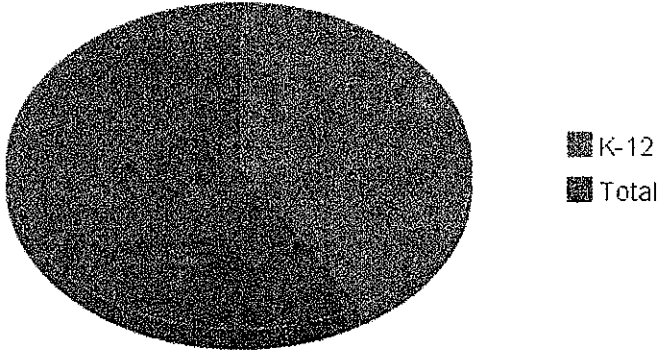
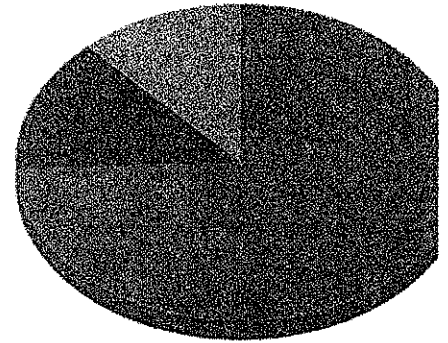


Paying for Schools

K-12's Share of the General Fund



K-12 Source of Fu



K-12 (Dept. of Education) makes up 41% of the state general fund

K-12 Funding Sources

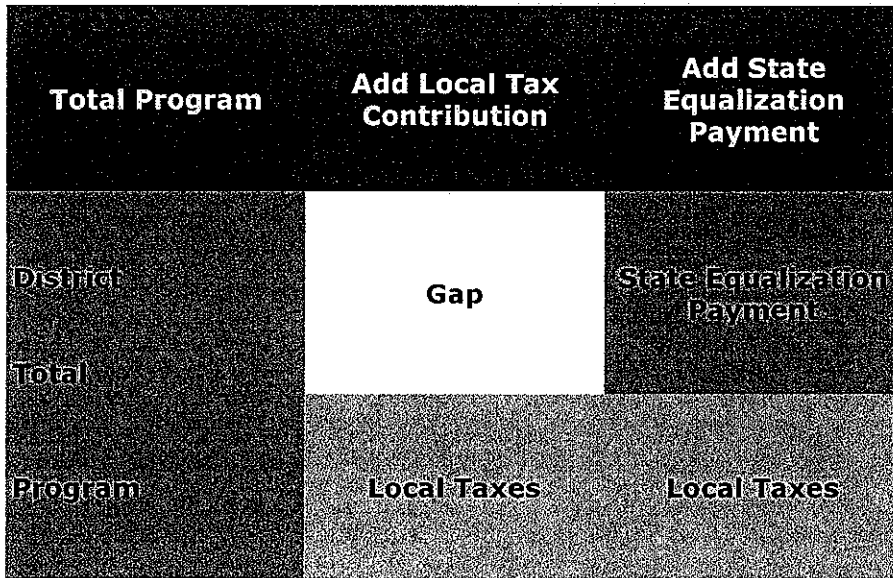
- Source
- General Fund
- Cash Funds
- Reappropriated Funds
- Federal Funds

Setting District's Budgets

- Legislature sets per-pupil amount for each district
- Districts count students in October
- Per-pupil amount X number of students in district = district's total program

Funding District's Budgets

- District collects local taxes (property & specific ownership)
- Local taxes first into district's budget
- District total program - local tax contribution = funding gap
- State equalization payment fills gap



