

COLORADO SCHOOL FINANCE PROJECT

Support Children - Support The Future

Analysis of Factors by District

The workbook examines the impact the school finance formulas' "factors" have on each district's funding using the 2020-21 funding workbook from CDE¹. For this work factors include:

- **Floor Funding-** Per pupil supplemental funding is designed to ensure that the per pupil revenue (PPR) for each district and CSI school is at least equal to 95 percent of the state average PPR. If a district's or CSI school's PPR is less than 95 percent of the state average PPR, that district or CSI school will receive supplemental funding to increase PPR to meet that benchmark. {CRS § 22- 54.5-303}
- **Cost of Living-** Accounts for COL of a school district relative to other districts in the state. The Personnel Costs Factor (PCF) is applied to the COL factor. This defines the percentage of the statewide base that each districts COL is applied against. The PCF recognizes that smaller districts must spend a higher percentage of their budget on "non personnel" and therefore less of their base cost is COL.
- **Size Adjustment-** Provides money to all school districts, smaller enrollment districts receiving the most to adjust for economies of scale.
- **At-Risk Funding-** Provides additional district funding for students who may be at risk of failing or dropping out of school. The state uses **free lunch** under the federal school lunch program as a proxy for at-risk students. The definition also includes a small number of non-English speaking students.
- **Online and Ascent students above base funding-** Funding for students in on-line programs and in ASCENT program

The spreadsheet first shows the **% of Total Program Prior to BS Factor** for Base funding and each factor. There is very different reliance on base funding and factors as shown in the table below. Most districts receive the majority of funding from base funding.

	Base Funding	Floor Funding	Cost of Living Factor	Size Factor	At-Risk Factor	On-Line and Ascent Funding
Minimum	35%	0%	0%	0%	0%	0%
Maximum	81%	4%	33%	57%	14%	15%
Average	63%	0%	9%	22%	5%	0%

¹ <https://www.cde.state.co.us/cdefinance/fiscalyear2020-21schoolfinancefunding>

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The next section of the spreadsheet, **% Of Factors Prior to BS Factor**, takes a closer look at the reliance on individual factors by district by examining the share of total factors related to each factor. As the table below shows, some districts tend to either rely heavily on cost of living or size.

	Floor Funding	Cost of Living Factor	Size Factor	At-Risk Factor	On-Line and Ascent Funding
Minimum	0%	1%	1%	1%	0%
Maximum	18%	81%	95%	44%	74%
Average	0%	33%	51%	14%	2%

Factors as a percent of Total Program Funding Prior to BS Factor shows each district's overall reliance on factor funding with districts ranging from a low of 19 percent to a high of 65 percent of funding.

BS Factor as a Percent of Factors shows how much of factor funding has been reduced by the BS factor. Districts range from 0 percent, fully locally funded districts, to 65 percent.