

Governor's At-Risk Supplemental Request

Process reminders:

- The Governor's Office, and specifically OSPB, makes a request to the legislature for the mid-year budget supplemental ([1/18 request](#))
- Joint Budget Committee staff (Craig Harper) then makes a recommendation to the JBC that may or may not match OSPB's request (1/24 recommendation will be posted [here](#) later today)
- Either OSPB, or JBC Staff, can come to CDE to ask for our help with running models related to these requests and recommendations
- The JBC and the General Assembly are the ultimate decision-makers for the supplemental budget bill
- The bill is likely to be finalized at the end of this week/early next. *It may or may not reflect OSPB's request as written or in isolation.*



History of the Model:

- OSPB approached CDE to request our help with a model that would mitigate the impacts on districts of artificially depressed free and reduced lunch counts due to a lack of paper FRL applications being turned in
- CDE worked with OSPB on the assumptions behind the model, which is used to impute* the free and reduced lunch counts that *might have been in place* were it not for free-lunch-for-all
- The model is hypothetical and, inherently, required CDE to make assumptions and decisions about a wide variety of factors. (*This is the part where we ask for grace and admit the model is imperfect....*)

*“assign (a value) to something by inference from the value of the products or processes to which it contributes.”



Purpose of the Model:

- The purpose of the model is to calculate a **one-time payment** to impacted districts to mitigate the impacts of lower-than-normal free and reduced lunch counts
- Similar to the mitigation model used last year in [SB21-053](#)
- The model uses the school finance formula to calculate the total program the district would have received using the imputed counts
- It then looks at the difference between that total program amount, and the district's total program amount as of January 2022 with the actual counts
- The difference is the one-time payment. If the difference is negative, the district is held harmless.

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District A
Actual FRL count as of October
2021: 100
Total program: \$1M



District A
Imputed FRL count: 105
Imputed total program: \$1.1M



District A
Actual FRL count used in
January 2022 funding
calculation: 100
Actual total program for
21-22: \$1M

$\$1,100,000$ (imputed TP) - $\$1,000,000$ (actual TP) = $\$100,000$

District A
One-time at-risk supplemental payment: $\$100,000$

The official total
program amount uses
the actual counts

The imputed counts and the imputed total program are ONLY
used to calculate the one-time payment!



Mechanics of the Model:

- **Step 1: Impute the free and reduced lunch counts that might have come to pass were it not for free-lunch-for-all**
- Methodology:
 1. Impute free count using percentage of direct cert students within free count in 2019-20; extrapolate using 2021-22 direct cert count to create the imputed free count.
 2. Impute reduced count using ratio of free to reduced students in 2019-20; extrapolate using 2021-22 reduced count to create the imputed reduced count.
- Compare the new imputed counts to the actual. Hold harmless if needed.

Mechanics of the Model:

- **Step 2: Determine the imputed total program using the imputed counts**
- Methodology:
 1. Replace the value on V7 with the imputed FRL count
 2. Replace the value on V6 using the state average 1-8 FRL percentage from the January (actuals) run
 3. Adjust the BSF percentage (hold overall BSF constant)
- Compare the imputed total program to the actual January total program. The difference is the district's one-time at-risk supplemental payment. Hold harmless if needed.
- Total of one-time payments =

\$	91,433,759.66
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- OSPB's request \$95M

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Crosswalk to Posted Runs File:

- [FY2021-22 Governor's Office Supplemental Budget Request for Supplemental At-Risk Funding, January 2022](#)
 - *Please note:* this is a supplemental budget request and does not guarantee additional funding.

- This tab shows the imputed counts and methodology by district (Step 1):

Adj FRL Counts

- This tab shows the imputed total program, using the imputed counts on line V7 (Step 2): Funding Calc w Adj FRL Counts
- This tab shows the actual January 2022 total program, using the actual counts on line V7 (Step 2): Funding Calc Jan 2022
- This tab shows the summary, including the difference between the imputed total program and the actual January 2022 total program, leading to the one-time supplemental at-risk payments: Summary By Dist



REMEMBER!

- It was decided that the fairest way to determine payments to districts was to put the imputed counts through the formula to determine the change in total program funding. The formula is very complex!
Changing one or two values leads to multiple downstream effects, and sometimes outcomes that are hard to predict.
- The formula is the tool we have to determine the costs of additional at-risk students to districts. It may not do so perfectly—but it was agreed that it is the best tool we have available.

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REMEMBER!

- The imputed counts and the imputed total program are **ONLY** used to determine the one-time at-risk supplemental payments to districts.
- The January 2022 total program is still the “official” total program amount for your district—barring any other changes coming in the bill.
- The imputed counts will never be used in the “official” total program funding calculation.
- This is currently just a request—it may or may not end up in the final bill in this manner, or at all.

Questions?

Please also be sure to track JBC staff's [recommendation](#) today for the most up to date information.