



**Colorado
Legislative
Council
Staff**

Bill 1

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 18-0317
Prime Sponsor(s):

Date: October 30, 2017
Bill Status: Early Childhood and School
Readiness Legislative Commission
Bill Request.

Fiscal Analyst: Anna Gerstle (303-866-4375)

BILL TOPIC: COUNTING PUPILS IN KINDERGARTEN & TWELFTH GRADE

Fiscal Impact Summary	FY 2018-2019	FY 2019-2020
State Revenue		
State Expenditures	(\$29,032,918)	(\$29,045,278)
General Fund	(\$29,032,918)	(\$29,045,278)
Appropriation Required: (\$29.03 million) - Department of Education (FY 2018-19).		
Future Year Impacts: Ongoing expenditure decrease.		

Summary of Legislation

Under the School Finance Act, a kindergarten student is counted as 58 percent of a full-day student, and a twelfth-grade student is counted as a full-day student. Beginning with FY 2018-19, this bill, **requested by the Early Childhood and School Readiness Legislative Commission**, requires that the Colorado Department of Education (CDE) count:

- a full-day kindergarten student as 85 percent of a full-day student;
- a half-day kindergarten student as 58 percent of a full-day student; and
- a twelfth-grade student as 75 percent of a full-day student.

If a twelfth-grade student is concurrently enrolled in a postsecondary course, or is enrolled in a p-tech school or an early college, the CDE is required to count that student as a full-day student. As part of certifying pupil enrollment to the state, school districts must include the number of pupils enrolled in twelfth grade, as well as the number of twelfth graders who are concurrently enrolled, and the number of credits in which each pupil is enrolled.

State Expenditures

The bill decreases state expenditures for school finance by a net \$29.03 million in FY 2018-19, and by \$29.04 million in FY 2019-20.

Total Program Funding. For FY 2018-19, the state share of total program funding is expected to drop 0.42 percent, or about \$29.045 million, below what it would have been under current law. Under the bill, total program funding will be \$6.894 billion in FY 2018-19. The bill adjusts the way enrollment is counted in both kindergarten and twelfth grade, resulting in a net decrease in the statewide funded pupil count of 3,720 students. Table 1 shows the estimated impact on the funded pupil count, total program funding, and state aid under Bill 1.

	Funded Pupil Count	Per Pupil Funding	Total Program Funding	State Aid
FY 2018-19 – Current Law	871,694	\$7,943	\$6,923,426,152	\$4,468,090,019
FY 2018-19 – Bill 1	867,974	\$7,943	\$6,894,380,874	\$4,439,044,741
Decrease	(3,720)	\$0	(\$29,045,278)	(\$29,045,278)
Percent Change	(0.43)%	0.00%	(0.42)%	(0.65)%

Administrative costs. For FY 2018-19 only, the bill also increases state expenditures by \$12,360 for CDE to update data management systems to accommodate the new enrollment data that districts will be required to provide. The fiscal note assumes 120 hours of reprogramming will be required at \$103 per hour.

School District Impact

Table 1 above shows the estimate of the impact of Bill 1 on school finance funding. The bill reduces the statewide overall funded pupil count across school districts by 3,720; resulting in a reduction of total program funding and state aid of \$29.045 million annually. The impact on individual school districts, however, will vary depending on each district's distribution of students. A district-by-district summary of the change in funded pupil count and total program funding is available upon request from Legislative Council Staff.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 09, 2018, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires the following General Fund appropriations to the Colorado Department of Education:

- an appropriation reduction of \$29,045,278 for the state's share of total program funding; and
- an appropriation of \$12,360 for information management services.

State and Local Government Contacts

Education

