

Schedule 13

Funding Request for the 2013-14 Budget Cycle

Department: Education
 Request Title: Total Program Annual Funding Adjustments
 Priority Number: BA-1

Dept. Approval by: *[Signature]* 1/25/13
 Date

OSPB Approval by: *[Signature]* 1/25/13
 Date

- Decision Item FY 2013-14
- Base Reduction Item FY 2013-14
- Supplemental FY 2012-13
- Budget Amendment FY 2013-14

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	6
		Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
	Fund					
Total of All Line Items	Total	3,366,460,619	-	3,366,460,619	12,800,000	12,800,000
	FTE	-	-	-	-	-
	GF	2,540,099,253	-	2,540,099,253	12,800,000	12,800,000
	GFE	312,202,624	-	312,202,624	-	-
	CF	514,158,742	-	514,158,742	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(2) Assistance to Public Schools, (A) Public School Finance, State Share of Districts' Total Program Funding	Total	3,366,460,619	-	3,366,460,619	12,800,000	12,800,000
	FTE	-	-	-	-	-
	GF	2,540,099,253	-	2,540,099,253	12,800,000	12,800,000
	GFE	312,202,624	-	312,202,624	-	-
	CF	514,158,742	-	514,158,742	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Letternote Text Revision Required? Yes: No: If yes, describe the Letternote Text Revision:

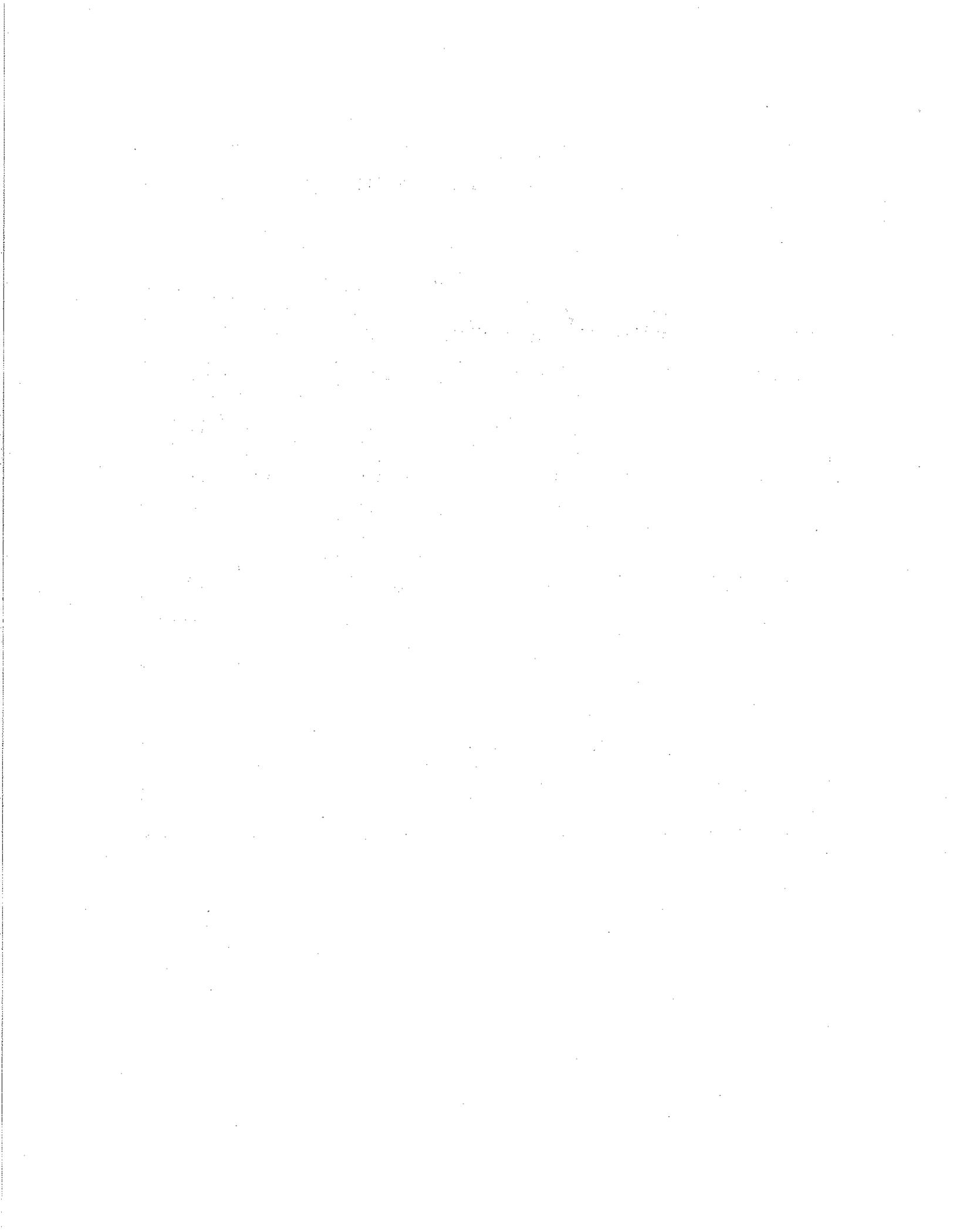
Cash or Federal Fund Name and COFRS Fund Number: State Education Fund (Fund 440)
 State Public School (Fund 113)

