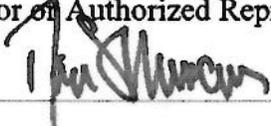


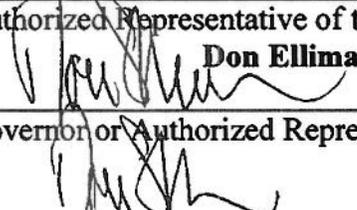
STATE FISCAL STABILIZATION FUND APPLICATION

**PART 1: APPLICATION COVER SHEET
(CFDA Nos. 84.394 and 84.397)**

<p>Legal Name of Applicant (Office of the Governor): Don Elliman</p>	<p>Applicant's Mailing Address: 1625 Broadway, Suite 2700 Denver, CO 80202</p>
<p>State Contact for the Education Stabilization Fund (CFDA No. 84.394)</p> <p>Name: Don Elliman</p> <p>Position and Office: Executive Director Office of Economic Development & International Trade, Office of Colorado Economic Recovery</p> <p>Contact's Mailing Address: 1625 Broadway, Suite 2700 Denver, CO 80202</p> <p>Telephone: 303-892-3482 Fax: 303-892-3848 E-mail address: don.elliman@state.co.us</p>	<p>State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i></p> <p>Name: SAME</p> <p>Position and Office:</p> <p>Contact's Mailing Address:</p> <p>Telephone: Fax: E-mail address:</p>
<p>To the best of my knowledge and belief, all of the information and data in this application are true and correct.</p>	
<p>Governor or Authorized Representative of the Governor (Printed Name): Don Elliman</p>	<p>Telephone: 303-892-3842</p>
<p>Signature of Governor or Authorized Representative of the Governor: </p>	<p>Date: 6/4/09 (original) 10/27/09 (revised)</p>

STATE FISCAL STABILIZATION FUND APPLICATION

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<p>To the best of my knowledge and belief, all of the information and data in this application are true and correct.</p>	
<p>Governor or Authorized Representative of the Governor (Printed Name): Don Elliman</p>	<p>Telephone: 303-892-3842</p>
<p>Signature of Governor or Authorized Representative of the Governor:</p> 	<p>Date: 6/4/09 (original) 9/4/09 (revised)</p>

Recommended Statement of Support from the Chief State School Officer (*Optional*):

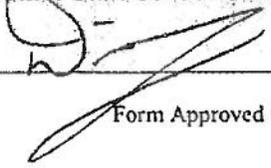
The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.

Chief State School Officer (Printed Name):

Telephone:

Signature of the Chief State School Officer:

Date:



Form Approved OMB Number: 1810-0690; Expiration Date: 9/30/2009

PART 4, SECTION A: MAINTENANCE-OF-EFFORT (MOE) ASSURANCE

SPECIAL NOTES:

- In completing Part 4 of the application, please refer to Appendix C – Instructions for Part 4: Maintenance of Effort.
- The Governor or his/her authorized representative should check only those MOE requirements that he or she anticipates the State will meet. If the Governor or his/her authorized representative anticipates that the State will be unable to meet one or more of the requirements, he or she must sign the additional waiver assurance in Part 4, Section B.
- For the purpose of determining MOE, State support for public institutions of higher education (IHEs) must not include support for capital projects or for research and development or tuition and fees paid by students.

The Governor or his/her authorized representative assures the following (*check appropriate assurances that apply*):

- In FY 2009, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2010, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2011, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2009, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

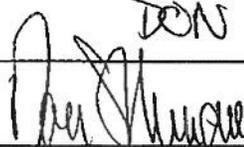
Waiver

Submitted In FY 2010, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

- In FY 2011, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

---OR---

- To the best of his/her knowledge and based on the best available data, the State will be unable to meet any of the above-referenced maintenance-of-effort requirements.

Governor or Authorized Representative of the Governor (Printed Name):	
DON EICHMAN	
Signature: 	Date: 9/4/09

Page revised on September 4, 2009 – Governor's representative initial and date:

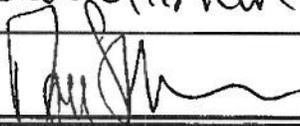
PART 4, SECTION B: MAINTENANCE-OF-EFFORT WAIVER ASSURANCE

SPECIAL NOTES:

- If a State anticipates that it will be unable to comply with one or more of the Stabilization program MOE requirements referenced in Part 4, Section A of the application, the State must provide the assurance below.
- States that anticipate meeting all of the Stabilization program MOE requirements should not complete the waiver assurance in this section of the application. *See Appendix C – Instructions for Part 4: Maintenance of Effort. The criterion for a waiver of the MOE requirements is provided in Appendix C.*
- The Department will be providing additional guidance to States regarding the process for applying for waivers of the Stabilization program MOE requirements.

The Governor or his/her authorized representative assures the following:

To the best of his/her knowledge and based on the best available data, the State meets or will meet the eligibility criterion for a MOE waiver for each of the Stabilization program MOE requirements that the Governor or his/her authorized representative anticipates the State will be unable to meet.

Governor or Authorized Representative of the Governor (Printed Name): DON ETIENNA	
Signature: 	Date: 9/4/09

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

SPECIAL NOTES:

- A State has some flexibility in determining the “levels of State support” for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. *See Appendix C – Instructions for Part 4: Maintenance of Effort.*

1. Levels of State support for elementary and secondary education (the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):

FY 2006	<u>\$2,870,089,261</u>	
FY 2009*	<u>\$3,392,945,206</u>	
FY 2010*	<u>\$3,544,227,330</u>	<u>\$3,499,644,256 (revised)</u>
FY 2011*	<u>\$3,787,975,972</u>	<u>\$3,805,764,749 (revised)</u>

(* Provide data to the extent that data are currently available.)

