

School Finance Formula Funding

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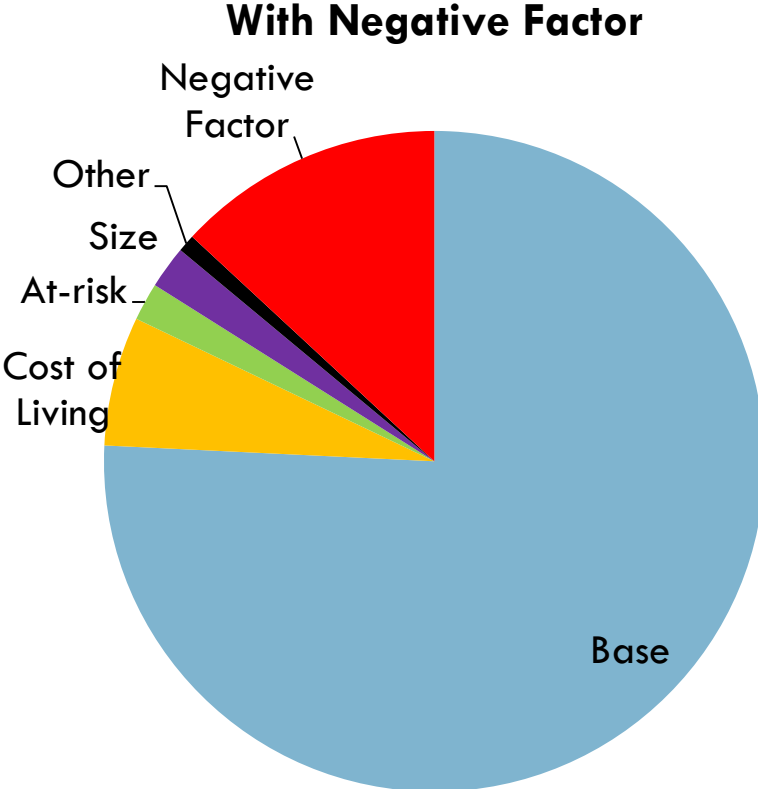
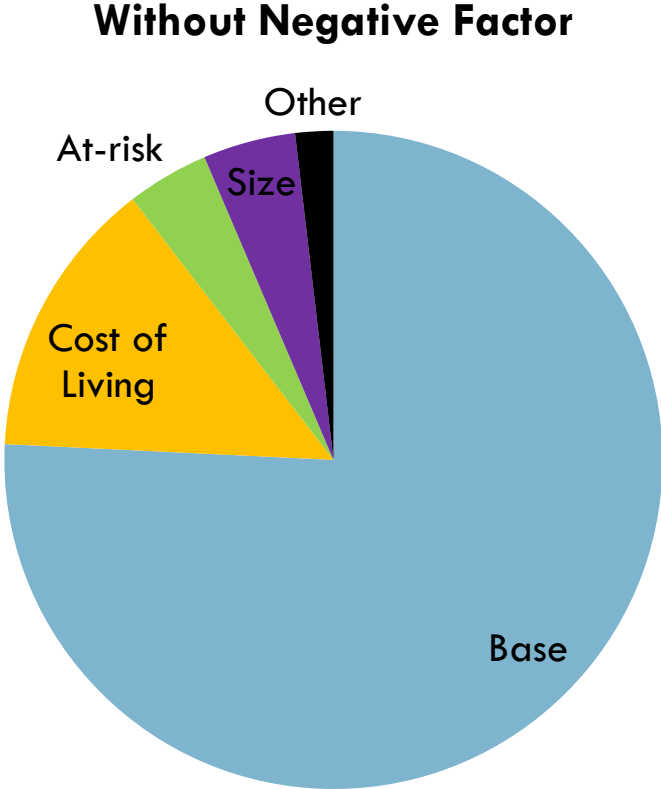
Colorado's School Finance System

- Issue: Under the current school finance system, school districts that appear to be similar under the school finance formula experience different outcomes.
 - The negative factor affects districts differently based on the availability of local revenues to support school finance.
