

Colorado School Finance Myths & Facts
Compiled and Contributed to by Colorado CFO's

1. Schools were protected from funding cuts when Amendment 23 passed – False – Actually, Amendment 23 only protects the base funding amount and the legislature has imposed a “Negative Budget Factor” to reduce K-12 funding for the last four years.
2. The state share of funding for K-12 Education has increased significantly over the last 20 years – True – Enrollment continues to increase in Colorado. However, local share funding has significantly decreased as a percentage of total funding due to the restrictions of the TABOR and Gallagher amendments to the State constitution. The combination of these two has limited school district funding over the last 20 years.
3. Additional school funding does not have an impact on student achievement – False – Research by Augenblick, Palaich and Associates shows that there is a “Positive-Low” correlation between funding and achievement and an even greater correlation when funding is removed. In other words, there is a positive correlation between funding and achievement and a negative correlation between the two when funding is removed.
4. Other states are also struggling with the recession so we’re no different than them – False – Many states across the country have taken measures to shore up K-12 funding during the recession and Colorado’s funding cuts are among the highest in the nation.
5. School administration is top heavy and their financial troubles could be solved by just cutting administration – False – Colorado School Districts typically spend about 90% of funding in the school with only 10% spent outside of schools. These percentages are in accord with or better than most corporations and businesses. Eliminating administrative positions would not come anywhere near to solving the current budget issues and would jeopardize school district’s compliance with federal, state and local mandates.
6. All Colorado School Districts get the same amount of funding per pupil – False – Although the school finance law begins with all students equally funded, it differentiates funding for each district based on a variety of factors including the size of the District, the local cost of living, the percentage of students at-risk and a variety of other district attributes. Unfortunately, these differentiating factors are being eroded due to the negative factor.
7. Wealthier school districts get far more funding than less wealthy districts – False – The School Finance law attempts to “equalize” the state and local share differences recognizing district uniqueness regarding economies of scale and the factors discussed in #5 above. However, wealthier school districts typically are able to pass bond and mill levy override elections for supplemental funding that less wealthy school districts struggle to pass.
8. The difference between top administrator pay and the lowest positions in the District is disparate – False – School districts determine pay rates based on comparable positions in the local job market. All positions have been negatively impacted as resources have been lost in the last 10 years.
9. When the economy recovers Colorado School Districts will receive more funding and everything will be fine – False – Many don’t realize that there is no guarantee that school funding will increase since other parts of the State budget have been also reduced. In addition, the revenue limit restrictions of TABOR will eventually restrict the amount of revenue the State will be able to retain for their budget.
10. Colorado School Funding on a per-pupil basis has remained approximately equal to other states over the last 30 years – False – Colorado has actually decreased by over \$1,800 per-pupil when compared to other states over the last 30 years!
11. Special Education funding from the State and Federal Government covers the cost of educating Special Needs children – False – The State only reimburses about 10 percent for Special Education and the Federal reimbursement is about 20% leaving almost 70% of the cost of Special Education to be funded by the local school district using General Fund money. In addition, Special Education bussing is a requirement for all students with qualifying Individual Education Plans (IEPs).