K-12 Funding

School Finance Funding				
Description	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07
	Actual	Actual	Actual	Actual
Funded Pupil Count	722,980	729,377	741,328	
Change	0.80%	0.90%	1.60%	
Inflation	1.90%	1.10%	0.10%	
	deb.godshall@state.co.us			
Base Per Pupil Funding	\$4,570	\$4,666	\$4,718	
Change	2.90%	2.10%	1.10%	
Average PPR	\$5,943	\$6,074	\$6,168	
Change	2.50%	2.20%	1.50%	
Total Funding for all Districts	\$4,296,674,752	\$4,430,126,525	\$4,572,169,688	\$4,788,126,525
Annual Change	3.30%	3.10%	3.20%	
Local Share	\$1,671,170,411	\$1,686,385,318	\$1,701,209,635	\$1,729,126,525
Annual Change	-0.20%	0.90%	0.90%	
State Share	\$2,625,504,341	\$2,743,741,207	\$2,870,960,053	\$3,059,000,000
Annual Change	5.70%	4.50%	4.60%	
State Share of Total	61.10%	61.90%	62.80%	
General Fund	\$2,247,917,791	\$2,342,618,549	\$2,480,460,455	\$2,658,126,525
Annual Change	5.20%	4.20%	5.90%	

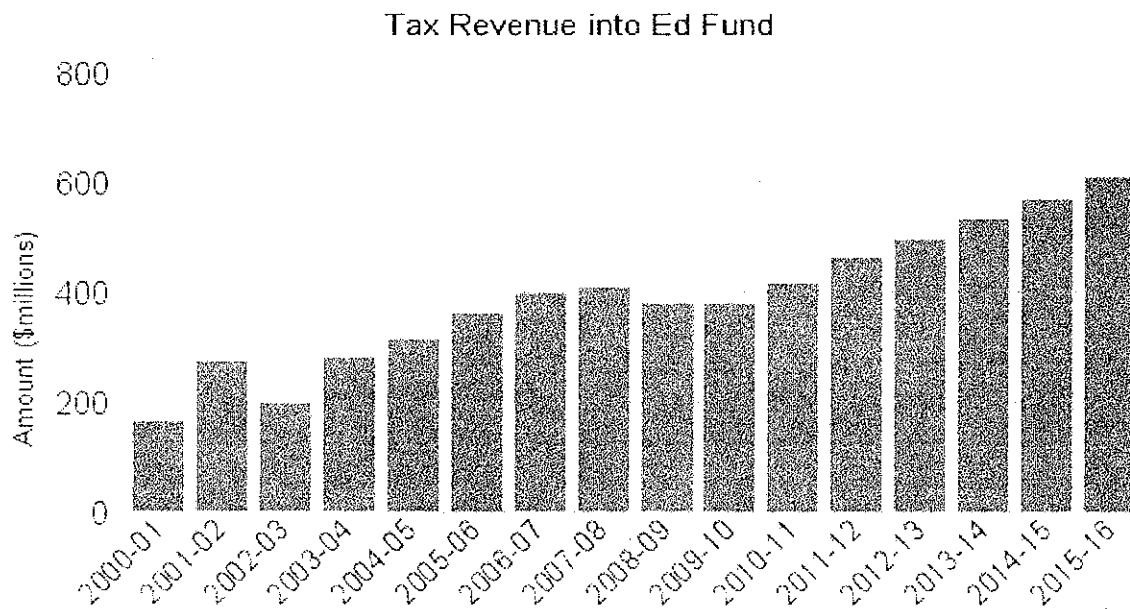
State Education Fund

Use of the State Ed Fund

- To help pay for the required increases in education spending
- Education reform
- Programs to meet state academic standards
- Reducing class sizes
- School safety
- Preschool and kindergarten
- Performance incentives for teachers
- Accountability reporting
- School buildings

Funding the Fund

Each year the treasurer has to put into the fund and amount equal to 1/3rd of 1% of federal taxable income in Colorado.

