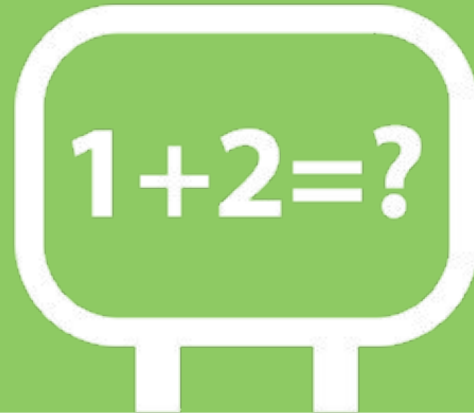




YOU MAY ASK YOURSELF:
HOW DID I GET HERE?

What we'll cover.

- The components of school funding in Colorado
- Amendment 23 and the Negative Factor
- TABOR and Gallagher and their impact on school funding



HOW DOES SCHOOL FUNDING WORK IN COLORADO?

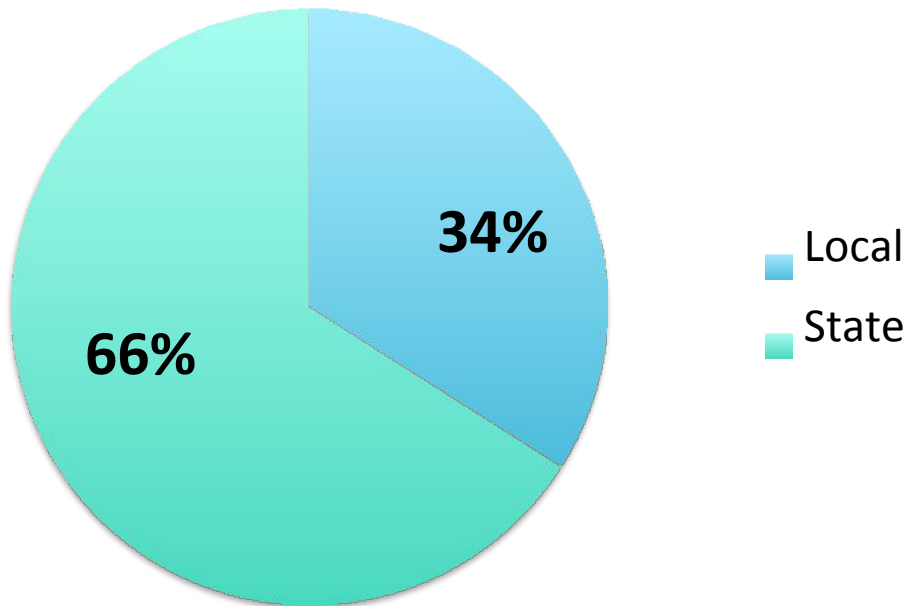
The State.

- 178 Districts. Over 840,000 students.
 - More than 1/3 eligible for free lunch
 - More than 2/5 for free and reduced (>350K)
 - About 15% learning English (>66K)
 - Almost 11% special education (about 90K)
 - About 8% identified as gifted (>65K)
- More than 75% of districts are rural
- About 75% of students are in 20 districts.

The basics.

- Funded primarily by state and local revenues (only a limited federal role).

School Funding Sources



Local = Property Tax &
Specific Ownership

State = General Fund & State
Educa'on Fund

Federal Funding (Title I,
Special Ed, etc.) are
outside the formula

How much does each district get?

- Colorado school funding starts with a “base” amount, which must increase by inflation each year.

