

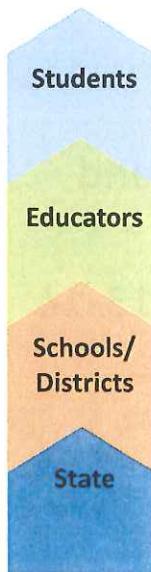
PUBLIC SCHOOL FINANCE

Education Committee
February 6, 2013

Leanne Emm
Assistant Commissioner
303-866-6202
emm_l@cde.state.co.us



Goals



Successful students

Prepare students to thrive in their education and in a globally competitive workforce.

- Ensure every student is on track to graduate postsecondary and workforce ready.
- Increase achievement for all students and close achievement gaps.
- Ensure students graduate ready for success in postsecondary education and the workforce.
- Increase national and international competitiveness for all students.

Great teachers and leaders

Ensure effective educators for every student and effective leaders for every school and district.

- Increase and support the effectiveness of all educators.
- Optimize the preparation, retention, and effectiveness of new educators.
- Eliminate the educator equity gap.

Outstanding schools and districts

Build the capacity of schools and districts to meet the needs of Colorado students and their families.

- Increase school and district performance.
- Turnaround the state's lowest performing districts and schools.
- Foster innovation and expand access to a rich array of high quality school choices for students.

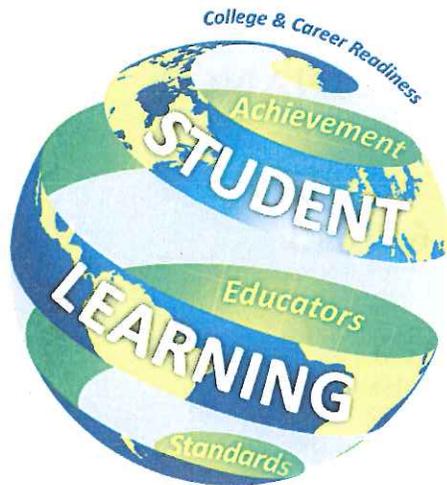
Best education system in the nation

Build the best education system in the nation.

- Lead the nation in policy, innovation, and positive outcomes for students.
- Operate with excellence, efficiency, and effectiveness to become the best SEA in the nation.
- Attract and retain outstanding talent to CDE.



Expanding Student Learning



When we intentionally integrate...

- Coherent and rigorous academic standards
- Innovative and engaging learning options
- Supported and effective educators
- Aligned and meaningful assessments
- Statewide and district accountability

We can personalize learning and ignite the potential of every student.

COLORADO
DEPARTMENT OF EDUCATION **cde**

Agenda

- Review of Total Program Funding and School Finance Act Formula
- Discussion of Funding Levels – 2013-14
- Sources and Flow of Funds
- Categorical Funding

COLORADO
DEPARTMENT OF EDUCATION **cde**

Review of Total Program Funding and School Finance Act Formula

Total Program Funding Formula

Total Program Funding equals:

$$\begin{aligned} &= (\text{funded pupil count} \times \\ &\quad \text{formula per pupil funding}) \\ &\quad + \text{at-risk funding} + \text{online \& ASCENT funding} \end{aligned}$$

After Total Program is calculated, the Negative Factor is Applied

Base Per Pupil Funding

- 2012-2013
 - Base Funding - \$5,843.26
 - Increase of \$208.49 from prior year
 - Inflation of 3.7%
- 2013-2014
 - Base Funding - \$5,965.97
 - Increase of \$122.71 from prior year
 - Inflation of 2.1% (OSP estimate)

Formula Per Pupil Funding - Factors

- Base per pupil funding is adjusted by factors
 - Cost of Living
 - Personnel & Non-personnel costs
 - Size of district

Total Program and Negative Factor

- Once Total Program is calculated, the Negative Factor is Applied
 - 2010-11 – 6.35%
 - 2011-12 – 12.94%
 - 2012-13 – 16.09% with supplemental
 - 2013-14 – 14.95% Governor's Request

Discussion of Funding Levels 2013-14

Revised Assumptions FY2013-14 Budget Request

	Estimated Change	Total
Pupil Growth	9,896*	827,556
At-Risk Growth	6,575	306,370
Inflation Estimate	2.1%	NA
Base Per Pupil Funding	\$122.71	\$5,965.97

