

Closing Plenary Comments



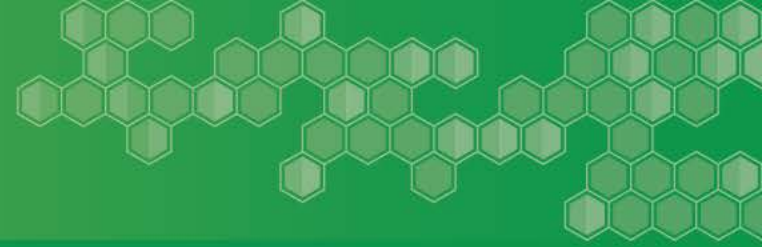
SOC Annual Finance Seminar
September 24, 2020

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School Finance Historical Recap

- 2016-17
 - Budget Stabilization Factor = \$828.3M
 - Average Per Pupil Funding = \$7,420
 - Total Program = \$6.37B
- 2017-18
 - Budget Stabilization Factor = \$822.4M (-\$5.9M)
 - Average Per Pupil Funding = \$7,662 (+\$242)
 - Total Program = \$6.63B (+\$250M)
- 2018-19
 - Budget Stabilization Factor = \$672.4M (-\$150M)
 - Average Per Pupil Funding = \$8,137 (+\$475)
 - Total Program = \$7.08B (+\$450M)
- 2019-20
 - Budget Stabilization Factor = \$572.4M (-\$100M)
 - Average Per Pupil Funding = \$8,489 (+\$352)
 - Total Program = \$7.6B (+\$520M)
- 2020-21 School Finance Act (HB20-1418)
 - Budget Stabilization Factor = \$1.174B (+\$601.1M)
 - Average Per Pupil Funding = \$8,077 (-\$412)
 - Total Program = \$7.2B (-\$367.6M)



- FY20-21: \$3.3 billion total reduction in state funds of which \$1.4 billion is one-time funding
- The School Finance Act and Long Bill included reductions to school districts and programs within CDE
- The final budget increased the BS Factor by \$601.1M, reduced School Finance by \$367.6M and reduced other programs by \$110.5M (11%):
 - Elimination of funding for 12 programs
 - Reduced funding 14 programs
 - Increase to 1 program (BEST COP Lease-Purchase)
- Federal funding was provided- ~\$640.3M

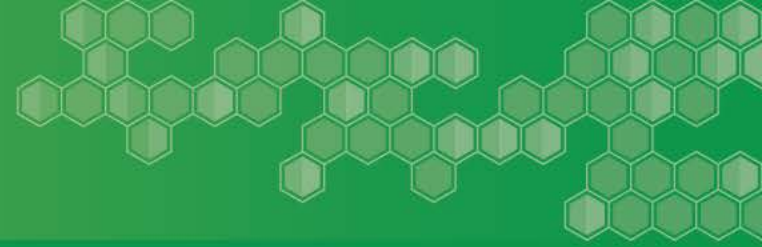
Eliminated Program Funding

- Advanced Placement Incentives Program
- Career Counseling and Professional Development
- ELL Excellence Awards
- Grow Your Own Educator Program
- John Buckner Auto Enrollment in Advanced Course Grant Program
- K-5 Social and Emotional Health Program
- Local Accountability Grant Program
- Local School Food Purchasing Program
- National Board Stipends
- Ninth Grade Success Program
- Quality Teacher Recruitment Program
- Retaining Teachers Fund Program

Reduced Program Funding

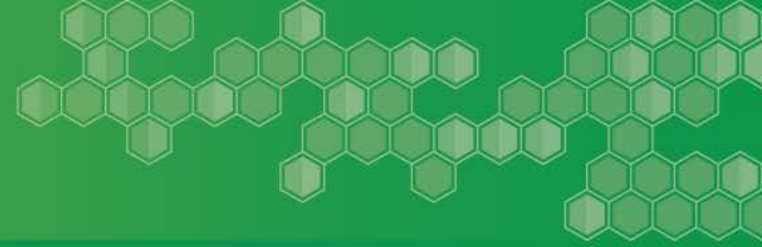
- AP Exam Fee Program
- Behavioral Health Professional Program
- BEST Cash Grant Program
- Career Development Success Program
- Comprehensive Quality Physical Education Program
- Computer Science Education Grants Program
- Concurrent Enrollment Grant Program
- School Bullying Prevention Program
- School Counselor Corps Grant Program
- School Leadership Program
- State Grants to Publicly Supported Libraries Program
- Statewide Assessment Program
- Workforce Diploma Program
- CDE Operational Reduction

