

# Western Slope Advisory Meeting

Tracie Rainey, Executive Director  
Colorado School Finance Project  
October 21, 2021

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.*

# Colorado School Finance Project

## HOW WE DO IT

Monthly advisory zoom meetings 130+ attendees – governor’s office – JBC and CDE presenters as examples- *email if you’d like to be added to invite list*

Email updates

Website: <https://cosfp.org/>

Twitter: @cosfp



# Welcome

*Founded in 1995, the Colorado School Finance Project (CSFP) is a non-profit whose mission is to compile, collect, and distribute research-based, non-partisan information and data on topics related to school finance for state and local policymakers.*

[Money Matters: Tell Your Story ESSER funding documents](#)

[\*\*Adams 12 Five Star Leadership Academy presentation\*\*](#) - October 8, 2021

[\*\*Thirteen Years of the Budget Stabilization Factor-2009 to 2022\*\*](#) (data for every school district)

## **ELECTIONS PAGE 2021**

**DRAFT of 2021 Colorado School District Elections-** Elections: Bond, BEST, Mill Levy Override (MLO), Operational MLO, and Transportation MLO. Information posted as of 9/29/2021. **2021 State Ballot Information Booklet (the Blue Book)**- Legislative Council of the Colorado General Assembly

## Today's Topics

- Budget Forecast
- Interim Committee
- Factor Funding
- Mill Levy Overrides
- Mill Levy Correction
- Money Matters: Tell Your Story Project
- What are your districts biggest issues?

# Forecast Update

- State revenue is growing – recovery one of the strongest in country
- TABOR refunds are expected for the forecast period – almost \$4billion dollars
- Colorado inflationary pressures are less than national experience – 3.7% estimated

## Interim Committee on School Finance Topics

1. *How to modernize the formula to make it more transparent, equitable, and student-centered- **on-going***
2. Whether the current method for identifying at-risk pupils is an appropriate, poverty study required by the bill- **August 24<sup>th</sup> meeting (1<sup>st</sup>)**
3. Examining district cost-of-living and personnel costs
4. Examining small, remote, and rural school district funding



## Interim Committee on School Finance Topics

5. Reviewing total program mill levy and mill levy overrides- **September 17<sup>th</sup> Meeting (2<sup>nd</sup>)**
6. Alternative educator support for kindergarten through second grade students- **October 19<sup>th</sup> meeting (3<sup>rd</sup>)**
7. Benefits and challenges of incorporating special education services into the formula – **October 19<sup>th</sup> meeting (3<sup>rd</sup>)**



# At-risk Discussion

- What is the definition of at-risk?
  - Is it a poverty indicator?
  - Is it failure to achieve ?
  - Is it both?
- How will definition be measured?
- What additional burden and costs on districts?
- How can this be achieved without creating additional forms being filled out?