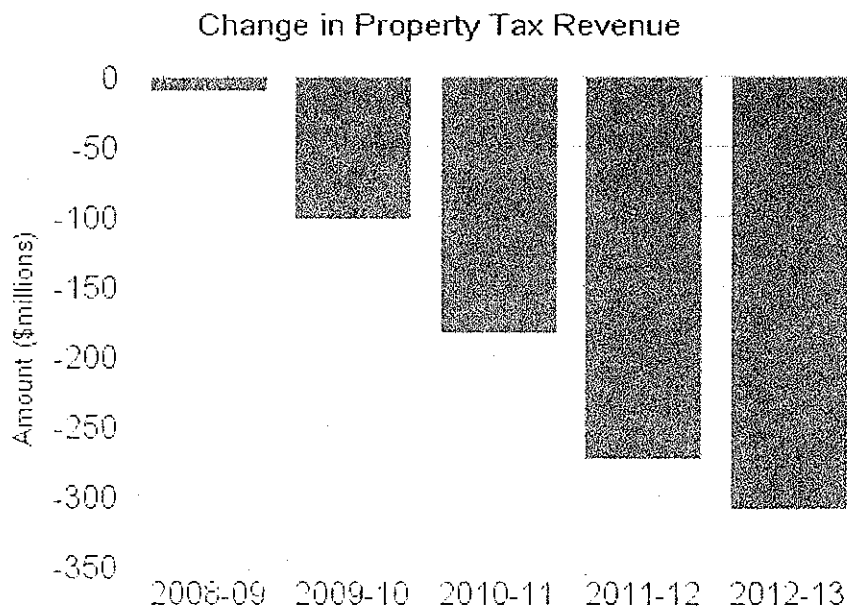
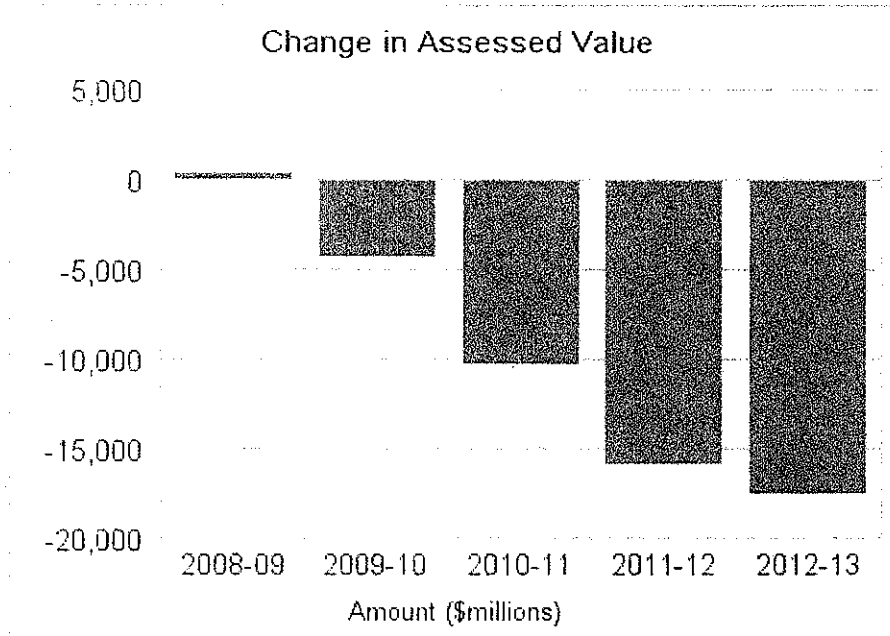


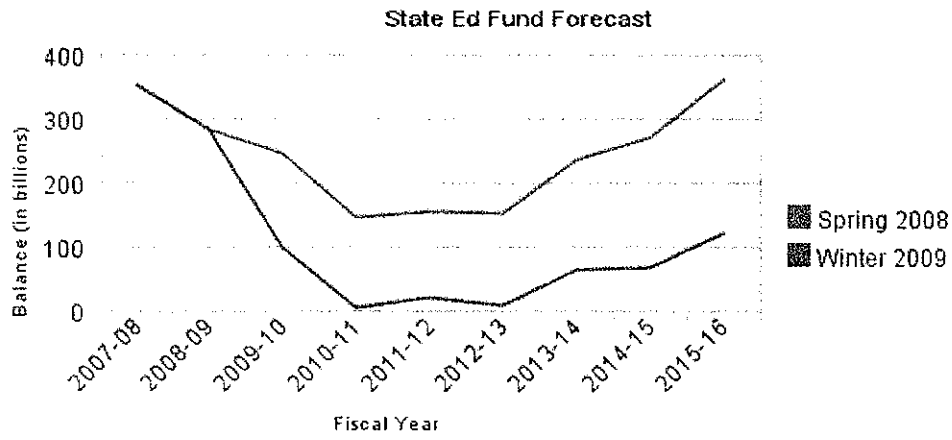
Fiscal Year	Inc R
2007-08	\$40
2008-09	\$37
2009-10	\$37
2010-11	\$41
2011-12	\$46
2012-13	\$49
2013-14	\$52
2014-15	\$56
2015-16	\$60

