

## Who we are

The **Colorado School Finance Project** has compiled and distributed research-based information and data on school funding for more than 20 years. [Learn more](#)

**Augenblick, Palaich and Associates** is a Denver-based firm with nationwide experience in analyzing education systems and policies. [Learn more](#)

## The challenge

Meeting high expectations for students and schools requires thoughtful review of Colorado's school funding system.

## Our work

Our project is intended to provide updated, detailed data on the true costs of supporting schools.

## Our goal

Providing elected officials, educators and the public the information needed to make wise decisions on K-12 support.

## Learn more

[Contact us](#) if you want more information.

## Paying for educational excellence:

### Building blocks for a new K-12 funding plan

A fresh, in-depth look at what's required to provide all Colorado children with the education they need to succeed encourages improved funding for students with special needs and modernizing the state's 22-year-old school finance system.

The report, titled "Paying for Educational Excellence," also highlights significant differences in the financial capacity of Colorado's 178 school districts and recommends policymakers pay careful attention to those disparities when considering upgrades to the finance system. The report also lays out additional principles for a new system.

Conducted by the Colorado School Finance Project and the research firm of Augenblick, Palaich and Associates, the study builds on K-12 cost studies begun in 2003 and last updated in 2013.

The goal of that research has been to analyze the true costs of educating Colorado's children at a time of higher expectations for student achievement and of new requirements for how schools should operate to meet those expectations.

Colorado's K-12 landscape has changed significantly in recent decades as schools have implemented new statewide academic standards, tests, evaluation systems, accountability requirements, early literacy programs and safety policies.

Yet the state's funding formula was written before those policies were enacted and is based on financial assumptions that no longer are valid because of dramatic changes in both state and district finances and revenues.

The study is intended to provide data on educational costs and principles for a new finance system that can inform policymakers and education leaders as they consider how to build a new system. Because such policy choices will determine the cost of any new system, the study doesn't calculate a total cost for changes.

## Key recommendations

Important funding elements such as supporting students in special education and English language learners are not included in the current finance formula. Instead, the state provides extra money for those students separately. The study “suggests that the majority of student funding be distributed within an equalized formula.”

The report notes, “Currently, the funding for these special needs populations is not based on any quantifiable analysis of student need, but is simply based on historical funding or what is available.”

Here are other, specific recommendations:

- The definition of at-risk students should include children eligible for reduced-price meals as well as those who receive free meals. The per-student funding for such students should be 35 percent above base funding for all students.
- Calculation of district equalization weights should be streamlined so that all at-risk students receive the same funding.
- Students in special education should be paid for within the main funding formula. The weight, or amount of additional funding, would vary based on individual student needs.
- English language learners also should be paid for within the formula, with additional funding above base cost.
- Kindergarten students should be funded as full-time.

The report also recommends that a new system continue some mechanism for

cushioning the effects of declining district enrollments, that weighting for district costs of living be retained but reviewed and that the current mechanism for funding online and ASCENT students also be reviewed.

Noting the wide disparities in district revenues and ability to increase local revenue, the report suggests consideration of state matching of some district tax increases.

“Any new system should keep equity in sight during the development of the system. This includes looking at how well similar students are treated, how well the system addresses differences in student need, how equally taxpayers are treated, and ensuring that where a student lives does not determine the amount of resources available for their education.”

## Key findings

The study used six panels of educators to evaluate and estimate the costs of providing education that would meet state standards and requirements for all students. Using their own expertise and additional data, the panels developed class size, staffing, equipment and cost models for a 420-student elementary school, a 675-student middle school, a 1,200-student high school and a 14,475-student district.

The panels specifically looked at the cost requirements of recent K-12 requirements.

“The purpose of the exercise is to estimate the overall level of resources and therefore the cost of adequacy,” the report explained, not prescribe what should be spent.

The panels agreed on several broad

recommendations, including:

- Small class sizes, with student-teacher ratios of 15:1 in kindergarten through grade one, 18:1 in grades two and three, 20:1 in grades four and five, and 25:1 in secondary grades
- Time for teacher planning, collaboration, and professional development outside of the regular school day
- Instructional support for students, including tutors/interventionists
- Comprehensive special education student identification teams that include a special education teacher, occupational therapist, and speech pathologist
- A high level of student support with counselors, social workers and behavior specialists
- Sufficient administrative support to allow for staff evaluations, and assessment/data coordinators to manage testing requirements and assist in data-driven decision making
- Additional programs, including extended day and summer school to fulfill READ Act requirements, homework help and bridge programs for students moving to secondary levels
- Technology-rich learning environments, including 1:1 student devices in 3rd through 12th grades and associated IT support
- Security personnel to ensure safe school environments

Teacher recruitment and retention has become a key concern for Colorado districts in recent years. The study noted that Colorado teacher salaries have increasingly lagged national averages since the early 1990s. If adjusted to be more

comparable, average teacher salaries should be about \$60,000, compared to a current level of about \$50,000.

The study concluded that \$9,202 per student is the base cost of providing appropriate education to pupils without special needs.

(The study did not consider the costs of transportation, construction and food service because those fall outside of per-student formulas.)

### **Financial challenges**

The study also examined the issue of financial equity and the wide disparities in school districts' property tax wealth and abilities to raise local revenues, both to provide part of base educational costs and to generate additional revenue from mill levy overrides.

Summing up those disparities, the report noted, "The district with the highest revenues per student per mill could raise over 170 times the revenue as the district with the lowest revenues per student per mill."

### **Learn more**

- [2013 study](#)
- [2011 study](#)
- [2008 update](#)
- [2006 executive summary](#)
- [2003 executive summary](#)