2015 = \$6292

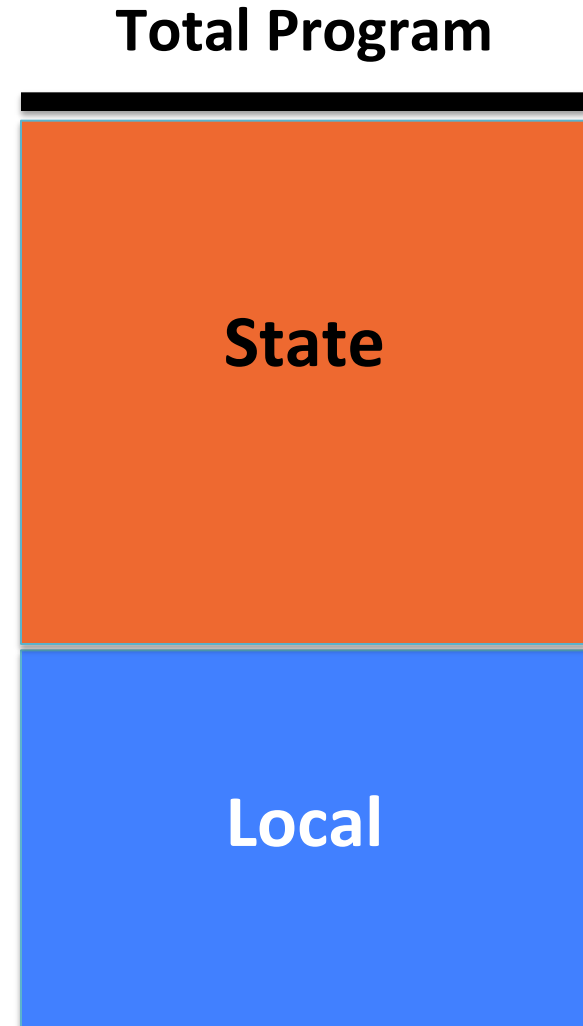
- This base is run through the formula that takes into account “fairness factors”:
 - District characteristics (e.g., district size, cost-of-living)
 - Student characteristics (e.g., at-risk)

That’s “Total Program”

Who pays for it?

Once the formula sets a district's total program:

1. It determines how much local property tax will be collected under the district's mill rate.
2. Then the state "backfills" the difference between the state-- - calculated per pupil and local contribution.



It's different for every district.

District A



Why?

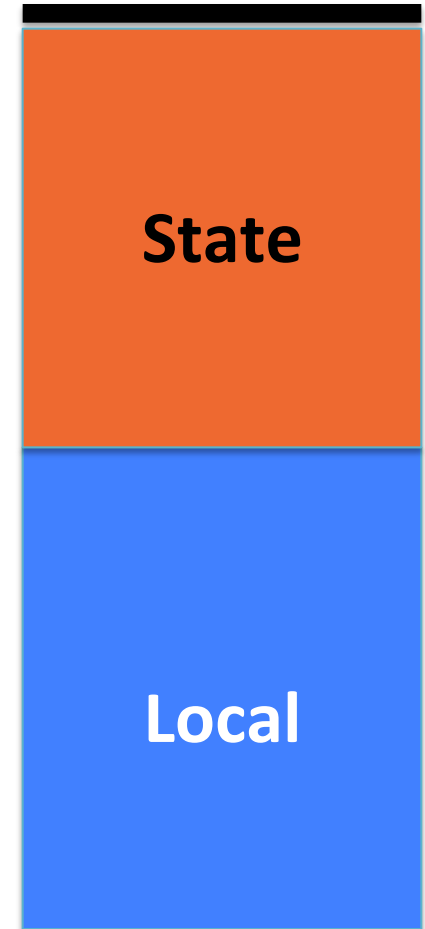
Total Program:

- District Size
- Cost of Living
- At-Risk kids

Local v. State Share:

- Local assessed value
- Increases in assessed value 1994-2007
- Huge inequities exist

District B



A few more components:

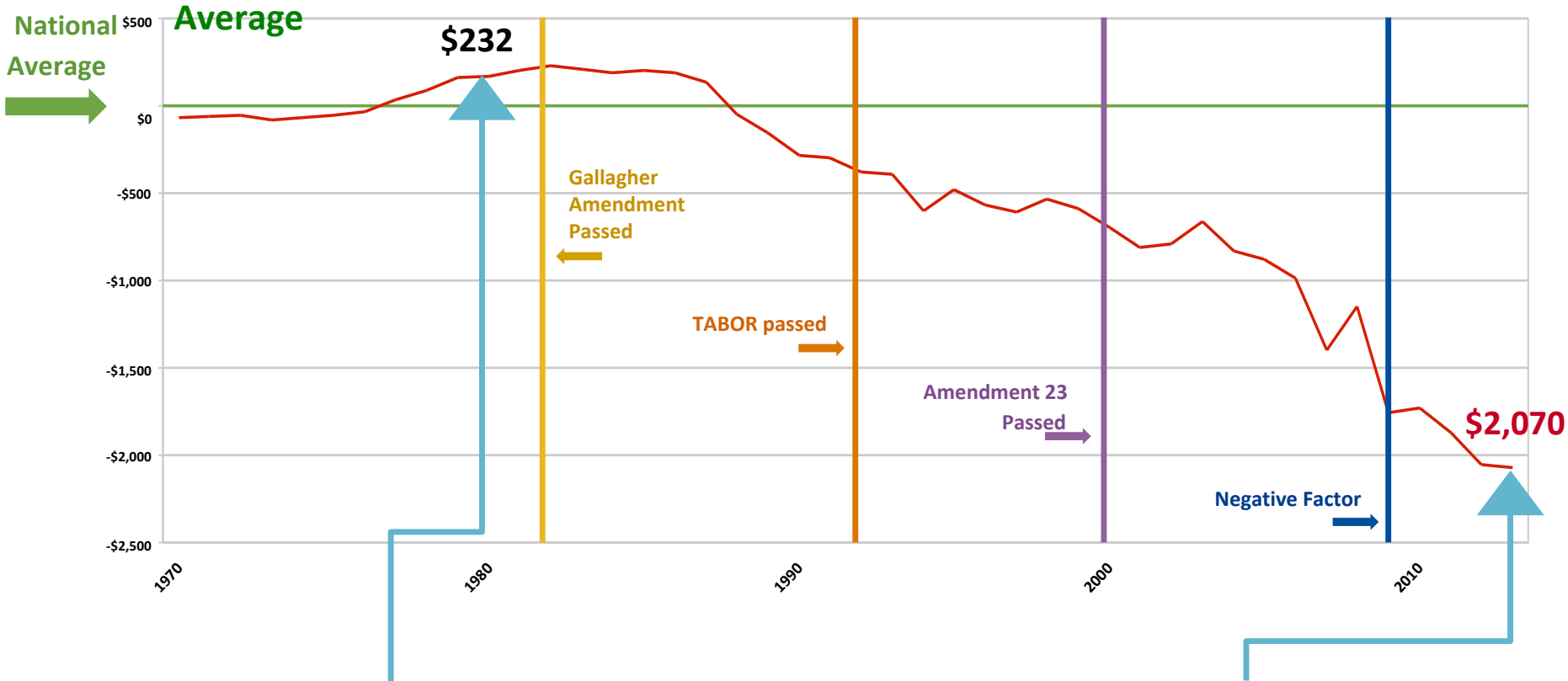
Outside “Total Program”

- “Categoricals” – special education, gifted, ELL, transportation.
 - Total increased by inflation
 - Woefully underfunded
- Districts can also pass mill levy overrides of up to 30% to increase local funding.
- Federal funding.

Colorado is digging a hole.

K-12 Per Pupil Funding: Colorado versus National

Source: National Center for Education Statistics



In 1980,
Colorado spent
\$232 MORE per student
than the national average.

In 2013,
Colorado spent \$2,070
LESS per student than the
national average.

TABOR + Gallagher impact on the adequacy and the budget

- Local share of K-12 has eroded, state has backfilled, resulting in a drop in local funding share from over 60% to less than 37%.
- Result is the worst of all worlds: State is backfilling property tax relief, and putting greater pressure on the general fund, without providing new resources for K-12.

That's what Amendment 23 was

for
Passed in 2000 to reverse cuts to schools in the 1990s.

- Requires base per pupil funding to increase by inflation + 1% for the first 10 years and by inflation after that.
- If honored, per pupil funding adjusted for inflation would finally have reached 1989 levels.

Until 2010, “total program” was calculated as described above . . .

