

appropriation last spring, while actual specific ownership tax revenue came in \$9.9 million higher than forecast. Thus, the overall local share for total program increased by \$2.9 million. Table 1 details these adjustments.

	FY 2013-14	FY 2014-15 (initial)	FY 2014-15 (actual)	Mid-Year Change
Funded Pupil Count	830,833	845,136	844,546	(590)
At-Risk Pupil Count	305,261	309,537	304,975	(4,562)
Local Share of Total Program	\$1,938.8	\$1,979.9	\$1,982.8	\$2.9
Property Tax	1,808.0	1,844.5	1,837.5	(7.0)
Specific Ownership Tax	130.9	135.4	145.3	9.9

State Expenditures

School Finance. This bill makes mid-year adjustments to school finance-related appropriations for FY 2014-15. Because local tax revenue for school finance increased more than was projected last spring, money available for the local share is \$2.9 million higher than anticipated. The \$2.9 million decrease in state aid for school finance in FY 2014-15 accommodates the \$2.9 million increase in the local share in order to leave total program unchanged. Table 2 details mid-year adjustments to the FY 2014-15 appropriations for school finance.

Fund Source	Initial Appropriation	Mid-Year Adjustment	Adjusted Appropriation
Adjusted Total Program Funding	\$5,933,444,389	\$0	\$5,933,444,389
State Share of Total Program	<u>\$3,953,506,569</u>	<u>(\$2,894,086)</u>	<u>\$3,950,612,483</u>
General Fund	3,184,047,461	0	3,184,047,461
State Education Fund	670,481,408	(2,894,086)	667,587,322
State Public School Fund	98,977,700	0	98,977,700

It should be noted that the statutory total program funding floor is not the same as the actual total program funding that appears in Table 2 above. The statutory total program funding floor (\$5,930,091,660 in FY 2014-15 under the bill) serves as a starting point for calculating the negative factor. The actual total program funding after application of the negative factor will be \$5,933,444,389, which is \$3,352,729 higher than the funding floor. This \$3.4 million difference is the amount of the negative factor reduction attributable to school districts that receive little or no state aid, and are thus not as impacted by the negative factor as other districts.

Negative Factor. The bill reduces the negative factor from 13.15 percent to 12.97 percent, or a total of \$14.0 million across all school districts. This reduction is possible due to the lower-than-expected student counts and at-risk student counts.

School District Impact

Under this bill, school districts will receive a \$2.9 million decrease in state funding for school finance in FY 2014-15. This change offsets the \$2.9 million increase in the local share and leaves total program funding unchanged.

Pursuant to Section 22-32-143, C.R.S., as specified by House Bill 11-1277, school districts and Boards of Cooperative Educational Services (BOCES) may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: <http://www.colorado.gov/lcs>

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2014-15, this bill contains an appropriation reduction of \$2,894,086 for the state's share of districts' total program funding from the State Education Fund. The bill also contains an appropriations reduction of \$3,342 for hold-harmless full-day kindergarten.

State and Local Government Contacts

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