Reappropriated Funds Source, by Department and Line Item Name: None

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments: None

Other Information: None





DEPARTMENT OF EDUCATION

*FY2013-14 Budget Amendment Funding Request
January 25, 2013*

*John W. Hickenlooper
Governor*

*Robert K. Hammond
Commissioner*

**Department Priority: BA-1 (Replaces BA-1 dated January 18, 2013)
Request Title: Total Program Annual Funding Adjustments**

Summary of Incremental Funding Change for FY 2013-14 Budget Amendment	Total Funds	General Fund	State Education Fund	Public School Fund
Request to Increase State Spending for Total Program	\$12,800,000	\$12,800,000	-0-	-0-

FY 2013-14 Request – Total Program

The Department requests a Budget Amendment to the November 2012 budget request to reflect revised estimates for pupil counts, and projected changes in the local share of Total Program. This request will result in 2013-14 School Finance Total Program of \$5,550,976,040.

TABLE 1: School Finance Total Program Costs

	FY 2013-14 November 1, 2012 Request	FY 2013-14 Requested Budget Amendment	FY 2013-14 Total Revised Request
State Share	\$3,562,461,024	\$12,800,000	\$3,575,261,024
Local Property Tax	1,804,194,617	40,159,353	1,844,353,971
Specific Ownership Tax	132,730,650	(1,369,604)	131,361,046
TOTAL	\$5,499,386,291	\$51,589,749	\$5,550,976,040

*The table includes both state and local share but only the state share is appropriated by the General Assembly.

Assumptions for Calculations:

The assumptions for the change in funding are as follows:

- Increased Funded Pupil Count projection from November – 1,743 funded pupils
- Increased At-risk pupil projection – 6,943

TABLE 2: Pupil Counts

	FY 2013-14 November 1, 2012 Request	FY 2013-14 Requested Budget Amendment	FY 2013-14 Total Revised Request
Funded Pupil Count	825,813.0	1,743.0	827,556.0
At-risk Funded Count	299,427.0	6,943.0	306,370.0
ASCENT Pupil Count	450.0	0.0	450.0

- **Inflation rate based on the OSPB December Forecast of 2.1%**

- Base per pupil funding increases by \$122.71 from \$5,843.26 in FY 2012-13 to \$5,965.97. This is a decrease of \$5.84 from the November request due to a lower inflation rate (2.2% November request).

- **Assessed Values and Specific Ownership Changes – 2013-14**

- Local share of Total Program projections have been revised from the November request as illustrated in Table 1.
- Property taxes are projected to be higher than anticipated in November by \$40,159,354.

- Specific Ownership Taxes are expected to be less than originally projected by \$1,369,604.

Negative Factor

- The November budget request kept the negative factor *amount* the same as the 2012-13 appropriation at \$1,011,518,997.
- The 2013-14 Budget Amendment improves the negative factor by \$38,975,400 for a total of \$972,543,597.
- The Budget Amendment *calculated* negative factor as a percent of Total Program funding will decrease from 15.54 percent in the original request to 14.91 percent¹

TABLE 4: State Financing for State Share & Total Program

	FY 2013-14 November 1, 2012 Request	FY 2013-14 Requested Budget Amendment	FY 2013-14 Total Revised Request
State Share	\$3,562,461,024	\$12,800,000	\$3,562,461,024
Local Share*	1,936,925,267	38,789,750	1,975,715,017
Total Share	\$5,499,386,291	\$51,589,749	\$5,550,976,040

*Includes property and specific ownership taxes.