 - Mill levy overrides contribute to differences between districts.

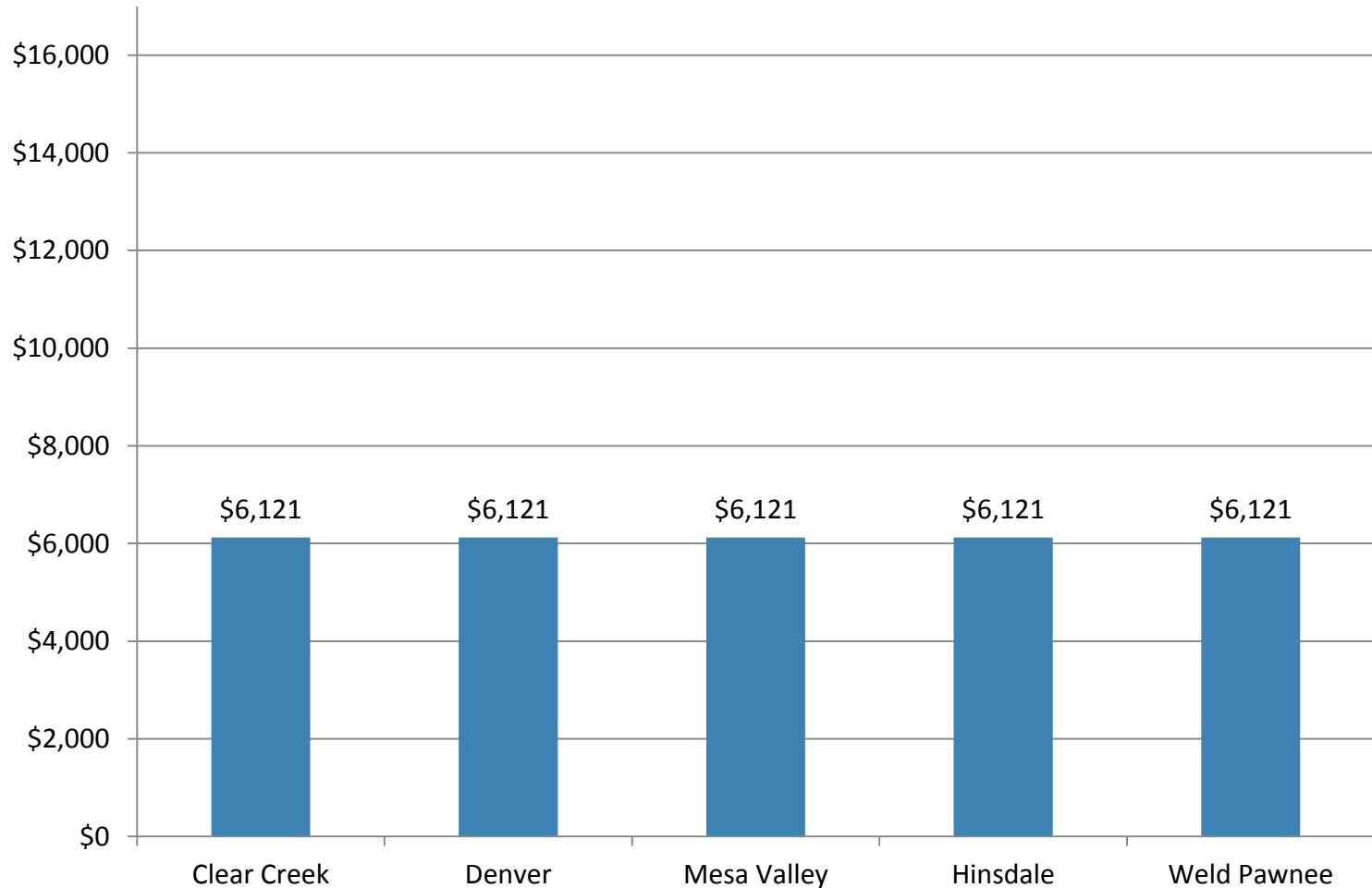
Colorado's School Finance Formula

- The State's school finance formula builds on a statewide base per pupil funding amount to adjust for factors that affect individual school districts' costs.
