

# **COLORADO GENERAL ASSEMBLY JOINT BUDGET COMMITTEE**



## **SUPPLEMENTAL REQUESTS FOR FY 2009-10**

### **DEPARTMENT OF EDUCATION**

**(Public School Finance; Categorical Programs; Capital Construction Programs;  
and Facility Schools *only*)**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

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January 8, 2010**

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**Prioritized Supplementals**

**Supplementals Concerning Public School Finance**

	<b>Request*</b>	<b>Recommendation</b>
Total	<u>(\$47,518,851)</u>	<u>(\$177,332,868)</u>
General Fund	0	(300,000)
Cash Funds - State Education Fund	(40,475,842)	(165,670,932)
Cash Funds - State Public School Fund	(7,043,009)	(11,361,936)

\*The Department is statutorily required to submit a supplemental request in an amount which would fully fund the State Share of Districts' Total Program Funding. The Department's submission, however, indicates that the Governor assumes that the General Assembly will take action to reduce total program funding by \$110 million, as contemplated in S.B. 09-256. In addition, the submission indicates that the Governor requests that the General Assembly not provide an additional \$19.8 million that districts would otherwise be eligible to receive under the existing statutory formula based on the actual student count and the number of students considered at-risk.

<b>Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria?</b> [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.]	<b>YES</b>
JBC staff and the Department agree that this request is the result of both <i>data that was not available when the original appropriation was made</i> .	

**Department Requests #S-01 and BRI-01 - State Share of Districts' Total Program Funding**

**Summary: Staff recommends that the Committee reduce three line item appropriations related to public school finance by a total of \$180 million.** Approval of these recommendations would reduce FY 2009-10 State Education Fund expenditures by \$169 million, thereby decreasing the magnitude of public school finance funding reductions likely required for FY 2010-11.

Specifically, **staff recommends reducing the appropriation for the State Share of Districts' Total Program Funding by \$177 million.** This recommendation is based on: (1) reducing the state share by \$67 million to reflect higher than anticipated local revenues; (2) not providing an additional \$20 million state funding that districts would otherwise be eligible to receive under the current formula due to higher than anticipated funded pupil and at-risk student counts; and (3) reducing appropriations to achieve a \$110 million recision, as contemplated in S.B. 09-256. **Staff also recommends reducing the appropriations for Hold-harmless Full-day Kindergarten Funding as well as Facility School Funding to more accurately reflect the amounts required for these programs.**

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**Background Information:** While the applicable inflation rate is known at the time the Long Bill appropriation for school finance is established (and thus the required increase in base per pupil funding is known), other data that affects funding for public school finance are not known. Specifically, the initial appropriation is based on estimates of the funded pupil count, the number of at-risk students, available local tax revenues, and certain sources of state revenues. Subsequently:

- school districts conduct a student count (on or near October 1);
- 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); and
- school district boards, with the assistance of the Department of Education, certify to the board of county commissioners and inform the county treasurer of the district's mill levy for school finance (by December 15).

By early January within the fiscal year, this data has been collected by school districts and compiled by the Department of Education. Pursuant to Section 22-54-106 (4) (b), C.R.S., the Department is required to submit a request for a supplemental appropriation in an amount which will fully fund the state share of total program funding. If existing appropriations are insufficient and the General Assembly does not provide additional funds, or a supplemental appropriation is made to reduce existing appropriations, the Department is required to reduce state aid for each school district and each Institute charter school on a pro rata basis [see Section 22-54-106 (4) (c), C.R.S.]. Table A provides a history of supplemental appropriations for school finance since the existing School Finance Act was enacted, as well as the mid-year adjustment required to fully fund the existing statutory formula for FY 2009-10.

<b>TABLE A: Recent Supplemental Appropriations for School Finance</b>				
<b>Fiscal Year</b>	<b>State Share Appropriations Made in Session Preceding Fiscal Year</b>	<b>Supplemental Adjustments</b>		<b>Final Appropriation</b>
		<b>Dollars</b>	<b>% Change</b>	
FY 1994-95	\$1,442,667,337	(\$15,087,733)	-1.0%	\$1,427,579,604
FY 1995-96	1,528,611,353	(2,341,892)	-0.2%	1,526,269,461
FY 1996-97	1,646,300,014	1,404,276	0.1%	1,647,704,290
FY 1997-98	1,730,007,374	(4,414,173)	-0.3%	1,725,593,201
FY 1998-99	1,855,911,414	(5,065,406)	-0.3%	1,850,846,008

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		<b>Dollars</b>	<b>% Change</b>	
FY 1999-00	1,941,784,338	(11,649,747)	-0.6%	1,930,134,591
FY 2000-01	2,056,039,525	(7,965,651)	-0.4%	2,048,073,874
FY 2001-02	2,221,879,782	8,156,453	0.4%	2,230,036,235
FY 2002-03	2,455,147,022	29,395,541	1.2%	2,484,542,563
FY 2003-04	2,604,731,215	22,342,837	0.9%	2,627,074,052
FY 2004-05	2,732,460,144	11,444,662	0.4%	2,743,904,806
FY 2005-06	2,838,429,178	36,352,002	1.3%	2,874,781,180
FY 2006-07	3,040,302,744	20,866,091	0.7%	3,061,168,835
FY 2007-08	3,266,328,775	(113,617,998)	-3.5%	3,152,710,777
FY 2008-09 a/	3,393,363,222	0	0.0%	3,393,363,222
FY 2009-10 (change based on fully funding current formula)	3,696,288,785	(47,518,851)	-1.3%	3,648,769,934

a/ Please note that in FY 2008-09, the General Assembly did not approve a \$26.3 million supplemental funding request. The General Assembly passed legislation (S.B. 09-215) to adjust base per pupil funding for FY 2008-09, eliminating the additional \$19.72 per pupil that was not constitutionally required, thereby reducing total program funding by \$20.0 million. Ultimately, the Department was required to rescind \$5,777,656.

**Department Request**

The Department has provided information indicating that the FY 2009-10 appropriation of *state* funds should be decreased by \$47.5 million (1.3 percent) based on the existing statutory formula. This mid-year decrease is primarily due to higher than anticipated local revenues, partially offset by costs associated with a higher than anticipated number of at-risk students. Table E, beginning on page 7, summarizes the changes in various components that affect the amount of state funding required for FY 2009-10. Each major change is described in detail below.

