

## Colorado School Finance Project

### ADEQUACY STUDY K-12 Funding Analysis for Colorado

Colorado School Finance Project's updated adequacy study analyzes the resources and programs that are needed for all students to meet academic performance standards.

#### **WHAT IS "ADEQUACY"?**

##### **What is "adequate" education funding?**

Adequate funding means that school districts have the resources needed so all students can meet the educational goals of the state and federal government.

##### **What is an "adequacy study"?**

An "adequacy study" analyzes the resources needed so all students can meet the educational goals of the state and federal government.

##### **What programs or materials were identified in the "adequacy study"?**

Some of these programs are preschool, all-day kindergarten, before- and after- school programs, textbooks, computers, science labs, technology labs, art programs, libraries, PE equipment, field trips, performing arts programs, music, foreign language, small class sizes, and quality staff.

#### **DO COLORADO SCHOOLS RECEIVE ADEQUATE FUNDING?**

##### **Are Colorado schools able to provide these necessary programs?**

No. Some schools can offer some programs, but state budget mandates brought on by TABOR, the Gallagher Amendment and the Arveschoug-Bird Act make it impossible to fund all the important items listed above adequately. Colorado's School Finance Act is over 13 years old—and the funding does not reflect the new academic expectations.

##### **Didn't Amendment 23 and Referendum C fix K-12 funding shortfalls?**

No. While both measures helped K-12 funding, A-23 simply restored K-12 funding to 1988 funding levels and Ref C allows the state to fund the minimum required by A-23.

#### **WHY DETERMINE ADEQUATE K-12 FUNDING?**

##### **Doesn't Colorado already know what adequate funding levels should be?**

No, the state does not know what it costs to educate a child to the academic standards. K-12 funding is allocated based on what the legislature has left over in the budget—NOT ON WHAT EDUCATION ACTUALLY COSTS.

##### **Why bring accountability and standards into it?**

State and federal lawmakers have set higher goals like Colorado State Standards, State Accreditation, No Child Left Behind, Basic Literacy Act, and College Admission Requirements, but the mandates did not come with the funding to implement these goals.

##### **If budget mandates limit what can be spent, why even do the study?**

We need to know how much an adequate education costs before we can change laws and policy to ensure adequate K-12 funding. Not knowing how much it actually costs to educate students is a backward and irresponsible approach to budgeting.

#### **HOW WAS THE ADEQUACY STUDY DONE?**

##### **What is the end goal of the study?**

The goal is to create a school finance model that the state can implement to assure adequate funding of K-12 education in the future.

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### Who completed the research?

Augenblick, Palaich & Associates (APA), a national consultant and leader in school finance research, completed the study. APA's initial report was published in 2003, and the 2006 research updates the data from that report.

### How did APA approach its work?

APA combined three approaches in gathering data to inform its research:

- **Successful School Districts:** APA found 58 Colorado school districts on track of meeting CSAP and NCLB performance expectations and produced a base cost for educating students with no special needs.
- **Evidence-Based:** APA provided evidence-based figures for the professional judgment panels to consider in their work.
- **Professional Judgment:** APA convened panels with veteran teachers, principals and superintendents from small, medium and large districts from around the state to identify resources schools need for all students to meet performance requirements—this produced a base cost with varying special needs adjustments. APA also convened a “special needs” panel that reviewed special education, English language learners, at-risk, and gifted and talented in relation to the standards and performance objectives.

### WHAT STOOD OUT IN THE RESEARCH?

#### **Current K-12 funding is inadequate.**

If we expect schools to prepare all children to meet state and federal standards, Colorado's school funding falls short, no matter the methodology.

#### **Special needs students require higher level of resources.**

Because the cost of meeting different students' needs depends on both the size of the district and the level of services their specific needs require. APA assigned funding “weights” to be used in a formula to allocate resources to school districts.

- **Special Education:** Students with learning and/or physical disabilities receive special instruction and accommodations based on their particular needs. In 2006, for greater accuracy in determining funding levels, APA divided these needs into three categories—mild, moderate and severe—determined by the level of services needed for student success. In 2003, one overarching “special ed” weight was used for all three levels of students.
- **At-Risk:** Students identified as “free lunch.”
- **ELL:** English language learners require additional instruction so that they can successfully transition from their native language into English.

#### **Many education costs are increasing far faster than inflation.**

School districts' revenue has increased at only .1% and 2.1% the last two years, while a number of costs have increased at double-digit rates. In particular, energy and employee health care costs have taken big bites out of school districts' hard-hit budgets.

#### **Other cost factors facing school districts**

School districts' are facing issues costs relating to school facilities and transportation that must be addressed when creating a school finance formula. Other cost pressures include “choice”, changes in enrollment, special AP and IB classes Voc Ed, student activities, safety and security.