2. Levels of State support for public institutions of higher education (enter amounts for each year):

FY 2006	<u>\$555,289,004</u>	
FY 2009*	<u>\$555,289,004</u>	
FY 2010*	<u>\$555,289,004</u>	<u>\$474,456,816 (revised)</u>
FY 2011*	<u>\$555,289,004</u>	

(* Provide data to the extent that data are currently available.)

3. Additional Submission Requirements: In an attachment to the application –

- (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and -
- (b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

SPECIAL NOTES:

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D – Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. See instructions in Appendix D.
- The term “postsecondary education” refers to public IHEs.

1. Levels of State Support for Elementary, Secondary, and Postsecondary Education

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

(a) Level of State support for elementary and secondary education in FY 2008 provided through the State’s primary elementary and secondary education funding formulae	\$ <u>3,152,710,777</u>
(b) Level of State support for public IHEs in FY 2008	\$ <u>652,927,495</u>
(c) Level of State support for elementary and secondary education in FY 2009 provided through the State’s primary elementary and secondary education funding formulae	\$ 3,344,126,475 (prior enacted) \$ <u>3,392,945,206 (actual enacted)</u>
(d) Level of State support for public IHEs in FY 2009	\$ 705,965,059 (prior enacted) \$ <u>555,289,004 (actual enacted)</u>
(e) Level of State support for elementary and secondary education in FY 2010 provided through the State’s primary elementary and secondary education funding formulae	\$ 3,696,288,785 (obligation) \$ 3,588,662,300 (rev. obligation) \$ 3,544,227,330 (actual enacted) \$ <u>3,499,644,256 (revised)</u>
(f) Level of State support for public IHEs in FY 2010	\$ 555,289,004 (actual enacted) \$ <u>474,456,816 (revised)</u>

Additional Information: Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?*

Yes No

* See Appendix D Worksheets for further guidance on how such increases affect a State’s “use of funds” calculations.

Page revised on October 27, 2009 – Governor’s representative initial and date:

MR 10/27/09

State's Primary Education Funding Formulae

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

2. Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

3. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

SPECIAL NOTES:

- At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.
- The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.
- Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

- | | |
|--|----------------------|
| (a) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009 | <u>\$0</u> |
| (b) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009 | <u>\$150,676,055</u> |

Restoration Amounts (continued)

- (c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010 \$152,061,455 \$89,018,044
(revised)

- (d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010 \$150,676,055 \$231,508,243
(revised)

- (e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010 \$168,464,832 \$150,676,055
(revised)

4. Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.



A handwritten signature in black ink, appearing to be 'R. J.', is written above the date '9/4/09'.

REVISED – September 4, 2009
**Attachments to Application for Initial Funding under the State
Fiscal Stabilization Fund Program - COLORADO**

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA -

3. Additional Submission Requirements: In an attachment to the application –

(a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education;

FY 2005-06

Senate Bill 05-209:	\$2,820,869,410
Senate Bill 05-200:	\$16,419,753
Senate Bill 07-239*:	\$0
House Bill 06-1215:	\$32,800,098
House Bill 06-1385*:	\$0
Total FY 2005-06 Appropriation:	\$2,870,089,261

**Bills had a net zero state share impact as both refinanced state funding sources only.*

FY 2007-08

Senate Bill 07-239:	\$3,302,698,838
Senate Bill 07-199:	(\$36,382,063)
House Bill 07-1024:	\$12,000
House Bill 08-1375:	(\$113,617,998)
Senate Bill 09-259*:	\$0
Total FY 2007-08 Appropriation:	\$3,152,710,777

**Bill had a net zero state share impact as it refinanced state funding sources only.*

FY 2008-09

House Bill 08-1375:	\$3,344,126,475
House Bill 08-1388:	\$48,565,932
Senate Bill 08-218*:	\$0
Senate Bill 08-1335*:	\$0
House Bill 08-1021:	\$252,799
Senate Bill 09-185*:	\$0
Senate Bill 09-260*:	\$0
Senate Bill 09-259*:	\$0
Current FY 2008-09 Appropriation:	\$3,392,945,206

**Bills had a net zero state share impact as all refinanced state funding sources only.*

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**Attachments to Application for Initial Funding under the State
 Fiscal Stabilization Fund Program - COLORADO**

(a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; (cont.)

FY 2009-10

Senate Bill 09-259:	\$3,696,288,785
Senate Bill 09-260*:	\$0
Current FY 2009-10 Appropriation:	\$3,696,288,785
Less ARRA Federal Funds:	(\$152,061,455)
Current FY 2009-10 Appropriation without ARRA Federal Funds:	\$3,544,227,330

*Bill has a net zero state share impact as it refinanced state funding sources only.