Changes in the State Ed Fund

Fiscal Year	Income Tax Revenue to the State Education Fund	Spending for School Finance	Spending for Categorical Programs	Total State Education Fund Spending
2007-08	\$407.9	\$259.1	\$35.5	\$301.7
2008-09	\$379.3	\$360.3	\$44.5	\$453.6
2009-10	\$379.9	\$455.8	\$53.2	\$571.8
2010-11	\$416.1	\$385.5	\$59.6	\$517.0
2011-12	\$462.2	\$314.1	\$66.2	\$456.0
2012-13	\$495.4	\$356.3	\$74.4	\$516.9
2013-14	\$529.9	\$301.0	\$82.6	\$480.7
2014-15	\$566.8	\$385.2	\$91.1	\$577.4
2015-16	\$606.1	\$360.8	\$99.9	\$566.2

Current Situation





October Count

Increase in Students

\$26 million supplemental

School Finance Supplemental

- October Count
- Increase in Students
- \$26 million supplemental

Potential Cuts

- Not protected by Amendment 23

(See K-12 Education Programs and Functions, Funded in FY 2008-09, that are Unrelated to Amendment 23 Spending Requirements)

Decision Items

Decision Item	GF	CF	RF	FF	Total	FTE
1	119,334,043	91,020,351	0	0	210,354,394	0.0
Required Increase for Districts' Total Program Funding; Increase Supplemental Kindergarten Funding						
<ul style="list-style-type: none"> The Department requests an increase in funding for the state share of districts' total program sufficient to cover a 1.7 percent increases in the funded pupil count and the cost of increasing base per pupil funding by the projected rate of inflation (3.7 percent) plus one percent. The funded pupil count increase includes a 1.3 percent projected enrollment increase, plus the addition of 2,821 kindergarten FTE based on increasing the supplemental full-day kindergarten factor from 0.5800 to 0.6239. The request assumes that the FY 2008-09 appropriation will be refinanced, reducing the General Fund share by \$26.6 million, and allowing for a \$119 million (5.0 percent) increase in the General Fund appropriation for FY 2009-10; the remainder is requested from the State Education Fund. 						
2	0	10,313,727	0	0	10,313,727	0.0
Required Increase for Categorical Programs						
<ul style="list-style-type: none"> Categorical programs serve particular groups of students or particular student needs. The General Assembly is constitutionally required to increase <i>total state funding</i> for all categorical programs annually by at least the rate of inflation plus one percent for FY 2009-10. The Department requests additional appropriations from the State Education Fund to increase state funding for categorical programs by 4.7 percent, based on a projected inflation rate of 3.7 percent. The request specifies the allocation of the additional funds among the eight existing categorical programs. 						
3	127,889	0	0	0	127,889	1.8
Increase of 2.0 FTE for Department Budget Office						
<ul style="list-style-type: none"> The Department is requesting an increase of 1.8 FTE for its Budget Unit to address increases in workload. The Department reports that it has witnessed high turn-over within its Budget Unit during the last two fiscal years and cites demanding workload and stress levels as key contributors to this problem. The Department is requesting the two additional budget staff with the intent that one position would primarily provide internal management budget reporting and the other position would primarily assist the existing budget staff with accounting 						

