

School Finance Update

BOCES Meeting

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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.*

Recent changes to school finance in Colorado

- 2020 implemented legislation regarding local share correction and tax credits
- 2021 – interrogatory from Supreme Court and implementation began to increase local share
- Interim Committee hired Urban Institute to provide analysis and information to change “at-risk” definition
- Added .08 ELL factor into the formula – also a categorical

2021-22 Supplemental

- \$65M buy down of BSF- only taking \$503.3M from schools this year
- No change to overall enrollment figure
- Additional dollars to school districts for at-risk students
- Impact will vary by district

Interim Committee legislation

- Increased dollars for special education – Tier A increase funding to \$1750 per student and \$40 million more for Tier B with inflationary increases beginning 2024 ([SB22-127](#))
- At-risk definition changes – create a working committee for a year to figure out how to include socio economics factors using US census data at school level, direct cert, Medicaid data ([HB22-1202](#))

Interim Committee legislation – contd.

- Public Land Trust investment changes ([HB22-1146](#))
- Mill Levy Override Match – power equalization for districts that have low AV and low income and determining a matching amount from the state with a goal of reaching 25% of total program funding. State needs to ensure ongoing revenue to meet obligation. (appears to be postponed)

Thoughts School Finance for 2022-23

Presentation to JBC on 2/14

- Buy down the Budget Stabilization Factor by 50% to \$250M
- Flat enrollment and then decreasing enrollment in the future
- Inflation is set at 3.5%
- Underlying assumption that sustainable funding will come from increase in local share dollars

Other topics of discussion in the legislature

- Budget Stabilization Factor
- How to count kids – averaging – at-risk
- TABOR Surplus – \$5.5 billion over the course of forecast period
- Increasing local share – with changes to Gallagher – how much and when

Legislation and ballot box 2022

- Numerous ideas with TABOR refunds
- Divert an additional .33% of income tax into the state Ed Fund – generating about \$821 million more dollars.
- This is being pursued as legislation and as a citizen's initiative
- Need 50% + 1 –
- Would still have TABOR refunds after this diversion
- Measures also to reduce income tax, sales tax and gas tax

Questions & Stay Connected

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