

2017 CASE Convention

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How do states move to a new funding formula ?

- What are the usual approaches?
- Who leads this?
- How often do states update formulas?
- Why are these changes usually made?
- Why is this important for Colorado?

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Contextual Questions Impacted Changes?

- What is constitutional requirements of the state?
- What is the governance structure of the state?
- What analysis has been done to determine the need for change?
- Who is leading the effort?

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Colorado's answers

- Constitution - The Colorado constitution requires a “thorough and uniform system of free public education.”
- Governance – local control state, local school boards are the taxing authority and entity to raise mill levies for school finance.
 - Each district configures, schedules, hires, and creates curriculum.

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Colorado cont.

- Analysis - Various studies have been done by groups looking at the cost of delivering the education system that the state holds students, staff, schools and districts accountable for.
- The Superintendent's have embraced this work and have majority consensus on what the policy for a new formula should look like.

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Usual Approaches

- Impetus - State has determined a need to update or has been ordered by a court to change the school finance act.
- Analysis – Examination of the current system and what are the short falls.
 - Structural Review
 - Equity Analysis
 - Adequacy/Costing Out
- Should an outside entity be engaged in this analysis?

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Colorado status

- The system was designed in 1994 – to ensure that all students had “access” to school.
 - Since 1994 the state has set up an accountability system driven by specific educational standards.
 - The accountability systems and standards have changed over time.
- Attempted to address taxpayer and student equity.
- Allowed for overrides not exceeding 10%.

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Colorado Status

- The 1994 act set up a foundation system that was more district focused than student focused.
 - District adjustments include declining enrollment, size, and cost of living.
 - Only student adjustment is for at-risk students, which is limited to those eligible for free lunch and a small number of English language learners.
 - Other student needs addressed through categoricals.

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Who should lead this effort?

- There is not just one leader.
- Must have stakeholders that represent K-12, the state department and the legislature.
- Must have multiple avenues to move the new policy forward.
- Must be grounded in the goals and addressing core values of equity, adequacy, sustainability and adaptability.

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Other States

- In the early 2000s Maryland had the Thornton Commission that was looking at the state's school finance system to align it with a highly regarded accountability system.
- Looked at structural review, equity, and adequacy.
- Changed the overall approach and added dollars into the system over a six year period.

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Other States

- Wyoming's changes were forced by a court decision.
- Have used multiple approaches to create a "cost based" system over the past two decades.
- Update the parameters driving the cost based system frequently.

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Colorado Status

- 2 prior interim committees on school finance – both showing state underfunds education, this was prior to negative factor.
- Outside groups providing platforms for legislature to adopt new systems.
- Today superintendent's can show their 3 years of work has created a new policy and distribution for K-12 with additional resources.

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Why make changes?

- The education goals are different today than in 1994.
- The formula needs to be modernized to recognize the differences in students, districts and opportunities for student's.
- The 23 year old finance act – should address issues of adequacy, equity and sustainability for education requirements of 2017.

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Why is this important for Colorado

- Our Education system has changed.
- Our student demographics have changed.
- Education delivery looks different.
- We are competing with the world economy.
- Our students need to be prepared with different skills and an every changing work environment.

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What would look different?

- A new system can be designed to address many issues with the current system:
 - Become more student centered by including the adjustments for student need into the funding formula and including more students in those adjustments.
 - Tap more capacity of districts by bringing more dollars in to the formula.
 - Perhaps work to solve some taxpayer equity issues.

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What information do you need

- You are the emissary and messenger.
- What do you need to tell this story?
- What do you need to explain why a change needs to happen?
- What is missing?
- How will you localize it for your community to reflect your story.

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Questions & Concerns

- Today
- Later –
contact me



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