

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Craig Harper, JBC Staff (303-866-3481)
DATE January 27, 2022
SUBJECT Technical Correction for Department of Education S1 – Mid-year Total Program Adjustments

On January 25, the Committee approved the staff recommendation for mid-year adjustments related to school finance for FY 2021-22, including a reduction of \$131,076,667 from the State Share of Districts' Total Program Funding line item to account for an increase in the local share relative to the assumptions included in the original appropriation.

However, following the Committee's decision, staff was notified of a correction to the local share estimates for Moffatt County School District, increasing the local share for the current year by an additional \$8,489,082. Based on that correction, the staff recommendation to hold total program funding after the application of the budget stabilization factor constant will allow for a reduction of \$139,565,749 cash funds from the State Education Fund for the State Share of Districts' Total Program Funding line item.

Staff recommends adjusting the appropriations in the mid-year bill to align with the corrected local share amount and maintain total program funding at the level of the original appropriation (as previously approved by the Committee). The revised recommendation includes the following components:

- A reduction of \$139,565,749 cash funds from the State Education Fund for the State Share of District's Total Program Funding.
- An increase of \$91,433,760 for at-risk funding outside of the formula (as previously approved).

The revised recommendation results in a *net* reduction of \$48,131,989 cash funds from the State Education Fund relative to the original FY 2021-22 appropriation, retaining that amount in the fund for future years (\$8,489,082 more than the savings anticipated in the Committee's previous motion). The table on the following page summarizes staff's revised recommendation *for the State Share of Districts' Total Program Funding line item* (not including the at-risk funding to be distributed outside of the formula). The numbers that have changed from the previous recommendation are highlighted in yellow.

JBC STAFF MEMO: TECHNICAL CORRECTION TO DEPARTMENT OF EDUCATION S1 – MID-YEAR
TOTAL PROGRAM ADJUSTMENTS

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REVISED FY 2021-22 MID-YEAR ADJUSTMENT FOR TOTAL PROGRAM				
FISCAL YEAR	FY 2020-21	FY 2021-22		MID-YEAR CHANGE
	FINAL APPROPRIATION	DATA USED FOR INITIAL APPROPRIATION	REVISED DATA FOR STAFF RECOMMENDATION	
Funded Pupil Count	891,089.6	888,556.4	886,221.9	(2,334.5)
<i>Annual Percent Change</i>	-0.5%	-0.3%	-0.5%	
At-risk Pupil Count	300,696	363,993	327,175	(36,818)
<i>Annual Percent Change</i>		21.1%	8.8%	
Statewide Base Per Pupil Funding	\$7,084	\$7,225	\$7,225	\$0
<i>Annual Percent Change</i>	2.7%	2.0%	2.0%	
Total Program Funding PRIOR TO Budget Stabilization Factor	\$8,290,757,028	\$8,560,407,834	\$8,492,215,010	(\$68,192,824)
Less: Budget Stabilization Factor Reduction	(1,052,661,912)	(571,243,484)	(503,050,660)	68,192,824
<i>Negative Factor as % of Total program</i>	12.70%	6.67%	5.92%	
EQUALS: Adjusted Total Program Funding	\$7,238,095,116	\$7,989,164,350	\$7,989,164,350	\$0
<i>Annual Percent Change</i>	-4.8%	10.4%	10.4%	
Statewide Average Per Pupil Funding (for adjusted total program funding)	\$8,122.75	\$8,991.17	\$9,014.86	\$23.68
<i>Annual Percent Change</i>	-4.3%	10.7%	11.0%	
Local Share of Districts' Total Program Funding	\$3,013,628,747	\$3,140,627,102	\$3,280,192,851	\$139,565,749
Property Tax Revenue	2,809,912,213	2,945,599,960	3,062,155,118	116,555,158
Specific Ownership Tax Revenue	203,716,534	195,027,142	218,037,733	23,010,591
<i>Annual Percent Change on Total</i>	1.2%	4.2%	8.8%	
State Share of Districts' Total Program Funding	\$4,224,466,369	\$4,848,537,248	\$4,708,971,499	(\$139,565,749)
<i>Annual Percent Change</i>	-8.7%	14.8%	11.5%	
<i>State Share as Percent of Districts' Total Program</i>	58.4%	60.7%	58.9%	