Late February 2013 – actual inflation
*approx 1,100 FTE – Supp FDK Factor Increase

COLORADO
DEPARTMENT of EDUCATION **cde**

Assumptions FY2013-14 Budget Request

- Negative factor amount decreases
- Negative factor percent changes from 16.09% to 14.95%
- Increase in local share
- Statewide average per pupil funding
 - Increase of \$228 to \$6,709

COLORADO
DEPARTMENT of EDUCATION **cde**

FY2012-13 Revised Budget Request

Changes in Total Program	Revised Request
Estimated Growth and Inflation	\$213,933,712
Estimated Decrease to Negative Factor	\$39,079,153
Total Requested Increase in Total Program	\$253,012,865

COLORADO
DEPARTMENT of EDUCATION **cde**

Compare FY2012-13 and FY2013-14

	Actual 2012-13 with Supplemental Funding*	REVISED 2013-14 Request	Change
Total Program prior to Negative Factor (Growth & Inflation)	\$6,309,482,173	\$6,523,415,885	\$213,922,712
Negative Factor	(1,011,518,997)	(972,439,844)	39,079,153
Revised Total Program	\$5,297,963,176	\$5,550,976,041	\$253,012,865
Negative Factor Percentage	-16.09%	-14.95%	1.14%
Average Per Pupil Funding	\$6,479.42	\$6,707.67	\$228.25

*Subject to Legislative Approval

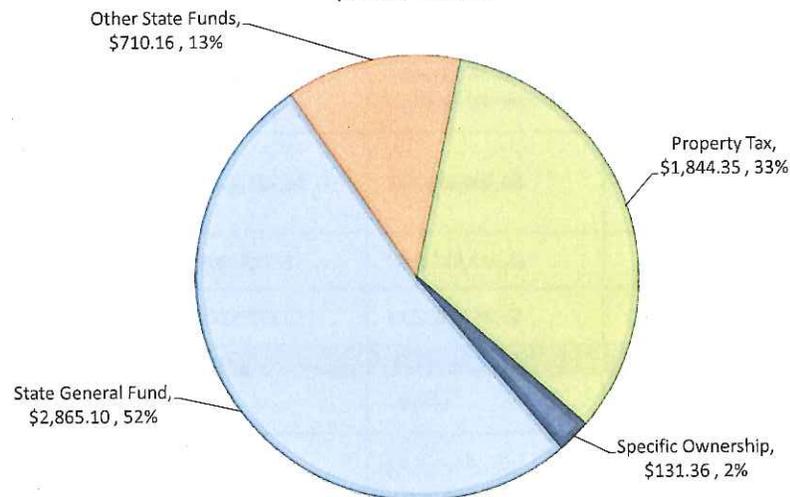
COLORADO
DEPARTMENT of EDUCATION **cde**

Compare FY2012-13 Appropriation to FY2013-14 Budget Request

	Actual 2012-13 with Supplemental Funding*	REVISED 2013-14 Request	Change
State Share	\$3,379,714,291	\$3,575,261,024	\$195,546,733
Local Property Tax	1,790,680,597	1,844,353,971	53,673,374
Specific Ownership Tax	127,368,288	131,361,046	3,792,758
Total	\$5,297,963,176	\$5,550,976,041	\$253,012,865

