

Adams 12 Five Star Leadership Academy

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Colorado School Finance Project
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COLORADO SCHOOL FINANCE PROJECT

Support Children - Support The Future

Colorado School Finance Project

- Non-profit, non-partisan- Supported by school district contributions- School finance analysis for local and state policy makers since 1995- Governed by a board comprised of national and state experts on school finance
- **Our Mission:** *To compile, collect and distribute research-based, non-partisan information and data on topics related to school finance for state and local policymakers.*

Who are our students?

- 913,223 students
- 358,297 students eligible for Free and Reduced Lunch
- 106,238 students receiving special education services
- 125,344 Emerging Bilingual students*
- 66,645 students identified as Gifted
- 13,662 students experiencing Homelessness

*English Language Learners is term CDE uses

Adams 12's students

- Total Funded Pupil Count- 36,983
- At-Risk 15,446 students- 41.8% eligible for free and or reduced
- 11.3% Students receiving Special Education services
- 19.2% Emerging Bilingual students
- 9.7% Students eligible for Gifted Education services

* Data from Colorado School Finance Project's 2019 Adams 12 School District Profile

12/08/2020

Financial Facts for Adams 12

- Per Pupil Revenue: \$9,975
- 2020-21 Total Program mills: 27.000
- Override mills (does not include recent election results): 10.510
- “De-bruced” in 1999-2000
 - Mills at time of “de-brucing”: 33.274
- 1 mill raises \$3,057,520 or \$81 per student

* Data from Colorado School Finance Project’s 2019 Adams 12 School District Profile; CDE; and Legislative Council

Student need has changed- Requires more services- This costs money

Students of poverty are 41% population

- approximately \$.30 of every \$1.00 is state funded.

Students learning English are 14% of population

- approximately \$.20 of every \$1.00 is state funded.

Students with special needs are 11% of population

- approximately \$.30 of every \$1.00 is state funded.

Gifted students are 7% of population

- approximately \$.15 of every \$1.00 is state funded

School District Funding

First dollars into funding is local share, property tax and ownership fees



State backfills the difference to equalize starting point for every district



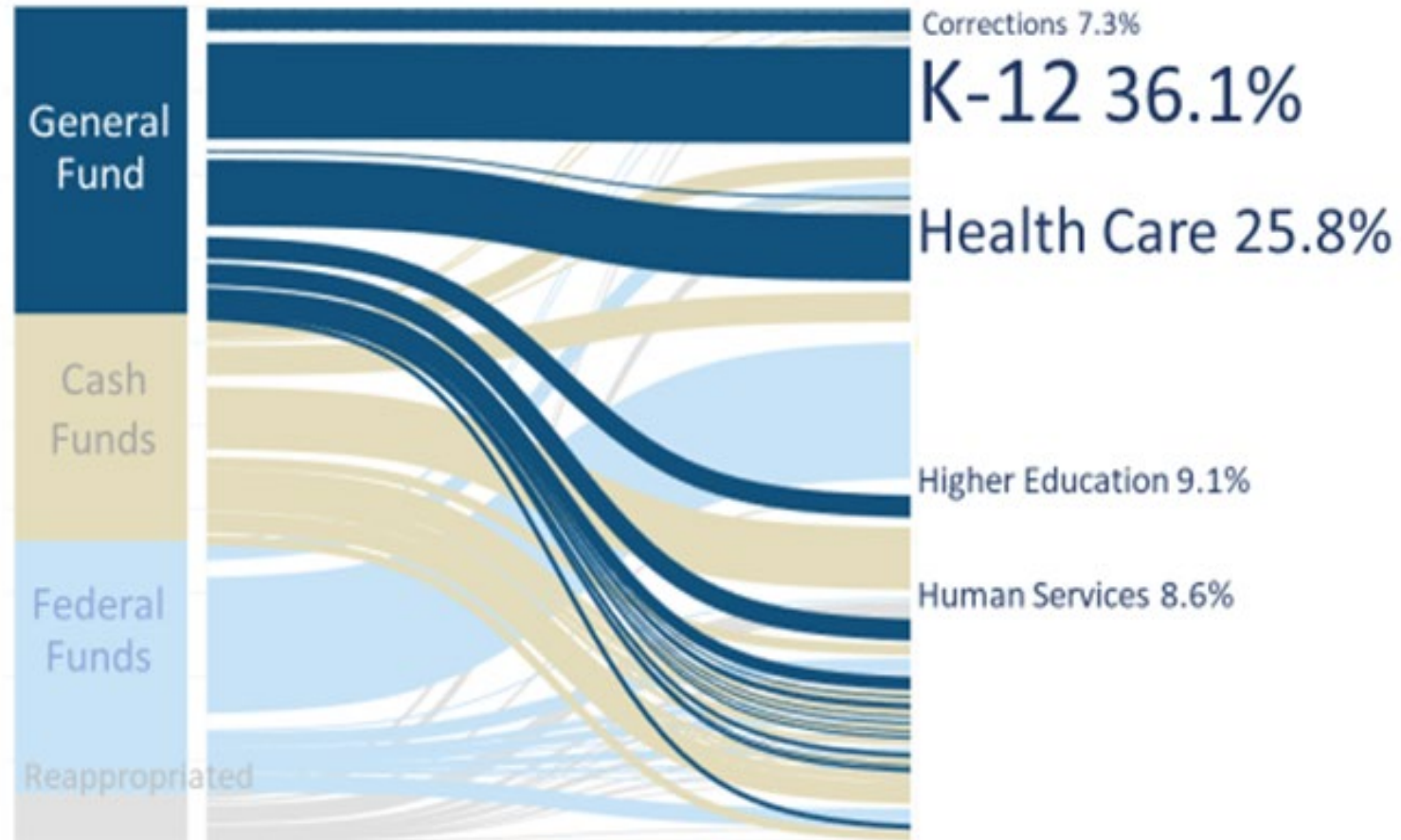
The Budget Stabilization Factor is applied and reduction made against the factors

