School Finance in Colorado
New Board Member Training
CASB Convention 2017

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What Makes Colorado, Colorado?
Quick History of School Funding

- Requirement for statehood
- Colorado Constitution
  - Thorough and uniform
  - 3 months
- Governance Structure
- State vs Local
  - Why this is important

Role of the Board of Education

- Financial Accountability
  - budget, audit, debt & elections
- Personnel Hiring
- Salary Schedule/Compensation Systems
- Establishes Graduation Requirements
- Adoption of Curriculum
- 1981: Gallagher – state\textit{wide}, voters passed
- 1992: TABOR – state\textit{wide}, voters passed
- 2000: Amendment 23 – state\textit{wide}, voters passed
- 2005: Ref C – state\textit{wide}, voters passed
Colorado’s Tax System (2 of 2)

• 2008: Mill Levy Stabilization (Mesa County) - courts
• 2010 – present: Budget Stabilization Factor / Negative Factor – Legislature
  – Created during Great Recession as a way to balance the state budget
  – Currently $833M 2017-18
  – Cumulative loss to school districts $6B

Breakout 1:
Salaries
15 minutes
Mill Levies

• Minimum MLO – 25% (30% for small districts)
• Governing Documents
• Charter School Allocations
• Allowable for Capital or Operating
Mill Levies - Other

- Underwood Amendment
  - 3 years & 10 Mills Maximum

- Special Building & Technology Fund (0 districts)
  - Limited to purchase and install of instructional & information technology

- Full Day Kindergarten Fund (3 districts)
  - For excess Full-Day Kindergarten costs

- Transportation Fund (9 districts)
  - For excess transportation costs

- Supplemental:
  - Capital Construction
  - New & Existing Technology
  - Maintenance Needs

Breakout 2:

Tax Increases

15 minutes
Financial Transparency Website

- 3 Districts – how to compare?
- District
  - Who owns cost for different programs? People? Supports?
  - The district? A department? All schools? Some schools?
- How to communicate with communities in your district?

Financial Transparency Website

- Why schools have different amounts of dollars allocated
- How does your district support
  - Students with different needs?
  - Different types of programs your district offers?
- How to communicate with communities in your district?
Breakout 3:
CDE Financial Transparency Website
15 minutes

Colorado’s School Finance Act

• Designed by Legislature in 1994 - 23 years ago
• 40 mills per district
• 50/50 split between district and state
• Equalization Formula – concern about taxpayer equity
• Educational Goal: Every child had access to education
Principles of School Finance System

• Equalization Formula
  – Every district starts with the same amount
  – Then adjustments are made based upon student and district characteristics that are out of the control.

• School Finance System & Tax System should mirror same principles of:
  Adequacy - Equity - Stability - Adaptability

Categorical Funding

• English Language Proficiency Act (ELPA)
• Gifted & Talented
• Small Attendance Centers
• Special Education (ECEA)
• Transportation
• Vocational Education

Total Estimated Categoricals = $85,035
What has been tried?

- An equity challenge to the courts in the early 1990’s - Lujan
- A facilities challenge to the courts in the late 1990’s – Giardino
- An adequacy challenge to the courts in the 2000’s – Lobato
- Two statewide ballot initiatives
What might need to be tried?

• K-12 creating a positive narrative, with 178 local communities, all supporting a new school finance act, additional dollars, and distributing in a more equitable manner.
• This has never been tried, K-12 has always been asked to be a passenger on a train, never the conductor.

Questions & Concerns

• Today
• Later – contact us:

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