Myths & Realities of School Finance

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Colorado K-12 Funding

- 1970's: Top 25% of country
- 1980's: Close to national average in funding, began shifting downward
- 1990's: Dramatically dropped
- 2000: Amendment 23 passed – to bring funding up to 1988-89 levels, adjusted for inflation
- 2009: Amendment 23 minimum funding levels cut
- 2012-13: K-12 over a billion dollars less than A-23 and over $1800 less than national average

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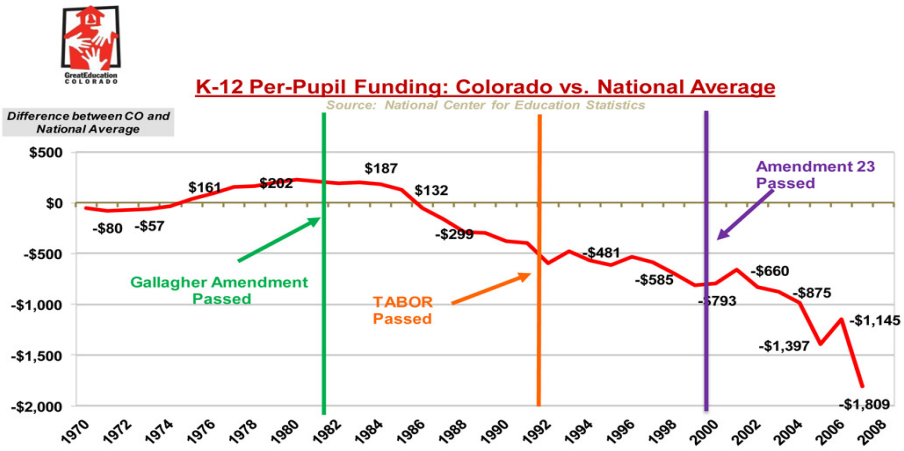
Colorado's History



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Funding reductions & reforms

- Legislative passage of major reforms in K-12 began in 2008-09 with CAP4K, new standards, assessments, readiness component for kindergarten and post secondary work force for high school
- New accreditation and accountability – minimum of 1 year growth for every student – new performance expectations
- Educator Effectiveness – tied to student growth/performance
- ICAP and ASCENT
- Achievement Gap/poverty/homeless

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Collision Course for School Districts

- Budget reductions have decreased class offerings, increased class sizes, lessened number of school days, shortened school days, reduced kindergarten & preschool programs, reduced summer school or other intervention programs.
- Colorado has more districts on a 4 day week than any other state.
- Colorado has the fastest growing poverty rate in it's student population than any other state.
- Colorado's enrollment grows (8000+ per year) and is more diverse.

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Facts and Stories Told

- LOBATO - suit filed against the state in 2005 by school districts and parents. Claim filed: State not meeting their obligation to adequately fund a "thorough and uniform system of free public schools" nor were they in compliance with the "local control clause"
- 2009 Supreme Court indicated: Court the right venue to hear this case, date set for 2011
- August 2011 – 5 week trial – 21 plaintiffs – MALDEF – representation from all parts of state, all types of districts
- Stories – facts – issues - told

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Plaintiffs

- Plaintiffs: districts from Bethune to Ignacio – Jeffco, Boulder, Aurora, D-11 and the entire San Luis Valley
- Testimony from experts, plaintiffs, non plaintiff districts – all showing a lack of resources
- Clear testimony that educators know what they need to do if have resources. "Islands of Excellence"
- Grants are not sustainable – equitable – can't fund a system on gifts, grants and donations
- Other states have solved this issue and are investing in their students and future

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Key Take-Aways

- State did not find any district spending money unwisely
- All sides agreed:
  - education reforms are important
  - spending money wisely is important
  - quality pre-school is important
  - quality full day kindergarten is important
  - having students graduate from high school being post secondary ready is important

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State

- Districts just need to rearrange dollars
- Salary schedule is a problem
- Districts have not “maxed out” local override options
- State very “low definition” of “thorough & uniform”
- Local control doesn’t allow state to take strong role
- State already spending 43% of budget on K-12
- School finance act is debated every year and testimony taken so therefore they are rational in their decision making

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Media Coverage

- Press conference by the Governor and Attorney General prior to trial
- Press conference by plaintiffs Sunday before trial
- Media coverage by local papers; ED News Colorado; Denver Post; Channels 9, 4, 7 and Fox
- Editorials
- National media coverage
- Twitter
- Facebook
- Blogs

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Moving Forward

- Waiting for Judge to rule
- Legislative action – can happen before ruling
- JBC briefing document – indicates not meeting constitutional minimum and leadership should address – also indicates no money for reforms CAP4K, accreditation or educator effectiveness
- State waiver request with Federal Government – no indication reducing reforms is an option
- Parents - communities - stakeholders – applying pressure and vigilance to legislators

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Lobato Scenarios

- Timeline
- Ruling
- Appeal or not
- Legislature
- Remedy
- Plaintiffs role
- Vote of people or not?
- Courts role

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Remedy - Formula

- Components in a school finance formula:
  - Adequate base amount
  - Adjustments for school district differences
  - Adjustments for special populations
  - Periodic review – 5 years reflecting appropriate adjustments
  - Solution is in compliance with the "thorough and uniform" clause in addition to the "local control clause"

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Principles

- Basic principles for any new formula
- Any remedy and all components of a new school finance system must comply with the constitutional requirements of "thorough and uniform" and "local control" of instruction
- Any new formula must:
  - Support all students enrolled in Pre-K -12
  - Support quality education for all students
  - Include additional, sustainable revenue
- New formula will not support unfunded mandates or attempts to shift or re-arrange existing revenue
- Any new statutes must include requirement of periodic review and funding
- Formula should differentiate mill levy funding inside the SFA and mill levy overrides

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Adequate Base

- Increase in salaries, based on a national comparison or wage index
- On-going yearly staff development
- Technology replacement/refresh cycle
- Full day Kindergarten
- Pre-school for all at-risk 3 and 4 year olds
- Classroom supplies and materials
- Extracurricular activities, including high school sports and performing arts.

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Weights – Adjustments to Base

- At-risk, including free- and reduced-lunch and academic proficiency
- Adjustments for
  - ELL students: reflect research, state mandates & allow time to achieve academic proficiency
  - Gifted and talented
  - Alternative programs mandated by state, i.e. 5th year & on-line (could be considered a weight, a categorical or based on program calculation)
- Special Education students: reimbursement rates reflected in special education funding study & costing out work
- Should address shortfalls in funding for high cost pool
- Must address ability to provide quality programs to needs of all students

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Weights – Adjustments to Base

- For districts, this should include school district size based on enrollment
- Cost of living or cost of doing business
- Personnel cost

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Additional Funding - Categoricals

- Alternative programs
- Career and Technical Education programs
- Transportation
- Facilities
- Food service

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Additional Funding

- Mill levy overrides must:
  - Address variances created by geography and differences in property wealth, and local capacity
  - Be used only to support local control of instruction component of constitution
- Bonds/facilities must:
  - Recognize State responsibility to provide safe and adequate facilities to all students
  - Address variances created by geography and differences in property wealth and local capacity

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Remedy - Revenue

- Revenue generated at local level balances property wealth and income wealth – tax payer equity.
- Revenue generated at state or local level is stable and is not utilizing gifts, grants and donations for ongoing resources
- Revenue must generate dollars needed to support the education clause in the constitution

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Questions?

- Questions – comments – clarifications
- What information would be helpful to you?
- Other?

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