## Summary of At-risk Discussion

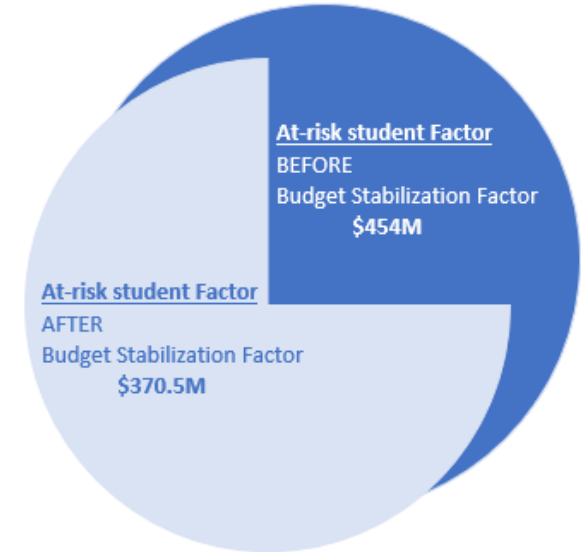
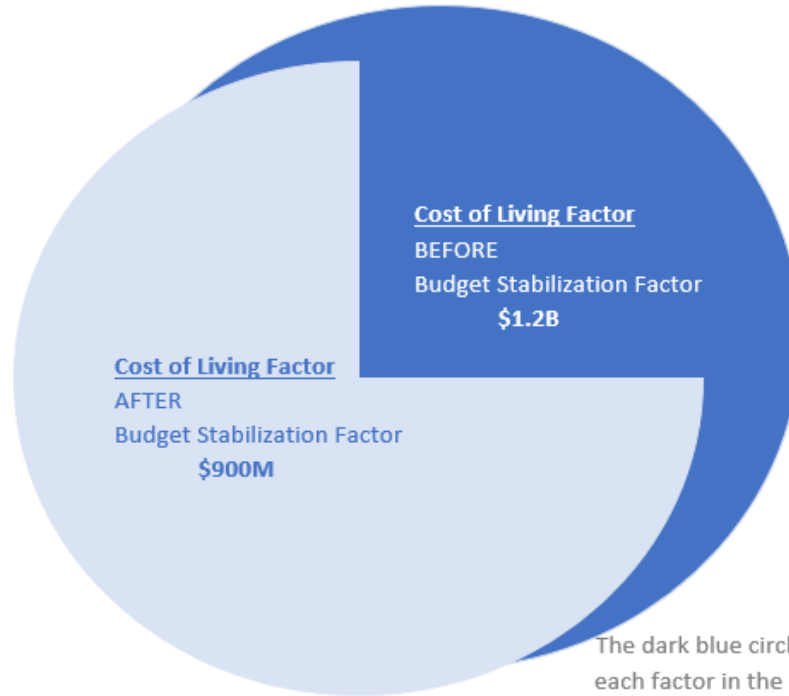
- The Urban Institute has been hired by the committee to present a report to the committee by January on at-risk which could influence their definition and guide them on what data they need to collect.
- The study does not include the amount of revenue needed to implement.

## Factor Discussion

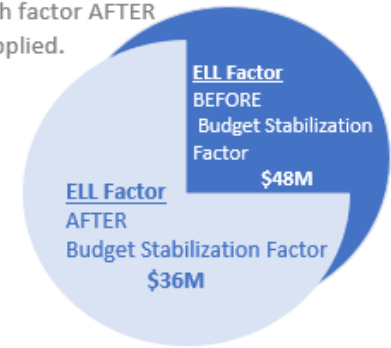
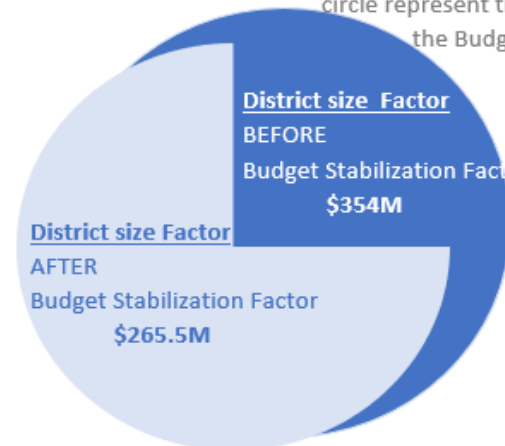
- What dollars are left in the factors?
- Are the factors the right factors?
- Should certain factors be reduced or eliminated?
- *The state perspective differs from the district perspective*

**Dollars available for Colorado school finance formula factors  
BEFORE and AFTER the Budget Stabilization Factor**

# Factor Funding



The dark blue circle represents all the dollars available for each factor in the school finance formula. The light blue ¾ circle represent the dollars available for each factor AFTER the Budget Stabilization Factor is applied.