General Fund Budget

FY 2019-20: \$12.2 Billion*

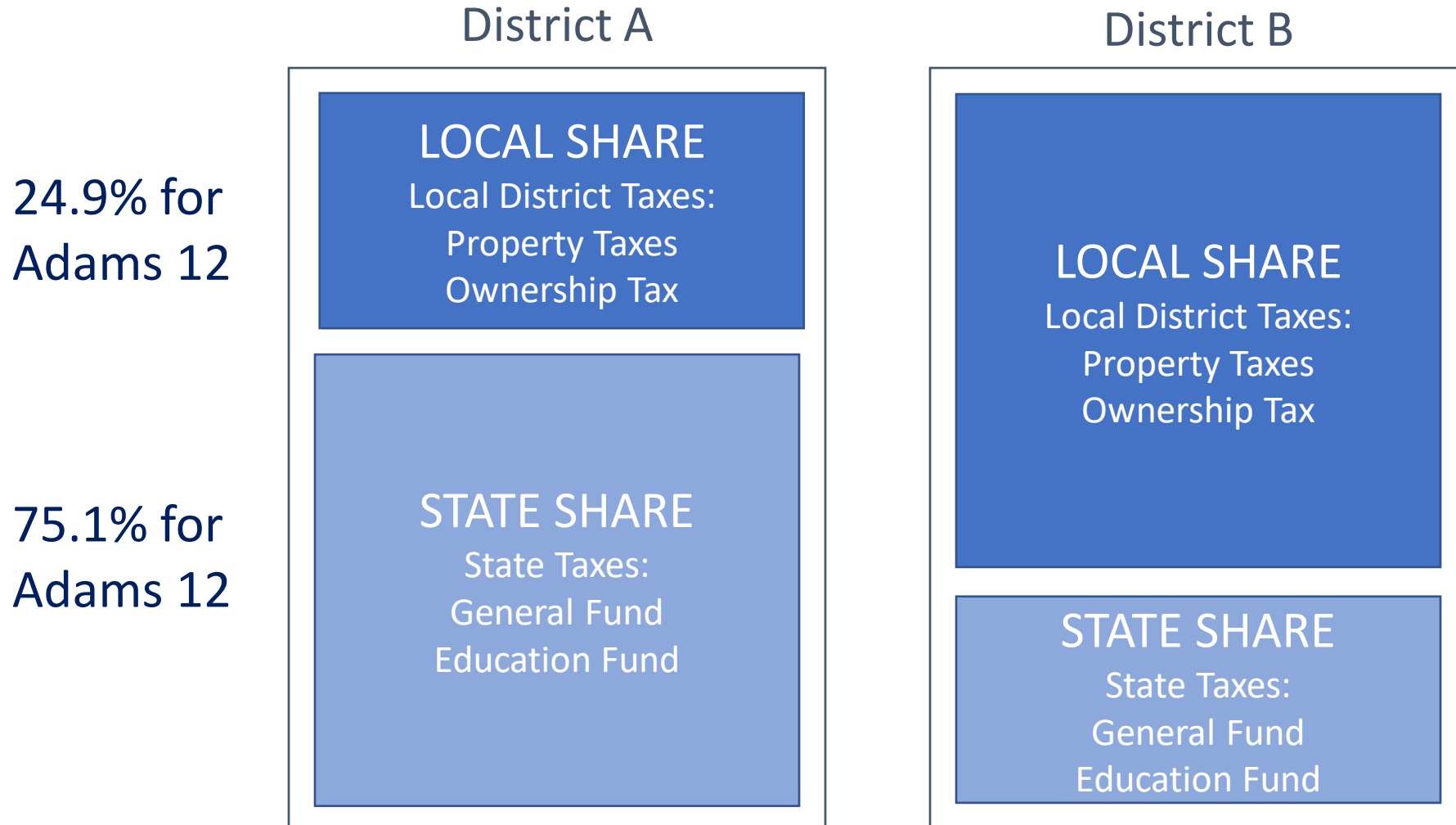
Fund Source

Spending by Department

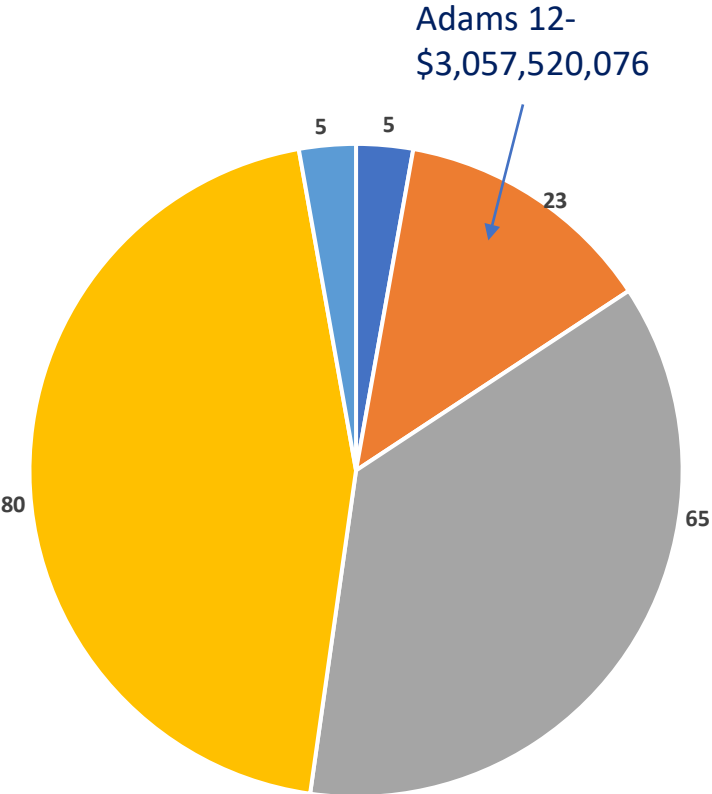


Data source: Joint Budget Committee Staff, Budget in Brief. *Subject to change with 2020 legislation.

State & Local Share Varies (by design)



