

Question #12: Please describe your proposal for allocating the required increase in state funding among categorical programs (see Appendix E of the JBC staff briefing document).

Staff originally looked at the gap between the state and federal expenditures and the state and federal revenue related to each of the categorical programs reported by school districts. Based on that information alone, an allocation of the required increase in state funding among categorical programs would have followed a similar pattern as in FY2007-08. However, other factors were considered, causing a need for some adjustments that provide larger increases to three programs.

- The first priority was given to Transportation funding, due to the significant increases in current operating costs for FY2007-08, driven primarily by high fuel costs (see question 13 for further explanation of need for transportation).
- Next, increasing funding for the Expelled At-risk program will assist the Department in its efforts related to "closing the achievement gap", working to keep students engaged and in school, avoiding expulsion. This program is also intended to provide grants to assist districts in offering educational alternatives to expelled students or student at-risk of expulsion. Reducing the truancy rates of students is another priority the department.
- The third priority, increasing the allocation to Comprehensive Health Education is based on the fact that research has shown that there are a number of external factors that correlate with student achievement; some can be addressed through the educational environment, and others, for the most part, cannot. Factors affecting student achievement that stem from poverty include health related factors such as: low birth weight, lead poisoning, hunger and poor nutrition (Barton, 2004). Teen pregnancy is another area that has significant affects on student achievement, truancy and dropout rates. This priority was identified in the Department's *Forward Thinking* plan. For FY2008-09, there was over \$800,000 in grant applications for student wellness programs. Only \$250,000 was available for those grant awards. Additionally, grant applications for student health education programs totaling \$600,000 were received, with only \$250,000 available.

Assumptions for Calculations:

Categorical Table 1

Categorical Program	Total State & Federal Revenue	Total State and Federal Expenditures	Total State & Federal Expenditures in Excess of Revenue	Proportional Percentage of Total Excess Expenditures	Proportional Allocation of FY2009-10 Increase of 3.7% Inflation Plus 1%	Adjustments to Calculated Increases Due to Trends in Current Costs and State Board Priorities	Proportional Allocation of FY2009-10 Increase	Percentage of Proportional Allocation of FY2009-10 Increase
Exceptional Children's Education Act (ECEA)	263,175,033	685,467,932	422,292,898	54.86%	5,638,042	(2,990,602)	2,667,440	23.9%
English Language Proficiency Act (ELPA)	15,643,374	144,899,507	129,256,134	16.79%	1,731,823	(3,946)	1,727,877	16.8%
Transportation	42,745,475	182,744,365	139,998,890	18.19%	1,875,759	2,196,936	4,072,695	39.5%
Gifted & Talented	7,730,655	30,089,725	22,359,070	2.90%	299,575	(682)	298,893	2.9%
Colorado Vocational Act	27,878,742	83,745,742	55,867,000	7.26%	748,527	(1,705)	746,822	7.2%
Expelled Students	5,783,903	5,783,903	0	0.00%	-	500,000	500,000	4.8%
Small Attendance Center Aide	961,817	961,817	0	0.00%	-	-	-	0.0%
Comprehensive Health Education	574,245	574,245	0	0.00%	-	300,000	300,000	2.9%
Total of all Categorical Programs as Reported	364,493,243	1,134,267,236	769,773,993	100.00%	10,313,727	(0)	10,313,727	100.0%
Total of Categorical Programs Recommended to Receive Increase	362,957,181	1,132,731,174	769,773,993					

* Public School Transportation -see Categorical Table 2.

** Colorado Vocational Act funding request is for 7.3% of total. This program has not received an increase for several years.

*** Expelled Students funding request is for 4.98% of total. This program has not received an increase for several years.

**** Comprehensive Health Education request is for 2.9% of total increase. This program has not received an increase for several years.