

CSFP Advisory
Committee:
West Slope

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Colorado
School
Finance
Project
(CSFP)

*Who are we?
What do we do?*

- Non-profit, non-partisan
- Supported by school district contributions
- School finance analysis for local and state policy makers since 1995

Mission: To compile, collect and distribute research-based, non-partisan information and data on topics related to school finance for state and local policymakers.

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What is being talked about at the Capitol?

- Full-day Kindergarten
- Interim Committee: School Finance
- Mill Levy Stabilization
- De-brucing
- Gallagher – RAR
- Rural \$
- School Finance
- BEST
- Economy – slow down
- Equity

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State Funding for Full-day Kindergarten

HB19-1262

- Will fund every full-time student in kindergarten at 1 FTE
- Half-time students will be .58
- If the number of students attending exceeds the \$185 million will true up during supplemental process
- Does not mandate kindergarten

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Extend School
Finance Interim
Committee

SB19-094

- Will extend the work from the previous two years to a third year
- Will have some new members
- Will keep equal number of republicans and democrats
- Members may hire outside consultants - work begins by July 2019

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BEST

HB -1055

- Increases the maximum total amount of BEST annual lease payments
 - to \$105 million for state fiscal year 2019-20 and
 - to \$110 million for state fiscal year 2020-21 and each state fiscal year thereafter
- Currently looking to add a component to address capital dollars for kindergarten - 1 time allocation

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Mill Levy Stabilization

No bill this year

- Draft was floated about 3 weeks ago that contemplated 27 mills – 2 mills every two years – additional revenue would go back to school districts by reducing the B/S factor

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Mill Levy Stabilization continued

Unanswered questions:

- Is there a minimum amount the state will guarantee?
- What if a district can't raise local mills?
- What are ramifications of a district using override dollars to meet obligation?
- What is the overall tax policy goal? Is it to get back to a 50/50 split?

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Mill Levy
Stabilization
continued

Other ideas

- Two tiers?
- Power Equalize?
- Power equalize

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De-brucing

Two measures being referred –
Bi-partisan support:

- **HB19-1257**: Authorizes the legislature to refer a measure to the public in Nov 2019 to keep revenue the state receives above the current TABOR cap.
- **HB19-1258**: Splits revenue by 1/3 each to K-12 education, higher ed and transportation.

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Gallagher and RAR change

- Gallagher 2018 Interim Committee recommended a repeal and replacement – appears more discussion for 2020 - potential for ballot.
- RAR – Will it change? Estimate ranges have been wide range but have shrunk.

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School Finance and Rural dollars

Bill No. ??

- What will it include?
- Discussion of including more \$ for rural, mental health and special education.
- None of these additional dollar requests have been allocated in the long bill.

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Equity Discussions

Equity discussions:

- Wealth - Tax Payer
- Need – Student characteristics
- Size of school district
- Regional

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Equity Discussions

Meeker:

Need – Pritchett, Del Norte, McClave, Kiowa

Regional – Moffat, Rangley, Garfield 16, Garfield RE2

Size – Wray, Center, Dolores, Burlington

Wealth – Gilpin, Telluride, DeBeque, Prairie

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Equity
Discussions

Mesa 51

Need – Weld RE3, Las Animas, Adams
12, Florence

Regional – DeBeque, Plateau Valley,
Delta, West End

Size – Brighton(27J), Pueblo 60,
Greeley, Falcon 49

Wealth – Cheyenne Mountain, Ft.
Morgan, Delta, Montrose

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Equity
Discussions-
Power
Equalization

Power equalization helps to resolve the tax inequities that impair school districts from raising local revenue because of assessed valuation differences.

Creates a tax system that provides more capacity for less wealthy school districts.

Recognizes that a zip code should not predetermine the resources a student has access to.

Power equalization requires local community participation to access additional state contribution.

The state contribution must be for a specified time so that concerns of sustainability are addressed.

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Equity
Discussions-
Power
Equalization-
Examples

- It does this by ensuring that communities can raise the same amount of dollars per mill per pupil as some set wealth point.
- For this example, the set wealth level will be the 75th percentile of wealth (\$271,022 per pupil) and districts will be levying 5 additional mills.
- The table and graph show the impact on a very low wealth district (10th percentile), the average wealth district (50th percentile), the target wealth district (75th percentile), and a high wealth district (90th percentile).

