Changes are Coming to School Finance
Bethune Board of Education

Colorado School Finance Project
February 26, 2024
Who is CSFP?

- 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. CSFP also supports school districts by providing expertise, technical assistance and capacity building related to best practices in school finance.
Current Topics

- K12 Updates / October Count / Special Session
- Commission on Property Tax
- School Finance Task Force
- At-Risk
- Universal Preschool
- Adequacy Studies
K12 Updates from October Count and Special Session
Bethune Statistics

- Total Enrollment 2023-24 – 103.2
- Pre School not included
- 5-year averaging - rolling off a large number
- At-risk 59 students
- ELL – 9 students
- Will need to determine at-risk count numbers for 2024-25
- Local share 29% and 71% state for total program

February 2024
1 year fix
- Reduced residential rate to 6.7%
- Non-residential rate to 27.9%
- State had revenue to backfill K-12
- Assessed valuation may change in some districts
- Established the Commission on Property Tax
  - Charged to create a long-term solution
Commission on Property Tax

- Created by HB23B-1003 during the 2023 Special Session
- 19 members made up of legislators and local leaders
- Task Force is tasked with making recommendations for a property tax structure that keeps the interests of local governments and landowners in mind
- Deadline for Report March 15th
- Facilitated by Keystone Policy Center
Updates from Property Tax Task Force

Topics discussed so far:
- Land value tax
- Mill Levy variance
- School Finance and Property Tax
- Upcoming ballot initiatives
- Assessed valuation
- Should K-12 be treated differently than other local governments?
- Capping growth – Proposition 13 California

In person meetings upcoming
- Fort Morgan

Access all materials here.
Initiative 50 on the ballot in 2024 – signatures approved
- Requires voter approval for the retention of additional property tax revenue in years when revenue is projected to increase by more than 4% from the prior year level.

Topics of consideration:
- Circuit breakers
- Smoothing of the base
- Adjustments to the taxing power (mill levies)
Dollars per Mill 23-24

Range of Dollars Raised per Mill

<table>
<thead>
<tr>
<th>Location</th>
<th>Dollars Raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver County 1</td>
<td>$25,179,373</td>
</tr>
<tr>
<td>Poudre R-1</td>
<td>$4,877,226</td>
</tr>
<tr>
<td>Durango</td>
<td>$1,655,412</td>
</tr>
<tr>
<td>Bennet 29 J</td>
<td>$515,612</td>
</tr>
<tr>
<td>Sierra Grande</td>
<td>$89,326</td>
</tr>
<tr>
<td>Karval</td>
<td>$6,201</td>
</tr>
</tbody>
</table>
Dollars per Mill per Pupil 23-24

Range of Dollars Raised per Mill per Pupil

- Pawnee RE-12: $9,575
- Garfield 16: $1,097
- Kit Carson R-1: $559
- Hi-Plains: $237
- Academy 20: $108
- Byers: $11

February 2024
Changes are statutory and can be done legislatively and will impact local share for 2024-25

Changes are needing voter approval and outcome not determined until after November election

A combination of the above

Could be multiple measures on the ballot having to do with property taxes that if passed would have to be sorted out by the courts
School Finance Task Force
School Finance Task Force

- Created by SB23-287
- 17 members comprised of stakeholder groups, including Superintendents, CFOs, and school finance experts
- Supplemental request – Additional $2.8M, totaling $3M
- Costing out work – completed by Jan. 2025
- Final Report
The Task Force is charged with two tasks:

- Recommending changes to factors in the school finance formula that could be enacted for the 2024-25 budget year.
- They developed the parameters for a study, commonly called an adequacy or costing out study. RFP out for bidders. Two different vendors will be awarded to complete different methodologies. Work to be completed January 2025.
The Task Force is charged with recommending adjustments to the following factors for the School Finance Formula:

- Eliminating the use of multiplicative indexes for cost of living and size and removing personnel and non-personnel component.
- Recalibrating, capping, or alternative methods to account the cost-of-living factor.
- Factors designed to serve students with additional needs such as at-risk, English learner and special education.
Including other considerations other than or in addition to student enrollment and remoteness of school district for the size factor

Securing equalization in mill levy overrides for institute charter schools based on school location, location of students, multi-district online programs and total program funding
School Finance Formula
Topics: Recommendations & Discussions
The Task Force voted on 17 recommendations.

