

# Nuts & Bolts

## CASE Winter Conference 2016

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COMPONENTS FOR STATE LEVEL MODELING SCHOOL FINANCE FUNDING FOR 2015-16, 2016-17, 2017-18 and 2018-19 (JAN. 2016)					
	228 Transfers	TABOR Refunds	Medicaid Expansion	Rescission	Negative Factor
<b>Context</b>	Triggered by a 5% growth in personal income in 2014. Requires 2.5% of GF to go to transportation in first two years and 3% in final three years. Can be halved or eliminated based on certain TABOR refund levels.	Required refunds to taxpayers when revenues exceed Ref. C TABOR Cap. If refunds above \$97.7 million EITC kicks in. Over \$294.6 million income tax rate reduction kicks in. Effectively means that increases in revenues above cap provide no additional revenues to state.	State must pick up higher shares of cost of Medicaid expansion over the years. The federal government picks up 100% of the cost of expansion through 2016, 95% in 2017, and 94% in 2018.	Based on projected funding for 2015-16, rescission may be necessary to balance budget according to current forecasts.	Statutory language exists to keep the negative factor at \$855 million going forward. Modeling assumes this figure may need to change due to budget pressures.
<b>2015-16</b>	Projected full transfer. (If TABOR refunds occur at \$100 million level than 228 is halved, basically a zero net impact.)	Neither model projecting refunds (Not unlikely for there to be a \$100 million refund, if it occurs than 228 is halved, basically a zero net impact.)	No new cost	Governor's office assumes no rescission	\$831 Million proposed from Governor
<b>2016-17</b>	None	Range of \$250-\$350	Half year of 5%		\$50 million to stay constant (\$100 million for 15-16 and 16-17)
<b>2017-18</b>	None	Range of \$350-\$400	Half year of 5%, and half year of 6%		\$50 million to stay constant (\$150 million for 15,16, 16-17, and 17-18)
<b>2018-19</b>	None	Range of \$350-\$400	Half year of 6%, and half year of 7%		\$50 million to stay constant (\$200 million for 15,16, 16-17, 17-18 and 18-19)

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COMPONENTS FOR STATE LEVEL MODELING SCHOOL FINANCE FUNDING FOR 2015-16, 2016-17, 2017-18 and 2018-19 (JAN. 2016)					
Student Growth	Inflation	At-Risk %	State Ed Fund Balance	General Fund Contribution	Other Factors
Projected figures represent projections and recent trends.	Projected figures represent recent trends.	Assuming percentage of total population in the state stays constant. This does not take into account individual district changes.	State Education Fund balance is declining. Ending balance targets have been set by the state.	If negative factor is to remain constant, then in conjunction with growth and lower SEF funds, GF contribution will need to grow.	De-brucing effort would cause a level of change that would make current modeling moot.
1.10%	State modeling 1.2%	44%	\$147 million currently assumed in budgets	\$350-\$380 million increase to keep current funding levels, does not including \$50 million for negative factor.	
1.18%	State modeling 1.8%	37%	\$100 million target	Will increase unless changes to policy	
1.50%	2.5% - assumption	37%	\$100 million target	Will increase unless changes to policy	
1.50%	2.5% - assumption	37%	\$100 million target	Will increase unless changes to policy	

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### 2015-16 Scenarios

	Status Quo	Option 2
	Assume State Budget	Don't foresee additional changes but could occur if large changes in forecasts
Total Program Before Negative	\$7,070,267,168	
Local Share	\$2,259,785,802	
State Share Before Negative	\$4,810,481,366	
Per Pupil Funding	\$8,286	
Current Statutory Negative Factor	\$830,702,393	
Total Program After Negative	\$6,239,564,775	
Per Pupil Funding	\$7,313	
<b>Additional Impacts on Funding</b>		
Possible Rescission Negative Factor		
Funding after additional impacts	\$6,239,564,775	
Local Share	\$2,259,785,802	
State Share	\$3,979,778,973	
Per Pupil Funding	\$7,313	