 - Cost of Living: Provides additional funding for districts with high cost of living.
 - Size: Provides additional funding to compensate for the lack of economies of scale in small districts (currently applies to districts with up to 4,000 students).
 - At-risk: Provides additional funding based on the number and concentration of at-risk students (those qualifying for free lunch and certain English language learners).

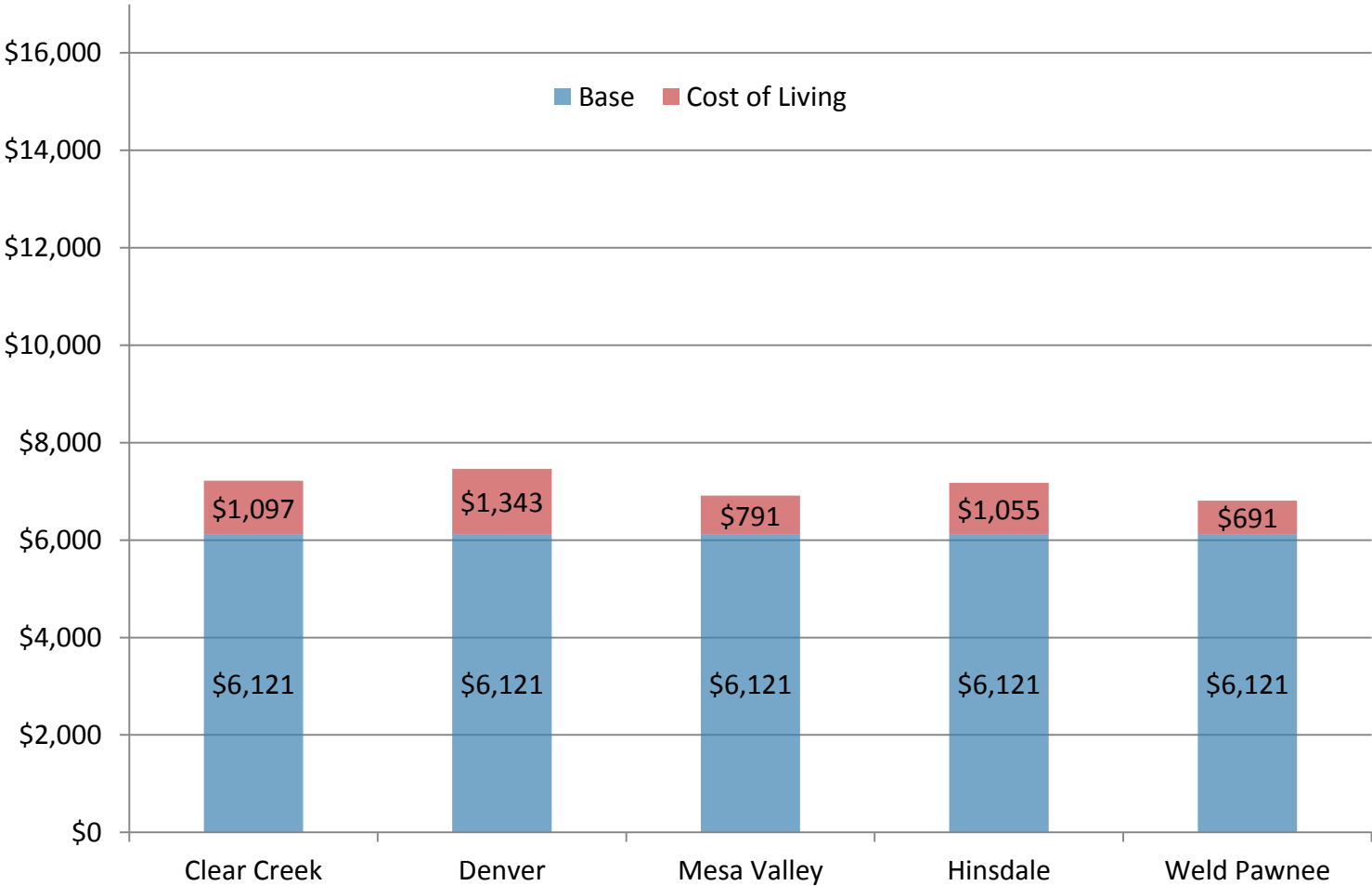
Estimated Statewide Factor Funding for FY 2014-15



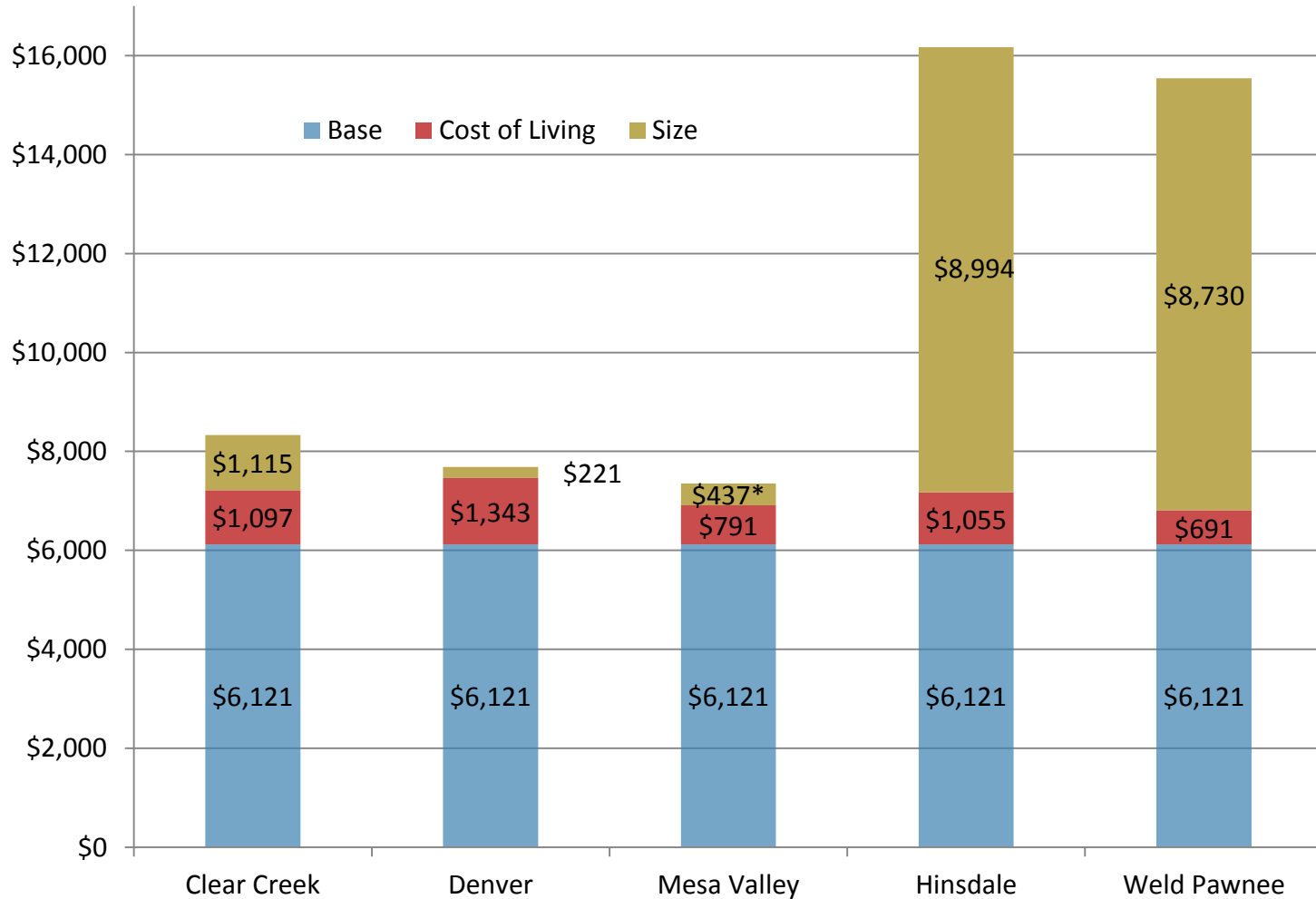