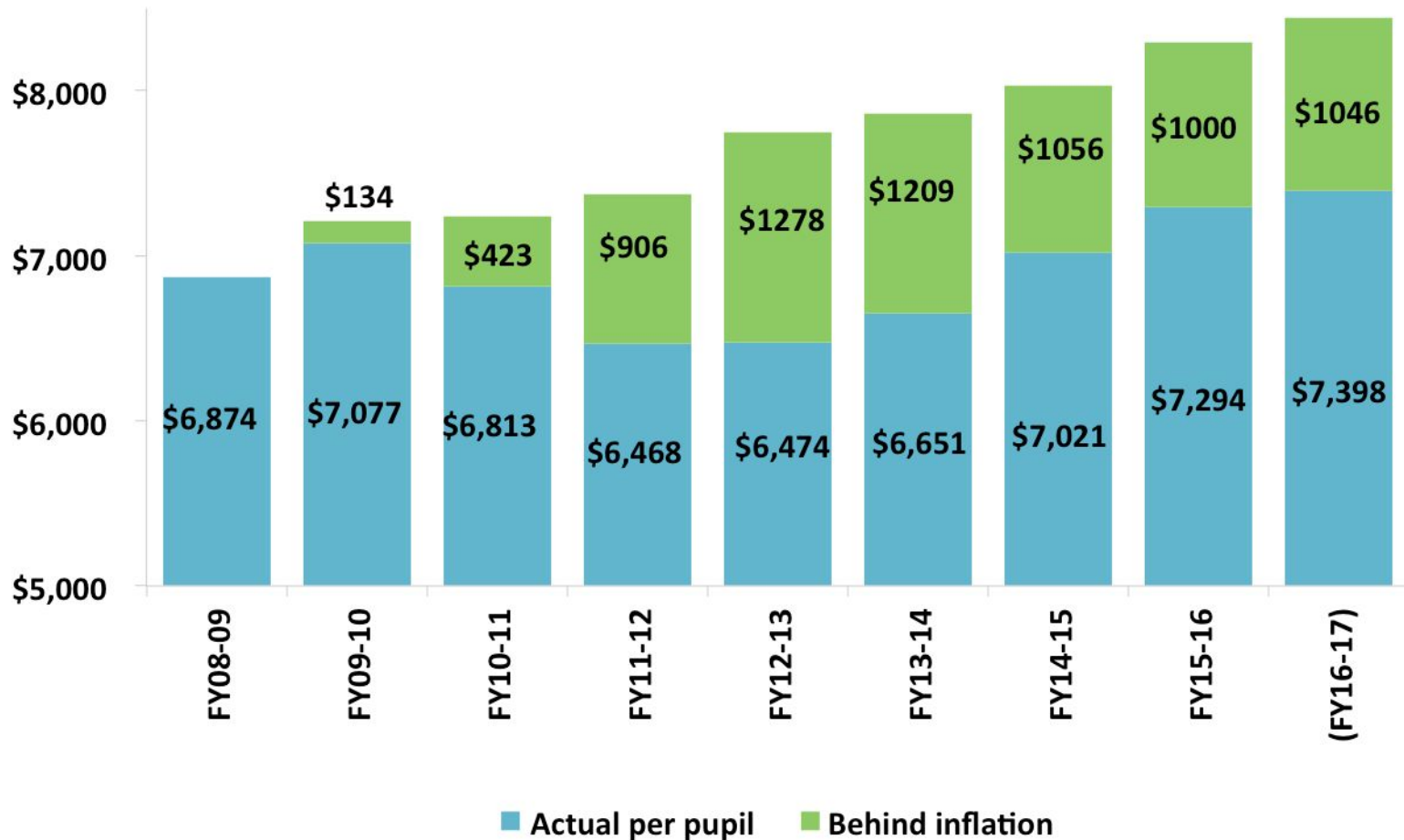
Then came the Great Recession

Amendment 23 required increases in the base, so in order to cut school funding the legislature added another so-- - called “factor” to the “fairness” factor:

Each district’s Total Program is now reduced by the “negative factor” – now 12%.

