

MEMORANDUM

TO: Senator King

FROM: Carolyn Kampman, Joint Budget Committee Staff (303-866-4959)

SUBJECT: State Funding Changes Potentially Related to Mill Levy Freeze

DATE: September 25, 2009

This memorandum provides information about changes in state funding that are potentially related to the mill levy "freeze" implemented through S.B. 07-199. As we discussed last week, it is not possible for me to directly tie individual appropriations to the impact of the mill levy freeze. Thus, I have provided an inclusive list of state funding changes authorized by the General Assembly through legislation enacted in 2007, 2008, and 2009. This list includes funding for programs that provide direct assistance to public schools; it excludes funding related to Department administration, assessments and data systems, the Colorado School for the Deaf and the Blind, and library programs.

Please note that I also excluded changes in state funding that occurred through the normal annual budget process. For example, in response to a budget request submitted by the Department of Education, the FY 2008-09 Long Bill included a \$1.8 million appropriation for Closing the Achievement Gap. This funding has been continued in FY 2009-10. The attached list excludes these amounts.

In addition, I excluded funding related to HB 08-1335 (the "BEST" bill), which increased the amount and timeliness of state funding for public school facilities. I excluded this funding based on the nature of the funding sources that support this program (revenues related to state trust lands and lottery proceeds), and the fact that only a portion of moneys flowing through this program are appropriated by the General Assembly.

As indicated on page 3 of the attached list, I have identified changes in state funding totaling the following amounts for each fiscal year:

FY 2007-08	\$15.6 million
FY 2008-09	\$82.4 million (following mid-year adjustments)
FY 2009-10	\$94.8 million (excluding any potential total program rescision)

If you have any further questions or if I can provide additional information, please don't hesitate to contact me.

**Summary of Appropriations for New Programs or Expansions of Existing Programs
FY 2007-08 Through FY 2009-10**

Bill(s)	Description	Appropriations*			Notes
		FY 2007-08	FY 2008-09	FY 2009-10	
	Public School Finance:	Initial	Mid-year Change	Final	
HB 08-1388	Provide supplemental funding to expand full-day kindergarten programs (fund at 0.58 FTE rather than 0.50 FTE)	\$32,575,973		\$32,575,973	In FY 08-09, a total of \$446,915 was withheld from districts not providing full-day kindergarten and deposited in State Education Fund. FY 08-09 estimate was \$31,719,892.
SB 07-199;	Colorado Preschool Program - add 2,000 1/2-day slots in FY 07-08; add another 4,100 slots in FY 08-09	16,464,588		16,464,588	FY 07-08 estimate was \$4,655,056. Not all authorized slots were allocated in FY 08-09.
SB 07-199	Increase minimum per pupil funding for "floor" districts	12,304,083		12,304,083	FY 07-08 estimate was \$6,369,059.
HB 08-1388	Allow districts to average up to five (rather than four) years of enrollment for funding purposes	9,170,658		9,170,658	FY 08-09 estimate was \$9,226,000.
HB 08-1388	Hold-harmless full-day kindergarten funding	7,326,005		7,326,005	This funding is for those districts that previously used Colorado Preschool Program funding for full-day kindergarten programs. FY 08-09 estimate was \$7,356,409.
HB 08-1388	Declining enrollment study	200,000	(200,000)	0	Study delayed by one year
HB 08-1021	Early access for gifted children	76,366		76,366	FY 08-09 estimate was \$252,799.
HB 08-1388	Increase base per pupil funding by an extra \$19.72	20,114,338	(20,114,338)	0	n/a HB 08-1388 increased base per pupil funding by \$19.72 more than constitutionally required, beginning in FY 08-09. This provision was subsequently repealed. FY 08-09 estimate was \$19,967,013.
HB 08-1388	Add staff for Department administration and oversight of preschool and kindergarten programs	348,071	(348,071)	0	This funding has continued, but it is not supported by state funds. Instead, these costs are supported "off-the-top" of districts' total program funding.
SB 09-215	Fund administrative costs associated with school finance "off-the-top" of districts' total program funding		(1,345,439)	(1,345,439)	This funding has continued, but it is not supported by state funds. Instead, these costs are supported "off-the-top" of districts' total program funding.
n/a	Mid-year rescission due to shortfall in state funding		(6,247,730)	(6,247,730)	Please note that pursuant to SB 09-256, \$110 million of state funds appropriated for FY 09-10 will be held by districts in Fiscal Emergency Restricted Reserve until 1/29/10. The legislature has not yet taken action to rescind this amount.
	Subtotal	98,580,082	(28,255,578)	70,324,504	83,724,958