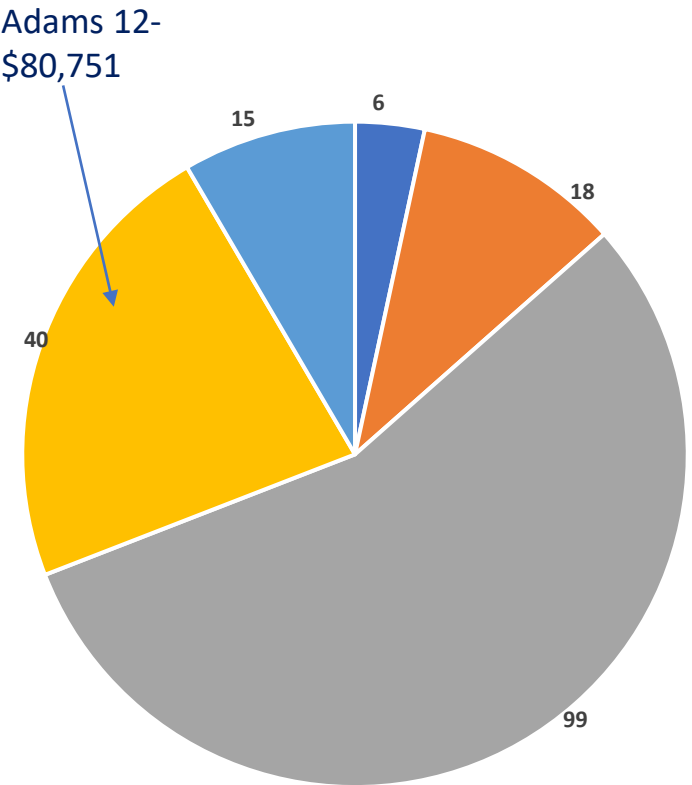
School District's Total Assessed Value (AV)- FY 2019-20



Adams 12-
\$3,057,520,076

- \$20.7B-\$7B (323,637 students)
- \$4.1B- \$1B (364,532 students)
- \$979M- \$100M (157,982 students)
- \$97M- \$10M (30,421)
- Less than \$9M (922 students)