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**Total Funding Need for FY 2009-10, Based on Current Law**

***Funded Pupil Count.*** The actual funded pupil count is **higher** than anticipated. The original appropriations were based on an estimated funded pupil count of 788,648; the Department indicates that the actual funded pupil count is 789,511 -- 863 FTE (0.1 percent) higher than anticipated. As indicated in Table B, this is a relatively small mid-year adjustment. This increase in the funded pupil count **increases districts' total program funding by approximately \$6.2 million.**

<b>TABLE B: Comparison of Estimated and Final Funded Pupil Counts</b>				
<b>Fiscal Year</b>	<b>Estimate for Initial Appropriation</b>	<b>Mid-Year Adjustment</b>		<b>Estimate for Final Appropriation</b>
		<b>Funded Pupils</b>	<b>Percent Change</b>	
FY 2001-02	705,782.3	1,435.7	0.2%	707,218.0
FY 2002-03	715,793.4	1,955.3	0.3%	717,748.7
FY 2003-04	725,360.6	(2,130.6)	-0.3%	723,230.0
FY 2004-05	728,575.3	841.2	0.1%	729,416.5
FY 2005-06	738,014.1	3,389.2	0.5%	741,403.3
FY 2006-07	750,306.8	3,031.2	0.4%	753,338.0
FY 2007-08	768,416.3	(7,499.0)	-1.0%	760,917.3
FY 2008-09	776,017.0	2,118.9	0.3%	778,135.9
FY 2009-10	788,648.3	862.8	0.1%	789,511.1

***Per Pupil Funding.*** The statewide average per pupil funding amount under the statutory formula is **\$16.28 higher** than anticipated, **increasing districts' total program funding by approximately \$12.9 million.** This mid-year change is fairly typical, as indicated in Table C. This increase is primarily due to a larger than anticipated increase in the number of students considered to be "at-risk" based on eligibility for the federal free lunch program. Specifically, the number of at-risk students increased by 24,898 (10.2 percent), compared to a projected increase of 7,730 (3.2 percent). Districts receive a greater amount of per pupil funding based on the presence and concentration of at-risk students in that district. A higher number of at-risk students results in a higher statewide average per pupil funding amount.

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<b>TABLE C: Comparison of Estimated and Final Statewide Average Per Pupil Funding</b>				
<b>Fiscal Year</b>	<b>Estimate for Initial Appropriation</b>	<b>Mid-Year Adjustment</b>		<b>Estimate for Final Appropriation</b>
		<b>Per Pupil Funding</b>	<b>Percent Change</b>	
FY 2001-02	\$5,449.97	\$3.06	0.1%	\$5,453.03
FY 2002-03	\$5,782.95	\$11.26	0.2%	\$5,794.21
FY 2003-04	\$5,930.26	\$12.90	0.2%	\$5,943.16
FY 2004-05	\$6,066.50	\$7.31	0.1%	\$6,073.81
FY 2005-06	\$6,163.99	\$3.44	0.1%	\$6,167.43
FY 2006-07	\$6,375.68	(\$16.76)	-0.3%	\$6,358.92
FY 2007-08	\$6,658.37	\$2.66	0.0%	\$6,661.03
FY 2008-09	\$6,904.49	(\$22.58)	-0.3%	\$6,881.91
FY 2009-10 (change based on current law)	\$7,225.40	\$16.28	0.2%	\$7,241.68

**The two changes described above result in a \$19.1 million *increase* in districts' total program funding under the School Finance Act (both state and local funding).**

**State Funding Need for FY 2009-10, Based on Current Law**

If the amount of available local tax revenues matched the estimates used to determine the FY 2009-10 appropriation, the state share of funding would need to be increased by \$19.1 million to fully fund the statutory school finance formula. However, **actual local tax revenues are \$66.6 million higher than projected last May**. Specifically, property tax revenues are \$67.0 million (3.6 percent) higher than projected, and specific ownership taxes<sup>1</sup> are \$0.4 million (0.3 percent) lower than projected.

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<sup>1</sup> Vehicle registration taxes are collected by counties and shared with school districts. Pursuant to Section 22-54-106 (1) (a) (I), C.R.S., each district's local share of funding for total program 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 of and taxable value of vehicles. The portion of these revenues

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Please note that the change in local property tax revenues includes a decrease of \$2.4 million related to the Steamboat school district. In September 2009, the Committee approved an interim supplemental request (described later in this packet) to address an over-collection of revenues by this district in FY 2007-08 and FY 2008-09 (the mill levy was set too high). Local revenue figures for FY 2009-10 now reflect the correct share of local funding for this district. Table D provides a history of mid-year adjustments related to local tax revenues.

<b>TABLE D: Comparison of Estimated and Final <i>Local</i> Share of Funding</b>				
<b>Fiscal Year</b>	<b>Estimate for Initial Appropriation</b>	<b>Mid-Year Adjustment</b>		<b>Estimate for Final Appropriation</b>
		<b>Local Funding</b>	<b>Percent Change</b>	
FY 2001-02	\$1,629,630,908	\$1,833,498	0.1%	\$1,631,464,406
FY 2002-03	1,686,085,389	(10,006,172)	-0.6%	1,676,079,217
FY 2003-04	1,699,224,722	(25,647,702)	-1.5%	1,673,577,020
FY 2004-05	1,689,777,616	(1,149,886)	-0.1%	1,688,627,730
FY 2005-06	1,711,822,927	(9,357,746)	-0.5%	1,702,465,181
FY 2006-07	1,744,552,387	(14,398,874)	-0.8%	1,730,153,513
FY 2007-08	1,850,072,036	65,707,519	3.6%	1,915,779,555
FY 2008-09	1,965,055,671	(9,186,989)	-0.5%	1,955,868,682
FY 2009-10	2,002,007,038	66,609,048	3.3%	2,068,616,086

**Thus, existing appropriations of state funds are \$47.5 million higher than the amount required to fully fund the existing statutory school finance formula.**

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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.



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**Summary of Changes for FY 2009-10:** Table E summarizes the above-described changes in the funded pupil count, total program funding, and the state and local shares of such funding based on the statutory formula.

