Did you know? Video

https://www.youtube.com/watch?v=opUF1N45Mac
School Finance – School Hot Topics

- Economic Forecast
- Interim Committee on School Finance
- Uniform Mill Levy
- Proposition CC

10/17/2019
What other items would you like to discuss or need information on?
Economy still growing some indicators are weakening

A tighter budget year - concerns of how to pay for Full-day Kindergarten

FY20- K12 expected to increase by $153 million – assuming inflation 1.8%
  • State aid increase to $76 million
  • Local share increase to $77 million

State Education Fund expected to maintain $110 million in reserve

TABOR estimates are $142.9 million (FY20) and $134.5 million (FY21)
Interim School Finance Committee

• Discussions on:
  • Categorical Program Funding
  • Funding for English Language Learners
  • Funding for Students with Disabilities
  • Size factor
  • COL

• Asking for feedback on potential changes

• Superintendents letter
Uniform Mill Levy

- Bills were drafted in prior session but not introduced
- The concepts from last year are the starting point for input
- The state is contemplating going back to a uniform mill for K-12
- School districts were at 40 mills or what was needed to fully fund total program
- Currently school districts range from less than 2 mills up to 27 for total program
Districts that are within 24-27 range or within 3 mills of Total Program – reflects 73% of students

FY2019-20 Current Mills:
Number of Districts

Data Source: CDE, FY 2019-20 District Funding Calculation Worksheet

10/17/2019
Number of dollars relative to local and state share

FY2019-20 Percent of local share dollars:
Number of districts

Data Source: CDE, FY 2019-20 District Funding Calculation Worksheet

10/17/2019
Mills Range from less than 2 to 27

FY 2018-19 Total Program Mill Levies

Map prepared by Legislative Council Staff.
THE STATE SHARE IS MEANT TO MAKE UP FOR DISPARITIES IN CAPACITY TO RAISE REVENUE AT THE LOCAL LEVEL. CHART SHOWS MILLS NEEDED TO FULLY FUND TOTAL PROGRAM IN EACH OF THESE SCHOOL SCHOOLS.

<table>
<thead>
<tr>
<th>School</th>
<th>Mill Levies Required</th>
<th>Pupils</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams County 14</td>
<td>96.4</td>
<td>7,134.9</td>
</tr>
<tr>
<td>Clear Creek</td>
<td>16.7</td>
<td>775.6</td>
</tr>
<tr>
<td>Denver</td>
<td>48.7</td>
<td>87,980.5</td>
</tr>
<tr>
<td>Fremont - Canon City</td>
<td>125.9</td>
<td>3,662.8</td>
</tr>
<tr>
<td>Garfield 16</td>
<td>18.7</td>
<td>1,130.2</td>
</tr>
<tr>
<td>Jefferson</td>
<td>71.2</td>
<td>80,984.8</td>
</tr>
<tr>
<td>Pueblo City</td>
<td>144.4</td>
<td>16,545.8</td>
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</tbody>
</table>

Slide from CASB presentation, 10/11/19
LATE IN 2018 AND EARLY IN 2019, THE UNIFORM SCHOOL MILL RATE IDEA STARTED GAINING TRACTION AT THE LEGISLATURE AND IN THE MEDIA.

Jan 6, 2019

POLITICS | COLORADO POLITICS

Colorado legislators plan to overhaul education funding system critics say disproportionately benefits wealthy districts

High-income areas with lower property tax rates would have to replace state education aid by raising property taxes under bipartisan plan

By CHRISTOPHER N. OSHEI | coshei@denverpost.com | ANNA STAEGER | astaege@denverpost.com | The Denver Post
PUBLISHED: January 6, 2019 at 6:00 am | UPDATED: January 6, 2019 at 10:46 am

Colorado lawmakers who write the state budget say they have a plan to change how $8.6 billion is distributed for kindergarten through 12th grade, overhauling a system that critics say disproportionately sends state money to wealthy school districts while schools in poorer areas struggle.

If signed into law, voters in wealthy areas with low property tax rates would have to increase their property taxes to keep school funding at current levels. The state money saved would then get redistributed statewide. Poorer districts already paying relatively high property taxes would be among the top beneficiaries.

“This is going to be the legislature doing its job,” said state Rep. Bob Rankin of Carbondale, a Republican member of the Joint Budget Committee, which drafts the state budget.

Jan 11, 2019

Editorial: It’ll take a modern day Robin Hood to fix Colorado’s school finances

Feb 15, 2019
THE CASB BOARD SCHEDULED A SPECIAL DELEGATE ASSEMBLY ON FEB 28, 2019 TO PASS A RESOLUTION THAT WOULD ALLOW CASB TO ADVOCATE LAST LEGISLATIVE SESSION.

- This concept is **complex** and has a **significant impact** on our membership.
- Having a resolution adopted by CASB membership will give CASB significant leverage in shaping this legislation.
- Having a resolution allows CASB to be at the table.
RESOURCE MATERIALS WERE PREPARED. A RESOLUTION WAS PASSED BY THE DELEGATES AT THE ASSEMBLY.