September 2021

CSFP 1547 Gaylord Street Denver, Colorado 80206  
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	% of Total Program Prior to Negative Factor				Factor % Breakdown (% Distribution of \$s)			
	ADAMS 12	CANON CITY	THOMPSON	MESA COUNTY VALLEY 51	ADAMS 12	CANON CITY	THOMPSON	MESA COUNTY VALLEY 51
<b>Base Funding</b>	76%	79%	79%	79%				
<b>Floor Funding Factor</b>	0%	0%	1%	1%	0%	0%	4%	7%
<b>Cost of Living Factor</b>	15%	11%	13%	10%	65%	50%	64%	50%
<b>Size Factor</b>	3%	3%	3%	3%	11%	15%	13%	13%
<b>At-Risk Factor</b>	5%	7%	4%	6%	21%	34%	18%	29%
<b>ELL Factor</b>	1%	0%	0%	0%	3%	0%	1%	1%
<b>On-Line and Ascent Funding Factor</b>	0%	0%	0%	0%	0%	0%	0%	0%
<b>Factors as a percent of Total Program Funding</b>	24%	21%	21%	21%				

# Adams 12 Factors

	Full Factor Funding	BS Factor Impact on each factor	Factor \$s after BS Factor applied
Floor Funding	\$0	\$0	\$0
Cost of Living Factor	\$62,084,885	-\$17,347,370	\$44,737,515
Size Factor	\$10,899,396	-\$3,045,441	\$7,853,955
At-Risk Factor	\$19,952,939	-\$5,575,125	\$14,377,814
EL Factor	\$2,874,854	-\$803,274	\$2,071,580
On-Line and Ascent	\$14,867	-\$4,154	\$10,713

# Thompson Factors

	Full Factor Funding	<b>BS Factor</b> Impact on each factor	Factor \$s after <b>BS Factor</b> applied
Floor Funding	\$1,266,353	-\$408,973	\$857,379
Cost of Living Factor	\$18,203,266	-\$5,878,812	\$12,324,454
Size Factor	\$3,800,310	-\$1,227,324	\$2,572,986
At-Risk Factor	\$5,159,951	-\$1,666,425	\$3,493,526
EL Factor	\$203,314	-\$65,661	\$137,653
On-Line and Ascent Funding	\$32,708	-\$10,563	\$22,145



# Mesa D-51 Factors

	Full Factor Funding	BS Factor Impact on each factor	Factor \$s after BS Factor applied
Floor Funding	\$2,852,174	-\$921,050	\$1,931,124
Cost of Living Factor	\$20,896,450	-\$6,748,070	\$14,148,380
Size Factor	\$5,354,841	-\$1,729,234	\$3,625,608
At-Risk Factor	\$12,202,825	-\$3,940,646	\$8,262,179
EL Factor	\$279,384	-\$90,221	\$189,163
On-Line and Ascent Funding	\$32,708	-\$10,562	\$22,146

# Canon City Factors

	Full Factor Funding	BS Factor Impact on each factor	Factor \$s after BS Factor applied
Floor Funding	\$0	\$0	\$0
Cost of Living Factor	\$3,482,191	-\$1,102,192	\$2,379,999
Size Factor	\$1,070,288	-\$338,770	\$731,518
At-Risk Factor	\$2,392,404	-\$757,250	\$1,635,154
EL Factor	\$13,584	-\$4,300	\$9,285
On-Line and Ascent Funding	\$7,434	-\$2,353	\$5,081

# Revenue discussion

- State Land Board K-12 Funding presentation
  - FY21- \$21M in Interest + \$48M went to School Finance Act (\$0 sent to permanent fund)
  - If LEAP passes there are big changes next year
- Mill Levy 101 presentation by Legislative Staff
- Multiple presentations on property taxes and school finance
  - [Lincoln Institute Map of Local Property Tax Revenue as a share of Total Revenue](#)
  - [The Importance of District Overrides-](#) LPI Map

## Override Mills

- Should districts with low property tax wealth be compensated through a state matching program to have a certain dollar amount or % of total program?
- Should this be the statewide average?
- Should this be as a % of total program?
- Are the dollars sustainable?
- Are the dollars the state is contributing sufficient to address the districts that need assistance?

