1. 2011-12 is second year of **Negative Factor** (reduction of statewide total program) in School Finance Act.

2. K-12 student population in Colorado increased by 9,539 to 808,139 students. As the student population increased, Colorado reduced the number of teachers by over 500. **(In the last two years, enrollment has increased over 18,000 students and teachers have been reduced by 1,400.)**

3. Colorado students identified as At-Risk (Free Lunch count):
   a. Continued to increase; 2011-12 total 292,098 students.
   b. **36.1%** of the K-12 student population; the **highest level since 1992-93**.

4. English Language Learners (ELL) – Funded for 2 years (ELPA), no funding for pre-K;
   a. Colorado districts **served 122,987 English Language Learners**, but only received **funding for 36,575** K-12 students.
   b. 177 languages; 138 of Colorado’s 178 districts (77%) served ELL students.
   c. Districts served 86,412 ELL students for which they received no state funding.

5. Teachers:
   a. Colorado’s teachers made $6,400 less per year than the national average.
   b. When adjusted for inflation, Colorado’s teachers made $7,399 less than a Colorado teacher in 1992-93, a 13.1% decrease. During the same time period, the national average teacher salary decreased by 1.2%.
   c. **In 2011-12**, Colorado’s **teachers** were paid **about $2,000 less** than the national average of five years ago.

6. Per pupil spending:
   a. Colorado was $140 per pupil less than 2010-11. Adjusted for inflation: Colorado’s per pupil spending was $439 less per pupil.
   b. **Adjusted for inflation, Colorado’s per pupil was $400 below 2006-07 spending.**

7. Per pupil revenue: Colorado revenue was **about $323 less per pupil from the previous year, reflecting inflation adjustment.**
Colorado School Finance Project

School Finance & Education Reform Timeline
Condensed Timeline 1980 - 2013

1980 - 1999

1980 - 1989

1982: Gallagher Amendment

1983 - 1987: 5 Mid-Yr Recissions

1988: School Finance Act

1990 - 1999

1992: Partial Fiscal Year. TABOR, Initiative 6 lost (1% sales tax increase to fund schools, sets standards and assessments).

1993: 92-93 Mid-Yr Recission

1994: School Finance Act

School Reform during the 1990's:
New Content Standards, CSAP, Safe Schools Act, District Accreditation, Expanded Choice Legislation, Online Education, Basic Literacy Act, School Accountability Reports (SARAs), Student Identification/Data Warehouse

2000 - 2005

2000: Amendment 23 (1% increase sunsets in 2011), Giardino Facility Settlement. Ref F lost ($50M in excess revenue to fund K-12 math & science grants).

2002: No Child Left Behind (NCLB)

2004: CCHE Requirements (initial)

2006 - 2011

2006: Ref C

2007: Mill Levy Stabilization, P-20, revised CCHE Requirements

2008: CAP4K, BEST, partial full-day K & pre-school funding, Counselor Corp, declining enrollment, P-20 continues. Amendment 59 lost (divert TABOR refunds to K-12).


2010: 09-10 $130M Mid-Yr Recission, A23 not fully funded, $231M (6.3%) cut, SB191 Educator Effectiveness (SB191), new CO Accreditation Program takes effect, Fed Edu Jobs (one-time money, must be spent June 30, 2011), received EAGLE-Net Grant $101M for statewide district broadband (36 months)

2011: 10-11 $16M Mid-Yr Recission, A23 not fully funded, 1% increase from A23 & Ref C Sunset, ARRA Stimulus Revenue ends, 11-12 $338.9M cut (4.2% less than 10-11, $344 per pupil). June Fed Edu Jobs ends, Lobato trial begins Aug. 1, Lobato District Court ruling: CO school finance system "irrational and inadequate, unconscionable" Dec 2011. Race to Top phase 3 $17.9M over 4 years, apply for ESEA waiver, Districts adopt new State Standards. Prop 103 lost ($536M temporary increase for education).

2012 - 2013

2012: Governor, State Board (SBE), Commissioner appeal Lobato District Court Decision - Supreme Court hearing Fall 2012, CAP4K Costing Out final report delayed, receive ESEA waiver, districts continue implement Ed Effectiveness. 2012-13 Negative Factor grows to 16.11% (-$18, districts continue multiple years of cuts). SB12-1240: SBE Grad. Requirements 5/15/13 (districts define for 2014-15 freshmen, districts develop graduation blueprint with community, CDE Cost Study for PSWR diploma endorsements 10/1/14 HB12-1345: READ $5.4M, $1.3B fund BOCES, CDE $3M acquire early literacy assessment tool RFP 10/1/12 (preference to high at-risk schools), $3.8M at-risk support, 6th graders register CollegeInColorado, safe schools, HB12-1124: CDE commission study (via gifts, grants, donations) of issues integrating digital learning due 1/31/13. SB12-172: SBE join PARCC testing consortium, SBE adopt Common Core standards.

2013: Lobato Supreme Court March. 2013-14 Negative Factor is 15.49% (-$11B), SB13-260: CPP +3,200 slots, Charter school cap construction +$1M, Refinance READ act from Public School (permanent) Fund, $200K from 5-Year Funding Districts $15M (Leaders FY13-14), SPED +$20M Tier B, 75% of FY13-14 GF surplus to SEF. Creates Quality Teacher Recruitment Program ($3M SEF), SB13-213 not implemented as statewide ballot measure A66 did not pass, SBE HS Graduation proof of competency Class of 21, Supreme Court ruling Lobato May-current school finance system is constitutional. Sequestration 5% selected Federal programs. July: $15M supplement R2T Early Learning Challenge

2014: Sequestration 7%?

