

St. Vrain Valley School District

June 15, 2016

Tracie Rainey
Executive Director
Colorado School Finance Project

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

Quick History Lesson

- Every state has an education clause in their constitution – part of statehood requirement
- Thorough and uniform system
- Local Control
- School Boards have authority over school configuration, curriculum, budgets and hiring staff

6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

2

Why is This Important?

- State to state comparisons – what adjustments are needed?
- Is the governance structure the same?
- Are the school districts and states responsibilities the same?
- If not - how accurate are comparisons?

6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

3

Colorado's Funding System

- The local school district levies a mill to generate a certain amount of revenue - for the school finance act.
- The state then fills in the balance to get to the statewide "base" amount.
- Then, adjustments are made for each school district depending upon the school district characteristics and at-risk population.

6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

4

Revenue INSIDE the School Finance Act

Local Share – District Total Program = State Share

LOCAL SHARE

Local District Taxes:
Property Taxes
Ownership Tax

STATE SHARE

State Taxes:
General Fund
Education Fund

Local Share

- Property tax
- Starting point for determining state share of District Total Program
- Remains in the district

State Share

- State “backfills” to reach District Total Program.

3/4/2016COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future5

State & Local Share Varies

District A

LOCAL SHARE

Local District Taxes:
Property Taxes
Ownership Tax

STATE SHARE

State Taxes:
General Fund
Education Fund

District B

LOCAL SHARE

Local District Taxes:
Property Taxes
Ownership Tax

STATE SHARE

State Taxes:
General Fund
Education Fund

6/4/2016COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future6

Foundation Formula

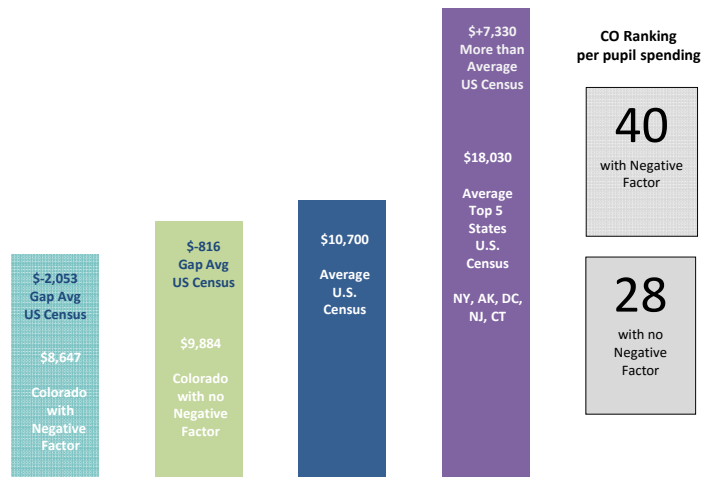
- Colorado, like many states, uses a foundation formula – starts with a base amount and makes adjustments for district and student characteristics.
- The negative factor has caused the adjustments component to be nullified, causing great hardships on school districts.

6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

7

What's the Gap? Per Pupil Spending 2012-13 Colorado and U.S. Average



Source: U.S. Census, CDE

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

8

St. Vrain Negative Factor

2017-18	\$28.6M (est.)	
2016-17:	\$28.1M (est.)	
2015-16:	\$28.2M	\$221.4M
2014-15:	\$29.4M	Total Lost Revenue
2013-14:	\$33.4M	
2012-13:	\$33.1M	
2011-12:	\$24.6M	
2010-11:	\$12.0M	
2009-10:	\$4.0M	

Includes: Mid-year, Budget Stabilization, Negative Factor

6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

9

Quick History – Local Overrides

- In 1988 – the override discussion centered on equity and how much latitude a district should have that creates an inequitable system
- 1988 – legislature gave 5% authority to school districts
- 2016 – 30% for small districts, 25% for others plus multiple exceptions – transportation, technology, kindergarten, etc.

6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

10

Override Impact

- School districts have utilized overrides to compensate for lack of state resources
- School districts have used the tools created for them by the legislature
- 70 school districts have no overrides
- 90% of students in state benefit from some override
- Override dollars range from under \$5.00 per student to almost \$3,000

6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

11

Overrides – Quick Facts

- Are not part of school finance formula
- Are local dollars raised for specific local initiatives
- Are not subject to the state's budget cuts or negative factor
- Have created large inequities in the system
- Have impacted tax payers differently across the state

6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

12

Future for Colorado

- Does the state budget grow at the same rate or are changes made to allow more flexibility?
- Negative factor?
- State rearranging deck chairs or making meaningful changes that increase revenue?
- Economic stability or volatility for Colorado?
- Quarterly forecasts
- Unforeseen challenges – Supreme Court ruling and local share changes

6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

13

November 2016

- Potential statewide ballot initiative through a citizens initiative that would allow for the state to keep the revenue that it has already collected versus refunding.
- This is a great first step
- This doesn't increase taxes
- This doesn't create additional new revenue

6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

14

Questions & Concerns

- Today
- Later –
contact me



6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

15

Contact Information

- Tracie Rainey – 303-860-9136
- T.Rainey@cosfp.org
- cosfp.org | @COSFP

6/15/2016

COLORADO SCHOOL FINANCE PROJECT
Support Children - Support The Future

16