<b>TABLE E: Changes to School Finance Based on Actual Enrollment and Local Revenues</b>				
<b>School Finance: Total Program</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10</b>		
		<b>Original Appropriation</b>	<b>Appropriation Need Based on Student Count and Local Share</b>	<b>Mid-year Change</b>
Funded Pupil Count	778,108.4	788,648.3	789,511.1	862.8
<i>Annual Percent Change</i>	2.3%	1.4%	1.5%	
Statewide <u>Base</u> Per Pupil Funding	\$5,250.41	\$5,507.68	\$5,507.68	\$0.00
<i>Annual Percent Change</i>	3.2%	4.9%	4.9%	
Statewide <u>Average</u> Per Pupil Funding	\$6,874.39	\$7,225.40	\$7,241.68	\$16.28
<i>Annual Percent Change</i>	3.2%	4.3%	5.3%	
Total Program Funding	\$5,349,019,294	\$5,698,295,823	\$5,717,386,020	\$19,090,197
<i>Annual Percent Change</i>	5.5%	6.5%	6.9%	0.4%
<u>Local Share</u> of Districts' Total Program Funding	<u>\$1,956,083,870</u>	<u>\$2,002,007,038</u>	<u>\$2,068,616,086</u>	<u>\$66,609,048</u>
Property Tax Revenue	\$1,794,218,121	\$1,853,194,610	\$1,920,193,571	\$66,998,961
Specific Ownership Tax Revenue	\$161,865,749	\$148,812,428	\$148,422,515	(\$389,913)
<i>Annual Percent Change on Total</i>	2.1%	2.3%	5.8%	
<u>State Share</u> of Districts' Total Program Funding	<u>\$3,392,935,424</u>	<u>\$3,696,288,785</u>	<u>\$3,648,769,934</u>	<u>(\$47,518,851)</u>
<i>Annual Percent Change</i>	7.6%	8.9%	7.5%	
<i>State Share as Percent of Districts' Total Program</i>	63.9%	64.9%	63.8%	

**If the General Assembly were to fully fund the statutory school finance formula, appropriations for the *State Share* of Districts' Total Program funding for FY 2009-10 could be decreased by \$47.5 million.**

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**Staff Recommendation:** Staff recommends adjusting the fund sources appropriated for the State Share of Districts' Total Program Funding for FY 2009-10 as detailed in the following Table F. The basis for this recommendation follows.

<b>TABLE F: Recommended Adjustments to FY 2009-10 Appropriations for School Finance</b>			
<b>Fund Source</b>	<b>Initial Appropriation/ Estimate</b>	<b>Recommended Appropriation/ Estimate</b>	<b>Recommended Adjustments</b>
General Fund	\$3,076,577,922	\$3,076,277,922	(\$300,000)
Cash Funds: State Education Fund	505,248,987	339,578,055	(165,670,932)
Cash Funds: State Public School Fund	<u>114,461,876</u>	<u>103,099,940</u>	<u>(11,361,936)</u>
<b>Total State Funds</b>	<b>3,696,288,785</b>	<b>3,518,955,917</b>	<b>(177,332,868)</b>

**Staff recommends reducing appropriations of state funds by a total of \$177.3 million.** This level of reduction is calculated based on the following facts and assumptions:

- The local share of funding is \$67 million higher than anticipated, reducing the state share of funding by the same amount.
- As contemplated in S.B. 09-256, appropriations will be reduced to achieve a \$110 million total program recision. Districts were required to set aside this amount in a fiscal emergency restricted reserve. Districts are only authorized to spend these moneys if a negative supplemental appropriation requiring a recision is not enacted by January 29, 2010.
- The General Assembly will not provide an additional \$19.8 million in state funding that would be required to fully fund the statutory formula based on higher than anticipated funded pupil and at-risk student counts.

**Staff's recommendation would result in a total statewide recision of \$129.8 million (2.3 percent),** resulting in a 2.3 percent reduction for most school districts. However, please note that nine school districts will experience either a small recision or no recision (including Clear Creek, Grand - West Grand, Mesa- Debeque, Park, Pitkin - Aspen, Rio Blanco - Meeker, Routt - South Routt, Summit, and Weld - Pawnee). The local share of funding for these districts is relatively high, and thus the state share of funding is relatively low. Due to the statutory provision requiring that each school district receive a minimum amount of state funding per pupil (\$96 per pupil for FY 2009-10), the Department may not reduce the state funding for these districts.

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☞ Last month, staff recommended that the General Assembly consider eliminating the minimum state aid provision in the School Finance Act (see JBC Staff Budget Briefing, dated December 3, 2009, page 38). Please note that the Committee could consider introducing legislation to repeal this provision, effective FY 2009-10. Such legislation would require the nine districts currently receiving minimum state aid to experience the same mid-year recision as other school districts, and slightly reduce the recision required of the remaining 169 districts.

The General Assembly could consider making a smaller mid-year reduction than recommended by staff in light of the higher than anticipated local revenues. However, other changes have occurred since last May which exacerbate the State's ability to fully fund the statutory formula in FY 2009-10:

- First, when the General Assembly passed S.B. 09-256 last May, the Governor had announced his intention to allocate \$169.8 million from the Education Stabilization Fund of the American Recovery and Reinvestment Act (ARRA) to the State Education Fund to support formulaic funding increases for public schools; this allocation included \$152.1 million in FY 2009-10 and \$17.8 million in FY 2010-11. Subsequently, as part of his plans to balance the state budget based on quarterly General Fund revenue projections, the Governor announced that the full \$621.9 million of federal Education Stabilization Fund moneys will be allocated to support higher education; this increase in federal funds will be offset by an equal decrease in General Fund support for higher education.
- Second, projections of income tax revenues have decreased, thereby reducing revenue to the State Education Fund. Specifically, comparing the March 2009 and December 2009 revenue forecasts prepared by Legislative Council Staff, State Education Fund revenues were \$15.6 million lower than anticipated in FY 2008-09, and revenues are anticipated to be \$11.1 million lower than anticipated in FY 2009-10.
- Third, as described above, the state's share of the costs of fully funding the formula is \$19.8 million higher than anticipated based on actual student enrollment and demographics.
- Fourth, as described in more detail below, moneys in the State Public School Fund available for appropriation for FY 2009-10 are \$11.4 million lower than anticipated.

Thus, reductions in other available revenue sources and increases in total program funding under the statutory formula more than offset the state savings associated with higher than anticipated local revenues. Specifically, all of these changes increase the need for General Fund and/or State Education Fund by \$142.6 million.