- District Fact Sheets
- Q&A Document
- Draft Resolution

Colorado Association of School Boards

10/17/2019
RESOLUTION AND ITS GUARDRAILS

It is a state obligation to create and fund a system of school finance which adequately and equitably funds all public schools in Colorado, and which includes both state and local tax revenues. The Colorado Association of School Boards supports legislation to create a uniform, statewide school mill levy to fund the local share of the Colorado School Finance Act to the maximum extent such uniform school mill levy is permitted by the Colorado Constitution and provided the legislation addresses the following requirements:

1. All new funding from local property tax revenue will be stable and sustainable in future years;

2. All state General Fund revenues which fund the Colorado School Finance Act and which are replaced by local property tax revenue as a result of this legislation will be reinvested in our public schools by providing additional state funding to significantly reduce the Budget Stabilization Factor;

3. The options made available to school districts which must increase their local school mill levies to the uniform school mill levy, and the length of time available to make such an increase will be fair and reasonable to school districts and local taxpayers;

4. School districts which have characteristics or circumstances that make it difficult or impossible to raise their local school mill levies to the uniform school mill levy will not lose funding as a result of this legislation; and

5. If as a result of this legislation, the Colorado Constitution requires any school district to lower its mill levy to the uniform school mill levy, any such decrease in the local school mill levy shall be temporary, to the extent legally permissible, and local school boards shall have the ability to restore the local school mill levy to the same level the school mill levy was set prior to the temporary decrease without voter approval.

Colorado Association of School Boards

10/17/2019
LOCAL PROPERTY TAXES MAKE UP THE MAJORITY OF LOCAL SHARE. ALL LOCAL PROPERTY TAXES STAY LOCAL.

**Actual Values**

- $200,000

**Assessment Rate**

- 7.15% Residential
- 29.00% Nonresidential

**Assessed Values**

- $14,300

**Mill Levy**

- 27 mills: $386.10
- 25 mills: $357.50
- 2 mills: $28.60

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Colorado Association of School Boards

10/17/2019
LAST YEAR, THE JBC LEGISLATIVE STAFF CONDUCTED AN ANALYSIS TO SEE HOW MUCH BE RAISED IF ALL DISTRICTS WENT TO 27 MILLS.

$450 million
ADDITIONAL MILL LEVY FACTS

74 school districts are currently at 24-27 mills OR are within 3 mills of total program funding
- 642,393.5 Funded Pupil Count (FPC)
- Account for 73% of FPC in the state

104 school districts are below 24 mills and are NOT within 3 mills of total program funding
- 234,875 Funded Pupil Count (FPC)
- Account for remaining 27% of FPC

From: CSFP presentation at Superintendents’ Conference
IN ANTICIPATION OF THE NEXT LEGISLATIVE SESSION, CASB HAS INCLUDED THIS TOPIC IN ITS FALL REGIONAL MEETINGS

- 10 meetings so far across Colorado
- Over 200 responses through an interactive polling software (includes September CSFP meeting)
SHOULD THE BILL REQUIRE THAT ANY STATE FUNDS MADE AVAILABLE BY AN INCREASE IN LOCAL REVENUES BE REINVESTED IN PUBLIC SCHOOLS TO REDUCE THE BUDGET STABILIZATION FACTOR?
HOW DO YOU FEEL ABOUT INCENTIVIZING SCHOOL DISTRICTS AND WHAT IDEAS DO YOU HAVE?

- Matching funds
- Needs-based/match
- Subsidize low AV communities
- Tiered system
- Matching very important
- Concern for high poverty
- Concern for rural in a matching program
- Capacity to apply for a grant
- Concern matching won’t be honored by the state
- Grace period
THOUGHTS ON THE PHASE IN PERIOD AND STRUCTURE FOR SCHOOL DISTRICTS?

- 20% each year for 5 years
- 5-10 years
- Concern for rural districts
- 3-15 years
- 25% increments every year over 4 years
- Tiered phase in

- 1 mill a year
- Concern for Gallagher implications
- 2 mills a year
- 1 mill a year
- Sliding scale
- Concern for hardship on districts not successful
WHAT ELSE WOULD YOU LIKE TO SHARE WITH THE JBC?

- Need new formula after there is substantial dollars (A73)
- Payoff the BS Factor more important than mill levy changes
- Concern of Robin Hood effect
- Devil is in the details — hard to explain
- Concern for rurals — many other issues more important (teacher pay/retention)
- No trust in legislators

- Fix or remove Gallagher, remove TABOR — fix tax policy
- No band aids
- This needs to happen
- Put children first
- Fully fund K-12
- This doesn’t solve the funding problem for K-12
ADDITIONAL INFORMATION AND NEXT STEPS

- CASB’s website provides additional information under Advocacy / Legislative Priorities & Process / Uniform Mill Levy.
- The Q&A document provides answers to common questions.
- The CASB Delegate Assembly will debate this resolution.
Where should the General Assembly set the uniform mill levy?