Of these, 5 were fairly divided, and 12 were unanimous or close to unanimous.

The Task Force did NOT make recommendations on:

- How to count students for the new at-risk factor [legislated by HB22-1202](https://example.com). The Task Force made a recommendation on an at-risk weight, but not the parameters for generating a count. This work currently resides with CDE.
- Universal Preschool.
The following recommendations are included in the runs:

- At-risk weight of .31 (does NOT use new count method)
- ELL weight of .5
- SpEd Tier A students weight of .5 and Tier B students 0.85
- Removal of personnel/non-personnel factors
- Move COL and size to a district adjustment at the end of the formula
- Rebasing the COL factor; minimum cap of 0.1
- Remove size factor for districts > 1,027 students
- Add remoteness weight

GT weight established, but no funding included

No changes to SpEd dollars currently in the categoricals

No increase to “base” funding in the model
Generally, the following types of districts benefit from the recommendations:
- Higher at-risk, smaller, more rural, more sparse, less MLO revenue
- See the full analysis

13 districts would lose funding under the recommendations and would require the implementation of a hold-harmless provision to be kept whole, $64 million needed and not part of the cost calculations.
These districts lose funding under the current model, which among other changes puts $539M into the formula for Special Education in addition to the categorical funds.

The total hold harmless to keep these districts whole under the current model is $64.1M.
Legislature could implement recommendations if additional dollars are not an obstacle.

Legislature could wait to make changes until adequacy studies are completed.

Legislature could implement a portion of recommendations – for example, the special education changes cost the most - if excluded those recommendations and implemented other items would impact the outcome.

- This would cost the legislature about $230 million dollars to "hold districts harmless"
Changes to At-Risk Measure
New At-Risk Measure Basic Principles

Identified Student Percentage (ISP)

- Directly certified students (SNAP, TANF, migrant)
- Students categorically eligible for free meals (homeless, foster, Head Start, etc.)
- *Now includes Medicaid and CHP*+

Neighborhood Socio Economic (SES) Index

- Census-based neighborhood indicators
- Every student assigned a census block based on their physical address
- Many indicators to choose from

February 2024
CDE will utilize pilot district data to help determine next steps for implementation in 2025-26 calendar year.

Districts know your new student count numbers with Medicaid – did they go up, down or the same?

Hold Harmless: You will receive the greater of your FY23 or FY24 at-risk funding amount this year.  
- 24-25 year to be determined by Legislature
At-Risk Factor – solutions

- Utilize the new numbers and not utilize census bureau data
- Hold Harmless for another year
- Or utilize NCES adjustment that other states use, this would include the new student count and apply a multiplier of 1.69.
- Or wait for the Adequacy Study to guide changes.
Enrollment for 2024-25 is beginning

- Feb – March: Pre-registration for students already enrolled, siblings and children of employees
- April – June: Family matching process for new families
- Summer: Walk-in Direct Enrollment
- Students with IEPs can register at any point in the year
Providers are to set up a profile in the new online portal

Information needed for your profile:
- Each location's kindergarten eligibility date.
- Each location’s school district.
- Each location’s preschool program types (full day, half-day, part-time, extended day), as well as the languages of instruction.
- The number of four-year-old seats available in each program at each location.
- Contact information for your Authorized Representative. This may be a CFO, Superintendent, business official or other leader who is authorized to sign the Provider Service Agreement.
# Year 2 additions

<table>
<thead>
<tr>
<th>Getting Ready</th>
<th>Applying</th>
<th>Matching</th>
<th>Enrolling</th>
<th>Engaging</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Providers provide profile and program level general information</td>
<td>• One application for various use cases</td>
<td>• Engaging the DAA to make decisions; relying on reactive manual processes to resolve issues</td>
<td>• Limited information delivery with tight timelines and ad-hoc maintenance</td>
<td>• Manual payment validation process</td>
</tr>
<tr>
<td><strong>Year 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Providers can define additional program, seat, and IEP level details</td>
<td>• Multiple paths that are personalized to Family needs (IEP, CoC, Family, Staff)</td>
<td>• Using unique pathways to reduce issues in matching</td>
<td>• Clearly documented resources, expectations, and responsibilities for communications</td>
<td>• Improved processes and reporting*</td>
</tr>
<tr>
<td>• Providers are engaged in listening sessions and testing</td>
<td>• Increased communication and resources to support understanding</td>
<td>• DAA engaged to continue to provide successful matching to the majority of families</td>
<td></td>
<td>• Proactive identification of payment issues for faster resolution</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Timely matching to ensure families receive reassurance in a reasonable amount of time</td>
<td></td>
<td>* Discovery work still underway</td>
</tr>
</tbody>
</table>
# User-facing Year 2 Roadmap & Timeline