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Bills	Description	Appropriations*				Notes
		FY 2007-08	FY 2008-09	Final	FY 2009-10	
		Initial	Mid-year Change			
Categorical Programs:						
HB 08-1388	Increase funding for special education "high cost" grants (over and above constitutional requirement)	2,000,000		2,000,000	2,084,000	
HB 08-1388	Increase funding for gifted and talented programs (over and above constitutional requirement)	200,000		200,000	208,400	
	Subtotal	2,200,000	0	2,200,000	2,292,400	
Health and Nutrition:						
SB 08-123	Child Nutrition School Lunch Protection Program	850,000		850,000	850,000	
SB 07-59	Smart Start Nutrition Program	700,000		700,000	700,000	
	Subtotal	1,550,000	0	1,550,000	1,550,000	
Capital Construction:						
HB 08-1388	Full-day kindergarten facility capital construction grants	34,582,545	(34,582,545)	0	0	
HB 08-1388	Increase funding for charter school facilities	5,000,000	(4,865,000)	135,000	0	HB 08-1388 increased funding from \$5.0 million to \$10.0 million for FY 08-09 only. This provision was subsequently amended.
	Subtotal	39,582,545	(39,447,545)	135,000	0	
Professional Development and Instructional Support:						
HB 08-1384	Stipends for nationally board certified teachers	1,156,997	(1,156,997)	0	0	
HB 08-1386	School Leadership Academy	87,983		87,983	75,000	
SB 07-199	National Credential Fee Assistance	25,000		25,000	0	SB 07-199 increased appropriation from \$100,000 to \$125,000; entire appropriation eliminated in FY 2009-10
	Subtotal	1,269,980	(1,156,997)	112,983	75,000	
Other Assistance to Public Schools:						
HB 08-1370	School Counselor Corps Grant Program	5,000,000		5,000,000	5,000,000	
SB 08-38	Regional Service Cooperatives	198,545		198,545	1,067,182	
SB 08-212	Preschool to Postsecondary Alignment	792,453		792,453	573,707	The JBC recently approved a supplemental request to allow CDE to spend a portion of the FY 08-09 appropriation in FY 09-10.
HB 07-1066	Supplemental On-line Courses	530,000		530,000	530,000	
HB 08-1317	Interstate Compact for Military children	32,185		32,185	30,185	
HB 07-1232	Military Dependent Supplemental Pupil Enrollment Aid	1,818,517	(1,818,517)	0	0	

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Bill(s)	Description	Appropriations*			Notes	
		FY 2007-08	FY 2008-09			FY 2009-10
			Initial	Mid-year Change		
HB 08-1204; HB 08-1388	Facility Schools	1,452,352		1,452,352	0	Changes in funding for facility schools was largely cost-neutral, as \$4.8 million supporting the Facility Summer School Grant Program was shifted into the new facility school funding formula. The net increase in appropriations for FY 08-09 mainly consists of start-up costs for the facility schools unit and board (including \$300,000 to create a student records system), as well as \$587,504 in one-time hold harmless funding for school districts. Ongoing costs for the unit and board are funded "off-the-top" of facility schools' funding.
HB 08-1388	Alternative Teacher Compensation Plan Grant Program	1,000,000	(1,000,000)	0	0	
HB 08-1388	STEM After-school Education Pilot Grant Program	300,000	(300,000)	0	0	
HB 08-1267	First responder mapping system	150,000	(150,000)	0	0	
HB 08-1384	Teaching and learning conditions survey	<u>85,000</u>		<u>85,000</u>	<u>0</u>	Survey is only required to be conducted every other year
	Subtotal	11,359,052	(3,268,517)	8,090,535	7,201,074	
	TOTALS	154,541,659	(72,128,637)	82,413,022	94,843,432	

* Dollar amounts related to public school finance reflect the actual cost of each provision per CDE (which often differs from the initial appropriation).
"n/a" = not available