

# JOINT BUDGET COMMITTEE



## SUPPLEMENTAL BUDGET REQUESTS FY 2022-23

### DEPARTMENT OF EDUCATION (SCHOOL FINANCE ONLY)

JBC WORKING DOCUMENT - SUBJECT TO CHANGE  
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:  
CRAIG HARPER, JBC STAFF  
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JOINT BUDGET COMMITTEE STAFF  
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203  
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472  
<https://leg.colorado.gov/agencies/joint-budget-committee>

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# DEPARTMENT OF EDUCATION

## DEPARTMENT OVERVIEW

The elected members of the State Board of Education are responsible for the general supervision of public schools throughout Colorado. The Commissioner of Education, appointed by the State Board, advises the State Board concerning the operation and status of public schools and serves as the executive officer of the Department of Education. Among other tasks and responsibilities, the Department supports the Board in its duties by:

- accrediting public schools and school districts;
- developing and maintaining state model academic content standards and administering associated student assessments for certain subject areas and grade levels; and
- issuing school performance reports for every public school in the State.

The Department also administers a number of education-related programs, including: educator licensure and professional development; the School Finance Act and the distribution of state and federal funds to school districts; special education for children with disabilities; English language proficiency programs; the Colorado Preschool Program; educator effectiveness and evaluation programs; and adult basic education programs.

The Department includes three independent agencies: (1) the Board of Trustees for the Colorado School for the Deaf and the Blind; (2) the State Charter School Institute Board, which is responsible for authorizing and monitoring the operations of institute charter schools located within certain school districts; and (3) the Public School Capital Construction Assistance Board, which is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization and allocation of state financial assistance for school construction projects.

In addition to its responsibilities related to public schools, the Department’s duties include promoting the improvement of library services statewide to ensure equal access to information, including providing library services to persons who reside in state-funded institutions and to persons who are blind or physically disabled.

## SUMMARY: FY 2022-23 APPROPRIATION AND RECOMMENDATION

DEPARTMENT OF EDUCATION: RECOMMENDED CHANGES FOR FY 2022-23						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 APPROPRIATION</b>						
Long Bill	\$6,727,156,113	\$4,432,812,578	\$1,272,866,112	\$1,422,827	\$1,020,054,596	229.3
Other legislation	291,329,688	7,528,191	284,409,054	(607,557)	0	3.0
<b>CURRENT FY 2022-23 APPROPRIATION:</b>	<b>\$7,018,485,801</b>	<b>\$4,440,340,769</b>	<b>\$1,557,275,166</b>	<b>\$815,270</b>	<b>\$1,020,054,596</b>	<b>232.3</b>
<b>RECOMMENDED CHANGES</b>						

DEPARTMENT OF EDUCATION: RECOMMENDED CHANGES FOR FY 2022-23						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Current FY 2022-23 Appropriation	\$7,018,485,801	4,440,340,769	\$1,557,275,166	\$815,270	\$1,020,054,596	232.3
<b>S1 Total program adjustments</b>	<b>(76,383,372)</b>	<b>0</b>	<b>(76,383,372)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
S2 Healthy meals for all public school students	178,568	178,568	0	0	0	1.2
<b>S4 Audit payment true-up</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>RECOMMENDED FY 2022-23 APPROPRIATION:</b>	<b>\$6,942,780,997</b>	<b>\$4,440,519,337</b>	<b>\$1,481,391,794</b>	<b>\$815,270</b>	<b>\$1,020,054,596</b>	<b>233.5</b>
<b>RECOMMENDED INCREASE/(DECREASE)</b>	<b>(\$75,704,804)</b>	<b>\$178,568</b>	<b>(\$75,883,372)</b>	<b>\$0</b>	<b>\$0</b>	<b>1.2</b>
Percentage Change	(1.1%)	0.0%	(4.9%)	0.0%	0.0%	0.5%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$6,943,514,876</b>	<b>\$4,440,519,337</b>	<b>\$1,482,125,673</b>	<b>\$815,270</b>	<b>\$1,020,054,596</b>	<b>233.5</b>
Request Above/(Below) Recommendation	\$733,879	\$0	\$733,879	\$0	\$0	(0.0)

\*Please note that only the highlighted items are presented in this document. The other item (S2) was discussed in a previous JBC Staff supplemental recommendation.

### REQUEST/RECOMMENDATION DESCRIPTIONS

**S1 TOTAL PROGRAM ADJUSTMENTS:** The request proposes a decrease of \$75.6 million cash funds from the State Education Fund for FY 2022-23 in order to hold the budget stabilization factor constant at the level assumed in the original appropriation (\$321.2 million). While total program funding *before the application of the budget stabilization factor* is \$17.0 million higher than assumed in the original appropriation (driven in large part by an increased count of at-risk students), the request assumes that local revenues are \$92.6 million higher than anticipated. That increase in local revenues allows for a reduction of \$75.6 million in the state share of funding while maintaining the budget stabilization factor.

Staff recommends approving a net decrease of \$76.4 million cash funds from the State Education Fund below the Department’s original FY 2022-23 appropriation. Like the request, the recommendation would hold the budget stabilization factor constant at the level assumed in the original appropriation. However, the recommendation includes minor corrections to the data used in the request to align with the actual data from the Department of Education and Legislative Council Staff.

Please note that the request and recommendation require separate legislation to adjust the statutory provisions detailing total program funding amounts in FY 2022-23, and the recommended appropriation adjustments would be included in that legislation.

**S4 AUDIT PAYMENT TRUE-UP:** The request and recommendation include an increase of \$500,000 cash funds from the State Public School Fund for school finance audit payments to align with anticipated payments to school districts for FY 2022-23. Statute requires the Department to make corrective payments in cases when school finance distributions were lower than they should have been based on actual audited pupil counts and at-risk pupil counts. The current spending authority of \$1.0 million does not appear to be sufficient to make the anticipated payments for FY 2022-23.

## PRIORITIZED SUPPLEMENTAL REQUESTS

### S1 TOTAL PROGRAM ADJUSTMENT

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>(\$75,649,493)</b>	<b>(\$76,383,372)</b>
General Fund	0	0
Cash Funds	(75,649,493)	(76,383,372)

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of data that were not available at the time of the original appropriation.

**DEPARTMENT REQUEST:** As discussed above, the request proposes a net decrease of \$75.6 million cash funds from the State Education Fund for FY 2022-23. Responding to the changes in actual data for FY 2022-23 (an increase in total program before the budget stabilization factor which is more than offset by an increase in local revenues), the request seeks to hold the budget stabilization factor (BSF) constant at the dollar amount assumed in the original appropriation (\$321.2 million, equating to a 3.7 percent reduction to total program funding before the application of the BSF).

**STAFF RECOMMENDATION:** Staff recommends approving a decrease of \$76,383,372 cash funds from the State Education Fund below the Department’s original FY 2022-23 appropriation. Like the request, the recommendation would: (1) hold the budget stabilization factor constant at the dollar amount in the original appropriation (\$321,242,484) and (2) retain the savings in the State Education Fund for use in future years. Staff recommends maintaining the General Fund “base” in school finance and does not recommend reducing the General Fund appropriation.

As in prior years, the request and recommendation for total program funding require separate legislation to adjust the statutory provisions and associated appropriations detailing total program funding amounts in FY 2022-23. Thus, as in previous years, staff recommends that the Committee sponsor a companion bill (as part of the supplemental package) to make the necessary school finance adjustments.