FY 2009-10 - REVISED

Senate Bill 09-259:	\$3,696,288,785
Senate Bill 09-260*:	\$0
Current FY 2009-10 Appropriation:	\$3,696,288,785
Local District Steamboat Springs adjustment <1>:	<u>\$2,373,515</u>

Current FY 09-10 Appropriation plus Steamboat Springs adjustment:	\$3,698,662,300
<u>Anticipated Rescission in FY 2009-10 <2>:</u>	<u>(\$110,000,000)</u>

REVISED FY 2009-10 amount:	\$3,588,662,300
Less REVISED ARRA Federal Funds <3>:	<u>(\$89,018,044)</u>
REVISED formulaic increase in FY 2009-10 without ARRA Federal Funds:	\$3,499,644,256

NOTES:

<1>: Local School District Steamboat Springs, erroneously overpaid local property tax towards the cost of Total Program in FY 2009-10. After adjusting for the Steamboat Springs overpayment, State share of cost for Total Program it is anticipated to increase by \$2.4 million. To this point, the Governor's Office will submit a formal supplemental request for FY 2009-10 during the annual budget process in the following months.

<2>: Senate Bill 09-256, included a *Fiscal Emergency Reserve* where School districts in the aggregate were required to set aside \$110 million in FY 2009-10 into an emergency reserve account. Each school district was required to put approximately 1.93 percent of its total program funding into the reserve account, for a statewide total of \$110 million. The General Assembly may take action to rescind this amount by January 29, 2010; otherwise school districts can spend the money. It is anticipated that the General Assembly will rescind this amount in FY 2009-10.

<3>: The revised ARRA Federal Funds are due to more of the Education Stabilization Fund being directed towards the Institutions of Higher Education, pursuant to the requested waiver and direction included in the Federal Department of Education's April 2009 Guidance:

- American Recovery and Reinvestment Act of 2009 – State Fiscal Stabilization Fund – Guidance - III-B-7. How does a State calculate the amounts of Stabilization funds that must be awarded to local education agencies and to public institutions of higher education?
 - *If there are any Education Stabilization funds remaining after a State determines the amounts that LEAs and public IHEs will receive on the basis of the FY 2009 restoration calculations, the State then determines, on the basis of the FY 2010 restoration calculations (taking into account any increases or adjustments referenced in Question III-B-1), the amount of the remaining funds that will be awarded to LEAs and IHEs in order to restore the levels of State support for elementary and secondary education and for public IHEs for FY 2010. Next, it restores the levels of State support for FY 2011.*

REVISED – September 4, 2009
**Attachments to Application for Initial Funding under the State
Fiscal Stabilization Fund Program - COLORADO**

FY 2010-11*

To be determined as no legislation has been passed that appropriates funds in this fiscal year. Current forecasts assume State share will equal \$3,805,764,749 based on: 1) anticipated pupil count increases; 2) formulaic increases for inflation (estimated at 1%) and required 1% statutory increase; and 3) changes in assessed property values, mill levies and specific ownership taxes that all contribute to the local share of total K-12 education financing. ~~Of the estimated State share above, Colorado anticipates utilizing \$17,788,777 of ARRA federal funds to meet this need.~~

*Upon receiving more up-to-date information in the September 21, 2009 forecast, including inflation and revenue numbers in addition to preliminary local assessed valuation projections for K-12 funding, adjustments will likely be necessary.

REVISED – September 4, 2009

**Attachments to Application for Initial Funding under the State
Fiscal Stabilization Fund Program - COLORADO**

(b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

Please see response to “Part 5, Section A, 3 *Data on State Support for Postsecondary Education*”. This response identifies the data utilized in determining the levels of State support for public IHEs.

REVISED – September 4, 2009
**Attachments to Application for Initial Funding under the State
Fiscal Stabilization Fund Program - COLORADO**

PART 5, SECTION A: STATE USE OF THE EDUCATION STABILIZATION FUND -

2. State's Primary Education Funding Formulae

Colorado has a funding formulae that was enacted prior to July 1, 2008. Colorado defines the funding formulae in terms of the total funding requirements as well as the basis for the per pupil funding which makes up part of the total funding level.

Section 17 of Article IX of the Colorado Constitution requires annual inflationary increases in the base per pupil funding. For FY 2008-09, FY 2009-10, and FY 2010-11 this provision requires that the K-12 school finance base per pupil funding (and the K-12 categorical programs <1>) increase by *at least the rate of inflation plus one percent.* <2>

In addition to the required annual inflationary increases noted above, the Colorado Constitution also requires a state General Fund annual of *no less than 5.0 percent* on K-12 school finance unless personal income is less than a specified amount. <3>

Colorado's K-12 school finance laws also address school district variation through "adjustment factors" which are applied to the base per pupil funding rate described above. These adjustment factors were enacted prior to July 1, 2008. These adjustment factors include the following: (1) a cost-of-living factor which recognizes differences in the cost-of-living among districts and provides greater per pupil funding for higher cost districts; (2) a size factor which recognizes economies of scale experienced by larger school districts and provides greater per pupil funding for districts with low enrollment; and (3) an at-risk factor which provides additional funding for districts serving students who may be at risk of failing or dropping out of school.

Additional information on Colorado's primary and secondary funding formulae is available to the Federal Department of Education upon request.

The revised application which is based on Higher Education obtaining an MOE waiver in FY 2009-10 includes revised formulaic increases for Colorado's primary and secondary funding. These adjustments have been specifically identified in the previous pages "Notes" sections for FY 2009-10 and narrative in FY 2010-11.

NOTES:

<1> Categorical programs are designed to serve particular groups of students or student needs (e.g., transportation).