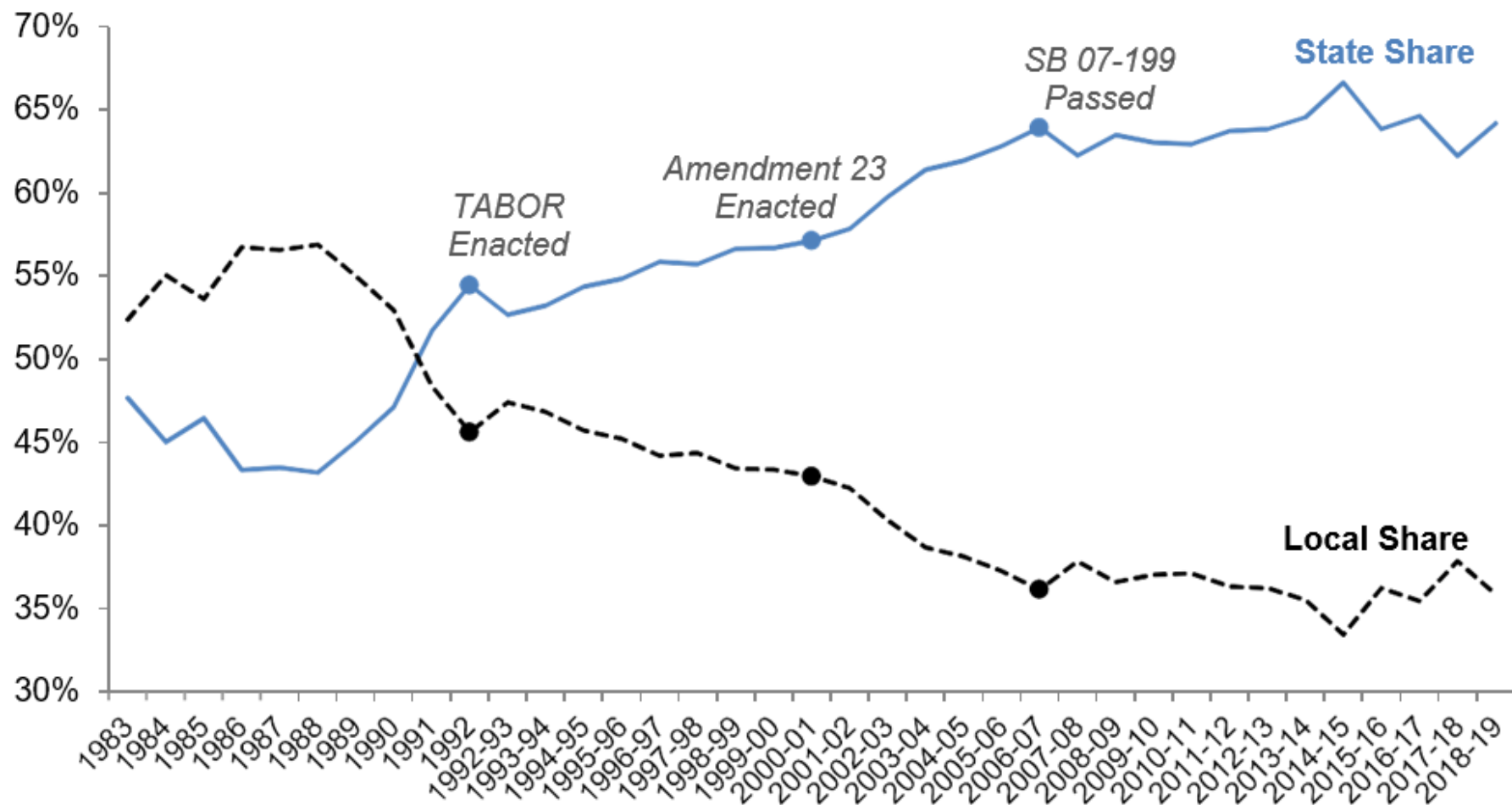
School District's Assessed Value (AV) Per Pupil – FY 2019-20



Adams 12-
\$80,751

- \$6.9M-\$1M (3,651 students)
- \$999,999-\$500,000 (16,995 students)
- \$499,999-\$100,000 (535,536 students)
- \$99,999-\$50,000 (266,654 students)
- Less than \$49,999 (54,742 students)