#### STAFF ANALYSIS:

**BACKGROUND:** The School Finance Act builds each school district’s total program funding based on four basic variables: (1) inflation (Amendment 23 increases statewide base per pupil funding by the rate of inflation each year based on the change in the consumer price index from the previous calendar year); (2) funded pupil count (which is multiplied by per pupil funding for each district to generate the total program amount); (3) at-risk pupil counts for each district; and (4) local revenues (from property taxes and specific ownership taxes) available to support total program. Once the formula calculates a per pupil amount for each district, the Department then adds a flat per pupil funding amount for two groups of students: multi-district on-line students and extended high school program participants (including the Accelerating Students through Concurrent Enrollment (ASCENT) Program, Pathways

in Technology Early College High Schools (P-TECH), and the Teacher Recruitment Education and Preparation (TREP) Program).

Of these variables, only the applicable inflation rate is available when the General Assembly establishes the appropriation for school finance. The General Assembly uses estimates of pupil counts, at-risk pupil counts, ASCENT pupil counts (starting in FY 2022-23 with the elimination of the annual cap on participation), and local revenues to set the initial school finance appropriation each year through the Long Bill and the school finance bill. Subsequently:

- School districts conduct an annual pupil count (on or near October 1) and then work with the Department to finalize both funded pupil counts and at-risk pupil counts by mid-December.
- County assessors certify to the Department of Education the total valuation for assessment of all taxable property (by August 25) and the State Board of Equalization certifies assessors' abstracts of assessments (by December 20).
- School district boards, with the assistance of the Department, certify to their respective boards of county commissioners and inform their county treasurers of the district's mill levy for school finance (by December 15).

Thus, by early January of each fiscal year, school districts and the Department know the actual funded pupil count (including multi-district on-line and extended high school), at-risk pupil count, and local revenues available to support school finance. Section 22-54-106 (4) (b), C.R.S., requires the Department to submit a request for a supplemental appropriation in an amount that would fully fund the state share of districts' total program funding.<sup>1</sup> Statute does not require the General Assembly to fund the requested supplemental appropriation. If existing appropriations are insufficient and the General Assembly does not provide additional funds or reduces the existing appropriation, Section 22-54-106 (4) (c), C.R.S., requires the Department to reduce state aid for each school district and each Institute charter school on a pro rata basis.

**TOTAL PROGRAM FUNDING SUMMARY:** The General Assembly makes mid-year adjustments to total program funding each year to align with the actual data. The adjustments vary based on the magnitude of differences from the estimates assumed in the original appropriation, including: (1) pupil counts (including both statewide counts and the distribution of those students among school districts because of the variance in per pupil funding among districts), (2) at-risk pupil counts, and (3) local revenues available for school finance.

The mid-year adjustments for FY 2022-23 will offer flexibility for the General Assembly to reduce state appropriations and/or reduce the dollar value of the budget stabilization factor in the current year. While total program funding *before the application of the BSF* is \$17.0 million higher than anticipated in the original appropriation, local revenues are \$93.4 million higher than expected, which creates options for the General Assembly. For example, the General Assembly could:

- Reduce the state share by \$93.4 million and hold total program funding *after the BSF* constant at \$8.42 billion. That option would increase the dollar value of the BSF by \$17.0 million, from \$321.2 million to \$338.3 million but would also increase statewide average per pupil funding by \$17.13 because of the decreased overall pupil count.

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<sup>1</sup> Since the implementation of the BSF in 2010, there has been more flexibility in this requirement as the formula has not been "fully funded."

- Reduce the state share by \$76.4 million and hold the budget stabilization factor constant at \$321.2 million as assumed in the original appropriation, as requested by the Governor and recommended by JBC Staff. Statewide average per pupil funding increases by \$36.50 under this scenario.
- Hold the state share constant and reduce the BSF by \$76.4 million, from \$321.2 million to \$244.9 million. Statewide average per pupil funding would increase by \$123.35. Rather than make such a large increase in funding at mid-year, staff is recommending reducing the \$76.4 million for FY 2022-23 to enable the use of that money in subsequent years with the State and school districts can budget for it.

It is important to note that these are simply benchmark examples. The General Assembly could pick any number of other options, ranging from larger reductions to the state share (and growth in the BSF) to increasing the state share for a larger reduction to the BSF.

Major changes relative to the assumptions in the original appropriation include:

- *Student Counts*: The statewide funded pupil count is 1,576 student FTE (0.2 percent) lower than anticipated, continuing a trend of gradual decline from recent years. Holding everything else constant, that would reduce the cost of total program funding.
- *At-risk Pupil Count*: Conversely, the actual at-risk pupil count is 25,854 FTE (7.9 percent) *higher* than anticipated. Given the dynamics in recent years with districts struggling to count at-risk students, staff suspects that this is largely a *more accurate* count than has been available for FY 2020-21 and FY 2021-22 – rather than such a significant increase in the number of students that would qualify (though the number may also have increased).
- *Total Program Before the BSF*: Based largely on those two changes (slight decrease in the funded pupil count offset by a larger increase in the at-risk pupil count), total program before the application of the BSF is actually \$17.0 million higher than anticipated in the original appropriation. Thus, maintaining the BSF at a \$321.2 million would require an increase of \$17.0 million in state and/or local funds.
- *Local Revenues*: Local revenues are \$93.4 million higher than anticipated in the original appropriation. That reduction includes increases of \$88.8 million in property tax revenues and \$4.6 million in specific ownership tax revenues. This increase in local revenues would allow the General Assembly to reduce the state share of districts’ total program funding by \$93.4 million and still maintain total program funding at the level assumed in the original appropriation.

Table A summarizes the changes to *total program* under the staff recommendation relative to the original FY 2022-23 appropriation. Table B then compares the proposed changes to mid-year adjustments to the state share of total program funding in recent years.

TABLE A: CHANGES TO SCHOOL FINANCE BASED ON ACTUAL ENROLLMENT AND LOCAL REVENUES

FISCAL YEAR	FY 2021-22 FINAL APPROPRIATION	FY 2022-23		MID-YEAR CHANGE
		DATA USED FOR INITIAL APPROPRIATION	REVISED DATA FOR STAFF RECOMMENDATION	
Funded Pupil Count	886,221.9	881,053.0	879,477.0	(1,576.0)
<i>Annual Percent Change</i>	-0.5%	-0.6%	-0.8%	
At-risk Pupil Count	327,175	326,343	352,197	25,854
<i>Annual Percent Change</i>		-0.3%	7.6%	
Statewide Base Per Pupil Funding	\$7,225	\$7,478	\$7,478	\$0
<i>Annual Percent Change</i>	2.0%	3.5%	3.5%	

TABLE A: CHANGES TO SCHOOL FINANCE BASED ON ACTUAL ENROLLMENT AND LOCAL REVENUES

FISCAL YEAR	FY 2021-22	FY 2022-23		MID-YEAR CHANGE
	FINAL APPROPRIATION	DATA USED FOR INITIAL APPROPRIATION	REVISED DATA FOR STAFF RECOMMENDATION	
<b>Total Program Funding PRIOR TO Budget Stabilization Factor</b>	<b>\$8,492,215,010</b>	<b>\$8,743,509,329</b>	<b>\$8,760,545,917</b>	<b>\$17,036,588</b>
Less: Budget Stabilization Factor Reduction	(503,050,660)	(321,243,484)	(321,243,484)	0
<i>Negative Factor as % of Total program</i>	<i>5.92%</i>	<i>3.67%</i>	<i>3.67%</i>	
<b>EQUALS: Adjusted Total Program Funding</b>	<b>\$7,989,164,350</b>	<b>\$8,422,265,845</b>	<b>\$8,439,302,433</b>	<b>\$17,036,588</b>
<i>Annual Percent Change</i>	<i>5.0%</i>	<i>5.4%</i>	<i>5.6%</i>	
Statewide Average Per Pupil Funding (for adjusted total program funding)	\$9,014.86	\$9,559.32	\$9,595.82	\$36.50
<i>Annual Percent Change</i>	<i>10.4%</i>	<i>6.0%</i>	<i>6.4%</i>	
Local Share of Districts' Total Program Funding	\$3,280,192,851	\$3,355,827,857	\$3,449,247,817	\$93,419,960
Property Tax Revenue	3,062,155,118	3,131,248,992	3,220,075,854	88,826,862
Specific Ownership Tax Revenue	218,037,733	224,578,865	229,171,963	4,593,098
<i>Annual Percent Change on Total</i>	<i>8.8%</i>	<i>2.3%</i>	<i>5.2%</i>	
<b>State Share of Districts' Total Program Funding</b>	<b>\$4,708,971,499</b>	<b>\$5,066,437,988</b>	<b>\$4,990,054,616</b>	<b>(\$76,383,372)</b>
<i>Annual Percent Change</i>	<i>11.5%</i>	<i>7.6%</i>	<i>6.0%</i>	
<i>State Share as Percent of Districts' Total Program</i>	<i>58.9%</i>	<i>60.2%</i>	<i>59.1%</i>	