system maintenance and budget submissions to the Joint Budget Committee and the Office of State Planning and Budgeting.						
4	0	217,793	0	0	217,793	3.0
Appropriation to Implement H.B. 08-1344			<i>Note this was submitted as a budget amendment</i>			
<ul style="list-style-type: none"> • H.B. 08-1344 requires the Department provide criminal history information for education employees within 10 business days after receiving an inquiry from a school district or charter school. • The bill does not include an appropriations clause as a result of a procedural error due in part to the expeditious nature of the legislative process in the final days of the session. • The request from the Department is in accordance with the costs identified in the final fiscal note prepared by Legislative Council Staff. 						
5	106,558	0	0	0	106,558	0.0
Colorado School for the Deaf and Blind Utility Rate Increase						
<ul style="list-style-type: none"> • The Colorado School for the Deaf and Blind (CSDB) is requesting an increase of \$106,558 General Fund due to increasing rates on natural gas, electricity, and water/sewage services in FY 2009-10. • The utility rates are estimated to increase by 12.5 percent over the previous year. This reflects increases of 22.2 percent for water and wastewater services, 10.3 percent for electricity, and 10.2 percent for natural gas. • The request includes a 5.9 percent efficiency reduction of \$35,519 from the projected actual costs of the rate increases that the School will be required to absorb through cost-avoidance measures. 						
6	213,133	0	0	0	213,133	0.0
Asset Maintenance Information Technology						
<ul style="list-style-type: none"> • The Department is requesting an increase of \$213,133 General Fund as a result of the Department's discovery of various asset maintenance costs related to two specific computer systems being unsuitably billed to federal funds. • Federal requirements dictate that a clear and distinct benefit must be quantifiable in order to properly assign federal moneys to program direct and indirect costs. • The Department has identified costs related to server maintenance and software license renewals for hardware and software that provide a "general" benefit to various programs as costs once assigned to federal programs that should instead be funded with General Fund. 						
7	0	755,836	0	0	755,836	2.6

Expand Colorado School for the Deaf and Blind Outreach Services						
<ul style="list-style-type: none"> • The Colorado School for the Deaf and Blind (CSDB) is requesting an increase of \$755,836 cash funds spending authority and 2.6 FTE to provide outreach services to school districts and Boards of Cooperative Educational Services (BOCES). • The CSDB is seeking to provide technology training, professional development training, clerical support to distribute materials, production and purchase of adaptive materials, communication assessments, counseling support, and short-term and summer enrichment courses to the state's school districts and BOCES it is statutorily charged with serving. • Funding would be from cash reimbursements that the CSDB collects from school districts and BOCES. 						
8	0	0	(99,686)	0	(99,686)	0.0
Adjust 2.0 FTE from Direct Administrative to 2.0 FTE State Charter School Institute Administration						
<ul style="list-style-type: none"> • The State Charter School Institute (SCSI) is requesting an increase of 2.0 FTE and removal of a line item which provides \$99,686 and 2.0 FTE for the accounting, procurement, and grants management support responsibilities that the Department provides in support of the SCSI. • When the SCSI was created in 2004 there was an agreement that CDE would assist with various administrative duties to allow the SCSI to develop staff and expertise as the the number schools administered by the Institute increased. • The request seeks to eliminate the aforementioned support from the Department as the Institute believes it has matured to the point that it can now assume these administrative responsibilities. 						
9	0	0	0	0	0	0.0
STEM After School Program						
<ul style="list-style-type: none"> • The STEM (science, technology, engineering, and mathematics) After-School Education Grant Program promotes educational activities and competitions for STEM activities after regular school hours. • The School Finance Act of 2008 (HB 08-1388) provided a one-time appropriation of \$300,000 cash funds from the State Education Fund to CDE for transfer to the Office of Economic Development and International Trade (OEDIT). • The Department is requesting permission to retain the moneys that would otherwise be transferred to the OEDIT. • The request, however, does <u>not</u> appear to have statutory authority. 						
10	0	0	1,929,137	0	1,929,137	0.0