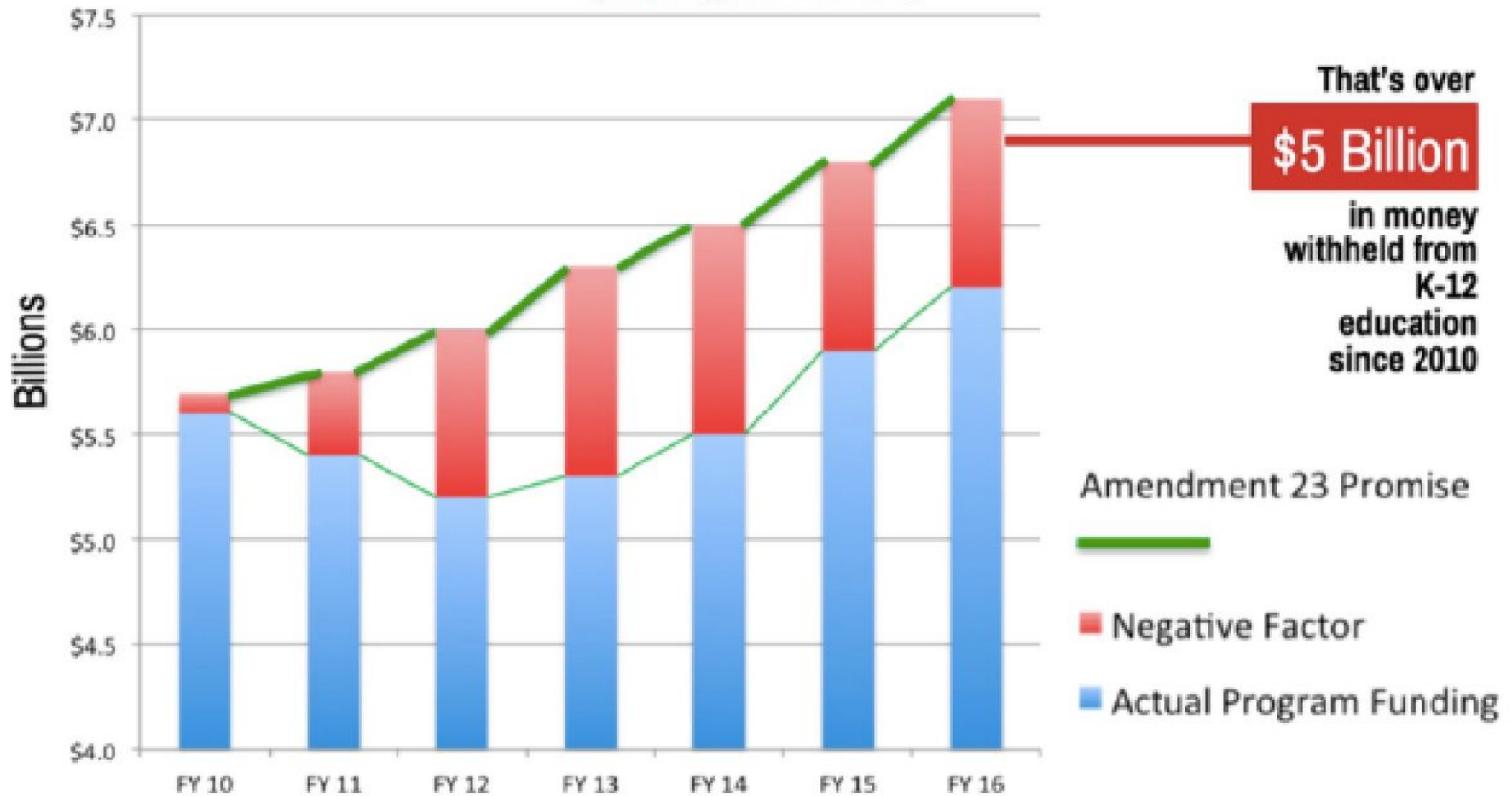
The debt we owe our kids

Avg. per pupil funding in Colorado