Bold = Reductions in K-12 funding. Italic = Election.

Update November 14, 2013
## Sample District Budget Development Calendar for 2014-15 School Year

*Italics = State Level*

<table>
<thead>
<tr>
<th>Month</th>
<th>Event/Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>July 2013</strong></td>
<td>New Fiscal Year Begins</td>
</tr>
</tbody>
</table>
BOE: Long-range budget forecast discussions with BOE.  
Decision due for Mill or Bond election.  
District: Receive preliminary assessed valuation |
| **September 2013** | State: 2014-15 Revenue Forecast  
BOE receives quarterly financials |
| **October 2013** | October Student Count (10 day window)                                               |
| **November 2013** | State: Governor’s Budget                                                                 |
| **December 2013** | State: 2014-15 Revenue Forecast  
District: Receive final assessed valuation from county assessor.  
BOE: Certify mill levies and property tax collection figures to county commissioner.  
BOE: Revised 2013-14 Budget Approved and Quarterly financials |
| **January 2014** | Legislature: Session Begins                                                                 |
| **February 2014** | CPI Forecast  
Preliminary indication of school finance  
BOE: receives budget update |
| **March 2014** | State: 2014-15 Revenue Forecast  
BOE receives quarterly financials  
BOE: Approve funded Capital projects |
| **April 2014** | District/BOE: Begin staffing decisions                                                  |
| **May 2014** | Legislature: Finalize School Finance Act.  Session ends  
District/BOE: Staffing decisions, preliminary budget must be presented |
| **June 2014** | State: 2015-16 Revenue Forecast  
BOE receives quarterly financials  
BOE: Adoption of 2014-15 budget |
Responsibilities of a School Board

• Fiscal Stewards for the district
  o Budget and audit
  o Quarterly updates
  o Certification of the mill levy
• Academic Performance
  o Students
  o Schools
  o District
• Accountable to local community, to each school, to the state
• Oversee the implementation of new legislation based on regulations and rules and the impact for your local community
• High quality professionals
• How your district organizes instructional delivery
• Safe learning environment
• District’s mission and vision
How are public schools funded in Colorado?

- School Finance Act of 1994 – amended annually by legislative action. Recognizes economic and demographic differences and establishes a per pupil funding level for each of 178 school districts.

Statutory Allowances

Local boards may:
- Seek a General Override (voter approval)
- Seek a Transportation Override (voter approval)
- Seek a Special Building & Technology Override (voter approval)
- Seek Bond Authorization (voter approval)
- Implement a transportation fee (board action)
Fund Accounting (Academy 20)

- School Activity Fund
- Grants Fund
- Agency Fund
- Bond Fund
- Food Service Fund
- General Fund
- Tech. Fund
- Capital Projects Fund
- Transp. Fund

= pooled cash

Financial Transparency (CRS 22-44-304)
Within 60 days of completion, public education providers must post the following on-line, for free public access:

- Annual Adopted Budget
- Annual Audited Financial Statements
- Quarterly Financial Statements
- Salary Schedules or Policies
- Check Registers and P-card statements
- Investment performance reports/statements
- Link to CDE website
What is your Budget Process?

1. When do you begin discussions as a Board of Education in regards to the budget process? What drives this discussion? What are the values and goals of your budget? How do you work with your superintendent?

2. How and when do you engage your community and stakeholder groups inclusive of your employee groups?

3. How do you begin discussing options for meaningful discussion, but not disruption?

4. How have you defined options?

5. How do you move forward and what is your tool for evaluating your process before a final determination?

6. Are you a district that is growing or declining in enrollment?

7. Are you a metro, suburban, rural, large or small district?

8. How have your demographics changed?

9. How does your district’s academic rating influence your decisions? How does your individual schools academic rating influence your decisions?

10. Is an override election an option?

11. A district must serve all students – how have you addressed that in your budget?
CASE STUDY: Your District

- 10,000 students, your enrollment is steady
- Demographics:
  - More students at-risk: 40%
  - English as a second language: 25%
  - Special education population: 10%
  - Gifted and talented population: 5%
- Implementing the current reform legislation
  - CAP4K
  - New assessments
  - New accreditation
  - Read Act
  - New Teacher/Leader evaluation system
- Community values:
  - Ensure class size in grades K-3 no more than 25. Grades 3-12 no more than 30.
  - All elementary students have art, music, PE; in addition to technology rich classroom/learning environments.
  - Middle and high school students have basic classes, enriched classes, electives and foreign languages; in addition to technology rich classroom/learning environments.
- Your district performance rating has dropped one category.
- Budget Items
  - Insurance cost increased by 10%
  - Fuel, maintenance, water, and energy costs have increased by 5%
  - Your employees have not had a salary increase in 3 years and your district’s per pupil operating revenue is going from $7,000 to $7,200 (reflecting the rate of inflation and enrollment growth)
  - Negative factor remains at $1 billion
Define your process – your priorities – your community values

1. How do these translate into your budget priorities?
2. How do they give administration guidance in preparing a draft budget?
3. How do you communicate this to your employees and your parents?

Notes
Colorado School Finance Project

Research and analysis of school finance information for school districts and state policy makers since 1995.

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K-12 Per-Pupil Funding: Colorado vs. National Average

Source: National Center for Education Statistics