

Where did we leave off in May?

- School Finance Act – negative factor \$831 million
- June Revenue Forecast
- House, Senate & JBC school finance discussions - recommendation from National Conference of State Legislators (NCSL)
- Review of CSFP Equity Analysis – tax & student need adjusted by size
- Goals of 1994 School Finance Act regarding equity
- Analysis of where we are today compared to goals of 1994

Negative Factor

It was created by the legislature at the time of the Great Recession with the **intent** of repaying to school districts.

It has been in place for **6 years** – high point over 1 billion dollars.

Impact has been ongoing and dramatic for school districts – if no overrides – loss of economies of scale adjustments and declining enrollment have played into severity.

Legislature doesn't like to be reminded of the debt owed to kids.

What happens in the future?

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June Revenue Forecast

- Budget Projections for 15-16 down \$63 million
- Budget Projections for 16-17 down \$187.4 million
- General Fund is \$268.3 million short in revenue – will need to be solved for in the supplemental process beginning in January
- Inflation estimate 1.5%-1.7% – now 2.4%-2.6%

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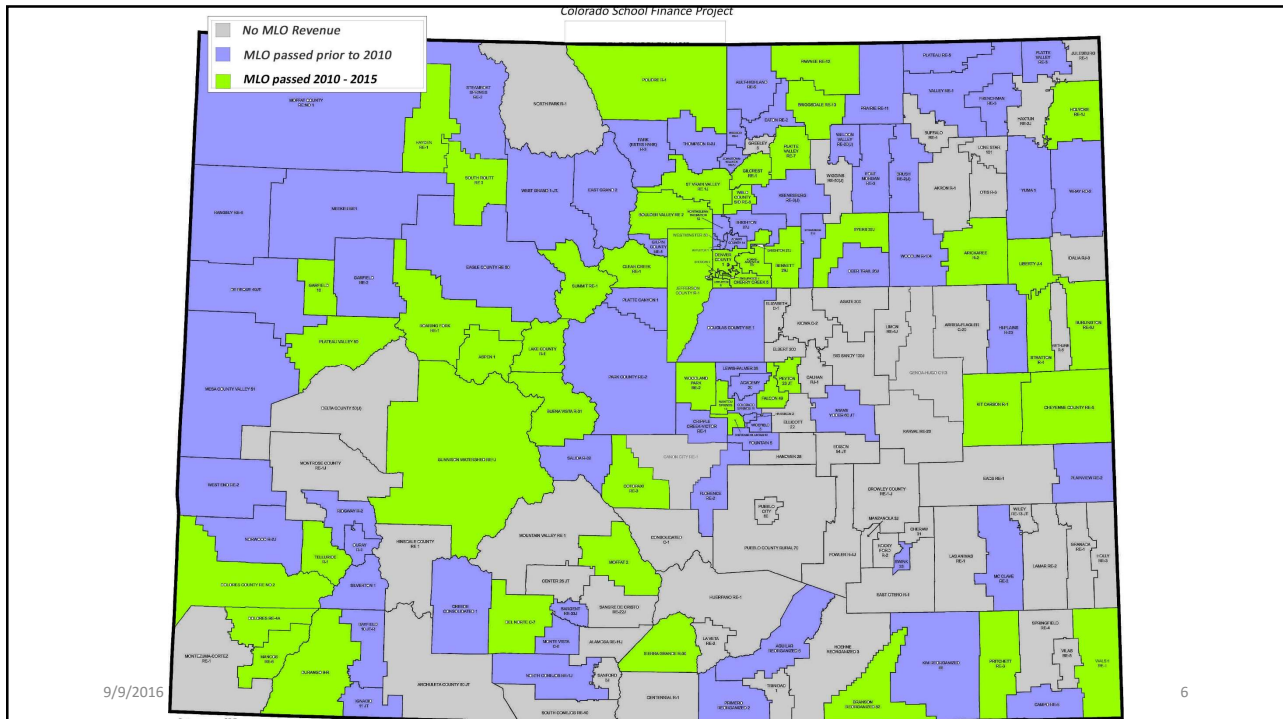
Additional Happenings

- No special session on Hospital Provider Fee
- No ballot initiative filled due to lack of funds to gather signatures by the campaign
 - Volunteer signatures through Great Ed and CEA went very well
- School districts going for elections
 - Over \$4.5 billion for bonds
 - Just shy of \$200 million in override elections

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What were the 1994 Discussions on Equity?

- Equity was of utmost focus because of litigation – focus centered on tax payer, school district size (economies of scale) and at-risk students based on Free Lunch
- Goal was to have districts at 40 mills
- State / local split of 50/50
- A foundation formula that acknowledged different cost pressures both for size and cost of living
- Override mills set at 10

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Evaluating the 1994 Act in 2016

1. We still have a foundation formula – the negative factor has eroded the base
2. The adjustments or differentiation has been minimized due to the negative factor
3. The state now contributes 62% of funding and locals 38%, after the negative factor
4. The mill levies range from 2 to 27 – creating large inequities
5. Categoricals are still being funded, they have not been adjusted for actual costs
6. School districts today have a 25% operating override for large districts and 30% for small, a kindergarten override, transportation override, technology override, operational override

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Mills

	Total Program Mills	Bond Mills	Total Override Mills	Total Levy
Mean	19.72	6.06	4.06	30.13
Median	21.74	5.34	2.29	29.22
Min	1.68	-	-	5.85
Max	27.00	22.07	22.47	66.65