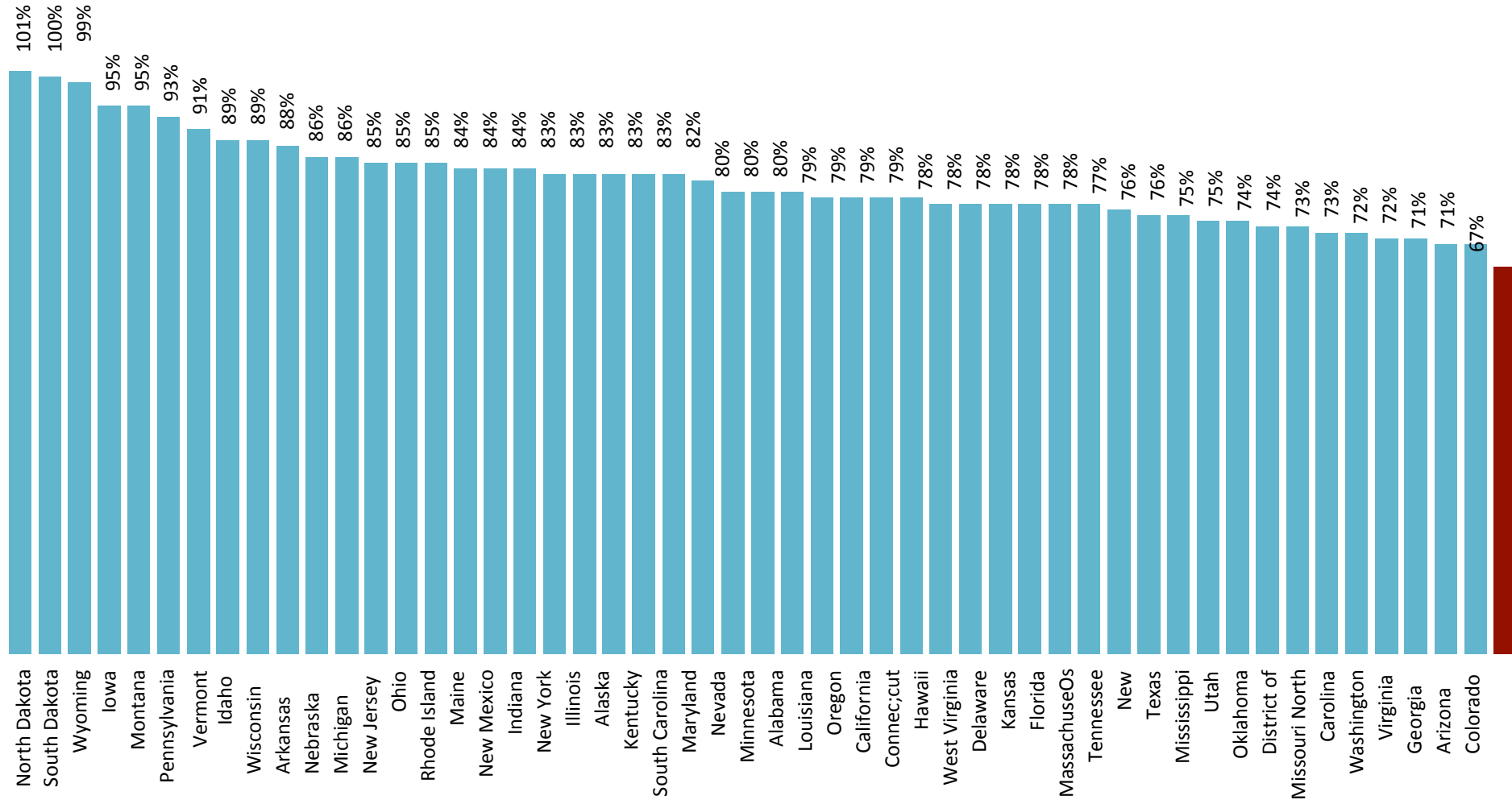
The Debt Owed to Colorado Students

(The Negative Factor)

