School Finance – Hot Topics

• Economic Forecast
• Interim Committee on School Finance
• Interim Committee on Gallagher
• Superintendent’s ongoing school finance revisions
• Other groups ideas of redistribution of revenue
• On going discussion of mill levy equalization
Economic Forecast

- Strong economy – most sectors of the state showing strength – oil and gas, technology sector, construction, and tourism (excluding ski season of 2017).

- Over $1 billion for legislature to begin for this years budget –
  - K-12 Case loan growth and inflation $300 million
  - If A73 doesn’t pass – change in RAR could be a $300 million backfill
  - Medicaid growth – slowing with case load growth, more in aging
  - PERA and TABOR refunds included with legislative council forecast if Governor’s forecast is adopted then need another $100 million.
  - Impact of Initiative 109

Interim Committee on School Finance

- Discussing options for adjusting formula – using a simulation model
- Current model assumes no additional dollars-redistribution
- Current model assumes no more pay down on B/S factor
- Discussion on what student’s should be in at-risk – discussion around direct certification
- Discussion around size factor
- Discussion around COL
- Discussion around mill levies
Interim Committee on Gallagher

Bills Recommended to Move Forward

- Summary Report to Legislative Council
- Bill A – Repeal the Gallagher Amendment
- Bill B – Regional Residential Assessment Rates for Property Tax
- Bill C – Backfill Property Tax Loss to Certain Special Districts
Secure Rural Schools Funding

• Current year allocation became available a few weeks ago, part of omnibus bill that passed last minute – allocation to be less than prior years – just appropriated so not going to be available until after the first of the year in 2019

• Future years allocation – too soon to know

Other Discussions

• Superintendent’s formula

• Other ideas murmuring

• Mill levies – equalization
What are you hearing?

How can we help you?

What do you need?