2021 Legislative Session



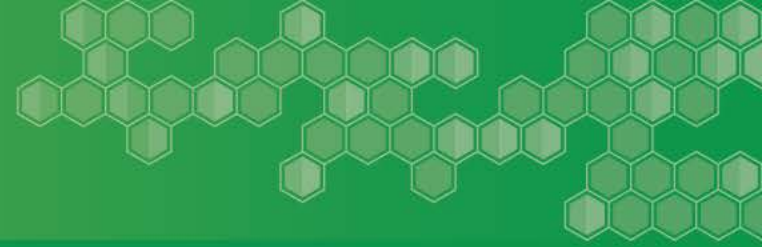
November 2020	Governor Submits Budget Request for 2021-22 THIS IS ONLY A PROPOSAL/PLACEHOLDER!
December 2020	Joint Budget Committee Hearings with Department The JBC hears about the 2021-22 Budget Request from the Department and seeks additional information
January 2021	Governor Submits <i>Supplementals</i> for 2020-21 Adjusts current year's actual pupil counts, AVs, etc., Governor Submits <i>Budget Amendments</i> for 2021-22 Revises estimates for next year's pupil counts, AVs, etc.
Spring 2021	JBC Develops State Budget Through Figure Setting General Assembly Passes the Long Bill based on current law (HB20-1418 for School Finance)
Spring 2021	School Finance Bill Is Introduced and Passed Adjusts the Appropriation included in the Long Bill





- FY21-22: budget shortfall is \$1.6 billion
- Will be a difficult budget year
- Gubernatorial agencies required to submit 10% budget reductions
- CDE is working on a 10% reduction in state funds - about \$41.5M

- Strategic plan priorities
 - Strong Foundations
 - Quality Schools
 - All Means All
 - Educators Matter
 - More Options
- Grant programs with results and serving vulnerable populations
- Core CDE infrastructure



- **Examples of CDE Operations Reductions**
 - Reductions to CDE operating budgets -- reduction in travel, in-person meetings and events
 - Elimination of vacant positions in select programs
- **Examples of Grant Program Reductions**
 - Continued reduction in grant programs eliminated in FY20-21
 - Programs with less evidence of impact
 - BEST cash grants
- **Example of State Policy Requirement Reductions**
 - Temporary hiatus for 4th and 7th grade social studies assessments, which are based on sampling and not required by federal law
 - Efficiencies with financial transparency website

- December Economic Forecast
- Number of Free Lunch Students
- Additional Federal Stimulus
- Cost Drivers for Districts and Schools
- Legislative Changes

Prop EE

- New vaping tax, increased cigarette tax
- \$375M for public schools in the next 2.5 years
- An additional \$90M specifically for rural schools over that same timeframe
- \$242 million per year to support universal preschool by 2027
- 10 hours per week of universal, free, preschool for all children in Colorado in their year prior to kindergarten

Amendment B (Repealing Gallagher)

- Voting yes would repeal the Gallagher Amendment in the state constitution and thereby freeze the residential assessment rate for the valuation of taxable property at the current 7.15% of value
- It would thereby prevent an otherwise constitutionally mandated reduction in the residential assessment rate to less than 6%
- That reduction would reduce property tax revenues for public education by an estimated \$500 million in 2022

Initiative 306

- Would amend the state income tax code, permanently reducing the rate to 4.55% from the current rate of 4.63%
- Would reduce general fund revenues by an estimated \$170 million in fiscal year 2021-2022

Initiative 283

- Would create a statewide program of paid family and medical leave insurance
- Would be supported by premium payments paid by employees and employers
- Would apply to all employers of any size except the federal government and some local governments (likely that individual charters would have the ability to opt out)
- Employees taking leave for medical purposes or to assist a family member or close friend would be entitled to 12 weeks of partial wage replacement and to restoration of their employment upon the end of the leave