Education Initiatives Contained within the Funding Increase for Total Program:

This request includes adjustments to the two education initiatives to be funded within the state share increase for Total Program. These initiatives are: Increased Investment in Early Childhood Education and Quality Teacher Pipeline.

Increased Investment in Early Childhood Education

The original budget request in November would require school districts to transfer \$70.00 per at-risk K-12 pupil in the district into a dedicated fund for the support of preschool or full-day kindergarten programs that benefit at-risk children.

Due to the estimated enrollment changes, the change in the original November request is shown in Table 5.

Table 5: Dedicated Funding for Early Education Opportunities

	2013-14 November Request	FY2013-14 Requested Budget Amendment	FY2013-14 Total Revised Request
Projected At-Risk Students	299,427	6,943	306,370
Per Pupil Transfer	\$70.00	\$70.00	\$70.00
Maximum Amount transferred to Early Education Opportunity Fund Assuming All Districts Comply*	\$20,959,890	\$486,010	\$21,445,900

*Would be optional for districts within plus or minus of 200 at-risk funded pupils.

Quality Teacher Pipeline

The November request proposed that \$3.64 per funded pupil be withheld from Total Program

TABLE 3: Total Program including the Negative Factor (NF)

	FY 2013-14 November 1, 2012 Request	FY 2013-14 Requested Budget Amendment	FY 2013-14 Total Revised Request
Total Program prior to Negative Factor	\$6,510,905,288	\$12,510,597	\$6,523,415,885
Negative Factor	(1,011,518,997)	38,975,400	(972,543,597)
Revised Total Program	\$5,499,386,291	\$51,589,750	\$5,550,976,041
Funded Pupil Count	825,813	1,743	827,556
Statewide Average Per Pupil Funding Specific	\$6,659.36	\$48.31	\$6,707.67
NF calculated percentage of Total Program ¹	15.54%	(0.63%)	14.91%

State Financing for State Share of Total Program

There request includes an increase of \$12,800,000 for the state share contribution to Total Program as shown in Table 4.

TABLE 4: State Financing for State Share & Total Program

	FY 2013-14 November 1, 2012 Request	FY 2013-14 Requested Budget Amendment	FY 2013-14 Total Revised Request
All General Fund	\$2,852,301,877	\$12,800,000	\$2,865,101,877
State Education Fund	618,559,147	0	618,559,147
State Public School Fund	91,600,000	0	91,600,000

funding in order to generate funding for a Quality Teacher Pipeline. Due to the estimated increase in funded students, the change is shown in Table 6.

Proposed Statutory Change

Section 22-54-104 (5) (g) (I) will need to be modified to reflect the Total Program funding, including the impact of the negative factor. These statutory changes will be sent to the Joint Budget Committee in a separate memo at a later date.

TABLE 6: Quality Teacher Pipeline			
	2013-14 November Request	FY2013-14 Requested Budget Amendment	FY2013-14 Total Revised Request
Projected Funded Pupils	825,813	1,743	827,556
Per Pupil Withholding	\$ 3.64	-	\$ 3.64
State Public School Fund	\$ 3,005,959	\$ 6,345	\$ 3,012,304

ⁱThe negative factor is calculated against the district's Total Program funding. However, the reduction is only applied to the state share of Total Program funding. For some school districts their state share of funding is too low to apply the full statutory negative factor. Therefore, the actual calculated negative factor is lower than the amount cited in statute. For FY 2013-14, 14.91 percent negative factor against total program calculates to \$972,543,597.

COLORADO DEPARTMENT OF EDUCATION
PUBLIC SCHOOL FINANCE ACT OF 1994
PROJECTED FISCAL YEAR 2013-2014 FUNDING SUMMARY
SUPPLEMENTAL FY 2012-13 BUDGET REQUEST AND 2013-14 BUDGET AMENDMENT