<2> For FY 2008-09, Colorado is required to increase base per pupil funding by at least \$162 or 3.2 percent (uses the actual inflation rate of 2.2 percent in calendar year 2007 and adds the 1.0 percent factor to get to the 3.2 percent).

<3> This 5.0 percent MOE does not apply in any state fiscal year in which personal income growth less than 4.5 percent between the two previous calendar years.

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**Attachments to Application for Initial Funding under the State
Fiscal Stabilization Fund Program - COLORADO**

PART 5, SECTION A: STATE USE OF THE EDUCATION STABILIZATION FUND -

3. Data on State Support for Postsecondary Education

The data sources utilized in determining calculations provided for the levels of State support for public IHEs were bills that had appropriations to the individual postsecondary education institutions in the relevant fiscal years. Total State support for public IHEs was determined by summarizing the funding levels described in these bills by fiscal year¹. A table describing these funding levels by IHE can be found at the end of the attachments for Part 5.

<u>FY 2005-06</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
Senate Bill 05-209	House Bill 07-1256	House Bill 08-1375 ²	Senate Bill 09-259
Senate Bill 05-518	House Bill 08-1286	Senate Bill 08-079	Fact Sheet 8-24-09 ³
House Bill 06-1370	House Bill 08-1375	Senate Bill 08-166	
House Bill 06-1385		Senate Bill 09-259	

FY 2010-11

To be determined as no legislation has been passed that appropriates funds in this fiscal year.

¹ This information is available online at <http://www.leg.state.co.us/>

² Original FY 2008-09 State funding for public IHEs.

³ Based on the Department of Higher Education August 24, 2009 Fact Sheet on budget reductions in FY 2009-10. Link to this document:

http://www.colorado.gov/cs/Satellite?c=Document_C&cid=1251122084697&pagename=OSPB%2FDocument_C%2FGOVRAAddLink

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**Attachments to Application for Initial Funding under the State
Fiscal Stabilization Fund Program - COLORADO**

PART 5, SECTION A: STATE USE OF THE EDUCATION STABILIZATION FUND -

5. Process for Awarding Funds to Public IHEs

The Institutions of Higher Education (IHEs) in Colorado experienced funding cuts from their original FY 2008-09 state funding levels to their final FY 2005-06 state funding levels in FY 2008-09.

~~In all three of the fiscal years (FY 2008-09, FY 2009-10, & FY 2010-11), the state will maintain state support at FY 2005-06 levels and backfill funding levels to the original FY 2008-09 level with the Education Stabilization Funds. In other words, the state will backfill state funding cuts to the IHEs original FY 2008-09 state funding level.~~

The state will maintain state support at FY 2005-06 levels in FY 2008-09 and FY 2010-11 but in FY 2009-10 Colorado's Revised application is based on obtaining a MOE waiver. In all of the three fiscal years the state continues to backfill the state funding cuts with Federal ARRA funds to the IHEs original FY 2008-09 state funding levels.

A table illustrating the both the original calculation and the revised calculation can be found on the following pages.

REVISED – September 4, 2009
Attachments to Application for Initial Funding under the State Fiscal Stabilization Fund
Program - COLORADO

ORIGINAL Table illustrating State data sources that were used in determining the calculations provided for the level of State support for public IHEs.

	Funding for Colorado Public Institutions of Higher Education by Fiscal Year and by Institution							
	FY 2005-06 <1>	FY 2006-07 <2>	FY 2007-08 <3>	Original State Funding FY 2008-09 <4>	FY 2008-09 <5>	Original State Funding FY 2008-09 <4>	FY 2009-10 <6>	
	General Fund from the College Opportunity Fund	General Fund from the College Opportunity Fund	General Fund from the College Opportunity Fund	General Fund from the College Opportunity Fund	General Fund from the College Opportunity Fund	State Fiscal Stabilization Funds	General Fund from the College Opportunity Fund	State Fiscal Stabilization Funds
Institutions of Higher Education								
Adams State College	\$ 12,149,322	\$ 12,562,412	\$ 13,624,080	\$ 14,608,449	\$ 12,149,322	\$ 2,459,127	\$ 12,149,322	\$ 2,459,127
Mesa State College	\$ 19,888,392	\$ 20,632,636	\$ 22,376,340	\$ 24,005,607	\$ 19,888,392	\$ 4,117,215	\$ 19,888,392	\$ 4,117,215
Metropolitan State College of Denver	\$ 39,778,568	\$ 41,165,915	\$ 44,644,910	\$ 49,713,412	\$ 39,778,568	\$ 9,934,844	\$ 39,778,568	\$ 9,934,844
Western State College	\$ 9,892,147	\$ 10,470,780	\$ 11,355,691	\$ 12,173,017	\$ 9,892,147	\$ 2,280,870	\$ 9,892,147	\$ 2,280,870
Colorado State University System	\$ 113,620,028	\$ 123,364,193	\$ 133,789,929	\$ 146,891,512	\$ 113,620,028	\$ 33,271,484	\$ 113,620,028	\$ 33,271,484
Fort Lewis College	\$ 8,757,822	\$ 10,745,793	\$ 11,653,935	\$ 12,736,330	\$ 8,757,822	\$ 3,978,508	\$ 8,757,822	\$ 3,978,508
University of Colorado System	\$ 159,103,982	\$ 179,791,878	\$ 194,986,340	\$ 209,099,449	\$ 159,103,982	\$ 49,995,467	\$ 159,103,982	\$ 49,995,467
Colorado School of Mines	\$ 18,793,625	\$ 20,043,357	\$ 21,737,271	\$ 23,237,386	\$ 18,793,625	\$ 4,443,761	\$ 18,793,625	\$ 4,443,761
University of Northern Colorado	\$ 35,176,878	\$ 37,949,011	\$ 41,156,170	\$ 44,086,311	\$ 35,176,878	\$ 8,909,433	\$ 35,176,878	\$ 8,909,433
Community College System	\$ 117,020,778	\$ 121,998,555	\$ 132,329,692	\$ 142,320,783	\$ 117,020,778	\$ 25,300,005	\$ 117,020,778	\$ 25,300,005
Local District Junior Colleges	\$ 12,601,934	\$ 13,668,051	\$ 14,823,001	\$ 15,890,257	\$ 12,601,934	\$ 3,288,323	\$ 12,601,934	\$ 3,288,323
Area Vocational Schools	\$ 8,505,528	\$ 9,635,602	\$ 10,450,136	\$ 11,202,546	\$ 8,505,528	\$ 2,697,018	\$ 8,505,528	\$ 2,697,018
Sub-totals by General Fund and State Fiscal Stabilization Funds	\$ 555,289,004	\$ 602,028,183	\$ 652,927,495	\$ 705,965,059	\$ 555,289,004	\$ 150,676,055	\$ 555,289,004	\$ 150,676,055
TOTAL by Fiscal Year	\$555,289,004	\$602,028,183	\$652,927,495	\$705,965,059	\$705,965,059	\$705,965,059	\$705,965,059	\$705,965,059
<small><1> FY 2005-06 Source: S.B. 05-209, S.B. 05-518, H.B. 06-1370, & H.B. 06-1385</small>								
<small><2> FY 2006-07 Source: H.B. 06-1385 & S.B. 07-164</small>								
<small><3> FY 2007-08 Source: H.B. 07-1256, H.B. 08-1286, & H.B. 08-1375</small>								
<small><4> FY 2008-09 Source: Original State Funding Level - H.B. 08-1375</small>								
<small><5> FY 2008-09 Source: H.B. 08-1375, S.B. 08-79, & S.B. 08-166, & S.B. 09-259</small>								
<small><6> FY 2009-10 Source: S.B. 09-259</small>								