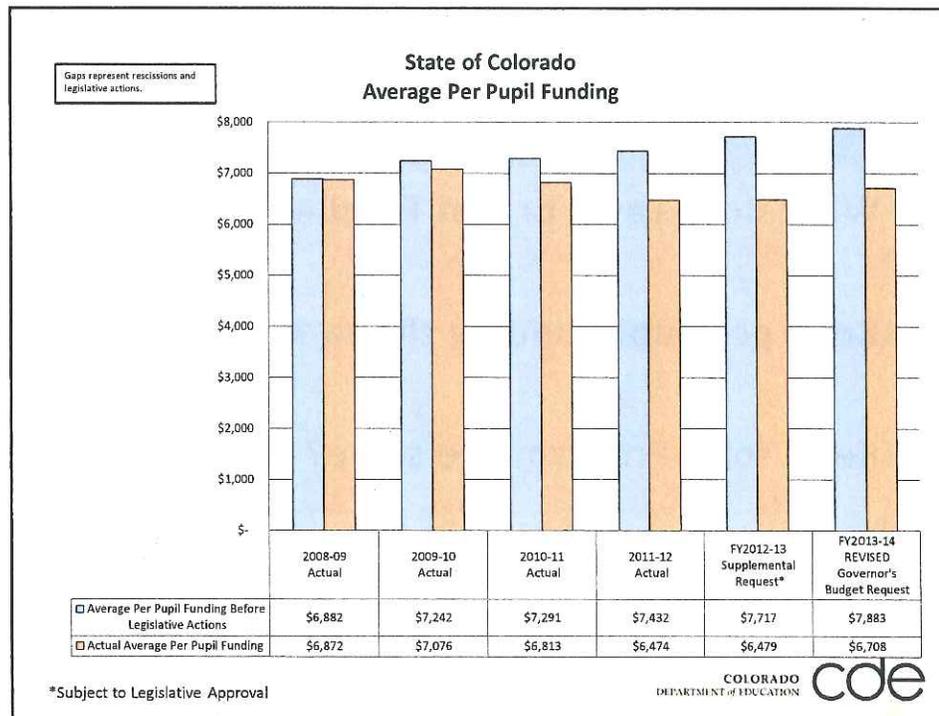
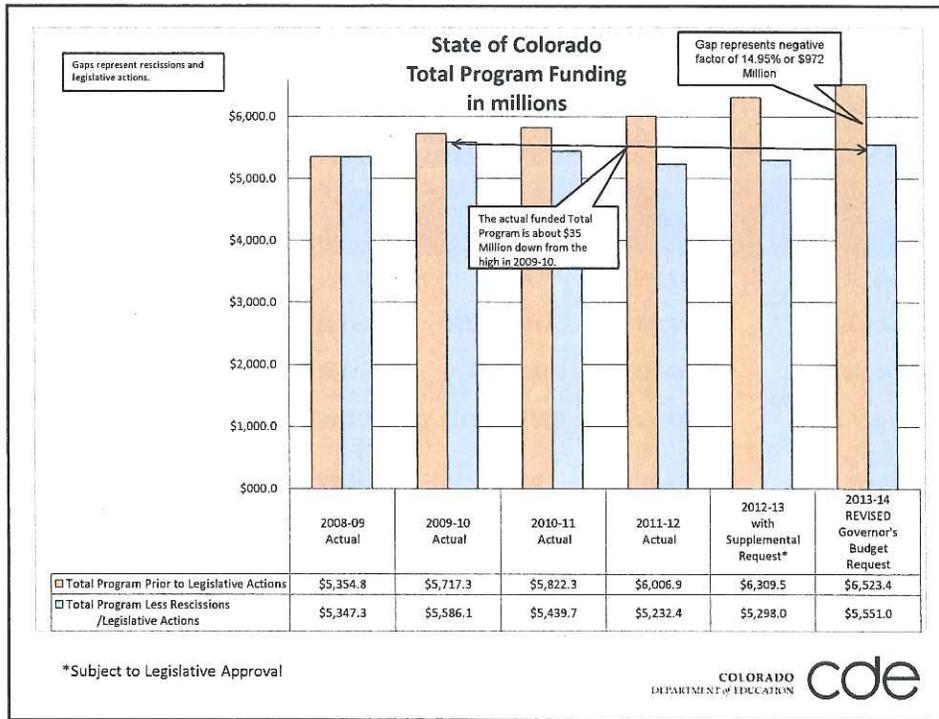
COLORADO
DEPARTMENT of EDUCATION **cde**

2013-14 REVISED Governor's Budget Request Total Program Funding - School Finance Act \$5.551 Billion



in millions

COLORADO
DEPARTMENT of EDUCATION **cde**



Historical Look

	Actual Funded Total Program*	Change from Prior Year	Cumulative Change	Funded Pupils	Average Per Pupil Funding
2008-09 Actual	\$5,347,325,784	NA	NA	778,136	\$6,872
2009-10 Actual	\$5,586,087,039	\$238,761,255	\$238,761,255	789,497	\$7,076
2010-11 Actual	\$5,439,939,345	(\$146,147,693)	\$92,613,561	798,600	\$6,812
2011-12 Actual	\$5,232,447,624	(\$207,491,722)	(\$114,878,160)	808,195	\$6,474
2012-13 with Supplemental Appropriation	\$5,297,963,176	\$65,515,553	(\$49,362,607)	817,660	\$6,479
2013-14 Revised Governor's Budget Request	\$5,550,976,041	\$253,012,865	\$203,650,257	827,556	\$6,707
% Change from Prior Year	4.78%	4.78%	NA	1.21%	3.5%

