



CSCA/CCHS-CR Weekly Legislative Narrative March 15-19, 2010

Overview

This week the much anticipated March forecast and School Finance were the highlighted issues of the week. This upcoming week the School Finance Act will move over to the Senate, and the JBC will review and finalize their cuts based upon the information provided in the forecast. Moreover, several controversial education bills are up this week in Senate Education Committee, including SB10-161 Charter School Collaboratives (Sen. K. King) and HB10-1273 Arts Education for Workforce Development (Sens. Spence and Steadman).

March Revenue Forecast

On Friday the Joint Budget Committee was presented the forecast from both the Governor's Office of Stat Budget and Planning and the Legislative Council. No additional cuts are needed beyond what you have already done. We continue to have structural balancing problems, which need to be addressed.

In this fiscal year, FY 2010, the forecast predicts the state will have \$35 million dollars more in general fund than anticipated. In FY 2011, the forecast includes a budget deficit range (depending on whether the package of bills the Governor introduced to balance the budget is approved) from \$110 million more revenue available than the current year to a deficit of \$320.6 million. In FY 2012, this range increases from a best case scenario of a \$148.7 million deficit to \$579.4 million deficit. This does not take into account any pressure the state will face from increasing caseload such as K-12 & Medicaid. In addition, there is a budget cliff for higher ed of \$382 million in federal stimulus dollars which end in FY 11/12.

The difference between the two forecasts is over \$400 million dollars for FY 11/12. Legislative Council is \$400 million dollars lower in FY 11-12. OSBP's numbers were more conservative for FY 11-12, which was different from the FY 09/10 and FY 10/11 forecasts.

School Finance Act

HB 10-1369, the School Finance Act, was introduced on Wednesday, heard in House Education on Thursday, and passed on 2nd reading on the House floor on Friday. Final action on 3rd reading in the house will likely occur Monday morning. The Senate is expected to hear it in Education Committee on Wednesday morning, with action being taken by the Senate floor at the end of the week. Emotions were running high as legislators, former teachers, were brought to tears over having to cut K-12. Apologies were made to current school children, grandchildren, and the educators trying to do 'more with less', who will now be expected to do 'less with less' as the cuts make their way down to the local level.

The bill is fairly straight forward, meaning no additional items have been added aside from the general funding of schools. In the past, we have seen a "decorated bill", which has included any

controversial education legislation or any bills that have died along the way. These were often inserted in to the act as a bargaining tool between the two chambers.

- Increases the statewide base from \$5,507.68 + \$22.03 (0.4% increase) = \$5,529.71.
- Reduces the overall total program amount through the use of a negative factor, titled the state budget stabilization factor, to an amount is not less than \$5,438,295,823, which is \$260,000,000 less than the initial statewide total program funding for FY 2009-10. Amended to allow the factor to apply to FY 11-12 also.
- Districts funded primarily with property taxes will be required to reduce revenue by the same percentage as all other districts through the reduction in override revenue since the full amount of the reduction would not come from the district's total program funding if state share was not sufficient to cover it.
- Requires the same percentage reduction in funding to come from online and ASCENT funding also.
- Changes how the interest earned on the investment of the moneys in the public school fund is directed, with the first \$11 million required to be credited to the state public school fund for distribution as provided by law. Any interest earnings beyond the \$11 million shall remain in the fund and become part of the principal of the fund.

Notable Bill Movement this Week

- Passed through Committee:
 - HB10-1183 Alternative School Financing Models (Sen. Johnston): On Wednesday the Senate Education committee heard and passed HB10-1183. The bill creates a pilot program for school districts to apply to the State Board of Education for the suspension of various rules in order to foster innovative strategies in hopes of finding alternative ways to finance school operations. The hearing lasted much longer than expected with Sen. Hudak's concerns regarding a provision in the bill that would have allowed charter schools to apply directly to the State Board instead of through their district authorizer. This provision was amended to require charters to apply through their district authorizer.
- To Be Postponed Indefinitely:
 - SB10-026 Data Sharing for Postsecondary Success/College in Colorado (Rep. Middleton/Sen. Romer): Due to issues with the intended outcome of the bill and subsequent amendments, the bill sponsors and stakeholders met this week and decided that the bill will be postponed indefinitely in House Education on Monday 3/22 by sponsor Rep. Middleton. The bill was mistakenly amended in the Senate to repeal the mandatory registration of all sixth grade students with the college preparation website College in Colorado. Additionally, the departments have decided to enter into MOU agreements with College in Colorado in order to accomplish the data sharing of Individual Career and Academic Plans as outlined in the re-revised version of the bill. .

Upcoming Dates

- Bill Hearings –
 - Monday
 - House Education Committee
 - SB10-154 Rep. Middleton - High-Risk Student Alternative Ed Campus
 - SB10-026 Rep. Middleton - Duties Of College In Colorado
 - SB1-062 Rep. Peniston - Categorical Ed Programs

- House 3rd Reading
 - HB10-1369 Reps. Pommer and Scanlan – School Finance Act
- Wednesday
 - Joint Education Committee – (postponed from last week)
 - Presentation of the Declining Enrollment Study – CDE
 - Presentation From the Office of Dropout Prevention and Student Re-Engagement – CDE
 - Senate Education Committee
 - HB10-1273 Sens. Spence and Steadman – Arts Education For Workforce Development