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**In terms of fund sources, staff first recommends reducing the appropriation from the *State Public School Fund* by \$11.4 million.** The initial appropriation from this fund is based on projected revenues. While the fiscal year-end fund balance was \$9.0 million higher than anticipated, two revenue sources are now projected to be lower than anticipated:

- *State Public School Lands Revenues (S.B. 09-260):* The Joint Budget Committee introduced, and the General Assembly passed, a bill (S.B. 09-260) to temporarily direct certain state public school lands moneys to the State Public School Fund, rather than the Public School “Permanent” Fund; this bill affected FY 2008-09 and FY 2009-10. While the revenues made available for appropriation were higher than anticipated in FY 2008-09 (\$26.7 million compared to \$24.6 million), they are now projected to be \$9.3 million lower in FY 2009-10 (\$27.7 million compared to \$37.0 million).
- *Federal Mineral Lease Revenues:* More recent projections from Legislative Council Staff indicate that federal mineral lease revenues will be \$7.4 lower than previously anticipated (a reduction from \$54.5 million to \$47.1 million - a reduction of \$7.4 million).

In addition, the Joint Budget Committee has approved an interim supplemental request to appropriate \$3.7 million from the State Public School Fund to offset prior year local share overpayments in the Steamboat school district. This amount is anticipated to be supported by district audit recoveries received in FY 2008-09 and those anticipated to be received in FY 2009-10; these revenues are reflected in the fiscal year-end fund balance.

**Second, staff recommends reducing the *General Fund* appropriation for the State Share by \$300,000 to offset the need for additional General Fund to support categorical programs.** Specifically, as described more fully in staff’s recommendation beginning on page 17, this categorical program adjustment is necessary to ensure compliance with the constitutional maintenance of effort provision related to categorical programs.

Please note that Section 17 of Article IX of the Colorado Constitution also requires the General Assembly to annually increase the General Fund appropriation for the State Share of Districts' Total Program Funding by at least five percent for FY 2001-02 through FY 2010-11. This five percent "maintenance of effort" (MOE) requirement, however, does not apply in any fiscal year in which Colorado personal income grows less than 4.5 percent between the two previous calendar years<sup>2</sup>. As reported in Legislative Council Staff’s December 2009 revenue forecast, Colorado personal income

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<sup>2</sup> The determination of whether the General Fund maintenance of effort provision applies to a particular fiscal year is based on the Colorado personal income data that is released in December of that same fiscal year.

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grew by only 3.3 percent in CY 2008, and thus the MOE does not apply for FY 2009-10. Thus, the General Assembly can consider reducing the General Fund appropriation, which was initially set assuming that the MOE would apply for FY 2009-10.

**Finally, staff recommends taking the remainder of the reduction in state funding by reducing *State Education Fund (SEF)* appropriations by \$165.7 million.** This change is anticipated to result in a fiscal year-end SEF balance of about \$190 million. This fund balance may seem large, and may cause legislators to consider reducing the size of the FY 2009-10 recision. It is important to understand that this fund balance would be available in FY 2010-11, thereby reducing likely reductions in funding for public schools next year. Table G is intended to illustrate how the size of the FY 2009-10 recision will likely impact public school funding in FY 2010-11.

<b>TABLE G: How Will the Magnitude of the FY 2009-10 Recision Likely Affect FY 2010-11 Funding for Public Schools?</b>				
<b>Option</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>		
	<b>Total Program Reduction Compared to Current Law</b>	<b>Minimum General Fund Increase Required to Fully Fund Formula</b>		<b>Total Program Reduction Required Compared to Current Law to Achieve Proposed \$223 million General Fund Reduction</b>
	<i>\$ millions</i>	<i>\$ millions</i>	<i>% Change</i>	<i>\$ millions</i>
A	\$0.0	\$337.5	11.0%	\$573.0
B	110.0	227.6	7.4%	462.0
C	129.8	208.7	6.8%	443.0

The table includes three options. *Option A* represents fully funding the existing statutory formula for FY 2009-10. While this option would still allow the General Assembly to reduce state funding in FY 2009-10 by \$47.5 million, it would leave about \$60 million in the SEF at the end of the fiscal year. Due to the limited amount of SEF available for FY 2010-11, General Fund appropriations would need to increase by an estimated \$337.5 million (11.0 percent) in FY 2010-11 to cover the state's share of fully funding the existing statutory formula. Alternatively, if the General Assembly intends to implement the Governor's plan to reduce General Fund appropriations for public school finance by \$223 million in FY 2010-11 in order to address the revenue shortfall, it would need to make statutory changes to reduce funding for public schools by an estimated \$573 million in FY 2010-11.

*Option B* illustrates the projected impact of simply requiring a \$110 million recision in FY 2009-10, as contemplated in S.B. 09-256, but providing the additional \$19.8 million state funding related to the

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higher than anticipated funded pupil and at-risk counts. This option would reduce the need for General Fund to fully fund the formula in FY 2010-11, or reduce the magnitude of the funding reductions required to be implemented through statutory changes to the School Finance Act for FY 2010-11.

Finally, *Option C* illustrates the projected impact of approving staff's recommendation. It is estimated that General Fund appropriations would need to increase by \$208.7 million (6.8 percent) in FY 2010-11 to cover the state's share of fully funding the existing statutory formula. Alternatively, if the General Assembly intends to implement the Governor's plan to reduce General Fund appropriations for public school finance by \$223 million in FY 2010-11 in order to address the revenue shortfall, it would need to make statutory changes to reduce funding for public schools by an estimated \$443 million in FY 2010-11. This amount is higher than the Governor's initial estimate of \$355 million which was included in the November 2009 budget submission.

**Finally, staff requests permission to make the necessary amendments to letter notations associated with public school finance appropriations, including eliminating references to federal ARRA funds.**

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**Hold-harmless Full-day Kindergarten Funding**

House Bill 08-1388 eliminated the option for districts to provide a full day of kindergarten to children through the Colorado Preschool Program (CPP). For those districts that had previously elected to use CPP slots to provide full-day kindergarten, this act included a "hold harmless" provision. Thus, these districts receive 0.58 FTE funding for all kindergarten students, plus an additional amount of per pupil funding (0.42 FTE) based on the number of kindergarten students previously served through CPP [see Section 22-54-130, C.R.S.].

