**From:** Merklein, Trip [CO]
**Sent:** Thursday, January 05, 2012 8:47 AM
**Cc:** Burkett, Kay [CO]; Docherty, Fran [CO]
**Subject:** Member Update 1/5/12
**Importance:** High

Welcome to 2012! I trust you had a restful and relaxing break and are refreshed for the challenges ahead.

We finally have some positive news about K-12 funding for 2012-13. On December 20th the Governor's Office of State Planning and Budgeting and the Legislative Council Staff presented the quarterly revenue forecasts for the state budget.

The December forecast is based on several positive factors that have emerged since the September 2011 forecast:

* Economic activity in Colorado during the fall months was better than expected, resulting in more state revenue than anticipated.
* There was stronger employment growth than planned, plus increased revenue from capital gains and increased sales and personal income taxes.

While we welcome this news, we are reminded that Colorado is still in a modest recovery from the recession and is not expected to return to pre-recession levels for several more years. Crises in global markets, especially in Europe, could negatively impact the U.S. and Colorado economies in 2012.

HOWEVER, as the result of increased revenues that were not expected, Governor Hickenlooper will present budget requests to the Legislature to restore some funding for K-12:

* About $20 million for increased student enrollment and increased numbers of at-risk students which, if adopted by the Legislature, would mean no mid-year rescission of 2011-12 monies; (NOTE: this rescission was mentioned in the 12/16/11 Member Update and Times-Call article  [SVVSD notified of immediate funding cut](http://www.timescall.com/news/longmont-local-news/ci_19550179?source=pkg).)
* Reversal of his earlier announcement of a proposed $89 million cut for 2012-13 which, if adopted by the Legislature, would mean no new cuts for 2012-13. (For additional information see [Gov wants to restore proposed ed cuts](http://www.denverpost.com/search/ci_19584069)  Denver Post  12/21/11 and the Governor’s announcement attachment.)

We do not know if there will also be an opportunity to eliminate the “negative factor” that lawmakers have built into the School Finance Act (the loophole created to manipulate downward the spending required by Amendment 23). But this new budget request is a step in the right direction on the eventual elimination of this factor in the formula.

While the Governor is proposing no new cuts, he is not proposing to make up the $800 million in cuts over the last two years or fund everything pledged under Amendment 23. Our K-12 system is nearly $1 billion behind the level of funding the voters approved in 2000 with Amendment 23. That’s why the next steps in the Lobato lawsuit remedy are so important.

Following the December 9 Lobato Case ruling, CEA released recommendations for restoring education funding. One of our four steps was no additional cuts to state education funding (see [Path of Hope on State Ed Funding](http://www.coloradoea.org/aboutus/publications/news/11-12-15/Colorado_educators_Follow_a_path_of_hope_on_state_education_funding.aspx) ). We appreciate Governor Hickenlooper’s leadership today: education cuts are the first to be restored with unanticipated state revenues.

Finally, all CEA members are strongly encouraged to join with Great Education Colorado and [sign this letter to the Governor and Attorney General](http://salsa.democracyinaction.org/o/2700/p/dia/action/public/?action_KEY=8981) asking them *not* to appeal the Lobato Case ruling. It’s an easy thing to do and will reinforce the message that the current system for funding public education in Colorado is unacceptable. Let your voice be heard!

Check out [Governor to appeal Lobato ruling](http://www.denverpost.com/breakingnews/ci_19593009?source=pkg)  Denver Post 12/22/11 and [State Ed Board joins Governor's Lobato appeal](http://www.denverpost.com/search/ci_19629101)  Denver Post 12/28/11. The comments of state board member Elaine Gantz Berman, part of the minority voting against the appeal, resonate for dealing with adequate education funding *now and later*.

Look for negotiations to be addressed in an upcoming Update.

As always, thank you for being a part of SVVEA.

Trip Merklein

President

St. Vrain Valley Education Association

255 Weaver Park Road, Suite 202

Longmont, CO   80501

Office (303) 772-3666