How Money Matters

League of Women Voters
Chaffee County, CO
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Colorado School Finance Project

Colorado School Finance Project (CSFP)

• Non-profit, non-partisan
• Supported by school district contributions
• School finance analysis for local and state policy makers since 1995.

Who are we?
What do we do?

Mission: To compile, collect and distribute research-based, non-partisan information and data on topics related to school finance for state and local policymakers.
How are Colorado’s School Districts Funded?

• Colorado school districts are $2800 below the national average. (US census)
• The state still owes K-12 over $600 million dollars from the recession
• State economy is one of the best in the nation – but no benefit to K-12
• Currently 3,000 teaching positions are not filled

Trends in Per Pupil Spending - Comparing Colorado to U.S. Average
FY 1991-92 to FY 2015-16

Comparing a variety of sources, the funding gap between Colorado and the U.S. average has continued to grow over the past 20+ years.
What are the revenue sources for school districts?

- Local property tax and specific ownership tax – 1st dollars in
- State backfills difference to reach legislative School Finance Act (income tax and sales tax)
- Categoricals – state dollars that fund:
  - Special education, students learning English, Gifted & Talented, transportation, Career & Technical Education
- Federal dollars – 6%
- Local override dollars – vary by district
- One time dollars or grants

State & Local Share Varies (by design)

District A

<table>
<thead>
<tr>
<th>LOCAL SHARE</th>
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<td>Local District Taxes: Property Taxes Ownership Tax</td>
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The Budget Stabilization Factor is a mechanism added to the School Finance Act by the Colorado legislature to help balance the State’s budget during the Great Recession. The Factor proportionately reduces total program funding and state aid provided to Colorado’s 178 school districts - ongoing.

Data: CO Legislative Council
Chart: Colorado School Finance Project
Colorado’s PK-12 students

Has funding kept up with changes?

- 2018-19: Over 911,000 students
  - 2018-19 increase about 1,300
- What are students’ characteristics?
- What services might they need?
- Where do they live?
- How fiscal restrictions have impacted students and districts

Student need has changed
Requires more services – this costs money

Students of poverty are 41% population
- approximately $.30 of every $1.00 is state funded.

Students learning English are 14% of population
- approximately $.20 of every $1.00 is state funded.

Students with special needs are 11% of population
- approximately $.30 of every $1.00 is state funded.

Gifted students are 7% of population
- approximately $.15 of every $1.00 is state funded.
What has complicated the funding issues for Colorado?

- Gallagher – 1982
  - Stabilized local property tax revenue
  - Balance between residential and non residential
- TABOR – 1992
  - Limited revenue & spending
  - Undid balance of Gallagher
On going complications as districts move to higher expectations

- Amendment 23
  - Restore funding levels to 1988-89 – got there in 2008
- Recession hit
  - 11 years of cuts to education – ignoring Amendment 23
- Local share tax dollars – contributing less
- Results: Created inequities across the state

Standards & Assessments

- Not funded
- Districts must comply because of accountability requirements

- States and school districts have adopted standards and assessments
  - Part of a new district, state and Federal accountability system.
- This was not what the 1994 school finance act was trying to fund.
- Creates a disconnect between existing funding and what is needed to be successful educating students to new standards.
What money buys
State expectations: Every child successful, not just some
Great goal - Big challenge - New norm

- Time as a variable – to better serve students
- Updated materials to meet revised standards
- Array of programs – helps students: be successful, explore interests
- Facilities reflecting today’s work environments
- Adequate revenue – to differentiate learning based on various student needs
- Colorado: Unfilled 3,000 teacher slots - Improve teacher recruitment & retention.
- CO Other states investing in education – realize high quality Pre-School, full day Kindergarten, high quality interventions, after school programs make a difference
- Safety, security, mental health services
- Technology, internships, extended learning programs, AP, IB or early college opportunities

What is on the horizon this legislative session?

- Buy down of the B/S Factor of a minimum of $77 million
- Full Day Kindergarten
- Rural $ - ?
- Loan Forgiveness – teacher incentive
- Gallagher
- Mill Levy Stabilization
- Statewide debrucing
Questions: Now & Later

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