## Override Mill Levy Model

A model we designed to look at this reflects two approaches:

- Percentile Equalization (traditional power equalization approach)
- Percent of Total Program
- Wealth and Income approach

All Districts Using FPC w/o CSI (124 of 178 Have Overrides)

	Assessed Value Per FPC	Override per FPC	Override Mills	Total Mills	Raised per 1 Mill per FPC w/o CSI
Average	\$288,060	\$1,006	4.818	31.757	\$288
Median	\$153,075	\$643	2.815	29.498	\$153
Min	\$14,017	\$0	-	5.544	\$14
Max	\$5,203,021	\$5,694	32.498	82.034	\$5,203

*Averages of Subsets using FPC w/o CSI*

	Assessed Value Per FPC	Override per FPC	Override Mills	Total Mills	Raised per 1 Mill per FPC w/o CSI
Districts with Overrides	\$344,865	\$1,585	7.589	33.720	\$345
Districts without Overrides	\$189,305	\$0	-	28.346	\$189
All 25% Districts (72)	\$230,562	\$1,231	7.745	37.572	\$231
25% Districts with Overrides (59)	\$261,654	\$1,502	9.451	39.489	\$262
25% Districts without Overrides (13)	\$89,450	\$0	-	28.872	\$89
30% Districts (106)	\$327,115	\$854	2.830	27.808	\$327
30% Districts with Overrides (54)	\$435,781	\$1,676	5.555	27.417	\$436
30% Districts without Overrides (52)	\$214,269	\$0	-	28.214	\$214

# Override Mill Levy Modeling

# Override Mill Levy Modeling: Traditional Power Equalization

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Select Wealth per FPC Percentile to Equalize Up To	50%	\$153,075
Select Maximum Mills to Equalize	7.589	
Total Amount Raised per FPC	\$1,162	
Additional State Funding	\$252,520,903	

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Override Mill  
Levy  
Modeling:  
Percent of  
Total Program

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Percent of Total program  
to Equalize

10%

Statewide Mills to Raise  
Percent

6.276

Additional State Funding

\$199,066,489

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# Override Mill Levy Modeling: Wealth and Income approach

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Select Wealth per FPC Percentile to Equalize Up To	50%	\$153,075
Select Income Percentile Cutoff	50%	\$69,034
Select Maximum Mills to Equalize	7.589	
Total Amount Raised per FPC		\$1,162
Additional State Funding		\$80,667,455

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## USEFUL LINKS TO DATA FROM THIS PRESENTATION

- [CSFP Interim Committee page](#)
- [CSFP Factor workbook](#)
- [CSFP Mill Levy Modeling workbook](#)

## Mill Levy correction

- Mill levy correction is addressing the total program mills (mills inside the formula)
- This is a result of two legislative sessions:
  - 2019-20 to recognize the tax credits
  - 2020-21 to implement the correction
- The legislature directed CDE to implement a correction plan that would not require more than 1 mill per year in adjustments. This mechanism will be implemented by removal of tax credits.

## Mill Levy correction

- The correction **DOES NOT APPLY** if you:
  - Are a district that has not de-bruced
  - If you are a district at 27 total program mills
  - If you are a district that was totally locally funded in 2019-20
- If you are a district that *de-bruced above 27 mills* your target is 27 mills
- If you are a district *that de-bruced below 27 mills* then your target is where you were when de-bruced, unless you could have been locally funded at some point between when you de-bruced and 2008.

# Delta School District Money Matters: Tell Your Story

- ESSER I approved allocation from CDE as of 9/23 (includes supplemental dollars)
  - \$759,653
- Top 3 ESSER I expenditures:
  - On-line learning program license
  - PPE
  - Teacher stipends for before and after school programs

## Mesa D-51 Money Matters: Tell Your Story

- ESSER I approved allocation from CDE as of 9/23 (includes supplemental dollars)
  - \$3,341,664
- Top ESSER I expenditures:
  - Custodial Services
  - PPE



## QUESTIONS & STAY CONNECTED

- **Tracie Rainey**
- [T.Rainey@cosfp.org](mailto:T.Rainey@cosfp.org)
- 303-860-9136
  
- **Stay connected**
- <https://cosfp.org/>
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