*includes effects of rescissions and legislative actions

COLORADO
DEPARTMENT of EDUCATION **cde**

Level/Flat Funding

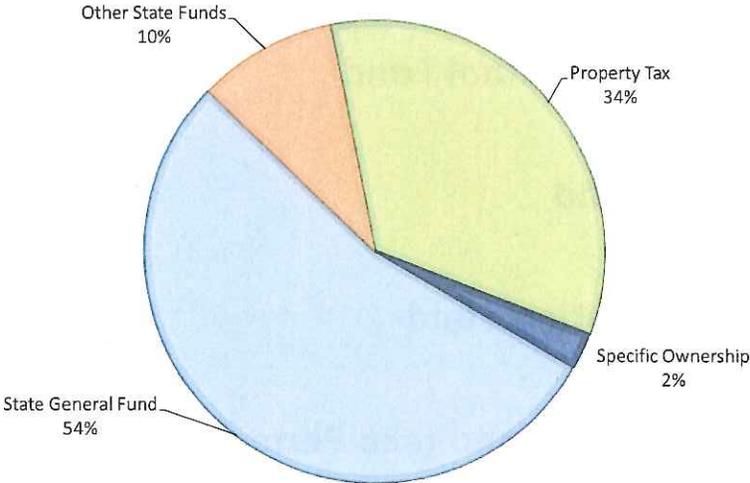
- What does Level or Flat Funding Mean???
- Keep per pupil funding the same?
- Keep Total Program the same?
- Keep the State's contribution the same?

COLORADO
DEPARTMENT of EDUCATION **cde**

Sources of Funds Total Program Funding

COLORADO
DEPARTMENT OF EDUCATION **cde**

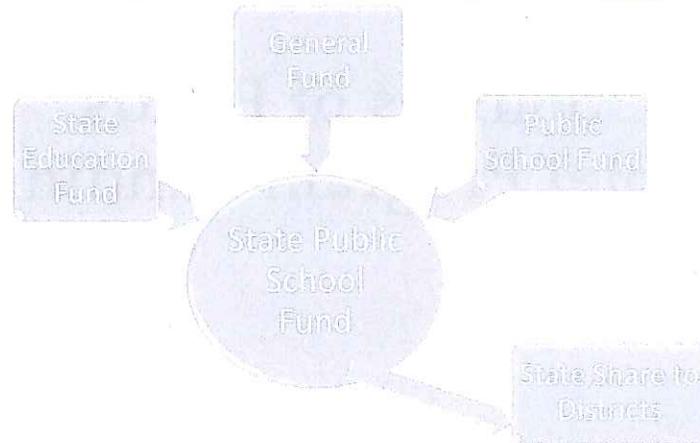
2012-13 Current Law with Supplemental* Total Program Funding - School Finance Act \$5,297.9 Billion



*Subject to Legislative Approval

COLORADO
DEPARTMENT OF EDUCATION **cde**

Flow of Funds



COLORADO
DEPARTMENT of EDUCATION **cde**

State Funds

- State Public School Fund
- General Fund
- State Education Fund
- Public School Fund (aka Permanent Fund)

COLORADO
DEPARTMENT of EDUCATION **cde**

State Funds State Public School Fund

- Fund that “holds” or “records” payments to districts for School Finance Act

State Funds – General Fund

- Main source of State Share for Total Program Funding
- General Fund Revenue
 - Excise Taxes (Sales, Use, Cigarette, Etc.)
 - Income Taxes
 - Other

State Funds – State Education Fund

- Established by Amendment 23
 - 1/3 of 1% of Taxable Income into fund
- HB12-1338 directs additional transfers into SEF above reserve requirements
- Fund is used to support educational expenditures (not just the School Finance Act)
 - Legislative Council Report – Feb 1, 2013