The initial appropriation for Hold-harmless Full-day Kindergarten Funding for FY 2009-10 (\$7,705,498 from the State Education Fund) was based on estimates of districts' per pupil revenues. The Department has provided data indicating that only \$7,698,050 will be required for this purpose for FY 2009-10. **Staff thus recommends reducing this State Education Fund appropriation by \$7,448.**

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**Facility School Funding**

While most children in Colorado receive public education services through school districts or schools that are authorized by the State Charter School Institute, some children receive their education through schools operated by community-based facilities or state-operated programs<sup>3</sup>. In 2008, the General Assembly modified the method of funding facility schools and certain state programs. Beginning July 1, 2008, this legislation:

- Removed pupils educated by facility schools from districts' pupil enrollment counts for purposes of funding<sup>4</sup>.
- Required facility schools and state programs to report information directly to the Department's Facility School Unit concerning individual students, including the student's district of residence and the actual number of days of attendance each month.
- Allowed facility schools to bill the Department using state average per pupil revenues (thereby including revenues previously retained by school districts for capital outlay and risk management). Also allowed facility schools to bill for an additional one-third of per pupil revenue to support Summer school programs.

House Bill 08-1388 included an appropriation of \$18.5 million for facility school funding for FY 2008-09; the Department paid out \$16.6 million based on the actual attendance and the number of days each facility school actually provided educational services. The FY 2009-10 Long Bill includes an appropriation of \$20.8 million based on estimates of both student attendance and the state average per pupil revenues.

Staff recommends reducing this appropriation based on the Department's experience with this new funding mechanism in FY 2008-09, actual facility school student enrollment data as of October 2009, and actual state average per pupil revenues. Please note that consistent with Section 22-54-129, C.R.S., staff is using the state average per pupil revenue amount based on the statutory formula, which does not reflect any decrease that may occur through a mid-year rescission.

The following table provides updated data and estimates related to facility school funding.

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<sup>3</sup> Pursuant to Section 22-54-129 (1) (f), C.R.S., "state programs" include the Colorado School for the Deaf and the Blind and the education programs operated by the Colorado Mental Health Institutes at Pueblo and Fort Logan.

<sup>4</sup> Districts continue to include students who reside in a facility or group home and attend a district school in their October count for purposes of funding. Further, students in "out-of-district" placements who attend public school are included in the pupil count of the district of attendance.

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Facility School Funding: FY 2009-10	
Description	Updated Estimates
October 2009 Facility Schools Total FTE	1,820.5
Multiplied by: State Average Per Pupil Revenues (PPR) times 1.33	<u>\$9,631.43</u>
<b>Total Estimated Facility School Payments</b> (if FTE count remains static throughout school year and all facilities provide 235 days of educational services)	<b>\$17,534,018</b>

Facility schools are paid monthly for the number of students receiving educational services. Thus, unlike school districts, payments to facility schools fluctuate throughout the year based on enrollment and attendance. Staff thus recommends providing an appropriation that is somewhat higher than the total estimated facility school payments, above. If actual billings fall short of the appropriation, the unspent funds would simply remain in the State Education Fund. **Staff recommends lowering the existing appropriation for Facility School Funding from \$20,817,769 to \$17,800,000, a decrease of \$3,017,769.** This level of appropriation leaves a cushion of about 1.5 percent to cover potential increases in the number of students placed in facility schools.

*Potential Impacts on Other Line Items*

There are three other line item appropriations that are potentially affected by the Facility School Funding appropriation.

First, the Department is authorized to withhold 2.0 percent of the amount payable to each approved facility school (but not amounts payable to state programs) to offset the costs incurred by the facility schools unit. The **Facility Schools Unit and Facility Schools Board line item** appropriation limits the Department's expenditures of amounts withheld from facility school payments. For FY 2009-10, such expenditures are limited to \$261,403. Even with the lower estimates of payments to facility schools (discussed above), the existing appropriation for the Facility Schools Unit and Board is below the statutory cap (by about \$51,000). Thus, **staff does not recommend any changes to this line item.**

Second, both the Colorado School for the Deaf and the Blind (within the Department of Education) and the Mental Health Institutes (within the Department of Human Services) receive funding through this line item to offset a portion of their costs of providing educational services to children and youth in their care. As of October 2009, 205 FTE students were enrolled at the Colorado School for the Deaf and the Blind (CSDB), and 17 FTE students were receiving educational services at the two Mental Health Institutes.

**With respect to the Colorado School for the Deaf and the Blind (CSDB),** the school calendar for FY 2009-10 includes 174 days with students present. If the CSDB provides educational services to 205



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FTE for all 174 days (i.e., 100 percent attendance), it will receive \$1,461,929 through this line item in FY 2009-10. However, based on the number of days for which CSDB received funding in FY 2008-09, the CSDB would only receive \$1,346,936 through this line item in FY 2009-10. The existing appropriation for FY 2009-10 includes \$1,351,912 in reappropriated funds, transferred from this line item. Thus, **staff does not recommend adjusting this appropriation. However, staff does recommend making the following technical correction to the letter notation associated with the appropriation:**

<sup>a</sup> Of this amount, \$1,351,912 shall be transferred from the Assistance to Public Schools, ~~Public School Finance, State Share of Districts' Total Program Funding~~ GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE, FACILITY SCHOOLS, FACILITY SCHOOL FUNDING line item; \$150,000 shall be transferred from various line items in the Assistance to Public Schools, Categorical Programs section; \$85,000 shall be from federal Medicaid funds transferred from the Department of Health Care Policy and Financing pursuant to the S.B. 97-101 Public School Health Services program; and \$35,000 shall be transferred from federal Child Nutrition Act funds appropriated in the Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Other Assistance, Appropriated Sponsored Programs line item.

**With respect to the Mental Health Institutes**, if the Institutes provide educational services to 17 FTE for 235 days (the maximum number of days possible in one year), they will receive \$163,734 through this line item in FY 2009-10. Due to proposed programmatic changes at the Institutes in this fiscal year, it is unclear whether this is a reasonable assumption. **If warranted, the analyst responsible for mental health programs will make recommendations to the Committee concerning adjustments to this revenue source.**

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**JBC Staff Initiated Supplemental #1 - Technical Correction Related to Personal Services Base Reduction (Public School Transportation)**

	<b>Request</b>	<b>Recommendation</b>
Total - GF	\$0	\$2,723

Last Session, as part of its deliberations concerning the FY 2009-10 budget, the General Assembly chose to reduce funding for personal services statewide by a total of \$16.1 million General Fund. This funding reduction was implemented through the conference committee report for the FY 2009-10 Long Bill by reducing funding for personal services line items by 1.82 percent; this reduction was limited to those line items that support 20.0 or more full time equivalent (FTE) staff.