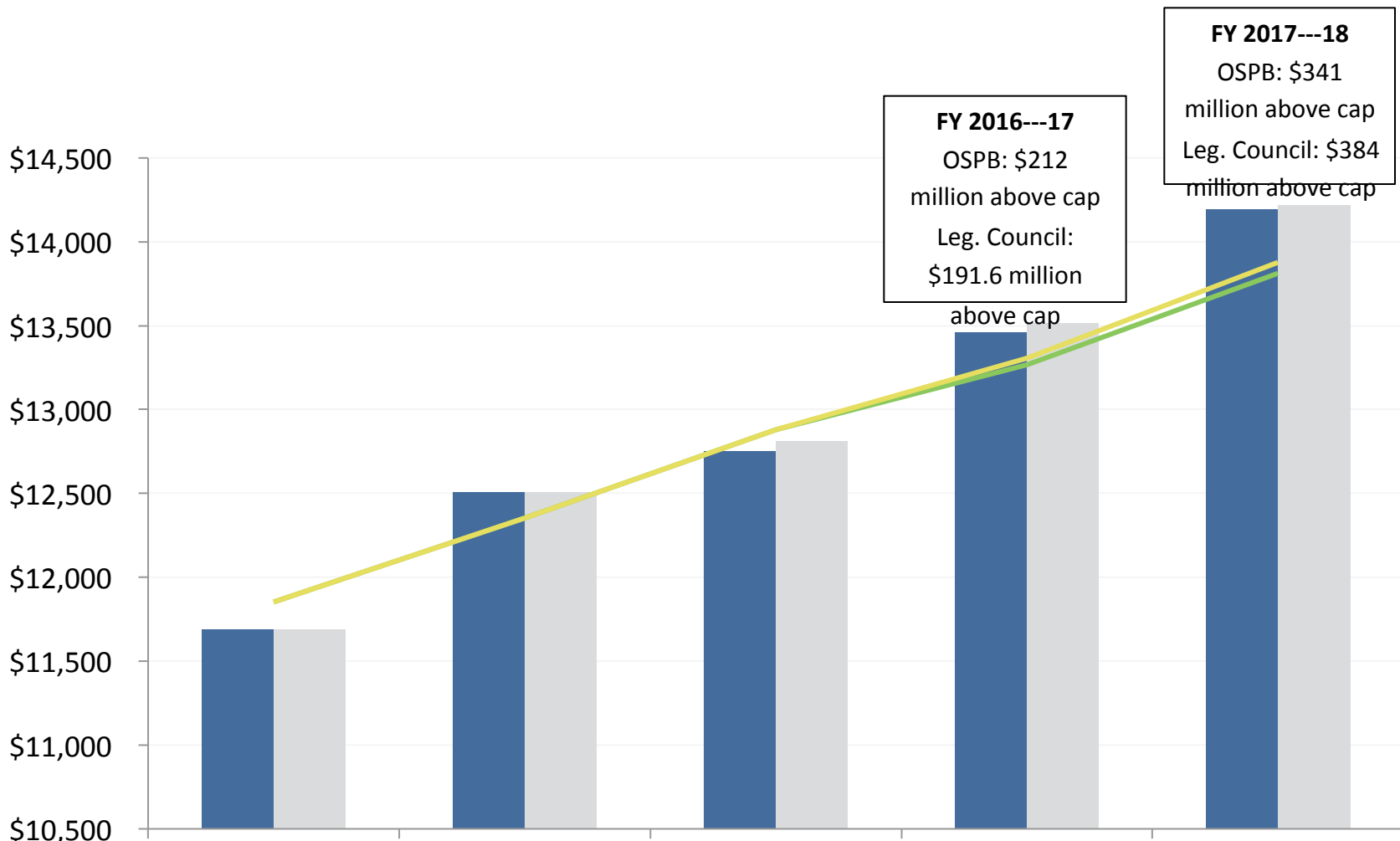


Every student deserves great teachers, yet ... Colorado ranks last in wage competitiveness.

Teacher compensation vs. professions with similar education



TABOR Rebates are back



FY 2016---17
 OSPB: \$212 million above cap
 Leg. Council: \$191.6 million above cap

FY 2017---18
 OSPB: \$341 million above cap
 Leg. Council: \$384 million above cap

■ Total TABOR Revenue Legisla've Council
■ Total TABOR Revenue OSPB
— TABOR limit/Ref C Cap Legisla've Council
— TABOR limit/Ref C Cap OSPB



Colorado is a low-tax state with fiscal

- **The bottom line: constraints.** In most every category for state revenue, Colorado's tax rates rank among the lowest in the nation.
- When we compare **state taxes**, Colorado ranks **45th in the nation**, sixth from the bottom.
- When we compare **state and local taxes**, Colorado ranks **35th** in the nation.

Myth: The Marijuana Tax Took Care of School Funding

When Colorado legalized recreational marijuana, there was a lot of talk of that money helping schools. So what happened?



\$40 MILLION



SCHOOL CONSTRUCTION



AND THEY NEED IT!



DO I NEED TO BE AN EXPERT?

No. You

don't.

- You don't have to be an expert to be an advocate for change.
- However, with a grounding in the basics, you can:
 - Be a resource in your community
 - Bring greater confidence and depth to conversations
 - Refute inaccurate statements about school funding and fiscal policy

FURTHER RESOURCES:

Colorado School Funding Project

Great Ed Colorado