TABLE B: HISTORY OF MID-YEAR APPROPRIATION ADJUSTMENTS FOR STATE SHARE OF SCHOOL FINANCE

FISCAL YEAR	TOTAL STATE SHARE APPROPRIATION MADE IN SESSION PRECEDING FISCAL YEAR	MID-YEAR ADJUSTMENTS		FINAL APPROPRIATION
		DOLLARS	% CHANGE	
FY 2011-12	3,336,347,674	(4,425,519)	-0.1%	3,331,922,155
FY 2012-13	3,336,460,619	13,253,672	0.4%	3,349,714,291
FY 2013-14	3,532,662,765	55,437,495	1.6%	3,588,100,260
FY 2014-15	3,953,506,569	(2,894,086)	-0.1%	3,950,612,483
FY 2015-16	4,113,321,146	(133,542,173)	-3.2%	3,979,778,973
FY 2016-17	4,115,127,505	0	0.0%	4,115,127,505
FY 2017-18	4,225,007,024	(104,438,145)	-2.5%	4,120,568,879
FY 2018-19	4,546,175,603	(77,590,425)	-1.7%	4,468,585,178
FY 2019-20	4,619,755,891	9,046,331	0.2%	4,628,802,222
FY 2020-21	4,183,792,730	40,905,287	1.0%	4,224,698,017
FY 2021-22	4,848,537,248	(139,565,749)	-2.9%	4,708,971,499
FY 2022-23 (recommended adjustment)	5,066,437,988	(76,383,372)	-1.5%	4,990,054,616

It is important to note that the statistics described above are all *statewide* numbers. Given the mechanics of the formula, any given scenario will play out differently in individual school districts (see Appendix B for district-specific impacts as prepared by Legislative Council Staff).

- Under the request and recommendation to hold the BSF constant, even with an increase of \$17.0 million in total program funding (including state and local revenues), 87 districts would see a reduction in *total program* funding below the original FY 2022-23 appropriation, generally because the district's actual pupil count is lower than was projected for this year. It is important to note that these are reductions below the projections for this year and not relative to FY 2021-22.
- Conversely, 91 school districts would see an increase above the projected funding for FY 2022-23 because the funded pupil count and/or the at-risk count is higher than anticipated.



The following sections provide additional detail and historical context related to the major variables in the school finance formula.

**STUDENT COUNTS:** As noted above, the actual funded pupil count is 1,576 student FTE (0.2 percent) lower than anticipated in the original appropriation. The original appropriation assumed a total statewide funded pupil count of 881,053.0, while the actual count is 879,477.0 FTE. This is a fairly typical mid-year adjustment in student count. However, it is 6,744.9 FTE below the final count for FY 2021-22 – and 16,516.3 FTE below the pre-pandemic count from FY 2019-20.

It is important to note that the decrease in the *funded pupil count* masks different dynamics in the number of actual students enrolled, largely because of the statutory provisions averaging enrollment for declining enrollment districts.

**AT-RISK PUPIL COUNT AND PER PUPIL FUNDING IN THE FORMULA:** The School Finance Act provides additional funding for at-risk students (defined for FY 2022-23 as students qualifying for free or reduced-price lunch and those qualified through either direct certification or as categorically eligible). Thus, an increased number of at-risk students would typically increase a district's total program funding and statewide average per pupil funding, while a decreased number of at-risk students would typically decrease total program funding and statewide average per pupil funding.

In both FY 2020-21 and FY 2021-22, the statewide at-risk count was far lower than anticipated in the respective original appropriations, which the General Assembly attributed largely to the challenges of counting the at-risk students in the context of universal free lunch during the pandemic. Based on those concerns, the General Assembly added money outside of the school finance formula in each of those years to account for what was assumed to be an undercount of at-risk students.

For FY 2022-23, the actual at-risk count is 352,197 pupils (40.0 percent of the total funded pupil count), an increase of 25,854 pupils above the count assumed in the original appropriation and 25,022 above the actual count from FY 2021-22. Given the increased at-risk count relative to both the FY 2021-22 count and the estimates for FY 2022-23, staff suspects that this count is largely a more accurate reflection of the population that is at-risk than has been available in the past two years rather than an increase of that magnitude in the number of at-risk students.

While the decrease in the total funded pupil count would decrease total program funding prior to the application of the BSF, the increase in at-risk students more than offsets that reduction, resulting in an increase of \$17.0 million before the application of the BSF.

- As a result, holding the BSF constant requires total funding (state and local combined) to increase by \$17.0 million; the Governor's request and the staff recommendation would use increasing local revenues to cover that difference.
- The staff recommendation to increase total program funding in combination with the decline in total funded pupil count would increase statewide average per pupil funding by \$36.50 above the amount assumed in the original appropriation (from \$9,559.32 to \$9,595.82). Table C compares the recommended adjustment in statewide average per pupil funding to mid-year changes in recent years.

TABLE C: COMPARISON OF ESTIMATED AND FINAL STATEWIDE AVERAGE PER PUPIL FUNDING

FISCAL YEAR	ESTIMATE FOR INITIAL APPROPRIATION	MID-YEAR ADJUSTMENTS PER PUPIL FUNDING	% CHANGE	ESTIMATE FOR FINAL APPROPRIATION
FY 2011-12	\$6,468.24	\$6.00	0.1%	\$6,474.24
FY 2012-13	6,474.24	5.18	0.1%	6,479.42
FY 2013-14	6,652.28	0.00	0.0%	6,652.28
FY 2014-15	7,020.70	4.90	0.1%	7,025.60
FY 2015-16	7,294.41	18.28	0.3%	7,312.69
FY 2016-17	7,424.66	(4.00)	-0.1%	7,420.66
FY 2017-18	7,662.18	0.00	0.0%	7,662.18
FY 2018-19	8,137.41	(14.83)	-0.2%	8,122.58
FY 2019-20	8,479.74	9.07	0.1%	8,488.81
FY 2020-21	8,077.66	45.09	0.6%	8,122.75
FY 2021-22	8,991.17	23.68	0.3%	9,014.86
FY 2022-23 (recommended adjustment)	9,559.32	36.50	0.4%	9,595.82

**STATE VS. LOCAL FUNDING FOR FY 2022-23:** Local tax revenues are \$93.4 million (2.8 percent) higher than anticipated in the original appropriation. Specifically, property tax revenues are \$88.8 million (2.8 percent) higher than projected last spring, and specific ownership taxes<sup>2</sup> are \$4.6 million (2.0 percent) higher than projected. As shown in Table D, this is a fairly typical adjustment for recent years.