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## 2016-17 Scenarios

	Status Quo	Additional Negative Factor	Negative Factor and Medicaid
	Assume State Budget	Assume Larger Negative Factor of \$880M	Assume Larger Negative Factor \$930M and 40% of Medicaid Expansion
Total Program Before Negative	\$7,280,961,130	\$7,280,961,130	\$7,280,961,130
Local Share	\$2,100,461,946	\$2,100,461,946	\$2,100,461,946
State Share Before Negative	\$5,180,499,183	\$5,180,499,183	\$5,180,499,183
Per Pupil Funding	\$8,434	\$8,434	\$8,434
Current Statutory Negative Factor	\$830,702,393	\$830,702,393	\$830,702,393
Total Program After Negative	\$6,450,258,737	\$6,450,258,737	\$6,450,258,737
Per Pupil Funding	\$7,471	\$7,471	\$7,471
<b>Additional Impacts on Funding</b>			
Additional Negative Factor		\$49,297,607	\$99,297,607
40% of Medicaid Expansion			\$14,490,720
Funding after additional impacts	\$6,450,258,737	\$6,400,961,130	\$6,336,470,410
Local Share	\$2,100,461,946	\$2,100,461,946	\$2,100,461,946
State Share	\$4,349,796,790	\$4,300,499,183	\$4,236,008,464
Per Pupil Funding	\$7,471	\$7,414	\$7,340

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## 2017-18 Scenarios

	Status Quo	Additional Negative Factor	Negative Factor and Medicaid
	Assume State Budget	Assume Larger Negative Factor of \$930M	Assume Larger Negative Factor \$980M and 40% of Medicaid Expansion
Total Program Before Negative	\$7,572,199,575	\$7,572,199,575	\$7,572,199,575
Local Share	\$2,152,973,495	\$2,152,973,495	\$2,152,973,495
State Share Before Negative	\$5,419,226,080	\$5,419,226,080	\$5,419,226,080
Per Pupil Funding	\$8,641	\$8,641	\$8,641
Current Statutory Negative Factor	\$830,702,392	\$830,702,393	\$830,702,393
Total Program After Negative	\$6,741,497,183	\$6,741,497,182	\$6,741,497,182
Per Pupil Funding	\$7,693	\$7,693	\$7,693
<b>Additional Impacts on Funding</b>			
Additional Negative Factor		\$99,297,607	\$149,297,607
40% of Medicaid Expansion			\$33,696,719
Funding after additional impacts	\$6,741,497,183	\$6,642,199,575	\$6,558,502,856
Local Share	\$2,152,973,495	\$2,152,973,495	\$2,152,973,495
State Share	\$4,588,523,688	\$4,489,226,080	\$4,405,529,360
Per Pupil Funding	\$7,693	\$7,580	\$7,485

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## 2018-19 Scenarios

	Status Quo	Additional Negative Factor	Negative Factor and Medicaid
	Assume State Budget	Assume Larger Negative Factor of \$930M	Assume Larger Negative Factor \$980M and 40% of Medicaid Expansion
Total Program Before Negative	\$7,875,087,558	\$7,875,087,558	\$7,875,087,558
Local Share	\$2,206,797,832	\$2,206,797,832	\$2,206,797,832
State Share Before Negative	\$5,668,289,725	\$5,668,289,725	\$5,668,289,725
Per Pupil Funding	\$8,854	\$8,854	\$8,854
Current Statutory Negative Factor	\$830,702,392	\$830,702,393	\$830,702,393
Total Program After Negative	\$7,044,385,166	\$7,044,385,165	\$7,044,385,165
Per Pupil Funding	\$8,039	\$8,039	\$8,039
<b>Additional Impacts on Funding</b>			
Additional Negative Factor		\$99,297,607	\$149,297,607
40% of Medicaid Expansion			\$42,093,329
Funding after additional impacts	\$7,044,385,166	\$6,945,087,558	\$6,852,994,229
Local Share	\$2,206,797,832	\$2,206,797,832	\$2,206,797,832
State Share	\$4,837,587,333	\$4,738,289,725	\$4,646,196,396
Per Pupil Funding	\$8,039	\$7,926	\$7,821

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## Comparison of Per Pupil Figures

Comparison of Per Pupil Figures			
	Scenario 1	Scenario 2	Scenario 3
<b>Per Pupil before</b>			
2015-16	\$8,286		
2016-17	\$8,434	\$8,434	\$8,434
2017-18	\$8,641	\$8,641	\$8,641
2018-19	\$8,854	\$8,854	\$8,854
<b>Per Pupil After Negative Factor</b>			
2015-16	\$7,313		
2016-17	\$7,471	\$7,471	\$7,471
2017-18	\$7,693	\$7,693	\$7,693
2018-19	\$8,039	\$8,039	\$8,039
<b>Per Pupil After Additional Impacts</b>			
2015-16	\$7,313		
2016-17	\$7,471	\$7,414	\$7,340
2017-18	\$7,693	\$7,580	\$7,485
2018-19	\$8,039	\$7,926	\$7,821

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## Questions & Concerns

- Today
- Later –  
contact me



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## Contact Information

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