Per Pupil Funding with Base Funding, FY 2014-15



Per Pupil Funding with Base and Cost of Living, FY 2014-15

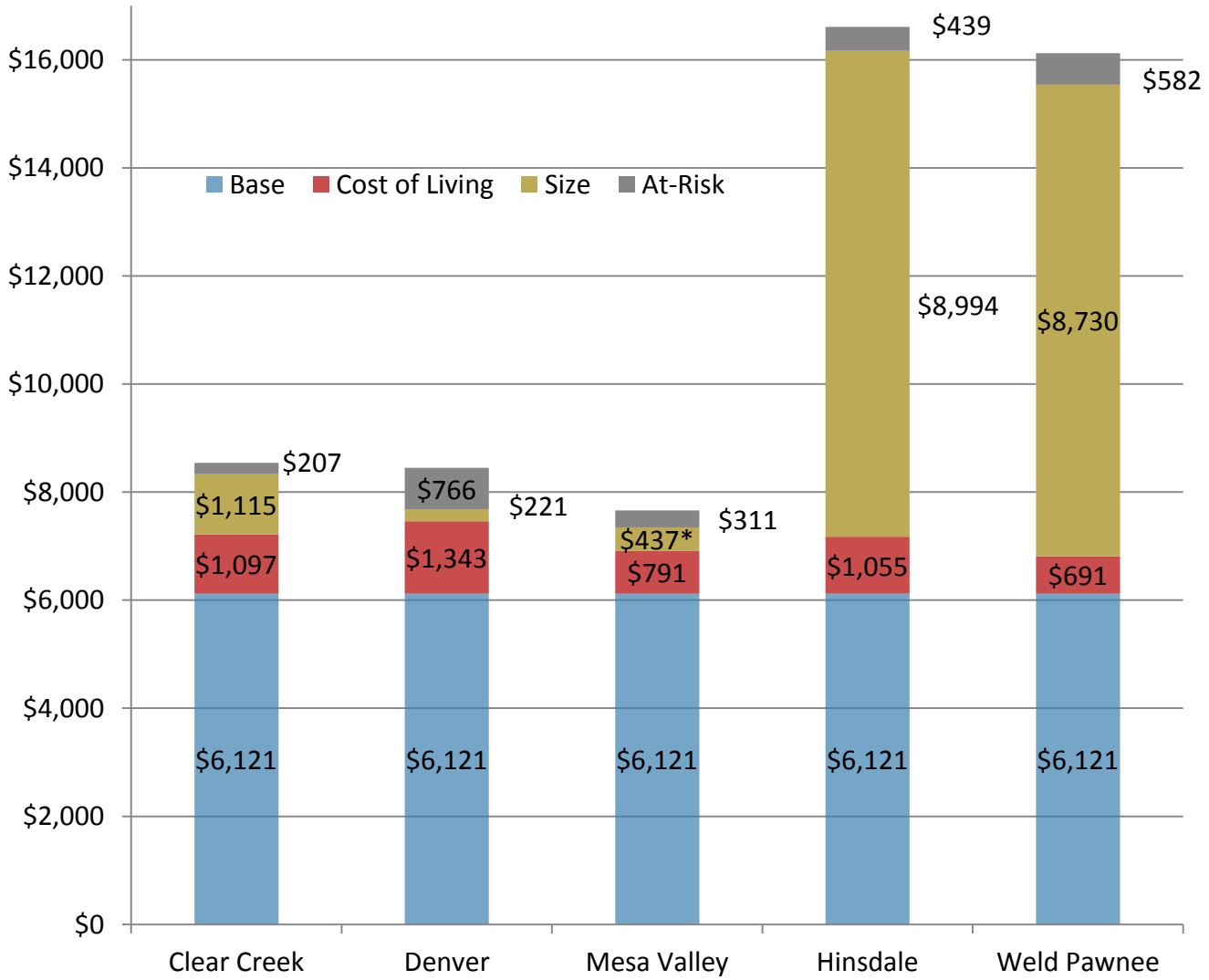


Per Pupil Funding with Base, Cost of Living, and Size Factor FY 2014-15