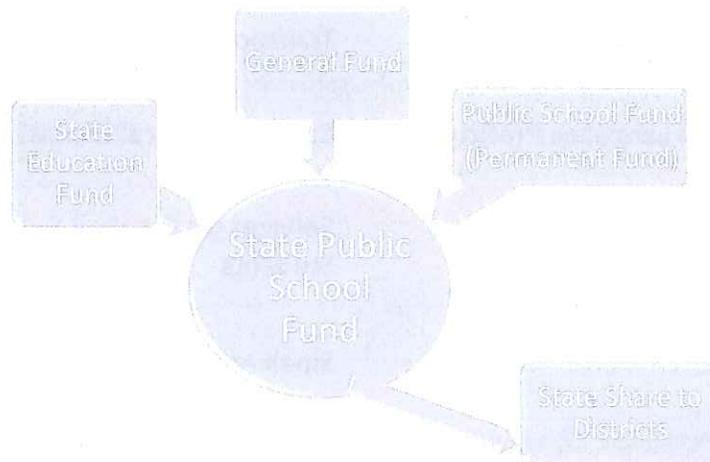
COLORADO
DEPARTMENT OF EDUCATION **cde**

State Funds – Public School Fund

- Also known as Permanent Fund
 - Established in Constitution – Article IX – Section 3
 - Land set aside when Colorado became a state to support common schools
 - State lands generate different types of income
 - Sales, rents & royalties, leasing, grazing, oil & gas, interest, etc.

COLORADO
DEPARTMENT OF EDUCATION **cde**

Flow of Funds



COLORADO
DEPARTMENT of EDUCATION **cde**

Categorical Funding

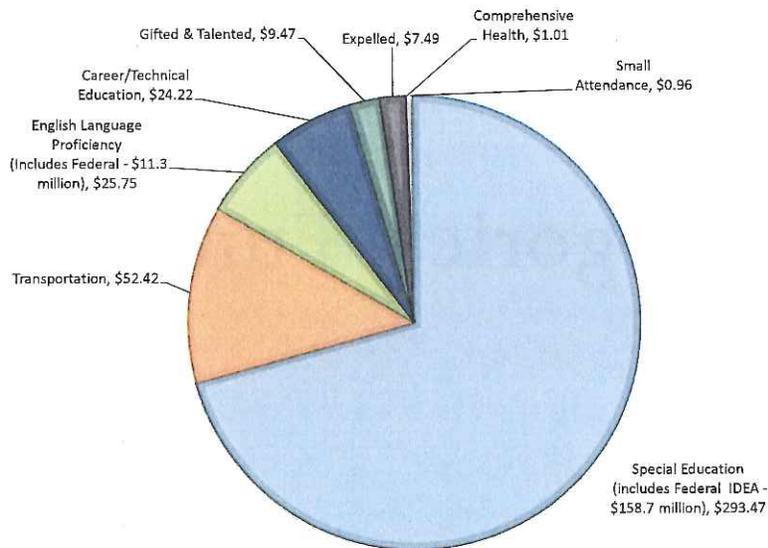
COLORADO
DEPARTMENT of EDUCATION **cde**

Categorical Funding in Addition to Total Program

Special Education	Transportation
English Language Proficiency	Career/Technical Education
Gifted & Talented	Services for Expelled & At-Risk Students
Comprehensive Health	Small Attendance Center Aid

Per Amendment 23, amount available for categorical programs increases by inflation each year.

Categorical Programs 2012-13 = \$414.8 Million



Categorical Funding Gap 2010-11

Categorical Program	FY10-11 Total State & Federal Revenue	FY10-11 Total State and Federal Expenditures	FY10-11 Total State & Federal Expenditures in Excess of Revenue
Special Education Programs	\$ 370,752,817	\$ 836,200,484	\$ 465,447,667
English Language Proficiency Programs	22,730,427	163,437,322	140,706,895
Public School Transportation	52,173,732	230,859,339	178,685,607
Career and Technical Educational Programs	29,217,021	85,206,513	55,989,492
Gifted and Talented Children	8,878,431	31,685,397	22,806,966
Expelled and At-risk Student Services Grant Program	5,515,435	5,515,435	-
Small Attendance Center Aid	959,379	959,379	-
Comprehensive Health Education	837,792	837,792	-
Total of all Categorical Programs as Reported	\$ 491,065,033	\$ 1,354,701,660	\$ 863,636,627

COLORADO
DEPARTMENT of EDUCATION **cde**

Questions

COLORADO
DEPARTMENT of EDUCATION **cde**

