



**HB 1388 School Finance**  
**Rep. Pommer/Sen. Windels**  
**Final Version**

**General Information**

- For the 2008-09 budget year, increases the statewide base per pupil funding by \$182.52 for a total of \$5,270.13,
  - 2.2% inflation rate + 1% + \$10 million added to the base unrestricted + \$10 million added for assistance to 1<sup>st</sup> and 2<sup>nd</sup> grade teachers.
- For the 2008-09 budget year,
  - increases the full-time online per pupil funding to \$6,355
  - increases the statewide average to \$6,904
  - increases the minimum floor funded minimum school districts per pupil to 95% of the statewide average to \$6,550
- Districts set aside amount for capital reserve and instructional supplies shall only increase annually by inflation and not the overall increase to the base;
  - the minimum set aside for capital construction is \$298 and the maximum is \$800
  - the set aside for instructional supplies will increase to \$184
- Allows school districts to collect mill levy moneys as the 20% cap grows with the district's total program and provides school districts with the authority as municipalities
- Allows a school district board of education to review and change its adopted budget up to January 31
- Allows a school district board of education, after it has adopted a budget, to use a portion of the district's fund balance if a resolution is specifically adopted that authorizes the use of the fund balance

**Kindergarten**

- Increases per pupil funding for all students in the kindergarten headcount to 0.58
  - Calculation for additional funding is: district headcount x 0.08 x district PPOr
  - This is the first year of a six-year commitment to increase funding for full-day kindergarten
    - 2008-09: \$40 million coming from the State Education Fund
    - 2009-10: increase to \$60 million
    - 2010-11: increase to \$70 million
    - 2011-12: increase to \$80 million
    - 2012-13: increase to \$90 million
    - 2013-14: increase to \$100 million
- Holds harmless Colorado Preschool and Kindergarten slots that were used for full-day kindergarten and requires the additional funding to be used to supplement current full-day kindergarten (approximately \$8 million of the \$40 million will be used for this)
- Encourages districts to maintain the same full-day kindergarten commitment that was offered in 2007-08
- State funding received for full-day kindergarten is encouraged to be in addition to current kindergarten financial commitments and should not supplant state funds.

- If a district currently provides access to at least 90% of eligible participating students, a district can use the state full-day kindergarten funding for other purposes
- Requires a district not using state full-day kindergarten funds in the up-coming school year to set aside those funds in a separate reserve fund until those funds can be expended for full-day kindergarten
- Encourages districts to prioritize homeless children in new full-day kindergarten funding
- Encourages districts to apply the Colorado Preschool and Kindergarten criteria to the district full-day kindergarten offered (i.e. 1:20 student-teacher ratio application of risk factors for priority access o kindergarten)

### **Preschool**

- Eliminates Fund 19, a separate account required for CPKP funds received
- Changes the name of the Colorado Preschool and Kindergarten Program (CPKP) to the Colorado Preschool Program (CPP)
- Adds 3,800 slots to CPP and by eliminating the 15% of slots used for full-day kindergarten for a total of 6254 slots for 2008-09
- Eliminates the ability of a school district to use CPP slots for full-day kindergarten
- Allows school districts to use 50% of the funding received for professional development or other uses in order to prepare to offer a preschool program for the second semester for 2008-09

### **Capital Construction**

- Allows school districts to use bond proceeds for acquiring, constructing, or improving any capital asset that the district is authorized by law to own
- Creates a \$34.5 million full-day kindergarten capital construction fund to help build, renovate, rent, or provide temporary facilities needed in conjunction with providing full-day kindergarten
  - Awards grants based on criteria including but not limited to district wealth, district bonding capacity, and maximizing the total number of students statewide who will be able to attend a full-day kindergarten program due to the availability of a renovated or temporary auxiliary facility
  - Two separate programs are created: one with a local district match and the other without the match
  - Districts or charter schools through their districts must apply by July 1, 2008
- For 08-09 adds \$5 million for charter school capital construction to the existing \$5 million for a total of \$10 million for charter schools to be distributed on a per pupil basis
  - Charters have made a commitment, albeit non-statutory, to come back with need-based criteria for the distribution of future funding
- Of the \$5 million additional funding, \$135,000 will be distributed to the Rocky Mountain School for the Deaf in JeffCo

