tuition cost rate.

The new system takes effect for the 2024-25 school year. CDE has established three categories of facility schools and set a tuition cost rate for each category. These tuition cost rates are primarily based on previous tuition cost amounts. The new "Rules for the Administration of the Exceptional Children's Educational Act" ("ECEA rules") on tuition costs continue to require facility schools to annually submit information about certain actual costs to CDE for CDE's consideration when establishing tuition cost rates. CDE may adjust the tuition cost rates as appropriate.

New Terminology

Tuition Cost Rate: The tuition cost rate is intended to cover expenses to provide special education support and services to students in a facility school, over and above the general education costs. These rates include the salaries and benefits of instructional and support staff, equipment, supplies and materials, purchased services, professional development, and training, including staff travel, transportation, and other costs, which can include student outings, admission fees, etc.



Additional Education Costs: Additional education costs are expenses that are not included in the tuition cost rate but are services and support necessary for the general administration of the facility school. This may include administration and business services, building occupancy, janitorial services, and non-instructional equipment, supplies, and materials. The ECEA rules refer to these additional education costs as “indirect costs.” CDE will annually determine the percentage of each facility school’s baseline funding amount that must be applied towards these costs. The additional education cost amount will not exceed fifteen percent of the assigned tuition cost rate for each category.

Individualized Add-on Costs: Additional special education supports and services based on individual student needs. These costs are negotiated and agreed upon between the facility school and school district.

Day Treatment Fee: Treatment program costs are not part of the tuition cost rate and are agreed upon on an individual student basis between the facility school and the school district.

New Tiered Tuition Cost Rate System

The new tuition cost rate system will consist of three tuition cost rate categories with schools serving students with the lowest level of needs in category one to the most intensive student needs in category three. As the tuition cost rate categories progress from one to three, there is an increased need for additional staff to meet more intensive student needs.

Tuition Cost Rate Category 1 facility schools are those that serve students who primarily have serious emotional disabilities and behavioral and mental health issues. These students often have experienced trauma, as well as other issues, including offense-specific behaviors, substance abuse, or criminogenic behaviors. Their program can include mental health services, family, group, and individual therapy. Some students at schools in this category may require individualized add-on services such as speech-language therapy, occupational therapy, or dedicated adult support. These add-on services are special education services needed for an individual student as identified on the student’s IEP and aren’t included in the tuition cost rate.

Facility Schools with a tuition cost rate in Category 1 charge **\$145.00/day**. A full list of Facility Schools in Category 1 can be found through the CDE ‘[Tuition Cost Rates for Facility School Fiscal Year 2024-25](#)’ document.

Tuition Cost Rate Category 2 facility schools are those that serve students who have one or more disabilities, such as serious emotional disability, autism spectrum disorders, intellectual disability, or other behavioral or mental health challenges. These students may have also had a history of trauma. Their programs might include family, group, and individual therapy, Applied Behavioral Analysis, Independent Living and Transition Skills, mental health services, and a lower student-to-staff ratio than programs in category 1. Some students at schools in this category may require individualized add-on services such as speech-language therapy, occupational therapy, or dedicated adult support. These add-on services are special education services needed for an individual student as identified on the student’s IEP and aren’t included in the tuition cost rate.

Facility Schools with a tuition cost rate in Category 2 charge **\$210.00/day**. A full list of Facility Schools in Category 2 can be found through the CDE ‘[Tuition Cost Rates for Facility School Fiscal](#)



Year 2024-25' document.

Tuition Cost Rate Category 3 facility schools are those that serve students who have intellectual and developmental disabilities, autism spectrum disorders, and other disabilities that require support in functional communication and behavior intervention. Students in these facility schools often require significant support needs programming and lower staff-to-student ratios due to the high intensity of needs and behaviors. These students may have also had a history of trauma. Their programs might include therapy, augmentative and alternative communication devices, Independent Living and Transition Skills, Applied Behavior Analysis, speech-language and occupational therapy, mental health services, and a lower student-to-staff ratio. Other individualized add-on services may include dedicated adult support, art therapy, music therapy, equine therapy, etc., which will be included in each student's contract. These add-on services are special education services needed for an individual student as identified on the student's IEP and aren't included in the tuition cost rate.

Facility Schools with a tuition cost rate in Category 3 charge **\$300.00/day**. A full list of Facility Schools in Category 3 can be found through the CDE 'Tuition Cost Rates for Facility School Fiscal Year 2024-25' document.

Benefits of the New Process

The previous tuition cost system lacked transparency and was very complicated. It involved a multi-step process that began in the summer and required individual data submissions at multiple intervals. Per the tuition cost staff-to-student ratio, only a portion of the staff serving students with disabilities could be entered into the tuition cost application. Therefore, it did not accurately represent the actual staff salary and benefits. If a facility school was unable to hire a special education teacher before the deadline, they were essentially penalized and unable to add staff later. In addition, the final tuition cost rates were often not approved until November, requiring facility schools and districts to either pay back or bill each other for the costs from August, September, and October. Lastly, new programs that applied to become a facility school could not apply for a tuition cost rate until July each year.

The new tuition cost system will:

1. Provide consistent rates among facility schools.
2. Eliminate the time and effort involved in re-billing or back-billing for new rates.
3. Decrease the time required for an application process for facility schools.
4. Allow facility schools ample time to hire qualified special education staff.
5. Enable newly approved facility schools to apply for a tuition cost rate at any time during the year.
6. Provide more transparency in services and billing between facility schools and school districts.