1.68 mills (lowest current rate)

22.6 mills (revenue neutral)

27 mills (current cap)

40 mills (School Finance Act of 1988)

Other
If other, what is your suggestion?
Is the ability to convert override mills to total program mills a priority for you?

Yes

No
When should the requirement to move toward the target mill "trigger"? When should districts be expected to go to the ballot?

- 2020
- 2021
- 2022
- Other
Should we tier the phase-in approach? Should districts that are close to the target be expected to move faster?

- Yes
- No
- Unsure
What is your preferred phase-in approach for districts that are well below their target?

1.0 mill per year
20% of gap per year for five years
25% of gap for four years
Other
Should the General Assembly create a "safety net" for districts that do not successfully pass increase in the total program mill levy?

- Yes
- No
- Unsure
How should the General Assembly set such a "safety net?"

Statewide base per pupil funding

Statewide minimum per pupil funding (95% of statewide average)

Up to X% of total program funding (recognizing that a feasible safety net varies with district characteristics)

Other
Do you support a uniform total program mill levy in principle?

Yes
No
Unsure
Proposition CC

- A Referred measure from the Legislature

- Would allow the state to retain revenue above the spending cap

- Dollars to be split between K-12, Higher Ed and transportation (1/3,1/3,1/3)
Without raising taxes and to better fund public schools, higher education, and roads, bridges, and transit, within a balanced budget, may the state keep and spend all the revenue it annually collects after June 30, 2019, but is not currently allowed to keep and spend under Colorado law, with an annual independent audit to show how the retained revenues are spent?
2019 GENERAL ASSEMBLY PASSED HB19-1258 THAT ALLOCATES THE RETAINED REVENUE

The General Assembly appropriate one-third of the retained amount for higher education;

The General Assembly appropriate one-third of the retained amount for public schools, to be distributed on a per pupil basis and used only for nonrecurring expenses for the purpose of improving classrooms; and

The state treasurer transfer one-third of the retained amount to the Highway Users Tax Fund (HUTF).
Passed in 1992, TABOR caps the amount governments can increase their budget each year by the sum of inflation plus growth – anything above that must be refunded to taxpayers, unless taxpayers allow governments to retain this revenue.

Colorado currently cannot retain all of the revenue it collects.

TABOR allows governments can ask voters for permission to retain this revenue – this is what we’re doing.
MOST LOCAL GOVERNMENTS HAVE PASSED SIMILAR MEASURES

<table>
<thead>
<tr>
<th>Counties</th>
<th>Municipalities</th>
<th>School Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>51 of 64 Counties</td>
<td>230 of 271 Cities &amp; Towns</td>
<td>174 of 178 School Districts</td>
</tr>
</tbody>
</table>

Source: Colorado Counties, Inc., December 2018, De-Bruced Counties
Colorado Municipal League, Municipal Elections, Revenue and Spending Changes, 1993–Fall 2018 Ballots
Bell Policy Center, What is Debrucing?, July 2019
Colorado has one counselor for every 503 students, over twice the recommended ratio for mental health.

Colorado schools have over $17 billion in capital construction needs.

Colorado has the least competitive teacher salaries in the nation.
HIGHER ED COSTS HAVE SHIFTED TO STUDENTS

State Share (General Fund)
Student Share (Resident Tuition)

Source: Colorado Department of Higher Education, January 2019, Tuition and Fee Report
TRANSPORTATION NEEDS OUTPACE CAPACITY

Since 1991...

- **Colorado Population**: +65%
- **Vehicle Miles Traveled**: +57%
- **CO Department of Transportation Budget**: +30%

Source: CCHE, Colorado Department of Transportation, Colorado General Assembly
TRANSPORTATION NEEDS OUTPACE CAPACITY

Colorado motorists pay $673 per year to repair vehicle damages resulting from poor road conditions.

22% of Colorado roads are in poor condition.

5.6% of bridges in Colorado are structurally deficient.

Source: American Society of Civil Engineers
PROPOSITION CC RESOURCES AVAILABLE ON THE CASB WEBSITE

• Sample resolution
• District fact sheets on Prop CC
  • English, Spanish and other languages
• CASB legal resources
  • Do’s and Don’ts
  • Legal memo
DO’S AND DON’TS — BOARD OF EDUCATION

**DO**

- Pass a resolution in support of Proposition CC.
- Publicize the passage of the resolution through the normal channels the board uses to pass on information about its decisions.
- Distribute a factual summary on Proposition CC (the summary must include arguments for and against the proposals, and may not state a conclusion or opinion either way); adopt a resolution stating that Proposition CC is of “official concern” and specifically authorizing expenditure of public funds to distribute the factual summary.
- Discuss at board meetings and in other public venues the educational opportunities that will be provided to your district if Proposition CC passes.

**DON’T**

- Spend any public money to contribute to the Proposition CC campaign.
- Send out mailings or newsletters on behalf of the board, urging electors to vote a particular way on Proposition CC.
- Send out a factual summary that only gives a positive spin or a negative spin on Proposition CC (even if it does not specifically encourage a particular vote).
Questions - Now Questions Later – contact us

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