TABLE D: COMPARISON OF ESTIMATED AND FINAL LOCAL SHARE OF FUNDING

FISCAL YEAR	ESTIMATE FOR INITIAL APPROPRIATION	MID-YEAR ADJUSTMENTS		ESTIMATE FOR FINAL APPROPRIATION
		LOCAL FUNDING	% CHANGE	
FY 2012-13	1,924,424,268	(6,175,383)	-0.3%	1,918,248,885
FY 2013-14	1,975,723,359	(36,889,870)	-1.9%	1,938,833,489
FY 2014-15	1,979,937,820	2,894,086	0.1%	1,982,831,906
FY 2015-16	2,126,243,629	133,542,173	6.3%	2,259,785,802
FY 2016-17	2,280,782,709	(23,077,754)	-1.0%	2,257,704,955
FY 2017-18	2,409,944,058	96,900,446	4.0%	2,506,844,504
FY 2018-19	2,542,655,348	56,095,569	2.2%	2,598,750,917
FY 2019-20	2,965,952,818	11,223,788	0.4%	2,977,176,606
FY 2020-21	3,054,550,789	(40,905,287)	-1.3%	3,013,645,502
FY 2021-22	3,140,637,440	139,555,411	4.4%	3,280,192,851
FY 2022-23	3,355,827,857	93,419,960	2.8%	3,449,247,817

As discussed above, the staff recommendation would offset a portion of the increase in local revenues with a reduction in state funds from the State Education Fund to hold the BSF constant.

<sup>2</sup> Counties collect vehicle registration taxes and share the revenues with local school districts. Pursuant to Section 22-54-106 (1) (a) (I), C.R.S., each district’s local share of total program funding includes a portion of these district “specific ownership tax revenues” – specifically, that portion that was collected for the previous budget year that is attributable to all property tax levies made by the school district, except those levies made for the purpose of satisfying bonded indebtedness obligations (both principal and interest) and those authorized pursuant to voter approval to raise and expend additional “override” property tax revenues in excess of the district’s total program (see Section 22-54-103 (11), C.R.S.). Total specific ownership tax revenues are directly related to the number and taxable value of vehicles. The portion of these revenues that count toward the local share of total program funding is impacted by school districts’ general fund mill levies in relation to other school district mill levies, as well as other local mill levies.

**SUMMARY OF OPTIONS AND STAFF RECOMMENDATION ASSOCIATED WITH FY 2022-23 MID-YEAR REQUEST FOR TOTAL PROGRAM:** Staff is recommending adjusting the FY 2022-23 appropriation to hold the BSF constant at the level assumed in the original FY 2022-23 appropriation. However, the Committee could elect to change funding in any number of ways. Similar to prior years, staff offers three illustrative options for the Committee’s consideration based on potential benchmarks in the school finance appropriation. Staff summarizes the illustrative options below and in Table E (ordered from the largest decrease in state funding to holding state funding constant).

While staff is recommending the “constant BSF” option, staff believes that any of these options would be defensible.

- *Constant Total Program:* Maintaining total program funding (the combination of state and local shares) allows the state share to decrease by \$93.4 million based on the increase in local revenues. Holding total program funding constant with a decrease in pupil count increases statewide average per pupil funding by \$17.13 relative to the original appropriation but also increases the dollar value of the BSF by \$17.1 million (from \$321.2 million in the original appropriation to \$338.3 million).
- *Request and Recommendation - Constant Budget Stabilization Factor:* Maintaining the budget stabilization factor at the level of the original FY 2022-23 appropriation (\$321.2 million) allows the state share to decrease by \$76.4 million. Total program funding increases by \$17.0 million, which is more than offset by the \$93.4 million increase in local revenues. Statewide average per pupil funding increases by \$36.50 from the amount anticipated in the original appropriation because of the increase in funding and the decrease in funded pupil count.
- *Constant State Share:* Maintaining a constant state share would increase total program funding after the application of the budget stabilization factor by \$93.4 million because of the increase in local revenues. The budget stabilization factor would decrease by \$76.4 million and statewide average per pupil funding would increase by \$123.35 relative to the original appropriation.

TABLE E: FY 2022-23 TOTAL PROGRAM SUPPLEMENTAL APPROPRIATION OPTIONS

	ORIGINAL APPROPRIATION	CONSTANT TOTAL PROGRAM	REQUEST AND REC: CONSTANT BUDGET STAB. FACTOR	CONSTANT STATE SHARE OF TOTAL PROGRAM FUNDING
Total Program Before Budget Stab. Factor	\$8,743,509,329	\$8,760,545,917	\$8,760,545,917	\$8,760,545,917
Budget Stabilization Factor	(321,243,484)	(338,280,072)	(321,243,484)	(244,860,112)
<i>Budget Stabilization Factor as Percentage</i>	<i>-3.67%</i>	<i>-3.86%</i>	<i>-3.67%</i>	<i>-2.80%</i>
Adjusted Total Program	\$8,422,265,845	\$8,422,265,845	\$8,439,302,433	\$8,515,685,805
Pupil Count	881,053.0	879,477.0	879,477.0	879,477.0
Statewide Average Per Pupil	\$9,559.32	\$9,576.45	\$9,595.82	\$9,682.67
Change from Original Appropriation in Statewide Average Per Pupil Funding	N/A	\$17.13	\$36.50	\$123.35
Local Share	\$3,355,827,857	\$3,449,247,817	\$3,449,247,817	\$3,449,247,817
State Share	5,066,437,988	4,973,018,028	4,990,054,616	5,066,437,988
Change in State Share from Original Appropriation (Supplemental Amount)	N/A	(\$93,419,960)	(\$76,383,372)	\$0
General Fund/ State Education Fund Change	N/A	(93,419,960)	(76,383,372)	0
State Public School Fund Change	N/A	0	0	0
Statutory Change Required/Recommended to Adjust Total Program Amount	N/A	Yes	Yes	Yes

## FY 2023-24 – GOVERNOR’S REVISED REQUEST

In addition to proposing revisions to the current year appropriations for school finance, the Governor’s January 17, 2023 budget submission also includes a budget amendment (BA1) that revises the request for FY 2023-24.

- *Pupil Counts and Inflation:* The revised request anticipates a lower funded pupil count than the November 2022 request (a decrease of 17,982 pupils or 2.1 percent that is primarily driven by implementation of universal preschool) as well as a lower inflation rate (using the actual 2022 inflation rate of 8.0 percent as compared to the 8.3 percent assumed in the November request). Both of those factors reduce total program funding before the application of the BSF, which reduces pressure on the state share. Total program before the application of the BSF is \$166.7 million lower than anticipated in the November request.
- *BSF Target:* The November 2022 request proposed a \$35.0 million reduction to the BSF below the original FY 2022-23 appropriation (from \$321.2 million to \$286.2 million). The January adjustment proposes an additional reduction of \$85.0 million (from \$286.2 million to \$201.2 million) and indicates that it is intended as the first step in a three-year elimination of the BSF, with the BSF eliminated in FY 2025-26. The change for FY 2023-24 requires an increase in total program funding – but the change in the local share more than covers that difference (see next item).
- *Local Revenues:* The revised estimates for FY 2023-24 anticipate an overall increase of \$505.9 million in local revenues relative to the amounts assumed in the Governor’s November request. This change reduces the state funding *required at any given level of budget stabilization factor* by \$505.9 million relative to the assumptions in the November 1 request, and this is the primary driver of additional flexibility for school finance in staff’s projections for FY 2023-24 and beyond.