## Phase 1 (complete)
**Present – January 24**
- Provider program setup redesign
- User validation sessions

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## Phase 2
**Present – February 2024**
- Family application redesign
- Pre-registration application (for continuity of care, siblings of students, children of employees and children with IEPs)

### SO THAT...
- Providers can define programs in a more nuanced way than in year 1, enabling families to rank providers with programs that best suit their needs
- Providers and families understand the programs offered

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## Phase 3
**Spring - Summer 2024**
- Direct enrollment model implementation (for applicants after matching ends in late Spring)
- Migrate authentication to enable non .gov website authentication

### SO THAT...
- We can reduce the manual processes related to directly enrolling children in programs
- We can enable rebranding on a non .gov website

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## Future
**Fall - Winter 2024**
- Payments refactor
- GIS integration (tentative)
- IDXR to CCAP and other CDEC programs
- Rebrand to universalpreschool.org

### SO THAT...
- We can reduce manual processes and inaccuracies related to paying providers
- We can comprehensively map locations to cut-off dates and Administrative Units
- We can unify CDEC’s programs
- We can build more trust in the Universal Preschool brand

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**Provider setup opens**

**2024 - 2025 school year begins.**
Clarity on requirements for parents

3-year-old processes
- Differentiating between 3-year olds with IEPs and 3-year-olds with historical allotment

Income verification process

Enhanced language and accessibility
- Determining translation languages
- Accommodations associated with the Colorado Law for Persons with Disabilities

More information [here](#).
February districts should receive 3-year-old IEP funding – then monthly

For 24-25, 4-year-old students should receive funding for those that sign up prior to summer ahead of time, those that sign up after July 1 and into the fall will be paid after the school year starts.

Ongoing clarity to come
<table>
<thead>
<tr>
<th>Methodology</th>
<th>Professional Judgment (PJ)</th>
<th>Successful School District (SSD)</th>
<th>Education Cost Function (ECF)</th>
<th>Evidence-Based (EB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benchmark of Success</td>
<td>Ensuring students can meet all state standards</td>
<td>Currently outperforming other school districts</td>
<td>Current performance; extrapolates to meeting all standards</td>
<td>Ensuring students can meet all state standards</td>
</tr>
<tr>
<td>Data Requirements</td>
<td>Expertise of educators serving on PJ panels; uses research as a starting point, but defers to educators when conflict arises in resource recommendations based on their understanding of state standards</td>
<td>Expenditure data from selected successful schools or districts</td>
<td>Performance, student and district characteristics and expenditure data</td>
<td>Best-practice research, reviewed by educators; when conflict arises in resource recommendations, the EB approach defers to the research</td>
</tr>
</tbody>
</table>

| Resulting Information    |                                                                                          |                                                                                     |                                                                                     |                                                                                     |
| Base                    | Yes                                                                                      | Yes                                                                                 | Yes                                                                                 | Yes                                                                                 |
| Student Adjustments     | Yes                                                                                      | No                                                                                  | Yes                                                                                 | Yes                                                                                 |
| (Weights)               |                                                                                          |                                                                                     |                                                                                     |                                                                                     |
| Resource Model          | Yes                                                                                      | Yes (case studies)                                                                   | No                                                                                  | Yes                                                                                 |
These studies will recognize the Colorado landscape of what the requirements are for school districts, our accountability and accreditation systems, and current law that districts must implement and comply with.

These will recognize different student and district characteristics

This information can inform the content needed for a new SFA and can lay a road map for implementation.

The "Base" amount will finally be available for discussion.
Questions?

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