

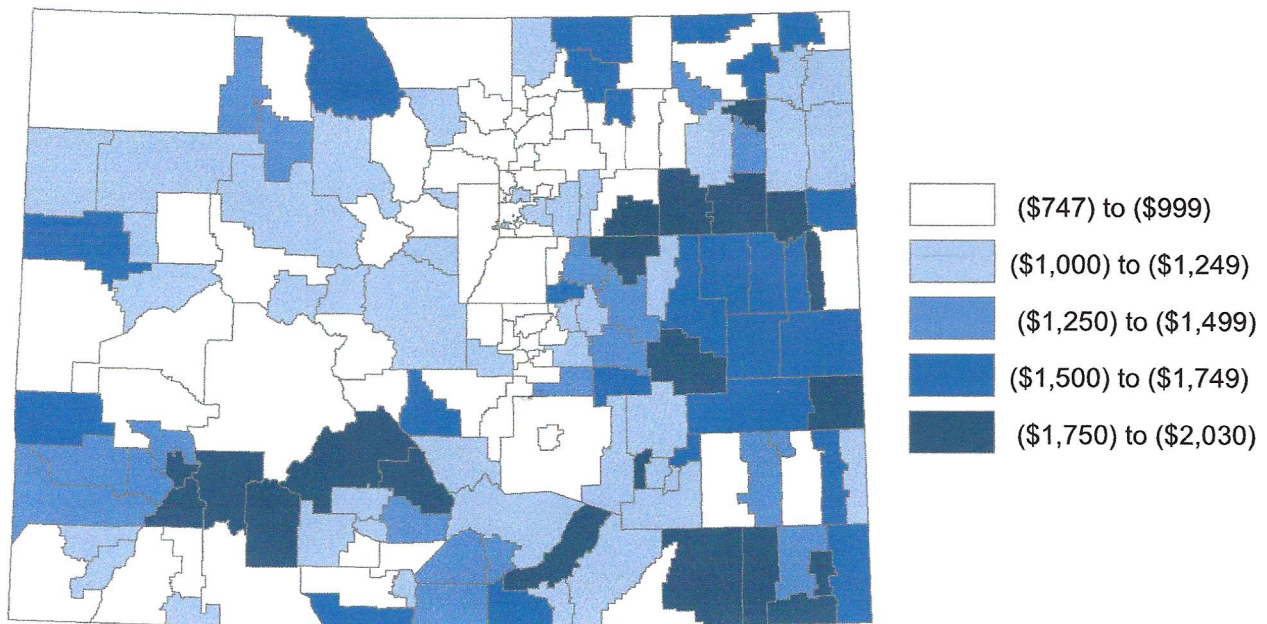
What Is the Negative Factor?

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. In FY 2016-17, for most districts, the negative factor reduced total funding by approximately 11.51 percent, or a total of \$828 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 17.

For FY 2016-17, Figure 8 shows the adjustment made for the negative factor across school districts, ranging from about \$750 to just over \$2,000 per pupil. While the negative 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 incur a larger reduction on a per pupil basis due to their higher per pupil funding levels. In FY 2016-17, the funding reduction for Jefferson County School District was \$942 per pupil while the funding reduction for the Karval School District was \$1,950 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
Negative Factor Per Pupil Funding Decrease, FY 2016-17



Source: Legislative Council Staff.