**Request for a Waiver of the Maintenance-of-Effort (MOE)
Requirements Governing the State Fiscal Stabilization Fund Program**

The State of COLORADO requests a waiver of the following Stabilization program MOE requirements (check applicable lines):

- n/a The FY 2009 elementary and secondary education MOE requirement.
- n/a The FY 2009 public IHE MOE requirement.
- n/a The FY 2010 elementary and secondary education MOE requirement.
- X The FY 2010 public IHE MOE requirement.
- n/a The FY 2011 elementary and secondary education MOE requirement.
- n/a The FY 2011 public IHE MOE requirement.

In support of this request, the State provides the following data:

1. For waivers of a FY 2009 MOE requirement:

 n/a The aggregate level of State support for elementary, secondary, and public higher education for FY 2009.

 n/a The total revenues available to the State (for education and other purposes) for FY 2009.

 n/a The aggregate level of State support for elementary, secondary, and public higher education for FY 2008.

 n/a The total revenues available to the State (for education and other purposes) for FY 2008.

2. For waivers of a FY 2010 MOE requirement¹:

\$3,974,101,072 The aggregate level of State support for elementary, secondary, and public higher education for FY 2010.

\$7,093,814,303 The total revenues available to the State (for education and other purposes) for FY 2010.

\$3,948,234,210 The aggregate level of State support for elementary, secondary, and public higher education for FY 2009.

\$7,963,870,995 The total revenues available to the State (for education and other purposes) for FY 2009.

3. For waivers of a FY 2011 MOE requirement:

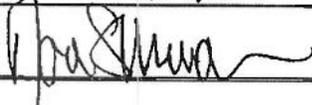
n/a The aggregate level of State support for elementary, secondary, and public higher education for FY 2011.

n/a The total revenues available to the State (for education and other purposes) for FY 2011.

n/a The aggregate level of State support for elementary, secondary, and public higher education for FY 2010.

n/a The total revenues available to the State (for education and other purposes) for FY 2010.

I assure that the State of **COLORADO** has available for inspection documentation that demonstrates that these data are accurate, valid, and reliable.

Governor or Authorized Representative of the Governor (Printed Name):	
DON ELLIMAN	
Signature:	Date: 9/4/09
	

¹ Source information for the Waiver calculation provided here is provided in the "Maintenance-of-Effort Waiver Form – Attachment A" in the following pages.

Maintenance-of-Effort (MOE) Waiver Form – Attachment A

The following calculations are intended to provide detailed information as to the calculations included on Page 2 of the Maintenance-of-Effort Waiver Form. There are four sections to the attachment, including the:

- Waiver Calculation Summary;
- Available State Revenue Calculation;
- State Support – Elementary and secondary education Calculation; and
- State Support – Higher Education Calculation.

Waiver Calculation Summary

The Waiver Calculation Summary compiles the information from the other three calculations provided in this Attachment A. The figures described in this section at those that are utilized in the calculation for the waiver for the FY 2009-10 public IHE MOE requirement in the Maintenance-of-Effort Form.

