CASBO Fall Conference

Colorado School Finance Project

September 27, 2023
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.
Changes in School Finance

Why is 2023-24 year of change in school finance?

- 5 years of legislative interim committee with a new task force created
- At-risk changes coming
- UPK impacting school finance and changes for districts
- ESSER dollars ending
- Potential changes to PSFA rules, how students are funded
- State economic conditions – 2023 ballot
Which of these topics are most important for us to cover today?

- Universal Preschool (UPK)
- Potential property tax changes (Proposition HH)
- The School Finance Task Force
- Coming changes to the School Finance rules for how students are counted
- Coming changes to the measure for at-risk students
- Communication tools for ESSER
Universal Preschool
UPK: What to Watch for

1) **Attestation forms** – one for the number of 3 year olds you historically served, one for your FY23 CPP funding. Open 9/18

2) **Kids you are receiving funding for** – CDEC has committed to funding as of the first day of attendance

3) **Updates on the long-term solution for Maintenance of Effort (MOE)** - continuing to work on possible solutions

4) **Opportunities to provide feedback** - for how to improve the system for Year 2

5) **CDE October Count** – you are required to submit PK students to CDE with a non-funded code in Student October
Districts will receive up to four revenue streams from CDEC related to UPK:

1) **Monthly payments** for 4 year olds and 3 year olds with IEPs (Ongoing, 8th)

2) *If applicable*, a one-time lump sum payment for the **number of 3 year olds historically served** via CPP (November 3)

3) *If applicable*, one or more payments for a **hold harmless to the FY23 amount you received for CPP** (Unknown timing)

4) *If applicable*, one-time lump sum payment for a **hold harmless for your preschool Maintenance of Effort for SPED** (Unknown timing)
Join us on **Friday, October 20th** for the **CSFP Advisory Meeting** to hear directly from, and ask questions of, CDEC

**General Fund survey**
- How many General Fund dollars are you spending on UPK?
- Best timing for this survey from CSFP
  - October? November? December?
When will you have a decent forecast (80% confidence) of how much you will have to supplement UPK and/or Free Meals for All from your General Fund?

- October
- November
- December
- January or later
Proposition HH and II
PROP HH and II

- Both are referred measures from the legislature.
- Prop HH – lowers assessment rate on all categories of property, backfills K-12 total program funding with change in spending cap. This does not guarantee additional funding for K-12 – but could over time.
- Prop II – captures the remaining tax dollars that were approved through prior measure known as EE – funds currently would go to support UPK.
School Finance Task Force
Two Questions: Mentimeter

1. Have you been involved in a legislative interim committee or task force related to school finance? (Y/N)
2. Have you been a part of a Professional Judgment panel? (Y/N/Unsure)
School Finance Task Force

- Created by SB23-287
- 17 members comprised of stakeholder groups, including Superintendents, CFOs, and school finance experts
- Task Force will meet no more than 8 times - work completed by Jan. 2024
- Costing out work – completed by Jan. 2025
1. Are you willing to share your district’s perspective with a Task Force member? (Y/N/Unsure)

If you are willing to share your district’s perspective with a Task Force member, but need help, please see us.
The Task Force is charged with two tasks:

- Recommending changes to factors in the school finance formula to be enacted for the 2024-25 budget year.
- Developing the parameters for a study, commonly called an adequacy or costing out study. 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, personnel and non-personnel cost and district size
- 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
The purpose of a costing out or adequacy study is to determine whether a state’s school funding is adequate, equitable, sustainable and adaptable.

The SB23-287 Task Force is charged with developing the parameters and requirements for two new costing out studies for Colorado, to be completed during the 2024 calendar year by two different vendors hired by the Department of Education.

There are four accepted methodologies for a costing out analysis.
An adequacy study identifies the "base" level funding which represents the resources needed for a student with no special needs in a district with no special circumstances.

The study also identifies the adjustments for needed for student and district characteristics:

- These often include at-risk, special education, and English learner students.
- District adjustments might size, cost of doing business, and necessarily small settings.
Best practice for adequacy studies includes:

• Setting a standard that identifies the input and output requirements expected of students, teachers, schools, and districts
• Utilize multiple approaches, even with a single vendor
• Be able to reconcile why there may be differences in results from the approaches
Inputs include minimum days of instruction, CAP4K, Content Standards, READ Act, ICAP, Graduation Guidelines

Outputs include performance of students and the system, including the accountability system

Unique requirements in Colorado include responding to impact of the Claire Davis Act

Other areas could include social emotional health

What are the items that you believe are critically important that this costing out/adequacy study should address? (Max 3)
The Professional Judgment (PJ) and Evidence Based (EB) approaches are resource based models. Each provide a detailed list of resources at the school and LEA level that are used to generate the base and weights.

The Education Cost Function (CF) and Successful School District (SSD) are data driven approaches. They examine what the base weights, and adjustments using current student demographic, performance, and expenditures.
<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>

<table>
<thead>
<tr>
<th>Resulting Information</th>
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</thead>
<tbody>
<tr>
<td><strong>Base</strong></td>
</tr>
<tr>
<td><strong>Student Adjustments (Weights)</strong></td>
</tr>
<tr>
<td><strong>Resource Model</strong></td>
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</tbody>
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Key considerations to make sure the study is successful:

- Identifying what should be and shouldn't be in the standard
- Requiring the two vendors to not only reconcile their own results but to also reconcile the results between the two studies
- Ensure Prek is included in the costing out
- Understand the resources that are needed for student success that should but should be paid for by agencies outside PK-12
Other considerations for success:

• With two studies going on, it will be important to ensure the PK-12 sector knows who is doing the studies, what approaches they are using, and what engagement will be required of educators throughout the state.
  • Ensuring that each vendor gets the engagement they need without overburdening educators
    • This might include utilizing common data collections when possible

Adequacy Study/Costing Out Analysis
Changes to the PSFA Rules
CDE has published a proposed redline of changes to the Public School Finance Act rules (how students are counted, funded)

- Changes to what counts as instructional time - Removes independent study, adds flexibility.
- Dan Morris's summary and comments, including link to CDE feedback survey

State Board: Watch for draft rules to be presented to the State Board
Changes to the 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

Replaces FRL count with ISP...

...and adds address-based weight
At-Risk Measure: What to Watch for

- CDE is planning to model actual data this fall
- **Pilot**: November/early December to obtain actual student level census block information from volunteer districts.
  - To participate, email Amy Carman, carman_a@cde.state.co.us
- **Hold Harmless**: You will receive the greater of your FY23 or FY24 at-risk funding amount this year
  - No documentation will be required from districts
ESSER Funding:
Traveling the Fiscal Pathway to 2024
What one thing stood out to you from the video?
How prepared are you for the end of your ESSER journey?
What assistance would be helpful to you from CSFP as you enter the last year of ESSER funding?
Select the one use of ESSER that made the biggest difference for your students?

- Building infrastructure upgrade
- Tutoring
- Summer/extended learning
- Technology
- Staffing support
- Mental health/counselors
- Other
What did you do during the pandemic that you want to continue?
District Key Stats

BOCES Key Stats

AU Key Stats

September 20, 2023
Questions or Take Aways?
Stay in Touch

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Stay connected

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