For context, it is important to note that while the final inflation rate for CY 2022 was lower than assumed in November (8.0 percent vs. 8.3 percent), it is still driving a large increase in total program funding for FY 2023-24. Total program before the application of the BSF increases by \$485.0 million above FY 2022-23 even with a decrease of nearly 22,000 funded pupils below the FY 2022-23 count, again driven primarily by universal pre-school. However, with local revenues increasing by \$505.9 million, the local share can cover the increase in total program funding, meaning that increases in state funding above the FY 2022-23 appropriation would decrease the BSF.

For the Committee’s reference, Table F compares the recommended FY 2022-23 appropriation, the Governor’s November request for FY 2023-24, the Governor’s revised request, and current law requirements (holding the BSF constant). Please note that the “current law” column:

- Holds the budget stabilization factor constant at \$321.2 million (the level recommended through the FY 2022-23 supplemental), which is \$120.0 million higher than the Governor’s revised request.
- Holds the General Fund appropriation constant at the same level as the FY 2022-23 appropriation, adjusts the appropriation from the State Public School Fund to align with estimates based on the December 2022 Legislative Council Staff revenue forecast, and reduces the appropriation from the State Education Fund to achieve the targeted dollar amount for the BSF. Staff anticipates significant discussion about the balance of the State Education Fund and the use of General Fund vs. State Education Fund during figure setting.

TABLE F: FY 2023-24 TOTAL PROGRAM FUNDING - GOVERNOR'S REVISED REQUEST

	FY 2022-23 APPROPRIATION (WITH MID-YEAR RECOMMENDATION)	GOVERNOR'S NOVEMBER 2022 REQUEST	GOVERNOR'S REVISED (JANUARY 17) REQUEST	CURRENT LAW (REVISED DATA AND CONSTANT BUDGET STAB. FACTOR)	CHANGE FROM GOVERNOR'S REVISED REQUEST
Funded Pupil Count	879,477	875,758	857,776	857,776	0
Inflation Rate	3.5%	8.3%	8.0%	8.0%	0.0%
Statewide Base Per Pupil Funding	\$7,478	\$8,099	\$8,076.41	\$8,076	\$0
<b>Total Program Funding</b>					
Total Program before Budget Stab. Factor	\$8,760,545,917	\$9,412,312,290	\$9,245,581,505	\$9,245,575,921	(\$5,584)
Budget Stabilization Factor	(321,243,484)	(286,267,250)	(201,267,250)	(321,243,484)	(119,976,234)
<i>Budget Stabilization Factor as Percentage</i>	<i>-3.67%</i>	<i>-3.04%</i>	<i>-2.18%</i>	<i>-3.47%</i>	<i>-1.30%</i>
Adjusted Total Program	\$8,439,302,433	\$9,126,045,040	\$9,044,314,255	\$8,924,332,437	(\$119,981,818)
Statewide Average Per Pupil	\$9,595.82	\$10,421	\$10,544	\$10,404	(\$140)
<b>Local And State Shares</b>					
Local Share	<u>\$3,449,247,817</u>	<u>\$3,586,950,429</u>	<u>\$4,092,805,709</u>	<u>\$4,092,794,635</u>	<u>(\$11,074)</u>
Property Tax	3,220,075,854	3,362,371,564	3,856,758,587	3,856,747,513	(11,074)
Specific Ownership Tax	229,171,963	224,578,865	236,047,122	236,047,122	0
State Share	<u>\$4,990,054,616</u>	<u>\$5,539,094,611</u>	<u>\$4,951,508,546</u>	<u>\$4,831,537,802</u>	<u>(\$119,970,744)</u>
General Fund	4,238,686,861	4,387,853,668	4,237,853,668	4,238,686,861	833,193
Cash Funds (SEF)	638,436,892	864,528,822	414,575,002	281,747,799	(132,827,203)
Cash Funds (SPSF)	112,930,863	286,712,122	299,079,876	311,103,142	12,023,266
<b>Annual General Fund Increase</b>		<b>149,166,807</b>	<b>-833,193</b>	<b>\$0</b>	<b>\$833,193</b>
Statutory Change Required		Yes	Yes	Yes	

As in prior years, the “current law” scenario will inform the staff recommendation for the Long Bill appropriation, although the fund sources will likely change with the March 2023 revenue forecast. Staff assumes that the General Assembly will accomplish any changes to the BSF for FY 2023-24 through the school finance bill or other legislation.

The following section provides a brief discussion of updated multi-year projections for school finance, including additional context related to the Governor’s request (which is based on the December 2022 OSPB revenue forecast) and scenarios using the December 2022 Legislative Council Staff forecast for comparative purposes.

### UPDATED JBC STAFF MULTI-YEAR PROJECTIONS FOR SCHOOL FINANCE

During the FY 2023-24 JBC Staff briefing for school finance and categorical programs, staff presented a set of multi-year projections for school finance obligations for FY 2023-24 through FY 2026-27.<sup>3</sup> Those projections used the September 2022 Legislative Council Staff (LCS) revenue forecast as the basis for *state* revenue projections and the December 2021 LCS revenue forecast for projections of local revenues (modified to reflect 2022 Session legislation) and pupil counts. However, since that presentation, both LCS and OSPB have presented new revenue forecasts, and the December 2022 LCS forecast has updated estimates for pupil counts and local revenues.

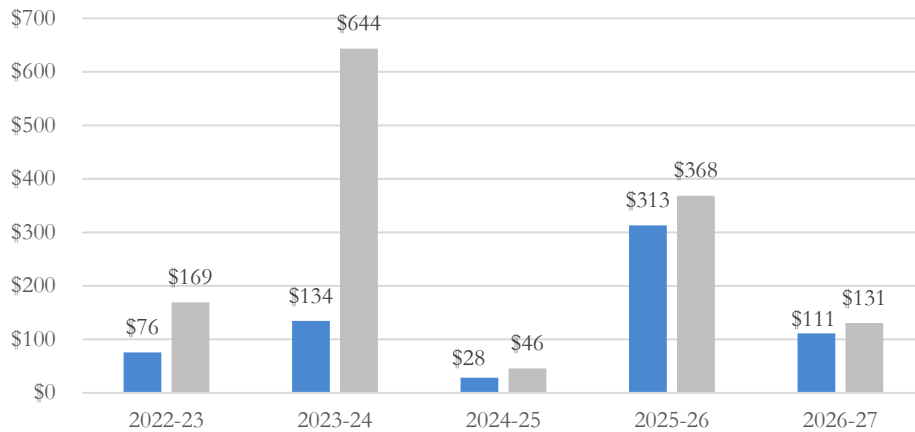
In an attempt to foster discussions among the Committee and with leadership and the General Assembly, staff is providing a brief summary of updated multi-year projections in an attempt to

<sup>3</sup> The projections in in the issue brief beginning on page 19 of the briefing document available at: [https://leg.colorado.gov/sites/default/files/fy2023-24\\_edubr2.pdf](https://leg.colorado.gov/sites/default/files/fy2023-24_edubr2.pdf)

provide information for discussion and planning purposes prior to the beginning of figure setting for FY 2023-24.

The Committee should note that the December forecasts, and especially the updated estimates of local revenues, have changed the projections significantly. The following graph compares the annual increase in local revenues assumed in the previous projections and the new estimates based on the December 2022 LCS forecast. As shown in the graph, the estimated change for from FY 2022-23 to FY 2023-24 has increased from \$134.5 million in the original projections to \$643.5 million in the current projections. Overall, current projections show \$694.7 million more in local revenues for FY 2022-23 through FY 2026-27 than staff assumed in the original projections for the briefing.

The December 2022 LCS forecast anticipates higher annual increases in local revenues than assumed in the original projections, especially in FY 2023-24. (\$in millions)



If those revenues materialize then the increase in local revenues will decrease pressure on the state budget to support total program, which is the key driver of the change in projections summarized below.