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For the Department of Education, this resulted in reductions totaling \$268,404, including \$210,678 General Fund. This base reduction, however, was incorrectly applied against the Public School Transportation line item, which supports only 2.0 FTE. **Staff recommends correcting this technical error by restoring the \$2,723 General Fund to the Public School Transportation line item for two reasons:**

1. Absent this technical correction, the total appropriation of state funds for categorical programs will fall short of complying with a constitutional funding requirement. Specifically, Section 17 (1) of Article IX of the Colorado Constitution requires the General Assembly to increase total state funding for all categorical programs by at least the rate of inflation plus one percent for FY 2009-10. Based on the actual inflation rate of 3.9 percent in calendar year 2008, the General Assembly is required to increase state funding for categorical programs by \$10,752,609. The FY 2009-10 Long Bill, as introduced, did add a total of \$10,752,609 from the State Education Fund to comply with this requirement, including an increase of \$3,800,796 for Public School Transportation. Subsequently, the appropriation for Public School Transportation was decreased by \$2,723 General Fund as part of the base personal services reduction, resulting in an overall increase in state funding for categorical programs that is \$2,723 below the constitutionally required amount.
  2. Absent this technical correction, total General Fund appropriations for categorical programs will be insufficient to comply with a constitutional maintenance of effort provision. Specifically, Section 17 (5) of Article IX of the Colorado Constitution states that moneys from the State Education Fund shall not be used to supplant the level of General Fund appropriations existing on December 28, 2000, for categorical programs (\$141,765,474). Current General Fund appropriations (\$141,462,751) fall \$302,723 short of this requirement. Correction of this error will address a portion of the shortfall (the remaining \$300,000 is addressed in the next staff recommendation).
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**JBC Staff Initiated Supplemental #2 - Technical Correction to Fund Sources Appropriated for Comprehensive Health Education**

	<b>Request</b>	<b>Recommendation</b>
Total	\$0	\$0
FTE	<u>0.0</u>	<u>0.0</u>
General Fund	0	300,000
Cash Funds - State Education Fund	0	(337,000)
Cash Funds - Comprehensive Health Education Fund	0	37,000
FTE	0.0	0.0

**Summary:** Section 17 (5) of Article IX of the Colorado Constitution states that moneys from the State Education Fund shall not be used to supplant the level of General Fund appropriations existing on December 28, 2000, for categorical programs (\$141,765,474). Current General Fund appropriations (\$141,462,751) fall \$302,723 short of this requirement. Staff's recommendation related to Public School Transportation (above) corrects \$2,723 of this shortfall. Staff recommends fund source adjustments to the appropriation for Comprehensive Health Education, detailed in the above table, to address the remainder of the shortfall.

**Background Information:** Following the passage of Amendment 23 (Section 17 of Article IX of the Colorado Constitution), the General Assembly annually increased state funding for categorical programs. From FY 2001-02 through FY 2008-09, annual appropriations of state funds increased by \$77.3 million, including \$44.5 million from the State Education Fund, \$32.7 million General Fund, and \$0.2 million from the Comprehensive Health Education Fund (CHEF).

The CHEF, created in Section 22-25-109, C.R.S., consists of two fund sources. First, Section 22-54-114 (3) (a), C.R.S., requires the Department to annually transfer to the CHEF one-half of any unexpended appropriations for the State Share of Districts' Total Program Funding<sup>5</sup>. Second, any gifts, grants, and donations the Department may receive for comprehensive health education programs are to be credited to the CHEF.

At this time last year, as part of the budget balancing process, the General Assembly approved a request from the Governor's Office to refinance categorical program appropriations for FY 2008-09. This adjustment reduced General Fund appropriations to the minimum amount allowed under the

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<sup>5</sup> Recent transfers include \$150,647 in FY 2007-08 and \$10,821 in FY 2008-09.

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constitutional maintenance of effort provision. This provision states that: “Monies appropriated from the state education fund shall not be used to supplant the level of general fund appropriations existing on the effective date of this section for total program education funding...for categorical programs ...”. As detailed in Table 1, these adjustments reduced General Fund appropriations by \$33.0 million.

Please note that the resulting General Fund appropriations were actually \$300,000 below the General Fund appropriation level that existed on December 28, 2000. This was made possible by a temporary \$300,000 increase in the appropriation from the CHEF, rather than the State Education Fund, so this adjustment was consistent with the maintenance of effort provision (see shaded cells below).


<b>TABLE 1 General Fund Maintenance of Effort for Categorical Programs: FY 2008-09</b>					
	<b>General Fund</b>	<b>CHEF</b>	<b>Subtotal</b>	<b>State Education Fund</b>	<b>Total State Funds</b>
Appropriations of State Funds for Categorical Programs as of 12/28/00	\$141,765,474	\$300,000	\$142,065,474	\$0	\$142,065,474
Initial Appropriations of State Funds for Categorical Programs for FY 08-09	174,487,460	500,000	174,987,460	44,453,540	219,441,000
<i>Change from 12/28/00</i>	<i>32,721,986</i>	<i>200,000</i>	<i>32,921,986</i>	<i>44,453,540</i>	<i>77,375,526</i>
Mid-year adjustments to various line items	<u>(33,021,986)</u>	<u>100,000</u>	<u>(32,921,986)</u>	<u>32,921,986</u>	<u>0</u>
Final Appropriations of State Funds for Categorical Programs for FY 08-09	141,465,474	600,000	142,065,474	77,375,526	219,441,000
<i>Change from 12/28/00</i>	<i>(300,000)</i>	<i>300,000</i>	<i>0</i>	<i>77,375,526</i>	<i>77,375,526</i>

For FY 2009-10, the Committee approved a request and staff recommendation to decrease the appropriation from the CHEF based on projected fund revenues; this decrease was offset by appropriations from the State Education Fund. Staff did not realize, and thus did not inform the Committee, that \$300,000 of this decrease in funding from the CHEF should have been offset by General Fund appropriations in order to maintain compliance with the maintenance of effort provision. Staff thus recommends correcting this error through a supplemental bill. Table 2 provides information about existing FY 2009-10 appropriations, recommended adjusted appropriations, and how both compare to the appropriations that existed in December 2000 for purposes of determining compliance with the constitutional maintenance of effort requirement.