Waiver Calculation Summary		
Component	FY 2008-09	Source
State Support for Institutions of Higher Education (IHE)	\$ 555,289,004	Based on the FY 2008-09 State Support - Higher Education Calculation Attachment
State Support for Elementary and Secondary Education (K-12)	\$ 3,392,945,206	Based on the FY 2008-09 State Support - Elementary and Secondary Calculation Attachment
Total State Support for IHE and K-12	\$ 3,948,234,210	
Total Available State Revenue	\$ 7,939,270,995	Based on the FY 2008-09 Available State Revenue Calculation Attachment
Percent of Available State Revenues to Support IHE + K-12	49.7%	Percentage Calculation = \$3,948,234,213 / \$7,939,270,995
Component	FY 2009-10	Source
State Support for Institutions of Higher Education (IHE)	\$ 474,456,816	Based on the FY 2009-10 State Support - Higher Education Calculation Attachment
State Support for Elementary and Secondary Education (K-12)	\$ 3,499,644,256	Based on the FY 2009-10 State Support - Elementary and Secondary Calculation Attachment
Total State Support for IHE and K-12	\$ 3,974,101,072	
Total Available State Revenue	\$ 7,093,814,303	Based on the FY 2009-10 Available State Revenue Calculation Attachment
Percent of Available State Revenues to Support IHE + K-12	56.0%	Percentage Calculation = \$3,974,101,072 / \$7,093,814,303

Available State Revenue Calculation -
 (Based on June 22, 2009 Legislative Council Forecast²)

Available State Revenue Calculation					
FY 2008-09					
	FY 08-09	Description	Part	Methodology	
GENERAL FUND EXPENDITURES	\$ 7,501,000,000	LSC June 22, 2009 forecast, page 3, line 22, FY 2008-09 -- Total Expenditures	A	n/a	
	\$ (24,600,000)	June 22, 2009 Emergency 1331 approved by the Joint Budget Committee post the June 22, 2009 LCS forecast release	B	n/a	
	\$ 7,476,400,000	Total Expenditures in FY 2008-09	C	C = A + B	
Other State Support for elementary and secondary education (Total Program)	\$ 100,647,783	State Public School Fund	Source: FY 2008-09 State Support - Elementary and Secondary Education Calculation (Total Program only)		
	\$ 362,223,212	State Education Fund			
\$ 7,939,270,995 FY 2008-09 TOTAL Expenditures					
FY 2009-10					
	FY 09-10	Description	Part	Methodology	
FORECASTED GENERAL FUND REVENUES	\$ 7,017,100,000	LCS June 22, 2009 forecast, Page 3, line 9, FY 2009-10 -- Total Available Funds	A	n/a	
	\$ 148,200,000	LCS June 22, 2009 forecast, Page 3, line 30, FY 2008-09 -- Prior yr Statutory reserve	B	n/a	
	\$ 100,800,000	LCS June 22, 2009 forecast, Page 3, line 1, FY 2009-10 -- Back out Reserve Obligation in FY 09-10	C	n/a	
	\$ (45,400,000)	Back out ARRA funds as incorporated below to decrease GF appropriations	D	n/a	
	\$ 7,220,700,000	Summary of FY 09-10 revenues	E	E = A + B + C + D	
	\$ 7,456,584,637	LCS June 22, 2009 forecast, Page 3, line 11, FY 2009-10 -- Operating Appropriations	F	n/a	
	\$ (258,483,059)	Total August 25, 2009 Governor's Office submission for anticipated FY 2009-10 General Fund cuts	G	n/a	
	\$ (345,815,895)	LCS June 22, 2009 forecast, Page 3, line 14, FY 2009-10 (plus \$400K adjustment) -- Federal Medicaid Assistance.	H	n/a	
	\$ (45,400,000)	June 22, 2009 Emergency 1331 approved by the Joint Budget Committee post the June 22, 2009 LCS forecast release	I	n/a	
	\$ 6,806,885,683	Anticipated General Fund Appropriations for FY 2009-10	J	J = F + G + H + I	
	2%	Statutory Reserve Requirement in FY 09-10 [2%] based on FY 2009-10 Appropriation	K	n/a	
	\$ (136,137,714)	Amount of Statutory Reserve Requirement in FY 09-10 [2%] based on FY 2009-10 Appropriation	L	L = J * K	
	\$ 6,670,747,969	Total Revenue available to State in FY 09-10	M	M = J + L	
	Other State Support for elementary and secondary education (Total Program)	\$ 114,461,876	State Public School Fund	Source: FY 2009-10 State Support - Elementary and Secondary Education Calculation (Total Program only)	
		\$ 308,604,458	State Education Fund		
\$ 7,093,814,303 FY 2009-10 TOTAL Anticipated Revenues					

² http://www.colorado.gov/cs/Satellite?c=Document_C&cid=1245677984725&pagename=CGA-LegislativeCouncil%2FDocument_C%2FCLCAddLink&rendermode=preview

