



# Salazar & Associates

## **SB 199 School Finance Summary Final Version Signed May 9, 2007**

### **General Information:**

- Sets the statewide base at \$5087.61
  - \$4863.87 + \$223.74 to account for inflation + 1%

### **Eligibility for Funding**

- Allows for pupils who are five, but not yet 6, by Oct. 1 and entering first grade in Colorado to be funded as first graders if they completed 120 days kindergarten in another state.
- Caps the amount of funding that any one school district can receive if they are a declining enrollment district opening a new charter school to \$300,000/yr.

### **Preschool**

- Adds 2,000 additional preschool slots to the Colorado Preschool and Kindergarten Program (CPKP) for 07-08 and another 3000 additional preschool slots for 08-09.
- Makes the State Charter Institute eligible for the new CPKP slots.
- Increases the allowable number of students in a preschool class from 15 to 16 to match federal guidelines.
- Limits the allowable number of students in a CPKP class to 20.
- Requires district accountability committees to review availability of private preschool providers, if needed, every two years instead of every 5 years.

### **Full-day Kindergarten Plan**

- Requires every school district to develop a plan by 1/1/08 as a first step to phase-in full-day kindergarten.
- Districts shall consider:
  - Available space in existing facilities
  - Cost of acquiring additional facilities
  - Identification of children including
    - At-risk factors in CPKP
    - Currently enrolled in CPKP
    - Those eligible for free and reduced lunch
    - Those enrolled in an elementary school with a low or unsatisfactory rating
  - Professional development and staffing needs
  - Prioritization of children to be served if state and local funding are not enough to serve every child
  - Plan for parent and community outreach regarding enrollment
  - Anticipated enrollment numbers

- School districts of less than 750 must take into consideration the possibility of contracting out kindergarten to private providers or using current providers of preschool for kindergarten.
- This does not require:
  - A child to attend full-day kindergarten
  - A school district to stop offering ½ day kindergarten
  - A district to implement the phased-in kindergarten plan without state funding for the program.

### **Uniform Budget Provisions**

- Requires school districts to submit budget in a standard format to be established by the state board of education.
- Requires the budget to summarize revenues by revenue source and expenditures by function, fund, and object.
- Requires district boards of education to submit budgets annually beginning January 31, 2009 based on December 31, 2008 data.
- The State Board is required to establish a format by July 1, 2008, after consultation with the fiscal policy and procedures advisory committee.

### **Categoricals**

- Allows the Joint House and Senate Education committees to submit to the Joint Budget Committee recommendations for how increased categorical funding should be allocated beginning 2008-09 budget year.

### **Capital Construction**

- Allows a school district that sells lands and/or buildings and deposits the proceeds of the sale in the district's capital reserve fund to reduce the statutorily required amount that districts are required to set aside in the capital reserve fund by that amount.
- Allows a school district that receives payment in lieu of dedication of land for schools or contributions as a result of voluntary impact agreements to count towards the district's required capital reserve allocation.
- Any school district has the authority to sell buildings without having to provide the facility to a charter school and maintain ownership as long as the building is unoccupied.
- Restores the capital construction to charter schools back down to \$5 million from \$8.5 million, as amended in the Senate.

### **Exclusive Chartering Authority**

- Prohibits the denial of exclusive chartering authority of a district who had a moratorium on charter schools prior to July 1, 2004, but was repealed on or before Oct. 1, 2004.

### **National Credential Fee Assistance**

- Increases the state match for this teacher program from \$100,000 to \$125,000 out of the education fund.

### **Audit Repayment**

- Allows a school district the same amount of time to repay funds owed the state as the amount of time since audits performed as of 1/1/07.

- i.e. if it has been three years since the district's last audit, the district would have three years to repay any overpayments back.
- Lowers the interest rate for repayment of funds from 8% to the current floating interest rate used by the state treasurer (currently 3.2%)

### **Reporting**

- Removes the district and institute report on the use of the additional 1% of funds received from Amendment 23 if those funds are not used to reduce class size.

### **Floor Funding**

- Increases the floor from \$6135 to \$6255 for 07-08 for traditional schools (excluding online), \$6576 for 08-09, and 95% of the average for 09-10.
  - There was a commitment by the sponsor to adjust this to \$6275 as was promised in earlier agreements.

### **Mill Levy Budget Stabilization**

- Freezes the mill levy rate at 06-07 rates for 175 school districts that have de-Bruced
  - Holds Cherry Creek, Harrison, Colorado Springs D-11 harmless
- Reduces any school district mill levy over 27.00 to 27.00 immediately.
- Frees up approximately \$40 million in General Fund annually for the legislature to spend on other programs; dollar amount to K-12 will not change—just the balance between local and state share.

### **Conflict of Interest**

- Prohibits any member of the state board of education from concurrently serving in the general assembly, from being an officer employee or board member of a school district or charter school in the state, or an employee of the state board or department of education.
- Prohibits any member of the state charter institute from concurrently serving in the general assembly, from being an officer employee or board member of a school district or charter school in the state, or an employee of the institute or department of education.

### **Tier C High Cost Special Ed Pool**

- Clarifies that students who are out of district placements are a priority for funding from the high cost pool.
- If funds are available, in-district students over \$40,000 can be prioritized to receiving funding
- Clarifies that audited expenses rather than budgeted expenses will be used to determine reimbursement.

### **Licensing of Speech Pathologists**

- For districts less than 3,000, allows a school district to reduce the requirements for a speech pathologists from a masters' degree to a bachelor's degree.