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<b>TABLE 2</b> <b>General Fund Maintenance of Effort for Categorical Programs: FY 2009-10</b>					
	<b>General Fund</b>	<b>CHEF</b>	<b>Subtotal</b>	<b>State Education Fund</b>	<b>Total State Funds</b>
Appropriations of State Funds for Categorical Programs as of 12/28/00	\$141,765,474	\$300,000	\$142,065,474	\$0	\$142,065,474
Existing Appropriations of State Funds for Categorical Programs for FY 09-10	141,462,751	200,000	141,662,751	88,528,135	230,190,886
<i>Change from 12/28/00</i>	<i>(302,723)</i>	<i>(100,000)</i>	<i>(402,723)</i>	<i>88,528,135</i>	<i>88,125,412</i>
<b><u>Recommended Adjustments:</u></b>					
Public School Transportation	2,723	0	2,723	0	2,723
<b>Comprehensive Health Education</b>	<b><u>300,000</u></b>	<b><u>37,000</u></b>	<b><u>337,000</u></b>	<b><u>(337,000)</u></b>	<b><u>0</u></b>
Final Appropriations of State Funds for Categorical Programs for FY 09-10	141,765,474	237,000	142,002,474	88,191,135	230,193,609
<i>Change from 12/28/00</i>	<i>0</i>	<i>(63,000)</i>	<i>(63,000)</i>	<i>88,191,135</i>	<i>88,128,135</i>

**Staff recommends appropriating \$300,000 General Fund for Comprehensive Health Education for FY 2009-10 to restore total General Fund appropriations for categorical programs to the level that existed on December 28, 2000, thereby ensuring compliance with the constitutional maintenance of effort provision.** Staff also recommends **increasing the appropriation from the CHEF by \$37,000** in order to utilize the remaining available fund balance, thereby reducing the need for State Education Fund in FY 2009-10. Finally, staff recommends **reducing the State Education Fund appropriation by \$337,000**, resulting in no net change in the overall appropriation.

 **Staff also recommends that the Committee introduce legislation to repeal the Comprehensive Health Education Fund, effective July 1, 2010.** This fund is no longer necessary to provide funding for comprehensive health education programs. Instead, it unnecessarily complicates the process of making appropriations for categorical programs and fiscal year-end accounting procedures.

This fund was initially created to provide a potential source of funding to assist school districts in establishing comprehensive health education programs. However, this grant program was challenging to administer due to the variability and unpredictability in fiscal year-end transfers related to public school finance reversions. Beginning in FY 1996-97, the General Assembly

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began annually appropriating \$300,000 General Fund to provide a consistent source of funding for the grant program.

Subsequently, voters passed Amendment 23 in 2000, defining this grant program as a categorical program. Since FY 2000-01, annual state funding for Comprehensive Health Education has increased from \$600,000 to \$1,005,396. When moneys are available in the CHEF due to fiscal year-end transfers of reversions from school finance funding, the General Assembly appropriates moneys from the CHEF; these moneys are counted as part of the "total state funding for all categorical programs" for purposes of complying with constitutional funding requirements. The remainder of the appropriation comes from General Fund and the State Education Fund.

It appears unlikely that the Department will revert any appropriations for public school finance in the near future, so the CHEF is unlikely to receive any revenues in the next few years. In addition, even when a reversion occurs, this funding mechanism essentially amounts to moving state moneys around without any real impact on the state budget. If the CHEF is repealed, the Department would credit 100 percent of any reversions related to school finance to the State Public School Fund; these moneys would then be available for appropriation for school finance in subsequent fiscal years, thereby reducing the need for General Fund or State Education Fund appropriations for school finance. Beginning in FY 2010-11, the Comprehensive Health Education grant program would simply be supported by General Fund and State Education Fund appropriations, just like other categorical programs.

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**Previously Approved Interim Supplemental  
State Share Funding for Steamboat Springs School District**

Previously Approved	
Cash Funds -- State	
Public School Fund	\$3,684,365

**Summary:** This supplemental, approved by the Joint Budget Committee on September 21, 2009, provides the Department with \$3,684,365 cash funds from the State Public School Fund (from school district audit recoveries) to provide additional state funding to Steamboat Springs RE-2 School District due to an erroneous over-collection of local revenues in the last two fiscal years. This error resulted in the state share of the district's total program expenses being understated. This one-time appropriation will be provided through a separate line item entitled "State Share Correction for Local Share Overpayments in Prior Fiscal Years" to allow the district to repay local taxpayers. The appropriation is comprised of the following amounts for each fiscal year:

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FY 2007-08    \$1,588,932  
FY 2008-09    \$2,095,433  
Total Request \$3,684,365

The rules governing interim supplementals in Section 24-75-109 (5), C.R.S., require the Committee to introduce all interim supplementals that it approves. Staff will include this new line item appropriation in the Department's supplemental bill.

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**Other Balancing Options**

Given the overall General Fund shortfall, and the fact that existing appropriations from the State Education Fund are not sustainable for FY 2010-11, the General Assembly faces a significant challenge in providing the state share of funding for public school finance for FY 2010-11. **Staff thus recommends that the Committee consider reducing appropriations from the State Education Fund for purposes other than public school finance.** The following table lists three line item appropriations for FY 2009-10 that the General Assembly could consider reducing in order to mitigate the public school finance funding reductions that will likely be required for FY 2010-11. The Department has not requested continued funding for these three programs for FY 2010-11. The dollar amounts listed in the table below are based on those portions of the appropriations that had not been obligated as of December 8, 2009. **If the Committee votes to reduce one or more of these appropriations, staff asks for permission to verify remaining funds with the Department and adjusting supplemental changes if necessary.**

<b>Options for Reducing Discretionary State Education Fund Expenditures: FY 2009-10</b>	
<b>Line Item</b>	<b>Funds Remaining Available as of 12/8/09</b>
Summer School Grant Program	\$993,861
Regional Service Cooperatives	67,145
Financial Literacy	<u>36,472</u>
Total Potential Reductions	1,097,478

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	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change 1/	Recommended Change	New Total with Recommendation