State Support – Elementary and secondary education Calculation

State Support - Elementary and Secondary Education Calculation (Total Program only)					
FY 2008-09					
	Original <1>	No Revision			
	\$ 3,392,945,206				
	\$ -				
TOTAL Program STATE SUPPORT K-12	\$ 3,392,945,206				
Components of State Support 2008-09					
General Fund	\$ 2,930,074,211				
State Public School Fund	\$ 100,647,783				
State Education Fund	\$ 362,223,212				
FY 2009-10					
	Original <2>	Revised	Revised Description	Part	Methodology
	\$ 3,696,288,785	\$ 3,696,288,785	Original	A	n/a
		\$ 2,373,515	Local School District Steamboat Adjustment	B	n/a
		\$ 3,698,662,300	Revised Base prior to rescission	C	C = A + B
		\$ (110,000,000)	Anticipated rescission amount in FY 09-10	D	n/a
		\$ 3,588,662,300	Revised Base after rescission	E	E = C + D
	\$ (152,061,455)	\$ (89,018,044)	State Fiscal Stabilization Fund	F	n/a
TOTAL Program STATE SUPPORT K-12	\$ 3,544,227,330	\$ 3,499,644,256	REVISED formulaic increase	G	G = E + F
Components of State Support 2009-10					
General Fund	\$ 3,076,577,922	\$ 3,076,577,922			
State Public School Fund	\$ 114,461,876	\$ 114,461,876			
State Education Fund	\$ 353,187,532	\$ 308,604,458			
<1> Source: See PART 4, SECTION C: Maintenance-of-Effort Baseline Data - "3. Additional Submission Requirements" - FY 2008-09					
<2> Source: See PART 4, SECTION C: Maintenance-of-Effort Baseline Data - "3. Additional Submission Requirements" - FY 2009-10					

State Support – Higher Education Calculation

State Support – Higher Education Calculation			
Fiscal Year	FY 2008-09	Revised Amount FY 2009-10 <1>	FY 2010-11
IHE General Fund from the College	\$ 555,289,004	\$ 555,289,004	\$ 555,289,004
Opportunity Fund	n/a	\$ (80,832,188)	n/a
Revised Amount	\$ 555,289,004	\$ 474,456,816	\$ 555,289,004

<1> Source: Based on August 25, 2009 Fact Sheet from the Office of State Planning and Budgeting for more information refer to the table below.

The adjustment in Higher Education is based on the August 25, 2009 fact sheet describing the Governor's action to balance the FY 2009-10 budget to available General Fund revenue identified by the most conservative revenue forecast (June 22, 2009 Legislative Council Forecast). The table below illustrates and summarizes the changes made in FY 2009-10 and is directly from the August 25, 2009 fact sheet.

	State and Federal Operating Funding for Colorado Public Institutions of Higher Education				Revised FY 2009-10 <4>		Reconciliation to FY 2010-11	
	FY 2005-06 <1>	FY 2008-09 <2>	FY 2009-10 <3>	Requires Waiver from ARRA MOE	Anticipated FY 2010-11 <5>	General Fund from the College Opportunity Fund	State Fiscal Stabilization Funds	State Fiscal Stabilization Funds
Institutions of Higher Education	Original FY 2008-09 General Fund from the College Opportunity Fund	General Fund from the College Opportunity Fund	General Fund from the College Opportunity Fund	State Fiscal Stabilization Funds	General Fund from the College Opportunity Fund	State Fiscal Stabilization Funds	General Fund from the College Opportunity Fund	State Fiscal Stabilization Funds
Adams State College	\$ 14,608,449	\$ 12,149,322	\$ 12,149,322	\$ 2,459,127	\$ 10,657,661	\$ 3,950,788	\$ 12,149,322	\$ 2,459,127
Mesa State College	\$ 24,005,607	\$ 19,888,392	\$ 19,888,392	\$ 4,117,215	\$ 17,720,246	\$ 6,285,361	\$ 19,888,392	\$ 4,117,215
Metropolitan State College of Denver	\$ 49,713,412	\$ 39,778,568	\$ 39,778,568	\$ 9,934,844	\$ 35,927,429	\$ 13,785,983	\$ 39,778,568	\$ 9,934,844
Western State College	\$ 12,173,017	\$ 9,892,147	\$ 9,892,147	\$ 2,280,870	\$ 8,606,904	\$ 3,566,113	\$ 9,892,147	\$ 2,280,870
Colorado State University System	\$ 146,891,512	\$ 113,620,028	\$ 113,620,028	\$ 33,271,484	\$ 96,204,335	\$ 50,687,177	\$ 113,620,028	\$ 33,271,484
Fort Lewis College	\$ 12,736,330	\$ 8,757,822	\$ 8,757,822	\$ 3,978,508	\$ 7,176,718	\$ 5,559,612	\$ 8,757,822	\$ 3,978,508
University of Colorado System	\$ 209,099,449	\$ 159,103,982	\$ 159,103,982	\$ 49,995,467	\$ 129,191,150	\$ 79,908,299	\$ 159,103,982	\$ 49,995,467
Colorado School of Mines	\$ 23,237,386	\$ 18,793,625	\$ 18,793,625	\$ 4,443,761	\$ 15,516,093	\$ 7,721,293	\$ 18,793,625	\$ 4,443,761
University of Northern Colorado	\$ 44,086,311	\$ 35,176,878	\$ 35,176,878	\$ 8,909,433	\$ 30,046,755	\$ 14,039,556	\$ 35,176,878	\$ 8,909,433
Community College System	\$ 142,320,783	\$ 117,020,778	\$ 117,020,778	\$ 25,300,005	\$ 106,328,825	\$ 35,991,958	\$ 117,020,778	\$ 25,300,005
Local District Junior Colleges	\$ 15,890,257	\$ 12,601,934	\$ 12,601,934	\$ 3,288,323	\$ 10,765,675	\$ 5,124,582	\$ 12,601,934	\$ 3,288,323
Area Vocational Schools	\$ 11,202,546	\$ 8,505,528	\$ 8,505,528	\$ 2,697,018	\$ 6,315,025	\$ 4,887,521	\$ 8,505,528	\$ 2,697,018
Sub-totals by General Fund and State Fiscal Stabilization Funds	\$ 705,965,059	\$ 555,289,004	\$ 555,289,004	\$ 150,676,055	\$ 474,456,816	\$ 231,508,243	\$ 555,289,004	\$ 150,676,055
	August 2009 adjustment to FY 2009-10 =>				\$ (80,832,188)	\$ 80,832,188		
TOTAL by Fiscal Year		\$ 555,289,004	\$ 705,965,059	\$ 705,965,059	\$ 705,965,059	\$ 705,965,059	\$ 705,965,059	\$ 705,965,059
<1> FY 2005-06 Source: S.B. 05-209, S.B. 05-518, H.B. 06-1370, & H.B. 06-1385								
<2> FY 2008-09 Source: H.B. 08-1375, S.B. 08-79, & S.B. 08-166, & S.B. 09-259								
<3> FY 2009-10 Source: S.B. 09-259								
<4> FY 2009-10 Source: Based on calculations described in this fact sheet and requires a waiver from the ARRA MOE funding level of FY 2005-06 in FY 2009-10.								
<5> FY 2010-11 Source: Reconciliation to anticipated FY 2010-11, November 1, 2009 request								

