Colorado Association of School Boards













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Legislative Update: Nov. 3, 2011



Governor's budget proposes \$89 million cut to school finance

Gov. **John Hickenlooper** released his 2012-13 budget request to the Joint Budget Committee Tuesday afternoon. As expected, part of the budget-balancing scenario includes cuts to K-12 funding.

The governor's proposal includes an \$89 million cut to K-12. However, there are caveats to his plan. The most controversial aspect of the budget proposal is to continue the suspension of the Senior Homestead Exemption, a property tax break for those 65 years or older who have lived in their house at least 10 years. The exemption is due to be reinstated in 2012. Republican legislators have said they will not support further suspension of the Homestead Exemption, but if reinstated in 2012, the program will cost the state nearly \$100 million. If the state has to find \$100 million, K-12 is the most likely place to look.

In addition to the Homestead Exemption, the governor's budget proposal withholds the \$67.5 million slated in this year's school finance act to be distributed to school districts in January to offset increases in student count, at-risk and lower-than-anticipated property tax revenues. Instead of distributing the funding in January, the governor proposes placing this money in the 2012-13 budget to offset increases in the negative factor (the difference between what the legislature funds and total program funding of Amendment 23).

The governor's budget request is a starting point. Once the General Assembly convenes in January, the Joint Budget Committee will begin its work on setting the state's 2012-13 budget. There will be many twists and turns along the way, but regardless, the governor's proposal reminds us that the state has a structural deficit, and given that K-12 comprises more than 40 percent of the state's budget, we are in the crosshairs.

A few facts and figures from the School Finance Unit at CDE

If the governor's proposal is enacted, here's the cumulative impact to K-12:

- The negative factor amount that is applied to Total Program Funding will increase by \$350.4 million to \$1.1 billion. The amount of funding that school districts will not receive has been growing since 2009-10.
- The negative factor proposed for 2012-13 is -18.04 percent, compared to -12.97 percent in 2011-12.
- If the negative factor was not in place, Total Program Funding would be \$6.248 billion. With the negative factor, funding under the governor's proposal would be \$5.124 billion.

Proposition 103

Proposition 103, the statewide ballot question that proposed raising sales and income taxes to generate \$3 billion dollars over five years for public schools, was defeated by Colorado voters Nov. 1. A decisive 64 percent of voters cast a no vote.

Even though Prop 103 didn't pass, CASB applauds Sen. **Rollie Heath**, D-Boulder, for leading the ballot initiative and for his support of the campaign. It is certainly a testament to his passion for public education, and his efforts, along with those of other supporters, brought needed attention to the issue of school funding in Colorado. Prop 103 was only a temporary fix, and CASB will continue to work with others to advocate for more permanent solutions to our K-12 resource challenge.

Board elections

Thanks to all the candidates who ran for election to their local boards of education. School board service is one of the most important volunteer roles in every community in Colorado. Congratulations to candidates who were elected or re-elected. We look forward to supporting your local board work.

Running for the CASB Board

Monday, Nov. 14 is the deadline to apply for a seat on the CASB Board of Directors. A total of 12 positions are up for election, and seven of those seats will not have an incumbent running. For more information and instructions for applying, visit our

Running for the CASB Board webpage.

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