Increase Spending Authority for Reappropriated Funds for the Charter School Institute						
<ul style="list-style-type: none"> The Department requests an increase of \$1.9 million reappropriated funds spending authority provided to the "Other Transfers to Institute Charter Schools" line item to allow the State Charter School Institute (SCSI) to forward available grant moneys to its charter schools. The SCSI reports that the increase is necessitated by corresponding increases in state categorical funding based upon the increased number of students enrolled in the schools the Institute administers. The request is for an increase of \$1,929,137 however, this amount does not include the \$1,082,000 of additional spending authority provided to the Institute through the 1331 interim supplemental process that was authorized by the JBC on September 22, 2008. Thus, the actual increase requested through the November 1 budget submission is \$847,137. 						
11	(27,500)	0	0	0	(27,500)	0.0
Printing Reduction for School Accountability Reports						
<ul style="list-style-type: none"> The Department is requesting a reduction of \$27,500 General Fund for the printing of School Accountability Reports (SARs) in FY 2009-10 and a reduction of \$90,000 General Fund in FY 2010-11. The Department is required to issue a SAR for each public school in the state. The Department intends to reduce the number of SARs that are printed and thus will also reduce associated mailing and other distribution costs incurred related to the printing of SARs. 						
NP-1	17,170	0	0	0	17,170	0.0
State Fleet Variable Cost						
<ul style="list-style-type: none"> The Colorado School for the Deaf and Blind is requesting an increase to its Vehicle Lease Payments line item to accommodate increases in statewide vehicle variable costs including fuel, maintenance, and insurance (DPA, DI #1). 						
NP-2	9,690	3,515	2,242	16,680	32,127	0.0
Capitol Complex Leased Space						
<ul style="list-style-type: none"> The Department is requesting an increase to its Capitol Complex Leased Space line item to accommodate statewide increases in state building leasing costs. 						
NP-3	187	15	30	152	384	0.0
Ombuds Program Increase						

<ul style="list-style-type: none"> The Department is requesting an increase to its Workers' Compensation line item to accommodate increases in statewide expenses related to the Department of Personnel's Ombuds Program to mitigate certain state business risks related to employee concerns about issues in the workplace (DPA, DI #7). 						
NP-4	0	1,062	1,831	0	2,893	0.0
Administrative Law Judges						
<ul style="list-style-type: none"> The Department is requesting an increase to its Administrative Law Judges line item to accommodate increases in statewide expenses related to the Department of Personnel's request for the addition of 2.0 FTE to handle increases in case load and general services work. 						
NP-5	1,869	9,536	12,928	0	24,333	0.0
Postage Increase						
<ul style="list-style-type: none"> The Department is requesting an increase to its various operating lines an increase to accommodate increases in postage rates (DPA, DI #5). 						
NP-6	5,310	0	0	0	5,310	0.0
State Fleet Reconciliation						
<ul style="list-style-type: none"> The Colorado School for the Deaf and Blind is requesting an increase to its Vehicle Lease Payment line item to accommodate the replacement of fleet vehicles within the State Fleet Management Program (DPA, DI #8). 						
NP-7	0	908,620	0	0	908,620	0.0
Integrated School-based Substance Use Treatment						
<ul style="list-style-type: none"> The Department requests an appropriation from the State Education Fund which would be transferred to the Department of Human Services to provide integrated, school-based substance use treatment services in 26 middle and high schools in the Denver metropolitan area. The funding would be paid via contract to a community provider, who would hire 20 credentialed substance abuse counselors to serve an estimated 1,440 students annually. [This request corresponds to decision item #27 of 27 submitted by the Department of Human Services.] 						
NP-8	0	0	0	0	0	0.0
Division of On-line Learning Funding						

- The Department is requesting a General Fund transfer of \$376,817 into the On-line Education Cash Fund.
- The November 1 budget submission includes a request for a continuation cash funds appropriation of \$376,817 and not a request for a General Fund appropriation.
- Thus, this request for a General Fund transfer does not appear to be within the statutory six percent limit on General Fund appropriations, pursuant to Section 24-75-201.1, C.R.S. (Arveschoug/Bird).

Total	119,788,349	103,230,455	1,846,482	16,832	224,862,118	7.4
--------------	--------------------	--------------------	------------------	---------------	--------------------	------------