### RISK TOLERANCE AND FRAMING QUESTIONS

While the anticipated increase in local revenues would ease pressure on state funds, the change in forecasts also highlights potential risks as the General Assembly plans for school finance over the next several years.

- First, if property values do not meet the expectations in the projections, any decrease in local revenues will increase pressure on the state share. In the event of a recession that decreased property values, local revenues could fall well short of these expectations.
- Second, any legislative changes that reduce property tax collections will also increase pressure on the state share. The Governor has proposed \$200 million in additional property tax relief during the 2023 Session. Based on estimates from S.B. 22-238 (2023 and 2024 Property Tax), staff assumes that 36.6 percent of that amount would be from total program property taxes, equating to \$73.2 million per year. Staff has provided a scenario below that includes an assumption for that decrease in local revenues.
- Finally, the OSPB forecast anticipates approximately \$100 million less per year in annual income tax deposits to the State Education Fund. Reducing the amount available in the State Education Fund requires more General Fund appropriations to hit any given target in school finance funding.

Based on the inherent uncertainty in the forecasts – and especially with the differences between the respective December forecasts – staff is offering the updated projections to facilitate the Committee’s discussions. While presenting these illustrative scenarios, staff recommends that the Committee consider the following questions.

- *What is the Committee’s risk tolerance?* The scenarios based on the December LCS revenue forecast and anticipated local revenues indicate that a significant reduction or elimination of the BSF could be feasible. However, doing so would carry risk that the BSF would have to “rebound” if revenues (or other variables) deviate from the forecast. The Governor’s request proposes to set aside \$125 million per year in the State Education Fund starting in FY 2025-26 to cover that sort of risk.
- *What are the General Assembly’s competing priorities?* The projections below are based on current law and current projections of the cost of the school finance formula. If the General Assembly were to enact changes that increased the cost of total program, then that would obviously change the cost of any given scenario. These revenue estimates could facilitate formula changes – but doing so while also eliminating the budget stabilization factor under the current formula may be more difficult, and likely impossible to sustain if revenues fall below expectations. In addition, competing and urgent priorities either within education or from other agencies may further constrain the revenues available for school finance. Staff has not attempted to anticipate those priorities or their likely cost. Similar to the economic risk, the Governor’s request assumes that \$100 million of the balance in the State Education Fund for FY 2023-24 would be available for hold-harmless provisions related to formula changes.

#### **FORECAST DIFFERENCES AND SCENARIOS**

The gap between forecasts is illustrated by the multi-year plan included in the Governor’s request relative to staff’s projections based on the LCS forecast.<sup>4</sup> The Governor’s revised FY 2023-24 request includes three major components directly relevant to the projections:

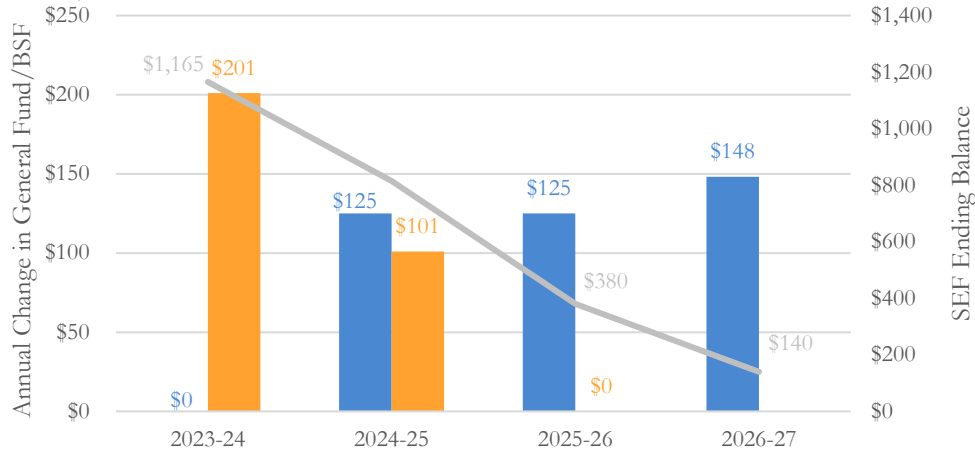
- As discussed above, the request proposes to reduce the BSF by \$120 million in FY 2023-24 and to eliminate it over three years (by FY 2025-26).
- The request sets aside \$100 million in the State Education Fund in FY 2023-24 to support hold harmless provisions that may be required by adjustments to the school finance formula in the 2023 Session.
- In an effort to mitigate against potential economic risk, the request assumes that a set-aside of an additional \$125 million for each year beginning in FY 2025-26.

With all of those assumptions in place and OSPB’s projected revenues to the State Education Fund (and to a lesser extent the State Public School Fund), the request scenario assumes annual General Fund increases of between \$125 million and \$150 million for FY 2024-25 through FY 2026-27. The request does not include any increase in General Fund for FY 2023-24. Those assumptions require a depletion of the State Education Fund balance from \$1.2 billion projected at the end of FY 2022-23 to \$140 million at the end of FY 2026-27 (see graph below).

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<sup>4</sup> The multi-year plan is discussed in Appendix A of the Governor’s January 17, 2023, submittal letter at: [https://drive.google.com/file/d/19YGYwWvYIo5S0r2ZEBnpMe9Dv26ROu9\\_/view](https://drive.google.com/file/d/19YGYwWvYIo5S0r2ZEBnpMe9Dv26ROu9_/view)

The Governor's proposed 3-year buydown of the BSF would require an average annual General Fund increase of \$132.7 million General Fund after FY 2023-24 and spend the SEF balance down to \$140.0 million (all \$ in millions)

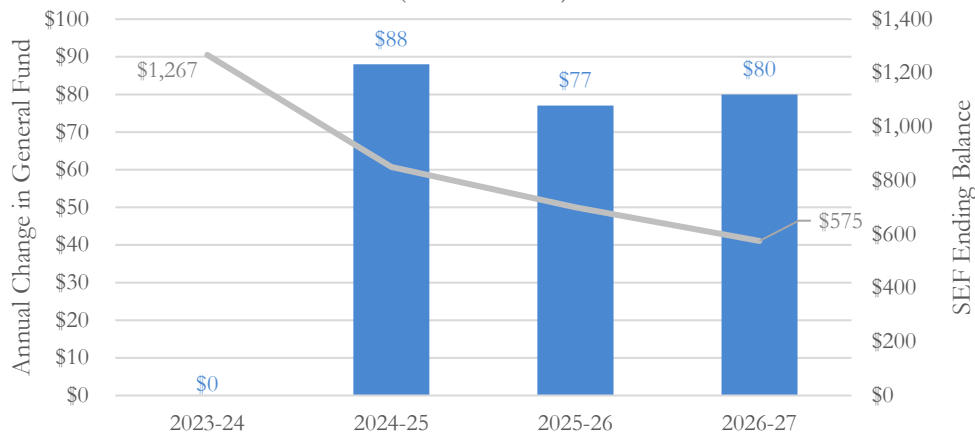


For context, staff's original projections, using the previous local revenues and the September 2022 LCS forecast, anticipated that a three-year buy down of the BSF would require annual increases of \$239.1 million General Fund, including an increase of \$247.1 million in FY 2023-24.

Using the December 2022 LCS revenue forecast would change the General Assembly's options significantly. As shown in the following graph, using the December LCS estimates of local share, State Education Fund, and State Public School Fund revenues, the General Assembly could:

- Eliminate the BSF in FY 2023-24 with no increase in General Fund in that year.
- Increase the General Fund appropriation by less than \$90 million per year through FY 2026-27.
- Still end FY 2026-27 with \$575.0 million in the State Education Fund (see chart below).