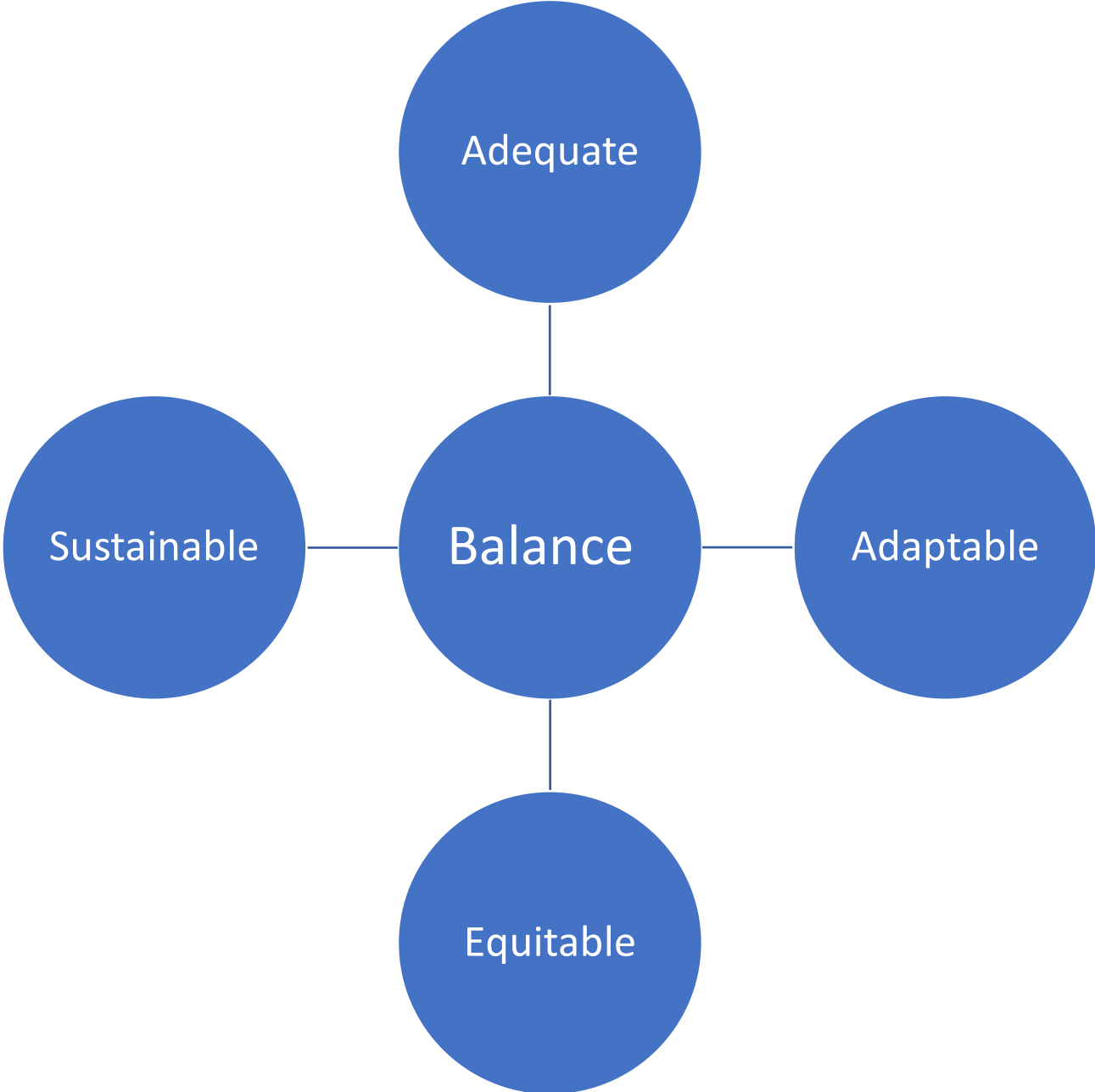
Relative State and Local Shares of School Finance



Source: Legislative Council Staff.

Note: Prior to 1993, K-12 funding was done on a calendar year basis.

PRINCIPLES: SCHOOL FINANCE SYSTEM & TAX SYSTEM



Equity

School Finance

- Horizontal Equity- Examines if like districts treated similarly
- Vertical Equity- Examines how differences are treated within the system
- Fiscal Neutrality- Measures the relationship between the wealth of a district and the resources available to serve students

School Finance Formula

- State funding formulas can help address equity by adjusting for student and district characteristics that are beyond district control
 - Student needs
 - District size
 - Regional cost differences

1994 School Finance Act

- Created an equalization/foundation formula
- Recognized differences beyond control of a district and made adjustments for cost of living, size and at-risk (free lunch)
- Local revenue generated first then state backfill so starting point for every district is even
- Categoricals outside of formula

Components of the formula

- Student counts – enrollment of all students in October count, additional funding for At-Risk (free lunch) for kindergarteners and pre-school (CPP)
- Enrollment numbers tried up in supplemental process about 55 days after count date – this is very good quality of formula
- Base amount – is an arbitrary number of what the state can afford – it must grow by growth and inflation annually. It does not reflect the costs to educate a student with no special circumstances to the standards and accountability systems.