Appendix B

Process to Become an Approved Facility School Provider Resource Guide

Updated 8/1/24

Created in collaboration between Colorado Department of Education (CDE), Colorado Department of Human Services (CDHS), Colorado Department of Health Care Policy and Finance (HCPF)

- | | |
|---|---|
| <input type="checkbox"/> Local Inspections/Approvals | <input type="checkbox"/> HCPF Enrollment |
| <input type="checkbox"/> CHDS License | <input type="checkbox"/> Regional Accountable Entity (RAE) Contract |
| <input type="checkbox"/> CDE Facility School Approval | |

LOCAL - CDHS cannot issue any type of license without local zoning approval, fire inspection, and health department inspection and approval, prior to submitting an application.

Contact your local municipality to find the Building, Planning and Zoning Department and local fire and health departments for your facilities location.

1. Contact and obtain written documentation of zoning approval from the county in which the facility exists and its specific facility type and the population to be served. This approval should also address any limitations in characteristics of youth that may attend the program as well as any limitations on capacity for the facility.
2. The facility will need to have an inspection and approval from the local fire department and from the local health department prior to the issuance of a license.
3. To find your local health department go to:
<https://cdphe.colorado.gov/public-information/find-your-local-public-health-agency>
4. Initial inspections for the fire and health department must be completed and approved prior to approval of the license. Typically if they are over 6-9 months old, we ask for another inspection. This process can be going on in conjunction with the CDHS licensing process.

Colorado Department of Human Services (CDHS), Provider Services Unit (PSU)

In order to become an Approved Facility School through CDE, providers must have one of the following licenses:

1. Day Treatment License issued by CDHS - A Day Treatment Facility License is required for any school setting NOT physically within a residential setting or that provides services for youth from the community who are NOT enrolled in their residential program.

- OR -



2. Residential Child Care Facility (RCCF) License issued by CDHS - For Residential Child Care Facility (RCCF, QRTP, PRTF) licenses.
<https://cofamilyfirst.org/provider-services/child-placement-agencies/>
- OR -
3. Hospital License issued by CDPHE - For Hospital licenses, please see this resource page.

Steps to get a Day Treatment License

- Email - cdhs_dcw-facilitylicenseapps@state.co.us to request information about becoming a Day Treatment Facility.
- An application will be sent to you including an addendum and current fee sheet
- Complete the application and respective addendums and include a check for the application fee and submit it to-
Colorado Department of Human Services, Provider Services Unit, 2nd Floor, 1575 Sherman Street, Denver CO 80203.
- A licensing specialist will contact you and set up a review appointment.
- The licensing review will include, but is not limited to, written policies and procedures, staff qualifications and files, forms used for admission to the facility, facility site review, and other documents demonstrating compliance with the rules and regulations.
- The licensing specialist will complete a report of inspection which will include a list of the rules and regulations the facility will need to demonstrate compliance with before a license can be issued, a description of type of license, capacity and ages the facility will be approved for and any conditions of the license.
- Upon verification of full compliance the licensing specialist will approve the application and a license will be sent to the provider.
- Once a license has been approved, the facility will be required to submit an annual continuation notice and fee to the Department.

Colorado Department of Education (CDE). Office of Facility Schools (OFS)

To request a meeting with OFS staff and review an application packet to become an Approved Facility School, email facility_schools@cde.state.co.us. Additional information may be obtained at <https://www.cde.state.co.us/facilityschools>.

Submit Letter of intent form - may be submitted prior to completion of above requirements with CDHS or CDPHE (for hospitals), or in conjunction with an application to become authorized by CDE - OFS as a specialized day school.

Must have a current CDHS or CDPHE license (day treatment, RCCF, hospital), or be authorized as a specialized day school (by CDE - OFS) to submit an application.



Steps to Become an Approved Facility School

- Site submits completed application packet electronically to the OFS
- CDE - OFS reviews the application within 30 days of receipt
- OFS conducts site visit
- Final documents are sent to the Facility Schools Board for review
- Site presentation at Facility Schools Board meeting
- Facility School probationary approval for one year by Facility Schools Board
- Periodic monitoring of the new site by OFS
- Full approval after one year by Facility Schools Board

Colorado Department of Health Care Policy and Financing (HCPF)

To be reimbursed for Medicaid-covered clinical/therapy services provided by licensed Day Treatment Facilities, a provider must enroll with HCPF and contract with Regional Accountable Entities (RAEs). All enrollment requirements can be found at the HCPF enrollment page:

<https://hcpf.colorado.gov/find-your-provider-type>.

Day Treatment providers should enroll as Provider Type 77/389 (BH Group Provider, without prescriber).

The following documents should be submitted with your enrollment application:

- CDHS Day Treatment License
- CDE Facility School Approval Letter
- W9 (signed and dated within the last 6 months)
- Voided business check (no temporary checks or deposit slips) or bank letter (dated within the last 6 months)
- Malpractice/Liability insurance information must be entered in the application; however, proof of insurance is not a required attachment.

Once a Day Treatment program is enrolled with HCPF, they will receive a Medicaid ID#. Providers must contract with Regional Accountable Entities who are responsible for paying for Behavioral Health Day Treatment services (CPT Code H2012) for Medicaid members. RAE Contacts can be found here:

<https://hcpf.colorado.gov/acphase2>