Under the December 2022 LCS forecast, eliminating the BSF in FY 2023-24 would require an average annual General Fund increase of \$81.7 million General Fund for FY 2024-25 through FY 2026-27 and still end FY 2026-27 with an SEF balance of \$575 million. (all \$ in millions)

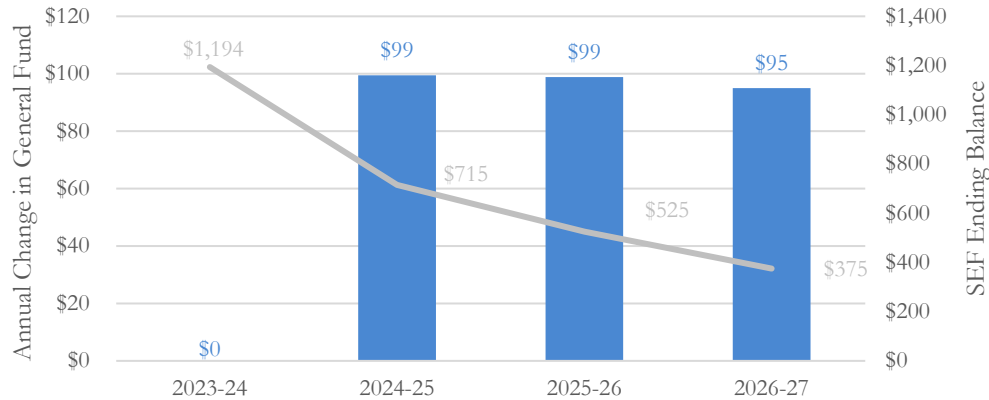


Again for context, staff's original projections from the briefing assumed that eliminating the BSF in FY 2023-24 would have required annual General Fund increases averaging \$264.1 million per year beginning in FY 2023-24.



Staff notes that even reducing the local share by \$73.2 million per year (based on staff’s estimated impact of a \$200 million reduction in property tax revenues) does not change the picture dramatically (see following chart). The annual General Fund increase starting in FY 2024-25 still remains below \$100 million, which is well within historical bounds for General Fund increases for school finance, and the State Education Fund still finishes FY 2026-27 with a balance of \$375.0 million.

Eliminating the BSF in FY 2023-24 with local revenues reduced by \$73.2 million per year require an average annual General Fund increase of \$97.8 million in FY 2024-25 and beyond while spending the SEF balance down to \$375.0 million. (all \$ in millions)



As discussed above, these scenarios are strictly for illustrative and discussion purposes – and the final staff recommendation during figure setting will incorporate the March 2023 revenue forecast selected for balancing, as well as any changes made in other legislation. The differences between the Governor’s scenario (based on a more conservative economic outlook) and the staff scenarios based on the LCS forecast highlight the importance of forecast assumptions in evaluating the projections.

#### S4 AUDIT PAYMENT TRUE-UP

	REQUEST	RECOMMENDATION
<b>TOTAL</b>	<b>\$500,000</b>	<b>\$500,000</b>
General Fund	0	0
Cash Funds	500,000	500,000

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?** **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

**Explanation:** JBC staff and the Department agree that this request is the result of data that were not available at the time of the original appropriation.

**DEPARTMENT REQUEST:** The Department proposes an increase of \$500,000 cash funds from the State Public School Fund to support additional audit payments to school districts under the School Finance Act. The Department pays out additional amounts when audits determine that districts have

been underpaid based on the school finance formula, and the Department now expects such payments to be higher than anticipated in the original appropriation.

**STAFF RECOMMENDATION: Staff recommends approving the request.** The Department is obligated to make the audit payments under current law. Staff recommends making the change through the Department’s standard supplemental bill as this is a straightforward adjustment to an existing line item and does not require statutory change.

**STAFF ANALYSIS:** The General Assembly added the School Finance Audit Payments line item to the FY 2021-22 Long Bill to support audit payments to school districts pursuant to Sec. 22-2-113 (1)(j), C.R.S. The Department makes these payments to make up for previous underpayments to school districts and schools that are discovered through the audit process. Prior to FY 2020-21, the Department had made audit payments *to* districts from audit revenues collected *from* districts that are deposited to the State Public School Fund. The payments out to districts were not specifically appropriated and were effectively off-budget. However, in FY 2020-21, the anticipated payments exceeded anticipated revenues, requiring an additional appropriation which the General Assembly included in the annual school finance bill (H.B. 20-1418). The Department requested the creation of the new Long Bill line item for FY 2021-22 to reflect anticipated audit payments on a more transparent basis.

The Department provided the following examples of potential issues identified through the audit process:

- *Enrollment:* The process requires school districts to repay the Department for amounts associated with students that were not enrolled as of the official count date but that were erroneously counted as enrolled. Conversely, the Department must pay districts for students that were enrolled as of the count day, as confirmed by supporting documentation, but for some reason were not included in the official count.
- *Attendance:* Districts must repay amounts for students that did not meet minimum attendance requirements.
- *Scheduled Hours:* Districts must repay amounts for students that did not meet the requirement for scheduled hours for which the student was reported (part-time vs. full-time). The Department pays districts for students that were submitted for part-time funding but that were actually eligible for full-time funding.
- *At-risk Students:* Districts must repay the Department for students that were counted as at-risk but for which there was not sufficient documentation. The Department pays districts for students that were eligible for at-risk funding (as confirmed by supporting documentation) but were not included in the count.

The Department’s collections from districts and payments to districts fluctuate from year to year, as shown in the following table. The Department reports that the recent larger-than-normal swings in pupil counts are also resulting in significant audit findings (including both payments to the Department and to districts). The table, shows actual collections and payments through FY 2021-22 and the Department’s current estimates for FY 2022-23 and FY 2023-24.

SCHOOL DISTRICT AUDIT COLLECTIONS AND PAYMENTS		
FISCAL YEAR	DEPARTMENT AUDIT COLLECTIONS FROM DISTRICTS	DEPARTMENT AUDIT PAYMENTS TO DISTRICTS
FY 2017-18	\$989,456	\$80,279
FY 2018-19	1,465,320	442,057
FY 2019-20	2,048,691	81,821
FY 2020-21	2,072,393	2,201,912
FY 2021-22	1,566,617	517,486
FY 2022-23	TBD	1,500,000
FY 2023-24	TBD	3,000,000

The FY 2022-23 Long Bill includes an appropriation of \$1.0 million cash funds from the State Public School Fund for these payments, with no change from the FY 2021-22 appropriation. However, based on the available information, the Department no longer expects \$1.0 million to be sufficient to cover payments for the year. While actual payment amounts are not known until the Department actually finalizes audits, the Department expects an additional \$500,000 to be sufficient for FY 2022-23.

The Committee should note that the request also includes a budget amendment for FY 2023-24 that would increase the appropriation to a total of \$3.0 million cash funds. Staff will address that request during figure setting for FY 2023-24.