**DEPARTMENT OF EDUCATION**  
**Commissioner - Dwight D. Jones**

**Supplementals Concerning Public School Finance**

*(2) Assistance to Public Schools*

*(A) Public School Finance*

State Share of Districts' Total Program

Funding 1/	<u>3,392,935,424</u>	<u>3,696,288,785</u>	<u>(47,518,851)</u>	<u>(177,332,868)</u>	<u>3,518,955,917</u>
General Fund	2,930,064,429	3,076,577,922	0	(300,000)	3,076,277,922
<i>General Fund Exempt Account (included above)</i>	<i>39,251,792</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Cash Funds	462,870,995	619,710,863	(47,518,851)	(177,032,868)	442,677,995
<i>CF - State Education Fund (included above)</i>	<i>362,223,212</i>	<i>505,248,987</i>	<i>(40,475,842)</i>	<i>(165,670,932)</i>	<i>339,578,055</i>
<i>CF - State Public School Fund (included above)</i>	<i>100,647,783</i>	<i>114,461,876</i>	<i>(7,043,009)</i>	<i>(11,361,936)</i>	<i>103,099,940</i>

Hold-harmless Full-day Kindergarten

Funding - CF (SEF)	7,321,864	7,705,498	0	(7,448)	7,698,050
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*(2) Assistance to Public Schools*

*(C) Grant Programs, Distributions, and Other Assistance*

*(VI) Facility Schools*

Facility School Funding - CF (State Education Fund)

	16,584,920	20,817,769	0	(3,017,769)	17,800,000
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	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change 1/	Recommended Change	New Total with Recommendation
<b>Total: Supplementals Concerning Public</b>					
<b>School Finance</b>	<u>3,416,842,208</u>	<u>3,724,812,052</u>	<u>(47,518,851)</u>	<u>(180,358,085)</u>	<u>3,544,453,967</u>
General Fund	2,930,064,429	3,076,577,922	0	(300,000)	3,076,277,922
<i>GFE Account (included above)</i>	<i>39,251,792</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Cash Funds	486,777,779	648,234,130	(47,518,851)	(180,058,085)	468,176,045
<i>CF - State Education Fund (included above)</i>	<i>386,129,996</i>	<i>533,772,254</i>	<i>(40,475,842)</i>	<i>(168,696,149)</i>	<i>365,076,105</i>
<i>CF - State Public School Fund (included above)</i>	<i>100,647,783</i>	<i>114,461,876</i>	<i>(7,043,009)</i>	<i>(11,361,936)</i>	<i>103,099,940</i>

	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change 1/	Recommended Change	New Total with Recommendation
<b>Staff-Initiated #1 - Technical Correction to Public School Transportation Appropriation</b>					
<i>(2) Assistance to Public Schools</i>					
<i>(B) Categorical Programs</i>					
Public School Transportation	45,833,107	49,656,915	0	2,723	49,659,638
FTE	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>	<u>0.0</u>	<u>2.0</u>
General Fund	36,896,492	36,919,504	0	2,723	36,922,227
FTE	2.0	2.0	0.0	0.0	2.0
Cash Funds	8,936,615	12,737,411	0	0	12,737,411
<i>CF - State Education Fund (included above)</i>	8,486,615	12,287,411	0	0	12,287,411
<i>CF - Public School Transportation Fund (included above)</i>	450,000	450,000	0	0	450,000

	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change 1/	Recommended Change	New Total with Recommendation
<b>Staff-Initiated #2 - Technical Correction to Comprehensive Health Education Appropriation</b>					
<i>(2) Assistance to Public Schools</i>					
<i>(B) Categorical Programs</i>					
Comprehensive Health Education	688,246	1,005,396	0	0	1,005,396
FTE	<u>0.1</u>	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>
General Fund	0	0	0	300,000	300,000
Cash Funds	688,246	1,005,396	0	(300,000)	705,396
<i>CF - State Education Fund (included above)</i>	<i>105,396</i>	<i>805,396</i>	<i>0</i>	<i>(337,000)</i>	<i>468,396</i>
<i>CF - Comprehensive Health Education Fund (included above)</i>	<i>582,850</i>	<i>200,000</i>	<i>0</i>	<i>37,000</i>	<i>237,000</i>
FTE	0.1	1.0	0.0	0.0	1.0
<b>Previously Approved Interim Supplemental - State Share of Funding for Steamboat Springs</b>					
<i>(2) Assistance to Public Schools</i>					
<i>(A) Public School Finance</i>					
State Share Correction for Local Share					
Overpayments in Prior Fiscal Years [NEW					
LINE ITEM] - CF (SPSF)	n/a	n/a	3,684,365	3,684,365	3,684,365

	FY 2008-09	FY 2009-10	Fiscal Year 2009-10 Supplemental		
	Actual	Appropriation	Requested Change 1/	Recommended Change	New Total with Recommendation
<b>Totals</b>					
Department of Education (Supplementals Affecting Total Program, Categorical Programs, Capital Construction programs, and Facility Schools only)					
Totals for ALL Departmental line items	4,366,140,161	4,686,948,476	(43,834,486)	(176,670,997)	4,510,277,479
FTE	<u>449.7</u>	<u>536.3</u>	<u>0.0</u>	<u>0.0</u>	<u>536.3</u>
General Fund	3,214,813,526	3,239,416,000	0	2,723	3,239,418,723
<i>GFE Account (included above)</i>	<i>39,251,792</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Cash Funds	614,373,365	814,265,994	(43,834,486)	(176,673,720)	637,592,274
<i>CF - State Education Fund (included above)</i>	<i>493,840,187</i>	<i>654,218,706</i>	<i>(40,475,842)</i>	<i>(169,033,149)</i>	<i>485,185,557</i>
<i>CF - State Public School Fund (included above)</i>			<i>(3,358,644)</i>	<i>(7,677,571)</i>	<i>106,784,305</i>
Reappropriated Funds	15,117,647	22,758,378	0	0	22,758,378
Federal Funds	521,835,623	610,508,104	0	0	610,508,104

1/ The Department is statutorily required to submit a supplemental request in an amount which would fully fund the State Share of Districts' Total Program Funding. The Department's submission, however, indicates that the Governor assumes that the General Assembly will take action to reduce total program funding by \$110 million, as contemplated in S.B. 09-256. In addition, the submission indicates that the Governor requests that the General Assembly not provide an additional \$19.8 million based n the actual student count.

Key:

N.A. = Not Applicable or Not Available