

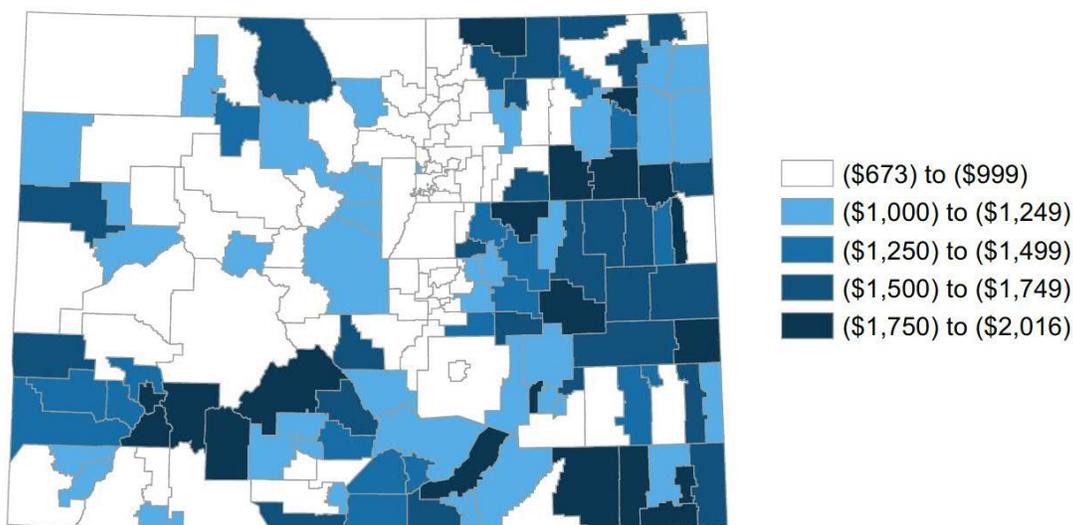
## What Is the Budget Stabilization Factor?

In an effort to generate budget savings for the state, House Bill 10-1369 included a new factor called the budget stabilization factor for FY 2010-11 and FY 2011-12. For most districts, after all the funding adjustments required by the school finance act are calculated, this factor reduced total funding proportionately across districts.

Senate Bill 11-230 changed the name of this factor to the negative factor and extended its applicability indefinitely; Senate Bill 17-296 changed the name back to budget stabilization factor. In FY 2017-18, for most districts, the budget stabilization factor reduced total funding by approximately 11 percent, or a total of \$822.4 million compared to what would have been funded without the factor. Per pupil funding fell by a similar percentage, although certain districts with limited state aid did not lose as much funding. Districts with limited state aid were instead required to contribute through a buyout of state spending on categorical programs, described on page 18.

For FY 2017-18, Figure 8 shows the adjustment made for the budget stabilization factor across school districts, ranging from about \$673 to just over \$2,000 per pupil. While the budget stabilization factor imposes the same percentage reduction on total and per pupil funding for all districts not fully paid with local sources, the per pupil reduction can vary widely on a level basis. Front Range districts incur a smaller funding reduction because they have lower per pupil funding levels. In contrast, small rural districts on the Eastern Plains and in the northern San Luis Valley incur a larger reduction on a per pupil basis due to their higher per pupil funding levels. In FY 2017-18, the funding reduction for Jefferson County School District was \$928 per pupil, while the funding reduction for the Karval School District was \$1,938 per pupil. In general, the per pupil reduction is inversely related to the degree to which the district is locally funded, and the funded pupil count.

**Figure 8**  
**Budget Stabilization Factor Per Pupil Funding Decrease, FY 2017-18**



Source: Legislative Council Staff.