

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING PROGRAMS TO ALLOW STUDENTS TO ENROLL IN POSTSECONDARY INSTITUTIONS TO COMPLETE HIGH SCHOOL GRADUATION REQUIREMENTS.

Prime Sponsors: Representative Nikkel
Senator Giron

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Summary of Amendments Made to the Bill After the 02/20/12 Legislative Council Staff Revised Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

Amendments/Appropriation Status

The bill neither requires nor contains an appropriation clause for FY 2012-13.

Bill Sponsor Amendments

Staff is not aware of any sponsor amendments to be offered.

Points to Consider

1. *Potential Impact on Per Pupil Funding.* This bill is anticipated to increase the annual cost of school finance by \$2,254,560 General Fund beginning in FY 2013-14, based on the assumption that 352 students will participate in dropout recovery programs (five percent of student dropouts who do not re-enroll in a state public school). Due to the negative factor in the school finance formula (described below), the General Assembly may choose not to increase state appropriations to cover the additional students who participate in dropout recovery programs. However, this would increase the size of the negative factor, thereby decreasing per pupil funding statewide.

Background Information - Negative Factor. Colorado's statutory school finance formula provides funding for each school district on a per pupil basis. Thus, when the number of pupils increases, the total cost of school finance increases proportionately. However, the formula now includes a "negative factor" that is designed to reduce the cost of school finance to a specified dollar amount. With this factor in place, the Department of Education is

required to reduce each district's total funding by the same percentage, based on available appropriations. In the current fiscal year, the negative factor reduces per pupil funding by 12.9 percent (an average of \$958 per pupil).

2. The Legislative Council Staff Fiscal Note assumes that dropout recovery programs will be created during FY 2012-13 and will not accept students until FY 2013-14. However, the bill will take effect in early August 2012. If a community college enters into an agreement with a local education provider to operate a dropout recovery program for the 2012-13 school year, this bill would increase the annual cost of school finance beginning in FY 2012-13.