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*JBC Staff Supplemental Recommendations - FY 2022-23  
Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Numbers Pages**

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
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**DEPARTMENT OF EDUCATION  
Dr. Katy Anthes, Commissioner**

**S1 Total program**

**(2) ASSISTANCE TO PUBLIC SCHOOLS**

**(A) Public School Finance**

State Share of Districts' Total Program Funding	4,708,971,499	5,066,437,988	(75,649,493)	(76,383,372)	4,990,054,616
General Fund	2,994,934,217	3,149,739,322	0	0	3,149,739,322
General Fund Exempt	1,045,914,612	1,088,947,539	0	0	1,088,947,539
Cash Funds	668,122,670	827,751,127	(75,649,493)	(76,383,372)	751,367,755
<b>Total for S1 Total program</b>	4,708,971,499	5,066,437,988	(75,649,493)	(76,383,372)	4,990,054,616
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	2,994,934,217	3,149,739,322	0	0	3,149,739,322
General Fund Exempt	1,045,914,612	1,088,947,539	0	0	1,088,947,539
Cash Funds	668,122,670	827,751,127	(75,649,493)	(76,383,372)	751,367,755

*JBC Staff Supplemental Recommendations - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2022-23 Requested Change	FY 2022-23 Rec'd Change	FY 2022-23 Total w/Rec'd Change
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**S4 Audit payment true-up**

**(2) ASSISTANCE TO PUBLIC SCHOOLS**

**(A) Public School Finance**

School Finance Audit Payments	<u>517,486</u>	<u>1,000,000</u>	<u>500,000</u>	<u>500,000</u>	<u>1,500,000</u>
Cash Funds	517,486	1,000,000	500,000	500,000	1,500,000

<b>Total for S4 Audit payment true-up</b>	517,486	1,000,000	500,000	500,000	1,500,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	517,486	1,000,000	500,000	500,000	1,500,000

<b>Totals Excluding Pending Items</b>					
<b>EDUCATION</b>					
<b>TOTALS for ALL Departmental line items</b>	7,077,629,672	7,214,216,945	(75,149,493)	(75,883,372)	7,138,333,573
<i>FTE</i>	<u>606.9</u>	<u>637.2</u>	<u>0.0</u>	<u>0.0</u>	<u>637.2</u>
General Fund	3,236,339,446	3,411,348,306	0	0	3,411,348,306
General Fund Exempt	1,045,914,612	1,088,947,539	0	0	1,088,947,539
Cash Funds	1,360,478,823	1,593,151,578	(75,149,493)	(75,883,372)	1,517,268,206
Reappropriated Funds	36,263,860	72,319,651	0	0	72,319,651
Federal Funds	1,398,632,931	1,048,449,871	0	0	1,048,449,871









**Appendix B**  
**School Finance Funding with Constant Budget Stabilization Factor**

FY 2022-23 relative to initial appropriation

*(Total program and state share are after the application of the budget stabilization factor)*

County	District	FY 2022-23 Under Initial Appropriation					FY 2022-23 with actual data					Change from Initial Appropriation					
		Funded Pupil Count	Total Program	State Share	Local Share	Per Pupil Funding	Funded Pupil Count	Total Program	State Share	Local Share	Per Pupil Funding	Funded Pupil Count	Total Program	State Share	Local Share	Per Pupil Funding	
WELD	GILCREST	1,855	\$17,506,457	\$7,897,524	\$9,608,933	\$9,440	1,849	\$17,539,626	\$4,154,086	\$13,385,540	\$	9,484	(5.2)	\$33,169	(\$3,743,438)	\$3,776,607	\$44
WELD	EATON	2,065	\$18,797,451	\$4,256,900	\$14,540,551	\$9,105	2,049	\$19,382,213	\$0	\$19,382,213	\$	9,459	(15.5)	\$584,762	(\$4,256,900)	\$4,841,662	\$354
WELD	KEENESBURG	2,627	\$24,074,291	\$7,563,911	\$16,510,381	\$9,166	2,658	\$24,867,243	\$3,164,493	\$21,702,751	\$	9,357	31.0	\$792,952	(\$4,399,418)	\$5,192,370	\$191
WELD	WINDSOR	8,451	\$76,423,284	\$40,424,188	\$35,999,096	\$9,044	8,025	\$72,823,829	\$26,950,037	\$45,873,792	\$	9,074	(425.1)	(\$3,599,455)	(\$13,474,151)	\$9,874,696	\$31
WELD	JOHNSTOWN	3,875	\$35,041,394	\$24,259,343	\$10,782,051	\$9,044	3,791	\$34,395,634	\$20,581,571	\$13,814,064	\$	9,074	(84.2)	(\$645,760)	(\$3,677,772)	\$3,032,013	\$31
WELD	GREELEY	22,607	\$217,322,388	\$157,023,867	\$60,298,521	\$9,613	22,334	\$214,415,975	\$143,218,331	\$71,197,644	\$	9,600	(272.7)	(\$2,906,414)	(\$13,805,536)	\$10,899,123	(\$13)
WELD	PLATTE VALLEY	1,119	\$10,946,483	\$846,321	\$10,100,162	\$9,779	1,136	\$11,434,077	\$0	\$11,434,077	\$	10,070	16.1	\$487,594	(\$846,321)	\$1,333,915	\$291
WELD	FT. LUPTON	2,427	\$23,364,045	\$7,182,161	\$16,181,883	\$9,629	2,398	\$23,232,024	\$4,279,121	\$18,952,903	\$	9,690	(29.0)	(\$132,021)	(\$2,903,040)	\$2,771,019	\$61
WELD	AULT-HIGHLAND	1,030	\$9,856,293	\$3,057,449	\$6,798,844	\$9,570	1,033	\$10,011,601	\$490,098	\$9,521,503	\$	9,692	3.1	\$155,308	(\$2,567,351)	\$2,722,659	\$122
WELD	BRIGGS DALE	181	\$2,881,055	\$836,645	\$2,044,410	\$15,900	178	\$2,980,523	\$0	\$2,980,523	\$	16,763	(3.4)	\$99,468	(\$836,645)	\$936,113	\$863
WELD	PRAIRIE	203	\$3,040,955	\$1,595,965	\$1,444,990	\$14,995	199	\$2,983,991	\$278,500	\$2,705,491	\$	14,972	(3.5)	(\$56,965)	(\$1,317,466)	\$1,260,501	(\$22)
WELD	PAWNEE	66	\$1,352,119	\$0	\$1,352,119	\$20,394	64	\$1,307,531	\$0	\$1,307,531	\$	20,335	(2.0)	(\$44,589)	\$0	(\$44,589)	(\$59)
YUMA	YUMA 1	849	\$9,158,206	\$6,414,358	\$2,743,848	\$10,783	853	\$9,085,505	\$5,906,340	\$3,179,165	\$	10,647	4.0	(\$72,701)	(\$508,018)	\$435,317	(\$136)
YUMA	WRAY RD-2	721	\$7,468,181	\$5,358,456	\$2,109,725	\$10,358	716	\$7,352,083	\$5,016,402	\$2,335,682	\$	10,270	(5.1)	(\$116,097)	(\$342,054)	\$225,957	(\$88)
YUMA	IDALIA RJ-3	185	\$2,983,079	\$2,512,512	\$470,568	\$16,142	181	\$2,958,108	\$2,449,092	\$509,015	\$	16,316	(3.5)	(\$24,972)	(\$63,419)	\$38,447	\$174
YUMA	LIBERTY J-4	58	\$1,190,729	\$767,061	\$423,668	\$20,565	60	\$1,229,646	\$835,968	\$393,677	\$	20,666	1.6	\$38,917	\$68,908	(\$29,991)	\$101
<b>STATE</b>	<b>TOTAL</b>	<b>881,053</b>	<b>\$8,422,265,845</b>	<b>\$5,066,437,988</b>	<b>\$3,355,827,857</b>	<b>\$9,559</b>	<b>879,477</b>	<b>\$8,439,302,433</b>	<b>\$4,990,054,616</b>	<b>\$3,449,247,817</b>	<b>\$</b>	<b>9,596</b>	<b>(1,576)</b>	<b>\$17,036,588</b>	<b>(\$76,383,372)</b>	<b>\$93,419,960</b>	<b>\$36</b>

Source: Legislative Council Staff

Note: District-specific amounts in the initial appropriation columns do not account for an increase of \$833,193 General Fund and a corresponding decrease in local share associated with H.B. 22-1223 (Mobile Home Property Tax Sale Notice and Exemption) due to challenges allocating changes by school district.