STATE OF COLORADO

EXECUTIVE CHAMBERS

136 State Capitol Building
Denver, Colorado 80203-1792
Phone: (303) 866-2471



Bill Ritter Jr.
Governor

September 4, 2009

Dr. Joseph C. Conaty
Director, Academic Improvement and Teacher Quality Programs
Office of Elementary and Secondary Education
U.S. Department of Education
400 Maryland Avenue, S.W., Room 3E314
Washington, D.C. 20202

RE: *Colorado's Maintenance-of-Effort Waiver Request – State Fiscal Stabilization Fund*

Dear Dr. Conaty:

Colorado submitted its original application for the initial funding under the State Fiscal Stabilization Program in early June 2009. The U.S. Department of Education approved Colorado's application and the State has already benefit from the Act's support as we are forced to deal with a dire budgetary situation in FY 2008-09, FY 2009-10 and FY 2010-11.

At the time of initial application, Colorado stated that it would meet all of the Maintenance-of-Effort requirements and indicated so under Part 4, Section A of the Application for Initial Funding under the State Fiscal Stabilization Fund Program. However, since the original submission, the Governor's Office of State Planning and Budgeting and the General Assembly's Legislative Council Staff published their quarterly state revenue forecasts in late June 2009. Both forecasts indicated a decrease in anticipated tax revenues for FY 2009-10 and the need for further revenue adjustments and budget cuts. As such, the Governor submitted additional budget reductions to the General Assembly on August 25, 2009 to balance the State's budget for FY 2009-10. One of the components of the budget reduction package was an adjustment to the funding for public Institutions of Higher Education, conditional upon approval of the Maintenance-of-Effort Waiver Request enclosed.

Colorado may need to amend its application following the September 2009 quarterly revenue forecast to provide the most recent up-to-date information including new inflation figures and new revenue projections in addition to preliminary local assessed valuation information. This new data may cause adjustments to the projected funding level for elementary and secondary education (K-12) in FY 2010-11.

The documents that follow are those required to apply for the Maintenance-of-Effort Waiver through the U.S. Department of Education and those needed to comply with the U.S.

Department of Education's "Supplemental Guidance on the State Fiscal Stabilization Fund Program: Amending an Approved Application for Initial Funding to Reflect Changes in the Levels of State Support for Education" dated June 24, 2009. Included are the following:

- Maintenance-of-Effort Waiver Form (with attachment and back-up calculations);
- Revised – Application for Initial Funding under the State Fiscal Stabilization Fund Program (incorporating adjustments due to the Waiver); and
- Revised – Attachments to the Application for Initial Funding under the State Fiscal Stabilization Fund Program.

The waiver form and the revised application documents are intended to provide all of the information needed for the U.S. Department of Education to decide on the Maintenance-of-Effort Waiver request. Thank you for your consideration of the attached request. Should Department staff have any questions or require any clarification please Kyle Miller, 720-346-4669 or Chad Marturano, 303-866-3174 with the Governor's Office who will assist in any way.

Sincerely,



Don Elliman,
Chief Operating Officer
Governor Bill Ritter, Jr.

cc: Senator Moe Keller, Joint Budget Committee, Chair
Representative Jack Pommer, Joint Budget Committee, Vice-Chairman
Senator Able Tapia, Joint Budget Committee
Senator Al White, Joint Budget Committee
Representative Mark Ferrandino, Joint Budget Committee
Representative Kent Lambert, Joint Budget Committee
President Brandon Shaffer
Speaker Terrance Carroll
John Ziegler, Joint Budget Committee Staff Director
Eric Kurtz, Joint Budget Committee Staff
Carolyn Kampman, Joint Budget Committee Staff
Jim Carpenter, Chief of Staff, Governor
David Skaggs, Executive Director, Department of Higher Education
Dwight Jones, Commissioner, Department of Education
Todd Saliman, Director, Office of State Planning and Budgeting
Lisa Esgar, Deputy Director, Office of State Planning and Budgeting
Kyle Miller, Deputy,
Chad Marturano, Office of State Planning and Budgeting Staff