	FY 2012-13				FY 2013-14			G
	A	B	C	D	E	F		
	FY2012-13 Original Appropriation	FY2012-13 Requested Supplemental Appropriation	FY2012-13 Total Revised Request	FY 2013-14 Original Request for Total Program	FY2013-14 Budget Amendment	FY2013-14 Final Request	Change FY2013-14 FY2012-13 F - C = G	
1								
2								
3	At-risk Funded Count	295,933.0	3,862.3	299,795.3	299,427.0	306,370.0	6,574.7	
4	ASCENT Pupil Count	205.0	76.5	281.5	450.0	450.0	168.5	
5	Funded Pupil Count	817,221.0	438.7	817,659.7	825,813.0	827,556.0	9,896.3	
6	Average Per-pupil Funding	\$7,711.99	\$4.52	\$7,716.51	\$7,884.24	\$7,882.87	\$166.36	
7	Base Per-pupil Funding	\$5,843.26	\$0.00	\$5,843.26	\$5,971.81	\$5,965.97	\$122.71	
8								
9	Total Program Funding Before Application of Negative Factor	\$6,302,403,884	\$7,078,289	\$6,309,482,173	\$6,510,905,288	\$6,523,519,638	\$214,037,465	
10	Funding Sources of Local Share:							
11	Property Taxes	1,791,693,618	(1,013,021)	1,790,680,597	1,804,194,617	1,844,333,971	53,673,374	
12	Specific Ownership Taxes	132,730,650	(5,162,362)	127,568,288	132,730,650	131,361,046	3,792,758	
13	Total Local Share	\$1,924,424,268	(\$6,175,383)	\$1,918,248,885	\$1,936,925,267	\$1,975,715,017	\$57,466,132	
14								
15	Funding Sources of State Share:							
16	State Education Fund	324,236,331	13,253,672	337,490,003	618,559,147	592,383,747	254,893,744	
17	State Public School Fund	153,922,411	-	153,922,411	91,600,000	91,600,000	(62,322,411)	
18	Diversion from Public School Fund	36,000,000	-	36,000,000	-	-	(36,000,000)	
19	General Fund Exempt (Ref C)	312,202,624	-	312,202,624	312,202,624	312,202,624	-	
20	General Fund	3,551,618,250	-	3,551,618,250	3,551,618,250	3,551,618,250	-	
21	Total State Share	\$4,377,979,616	\$13,253,672	\$4,391,233,288	\$4,573,980,021	\$4,547,804,621	\$156,571,333	
22								
23								
24								
25	Total Program Funding Before Application of Negative Factor	\$6,302,403,884	\$7,078,289	\$6,309,482,173	\$6,510,905,288	\$6,523,519,638	\$214,037,465	
26	Less: Negative Factor	(1,011,518,997)	-	(1,011,518,997)	(1,011,518,997)	(972,543,597)	38,975,400	
27								
28	Total Revised Total Program Funding	\$5,290,884,887	\$7,078,289	\$5,297,963,176	\$5,499,386,291	\$5,550,976,041	\$253,012,865	
29								
30								
31	Funding Sources of Local Share:							
32	Property Taxes	1,791,693,618	(1,013,021)	1,790,680,597	1,804,194,617	1,844,333,971	53,673,374	
33	Specific Ownership Taxes	132,730,650	(5,162,362)	127,568,288	132,730,650	131,361,046	3,792,758	
34	Total Local Share	\$1,924,424,268	(\$6,175,383)	\$1,918,248,885	\$1,936,925,267	\$1,975,715,017	\$57,466,132	
35								
36	Funding Sources of State Share:							
37	State Education Fund	324,236,331	13,253,672	337,490,003	618,559,147	618,559,147	281,069,144	
38	State Public School Fund	153,922,411	-	153,922,411	91,600,000	91,600,000	(62,322,411)	
39	Diversion from Public School Fund	36,000,000	-	36,000,000	-	-	(36,000,000)	
40	General Fund Exempt (Ref C)	312,202,624	-	312,202,624	312,202,624	312,202,624	-	
41	General Fund	2,540,099,253	-	2,540,099,253	2,540,099,253	2,552,899,253	12,800,000	
42	Total State Share	\$3,366,460,619	\$13,253,672	\$3,379,714,291	\$3,562,461,024	\$3,575,261,024	\$195,546,733	
43								
44	Total Revised Total Program Funding	\$5,290,884,887	\$7,078,289	\$5,297,963,176	\$5,499,386,291	\$5,550,976,040	\$253,012,864	
45	Average Per Pupil Funding After Negative Factor	\$6,474.24	\$5.18	\$6,479.42	\$6,659.36	\$6,707.67	\$228.25	
46								