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.
How are school districts funded?

- School Finance Act of 1994
  - Goals of the Act

- Revenue Sources
  - Challenges over time

- Changes discussed
  - Legislatively
  - Citizen’s Initiative
  - Referred Measures
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
State & Local Share Varies (by design)

District A

LOCAL SHARE
Local District Taxes:
Property Taxes
Ownership Tax

STATE SHARE
State Taxes:
General Fund
Education Fund

District B

LOCAL SHARE
Local District Taxes:
Property Taxes
Ownership Tax

STATE SHARE
State Taxes:
General Fund
Education Fund

16.94% for Bayfield

83.06% for Bayfield

12/03/2020
General Fund Budget

FY 2019-20: $12.2 Billion*

Spending by Department

Corrections 7.3%

K-12 36.1%

Health Care 25.8%

Higher Education 9.1%

Human Services 8.6%

Fund Source

General Fund

Cash Funds

Federal Funds

Reappropriated

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

* Data from Colorado Department of Education
**English Language Learners is term CDE uses
Bayfield’s students

• At-Risk 1,324 students- 30.9% eligible for free and or reduced

• 10.6% Students receiving Special Education services

• 2.3% Emerging Bilingual students

• 7.7% Students eligible for Gifted Education services

* Data from Colorado School Finance Project’s 2019 Bayfield School District Profile
Student need has changed- Requires more services- This costs money

Students of poverty are 41% of the population
- approximately $0.30 of every $1.00 is state funded.

Students with special needs are 11% of the population
- approximately $0.30 of every $1.00 is state funded.

Students learning English are 14% of the population
- approximately $0.20 of every $1.00 is state funded.

Gifted students are 7% of the population
- approximately $0.15 of every $1.00 is state funded.
Financial Facts for Bayfield Schools

• Per Pupil Revenue: $10,869*
• 2020-21 Total Program Mills: 8.229
• Override mills (do not include November 2020 election results): 9.375
• “De-bruced” in 2001-02
  • Mills at time of “de-brucing” 19.138
• 1 mill raises $230,003 or $164 per student

*From Colorado School Finance Project’s Bayfield School District Profile 2019
<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2020</td>
<td>New Fiscal Year Begins</td>
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<tr>
<td></td>
<td>BOE: Long-range budget forecast discussions with BOE. Decision due for Mill or Bond election.</td>
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<td>District: Receive preliminary assessed valuation</td>
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<td>October 2020</td>
<td>October Student Count (10-day window)</td>
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<tr>
<td>November 2020</td>
<td>State: Governor’s Budget</td>
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<tr>
<td></td>
<td>District: Mill or Bond election, Odd years: School board election</td>
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<tr>
<td></td>
<td>District: Receive final assessed valuation from county assessor.</td>
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<td>BOE: Certify mill levies property tax collection figures to county commissioner.</td>
</tr>
<tr>
<td></td>
<td>BOE: Revised 2020-21 Budget Approved &amp; Quarterly financials</td>
</tr>
<tr>
<td>February 2021</td>
<td>Consumer Price Index (CPI) Forecast</td>
</tr>
<tr>
<td></td>
<td>Legislature: Preliminary indication of school finance</td>
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<tr>
<td></td>
<td>BOE: receives budget update</td>
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<tr>
<td>March 2021</td>
<td>State: 2021-22 Revenue Forecast</td>
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<tr>
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<td>BOE: receives quarterly financials</td>
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<td>BOE: Approve funded Capital projects</td>
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<td>April 2021</td>
<td>District/BOE: Begin staffing decisions for 2021-22</td>
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<tr>
<td></td>
<td>District/BOE: Staffing decisions, preliminary budget must be presented</td>
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<tr>
<td>June 2021</td>
<td>State: 2021-22 Revenue Forecast</td>
</tr>
<tr>
<td></td>
<td>BOE: receives quarterly financials</td>
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<tr>
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<td>BOE: Adoption of 2021-22 budget</td>
</tr>
</tbody>
</table>
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**
Changes to School Finance in 2020

Legislative

At The Ballot Box

12/03/2020
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 Bayfield

- “De-bruced” in 2001-02
- Mills at time of “de-brucing”: 19.138
- Tax Credit for 2020-21: 12.986
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
TABOR and Gallagher – 2020 impact

• 2020 election removed the entanglement of Gallagher and Tabor residential assessment rate will remain at 7.15%
• Tabor remains an issue
  • Legislative hands tied as fees now to be voted on
• Tabor only allows a flat income tax
  • Voters lowered it this election causing pressure on general fund
QUESTIONS after today?

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