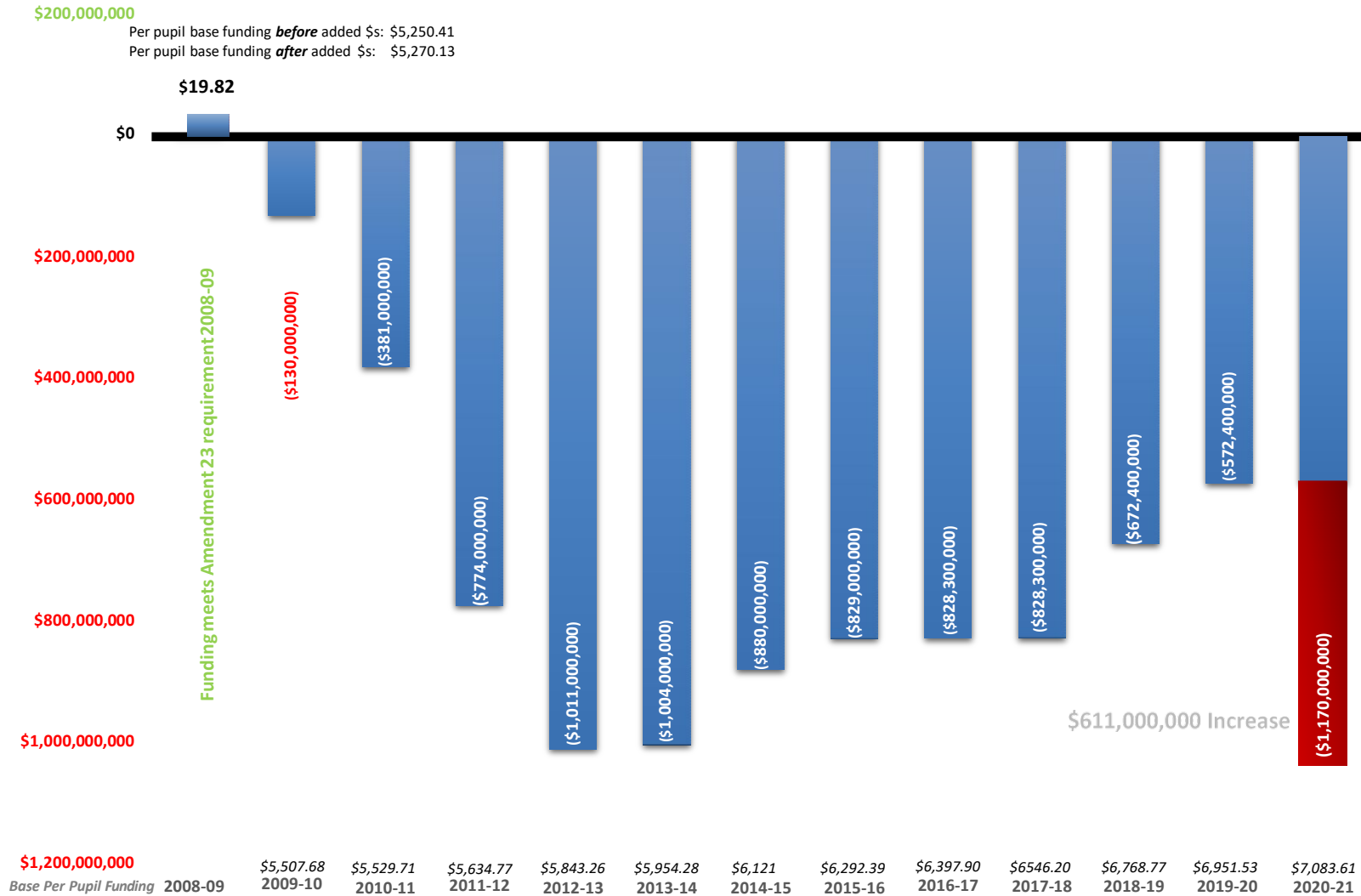
Components continued

- Size – the number of students who are in the district's membership count. Adjustment made to accommodate economies of scale
- At-risk (students who qualify for free lunch) this adjustment is about 11% more funding (should be about 33% and expanded to reduced)