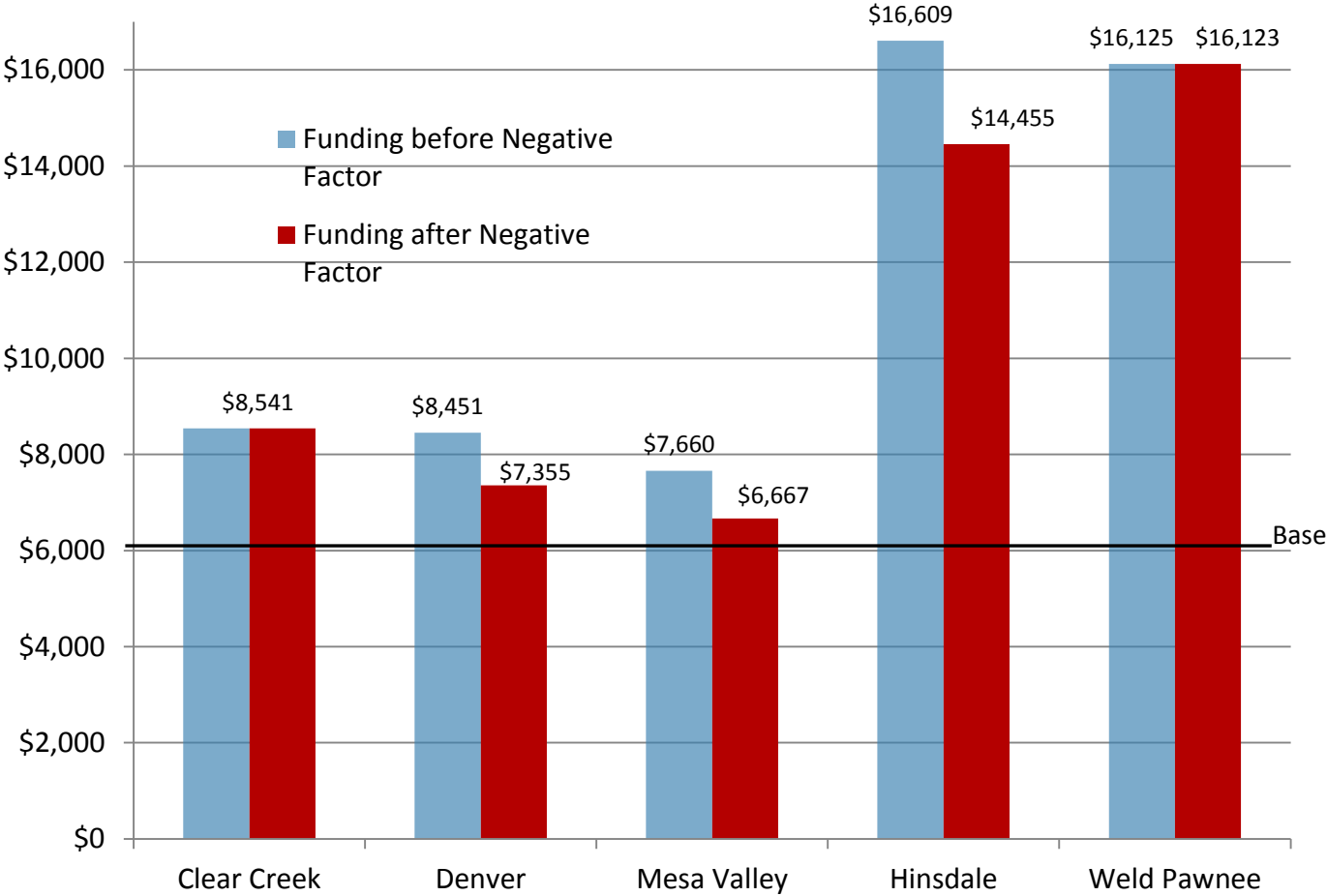
*Includes minimum per pupil funding, equal to \$232

Per Pupil Funding with Base, Cost of Living, Size Factor, and At-Risk, FY 2014-15