Capacity

	Amount Raised by 1 Mill	Amount Raised per Student for 1 Mill
Mean	\$578,590	\$283
Median	\$111,054	\$133
Min	\$3,842	\$19
Max	\$13,221,694	\$3,239

Need

	Need Factor for SpEd, ELL, FRL	Need and Size
Mean	1.33	1.92
Median	1.32	1.79
Min	1.12	1.17
Max	1.68	2.95

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Profile

- Enrollment
 - Continue to see increases in students.
 - Nearly 15,000 more funded pupils in 2014-15 and 11,000 more students in membership.
 - Around 7% increase for both since 2009-10.
 - Special education continues to be just below 11%. Low compared to national figures.
 - The percent of students eligible for free lunch increased from 33.2% in 2009-10 to 36.1% in 2014-15. Saw a .5% increase from 2013-14 to 2014-15.
 - Reduced price lunch percentage has stayed very consistent at 7.6%.

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Profile

- Enrollment:
 - ELL
 - State changed funded ELPA count in spring of 2014. Did not change funding level but increased number eligible to receive funds. Have taken funded ELPA count off of the Profile for this year.
 - Served count grew very slightly between 2013-14 and 2014-15 causing a decrease in percentage to 15.0%. Still higher than the 14.4% in 2009-10.
 - Mobility figures are much lower in 2014-15 (21.9%) than in 2009-10 (30.6%) but did grow from 2013-14 (18.2%)
 - GT figures consistent between 2013-14 and 2014-15 at around 8%. This is higher than 2009-10 at 7.2%.

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Profile

- Teachers
 - Saw a slight increase in the teachers per 1,000 students between 2013-14 and 2014-15, 60.5 to 60.8. Still below the 2009-10 figure of 62.2.
 - Consistently below the national figures in recent years while the state was above the national figure in 1992-93.
 - Saw actual average salary decline from 2013-14 to 2014-15, \$49,606 to \$48,277.
 - 2014-15 salary is over \$9,000 below national average.
 - 2014-15 salary is over \$7,500 below 2009-10 inflation adjusted average salary for Colorado and about \$12,500 below 1992-93 inflation adjusted figure.

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Profile

- Revenues and Expenditures
 - Over \$800 less per student in current expenditures between 2009-10 and 2014-15 when adjusted for inflation.
 - Nearly \$1,000 less in revenues when accounting for inflation.
 - State share grew from just under 44% in both 2009-10 and 2013-14 to just under 46% in 2014-15.
 - Locals still have highest percentage of funding at just under 47% in 2014-15.
 - Federal share has declined from 8.0% in 2009-10 to 7.3% in 2014-15.

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Profile

- Revenue and Wealth
 - State revenue grew 15.0% between 2009-10 and 2014-15.
 - Local revenue grew 7.9% between 2009-10 and 2014-15.
 - Personal income grew 28.5% during that time.
 - Colorado's share of personal income used for K-12 education declined over .5% from 2009-10 and 2014-15.
 - At the 2009-10 rate, an additional \$1.4 billion for K-12 education could have been raised.

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Trends in:

	Teacher per 1,000		
	2009-10	2013-14	2014-15
Denver	63.4	66.6	69.6
Dolores	93.5	78.0	93.1
Douglas	54.6	52.3	53.7
Colorado	62.2	60.5	60.8

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Trends in:

	Teacher Salary		
	2009-10	2013-14	2014-15
	Unadjusted		
Denver	\$49,778	\$49,345	\$43,508
Dolores	\$36,303	\$37,439	\$34,505
Douglas	\$52,572	\$50,653	\$50,165
Colorado	\$49,183	\$49,606	\$48,277
	Adjusted		
Denver	\$56,647	\$50,727	\$43,508
Dolores	\$41,313	\$38,487	\$34,505
Douglas	\$59,827	\$52,071	\$50,165
Colorado	\$55,970	\$50,995	\$48,277

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Paying for educational excellence

- Costing out/equity update
- Process for updating – survey – professional judgment panels – successful school districts and updating the standard for educational excellence.
- Survey we are conducting with Lift One Lift All for School Board Members
- Timing for completion is November

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Adequacy Study

- Updating the adequacy work done in 2013.
- Need to understand the resource impact of changes in state standards and requirements.
 - This includes the full implementation of the Common Core.
- Will use panels to update the base cost figure from the previous study.
- Using a survey to examine services for at-risk and ELL students.

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Adequacy Study

- Panels
 - The panels will include three school level panels, a district level panel, a CFO panel, and a statewide panel.
 - All will focus on the resources needed for all students to meet state standards.
 - Will work from a summary of the current state standards and requirements.
 - This work will be supported by information from statewide survey.

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Adequacy Study

- District Survey
 - Approaching 80 responses with good representation by size, need, and location.
 - Asked district to describe the types of programs and interventions they use for at-risk and ELL students.
 - Asked what programs they would like to be able to expand.
 - Asked what programs they would like to offer but can't.
 - This information will be used to vet the programs and interventions identified in the previous study.
 - Asked districts about ability to attract and retain teaching staff.
 - Includes information on subject areas of greatest need.

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Adequacy Study

- Will also implement the successful schools approach to examine adequacy.
 - Have to determine how to best identify successful districts. Have used the state's list of distinguished districts in the past.
 - Once we have the list of districts, examine the base cost expenditure for each of those districts.

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Questions: Now & Later

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