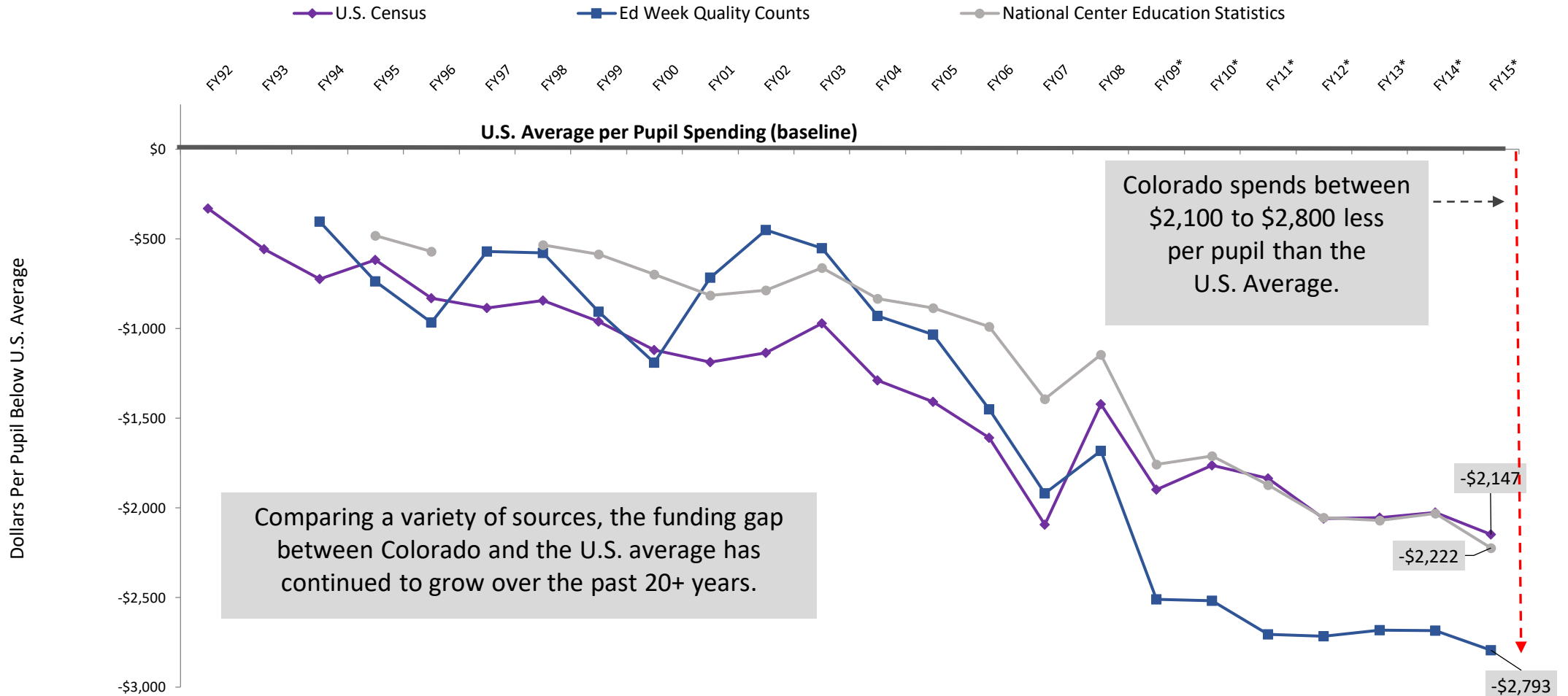
Components continued

- Cost of Living – market basket of goods – never has been applied or funded as intended. Adjustments to all districts help as the overall formula is so underfunded.
- Budget Stabilization factor – this reduces and distorts what a district gets in the above 3 factors. This impacts all school districts differently

2008-2021 Budget Stabilization Factor



Trends in Per Pupil Spending - Comparing Colorado to U.S. Average FY 1991-92 to FY 2015-16



Audited data from U.S. Census, Quality Counts, NCES
 Chart: Colorado School Finance Project
 December 2018

* Budget Stabilization Factor (mechanism to reduce PK-12 funding) incorporated in School Finance Act

Student Count – Drives Resources

STUDENT COUNT	DATE OF COUNT	FUNDING FORMULA	CATEGORICAL
Total Enrollment	October Count	Funded Pupil Count basis for total program funding	
At-Risk	October Count	Free Lunch count used for Total Program Funding	
English Language Learners	October Count	Used for a small piece of At-Risk Funding	Basis for EL funding

Student Count – Drives Resources

STUDENT COUNT	DATE OF COUNT	FUNDING FORMULA	CATEGORICAL
Kindergarten	October Count	Part of Funded Pupil Count	
Prekindergarten	October Count	Used for CPP funding	
Special Education	December Count		Basis for Special Education

What is the current problem?

- Is this a short-term problem?
 - Likely this is pandemic related
 - Should it be a reason to change methodology
- Changing the count approach
 - Costly to state and districts
 - Reduces funding unless there is increase in formula funding
- Considerations
 - What would new audit process look like
 - What would the “true up” process look like
 - issues, can create true up issues

Changes to School Finance in 2020

Legislative

At The Ballot Box

Changes in School Finance Act

- In 2020 the legislature made changes which could increase local share:
 - More funding overall
 - Same funding – just more local dollars
 - Creating more uniformity around number of mills being invested
 - This take legislative action to remove a tax credit – no local action needed
 - This December when certifying mills will also reflect tax credits to your district
 - Only 2 districts have not “de-bruced” or “de-Tabored” – Steamboat and Harrison