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Equity
Discussions-
Power
Equalization-
Examples

- Districts below the target wealth level receive state equalization money to ensure capacity to the 75th percentile. Districts at or above the target wealth receive no state support.
- The example shows that the three districts at or below the target wealth generate the same amount per pupil with those below the target receiving state dollars. Districts above the target will still be able to generate amounts above other districts.

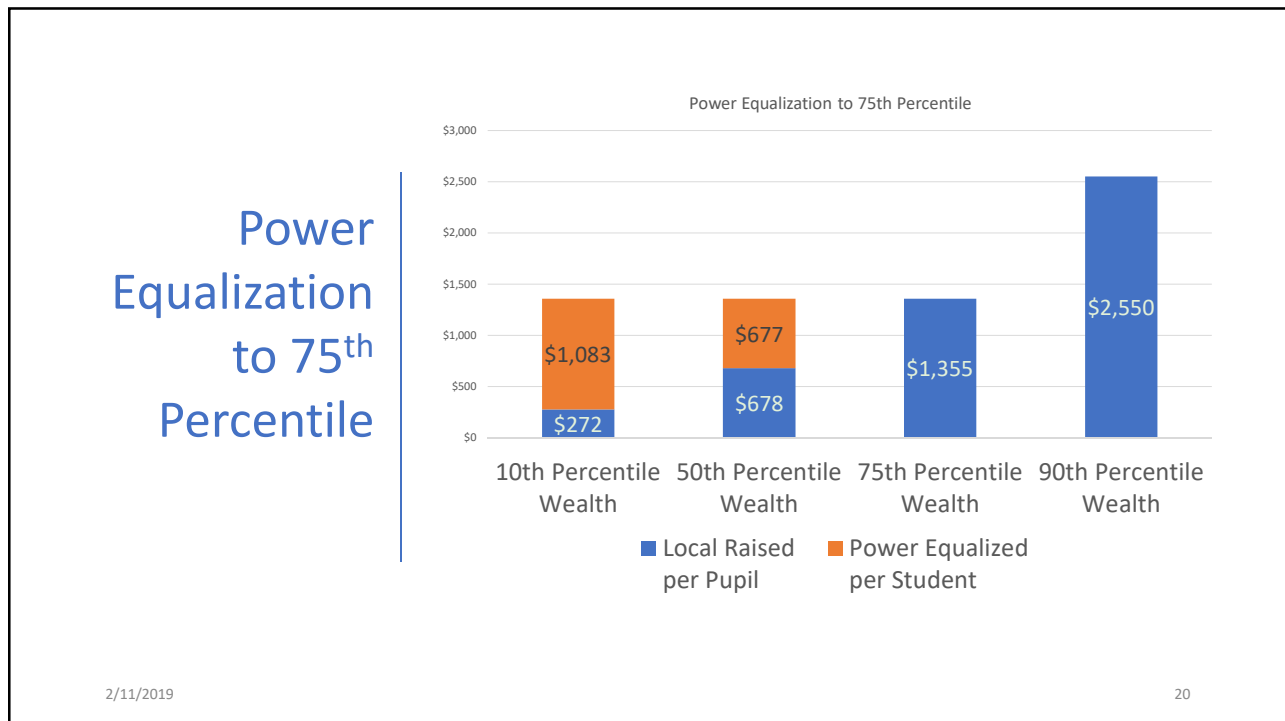
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Power Equalization Example
 Assuming 50th Percentile Wealth of \$135,595 per FPC and
 Equalization to 75th Percentile of Wealth of \$271,022,
 Assuming 5 Mills Raised

	Local Raised per Pupil	Power Equalized per Student
10th Percentile Wealth	\$272	\$1,083
50th Percentile Wealth	\$678	\$677
75th Percentile Wealth	\$1,355	
90th Percentile Wealth	\$2,550	

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Economy -
Forecast -
Slow down

- March Revenue Forecasts two different scenarios
- Concerns of ongoing revenue and impact on K-12 – specifically kindergarten
- Timing and how much impact on Colorado is unsure
- General caution

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Questions Now?
Questions Later
– contact us

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