### **Special Education**

- Creates a \$2 million high-cost in-district special education pool for expensive students.
  - It is anticipated the committee in charge of awarding grants will set the threshold at \$25,000 for in-district at \$40,000 for out-of-district students for eligibility
  - Awards will be granted based on the how the expenses of an individual student consumes a districts budget based on percent.
  - Funding appropriated annually will be split 50/50 between the in-district and out-of-district pools

### **Facility Schools**

- Eliminates current reports required by school districts regarding students who are out-of-district and placed in facilities
- Funds facility school students for 12 mos of the year, but limits responsibility for payment of excess costs to the traditional 9 mos school year (\$18.5 million from the State Education Fund)
  - Facilities are required to submit annual pupil enrollment by Nov. 10 of each year and monthly pupil enrollment reports by the 15<sup>th</sup> of each month to receive funding
  - Removes students enrolled in facilities from the district student count for purposes of funding
  - Facility schools will be funded based on an average pupil count provided each month
  - Eliminates the Summer School Facility Grant Program. This program is no longer needed with the addition of the per pupil funding for the summer months
- Maintains the responsibility for excess costs with the district of residence
- Eliminates facility students from declining enrollment averaging but grandfather's in students who were included in the averaging for 07-08; funding allowed is the difference between PPOR and PPR about \$300/student

### **State Board/State Institute Conflict of Interest**

- No member elected on or after the effective date of this act to the State Board of Education can be an employee or officer of the State charter School Institute
- No member appointed on or after the effective date of this act to the Charter School Institute board can be a member of the State Board of Education

### **Small Attendance Center Aid**

- Limits small attendance center aid to school districts or state institute charter schools that received it prior to 2008-09

### **National Board Certification**

- Modifies the eligibility criteria to allow state funding to be used for a teacher seeking national board certification credentials for exam retakes and partial program enrollment

### **Summer School Program for Student Scoring Unsatisfactory on CSAP**

- Amends the statute in conformity with the rule review proceedings to bring the criteria for the program in line with actual practice by having students in grades 5-8 eligible for summer school funding

### **Declining Enrollment**

- Extends declining enrollment averaging from 4 to 5 years (\$9.2 million from State Education Fund)
- Requires CDE to contract for a 3<sup>rd</sup> party study by 9/15/08 to evaluate how declining enrollment impacts students that remain in the district and to recommend possible remedies with a report due by 3/15/09. Areas of study include
  - Long-term decline, large short-term decline, and districts where a large number of students attend a charter school in the district affecting enrollment
  - Classroom breakdown of costs to provide an education that meets the requirements of state and federal law

- Impact of salaries, benefits, retirement and healthcare on a declining enrollment district budget
- Types of costs that may and may not be reduced in regards to providing essential services to students
- Effect that neighboring school districts in urban areas have on a declining enrollment district's ability to provide competitive salary increases and educational programs
- Barriers and incentives to school district consolidation

### **STEM Funding**

- Allocates \$300,000 for Science, Technology, Engineering and Math after-school pilot programs

### **SB 65 Teacher Alternative Pay Bill**

- CDE is required to offer technical assistance and funding to school districts in designing and developing alternative teacher compensation plans.
  - 2% to be withheld by CDE to oversee the program
- \$1 million State Education Fund for grants will be administered based on State Board rules, including teacher, parent and community involvement, available to all teachers in the district, and money awarded to support plans that use various methods to determine student performance.
- Compensation models must:
  - Be on top of existing pay schedules
  - Be based on broad multi-dimensional criteria for assessing performance, not just student CSAP scores
  - Be included in a teacher's retirement or pension calculation
  - Include a procedure for challenging adverse decisions under the plan to ensure fairness to all teachers
  - Include a process for continual evaluating the alternative compensation plan on an on-going basis

### **Summer School Grant Program**

- Amends the statute to conform with State Board rule that states the Summer School Grant Program provide reading, writing, or math education services to students in 5<sup>th</sup> through 8<sup>th</sup> grade to have 2 years of CSAP data.

### **National School Lunch Form**

- Every public school, including charter schools, shall include in the materials for pupil registration the form to participate in the national free/reduced lunch program.
  - Registration materials shall include an explanation to parents that the form will be used by the school, district, or state charter institute to determine eligibility for at-risk funding on behalf of the students and that filling out the form ensures the district or school will receive at-risk funding to which it is entitled
- If a public school, including a charter school, does not participate in the national nutrition programs, they are required to provide the "Family Economic Data Survey" created by CDE to identify those students who qualify as at-risk.
- The secretary of the board of education or the secretary of the state institute shall be required to certify the pupil enrollment for at-risk pupils identified through the use of either form.