Changes in School Finance Act for Adams 12

- Year “de-bruced” - 1999
- Mills when “de-bruced” - 33.274

- Mills for 2020-21- 27.000
- Tax Credit for 2020-21- 0.000

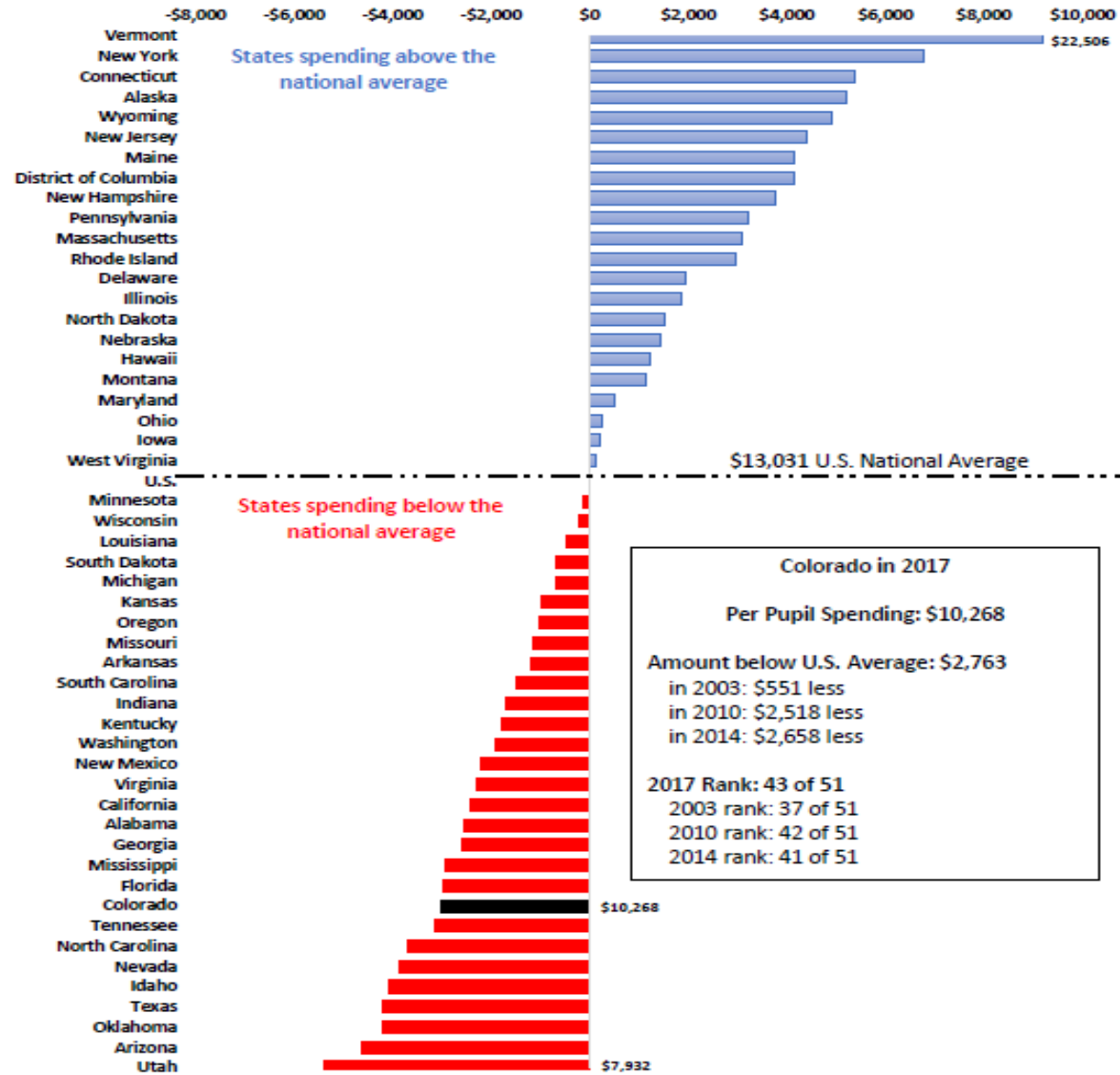
Election Results 2020

- Removed Gallagher from the constitution and the 45/55 split
- Lowered income tax rates
- Put restrictions on “fees” and enterprises-strengthened Tabor
- Passed vaping/nicotine tax – helping rural and money for preschool
- None of them address the systemic underfunding of education

Results of 25 years of TABOR and Gallagher

- Education funding has gone from above national average to one of the bottom funded states in the country
- State contribution has reduced from 44% of general fund to 35%
- The Budget Stabilization Factor existed for more than a decade
- The combination of Tabor and Gallagher has removed \$3 billion annually from local share of K-12 funding

Ed Week Per Pupil Spending Comparison Dollars Above or Below the U.S. Average



Education Week, Quality Counts 2020

COVID *One-Time Money* during pandemic from Federal Government

- CARES Act Grant Code 4012- **\$510 Million**
- CRF Grant Code 5012- **\$37 Million**
- Elementary and Secondary School Emergency Relief Fund (ESSER)- **\$120,993,782 Million**
- Governor's Emergency Education Relief Fund (GEER)- **\$44 Million**
 - **\$32.7 Million** in Response, Innovation, and Student Equity (RISE) Education Fund
- Connecting Colorado Students Grant Program (HB20B-1001)- **\$20 Million**

QUESTIONS & STAY CONNECTED

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Stay connected

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