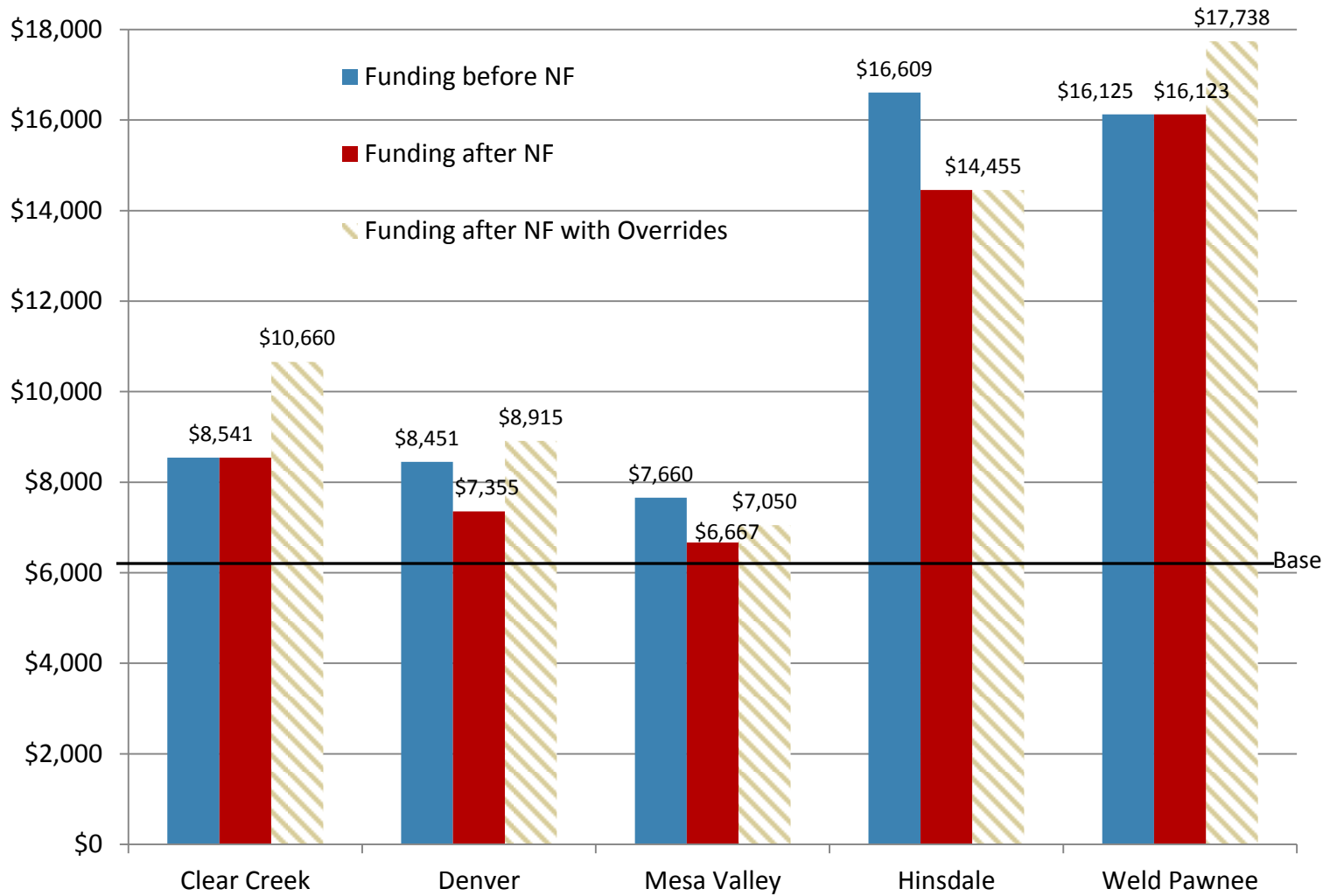


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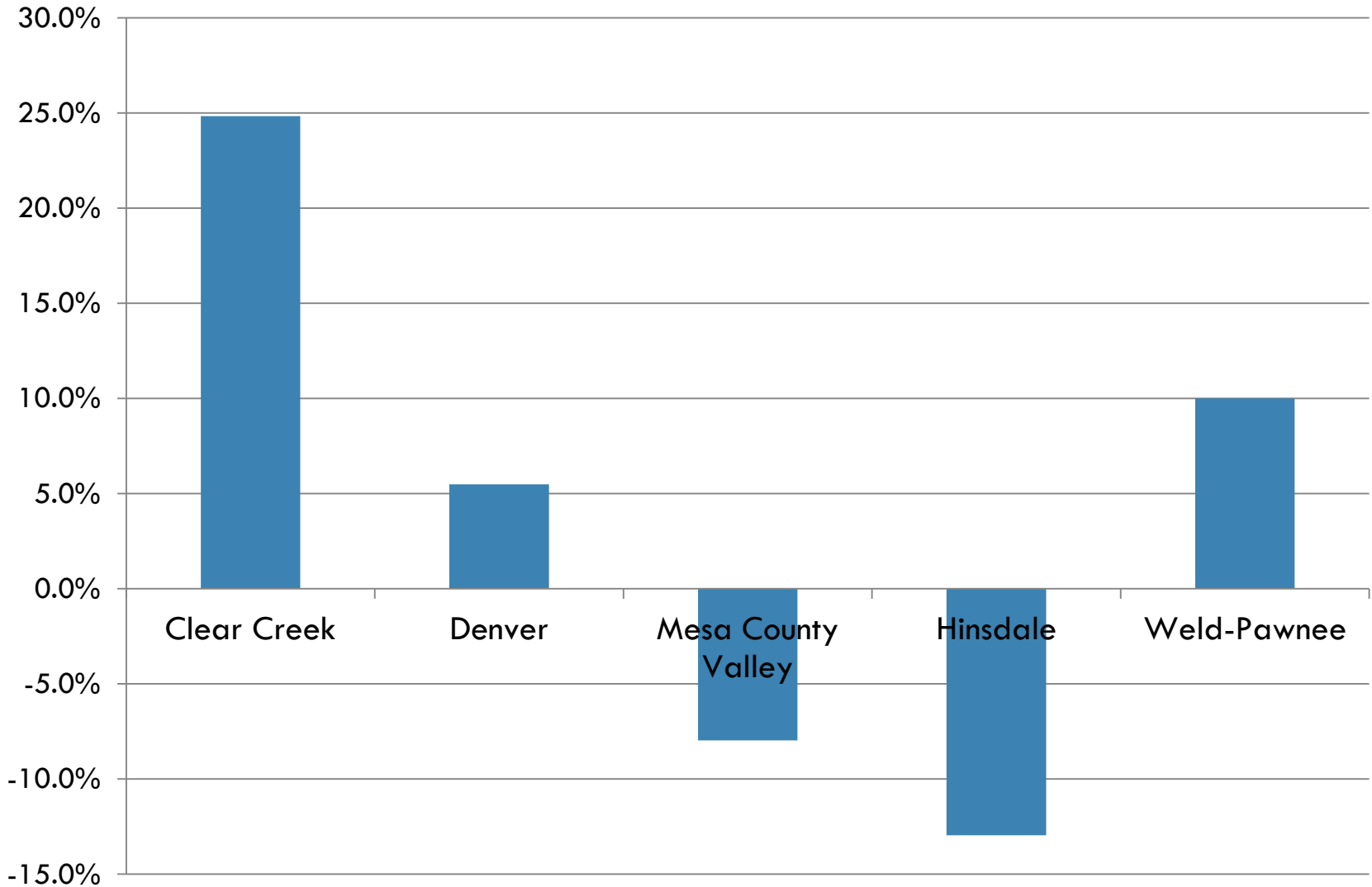
Per Pupil Funding with Negative Factor, FY 2014-15



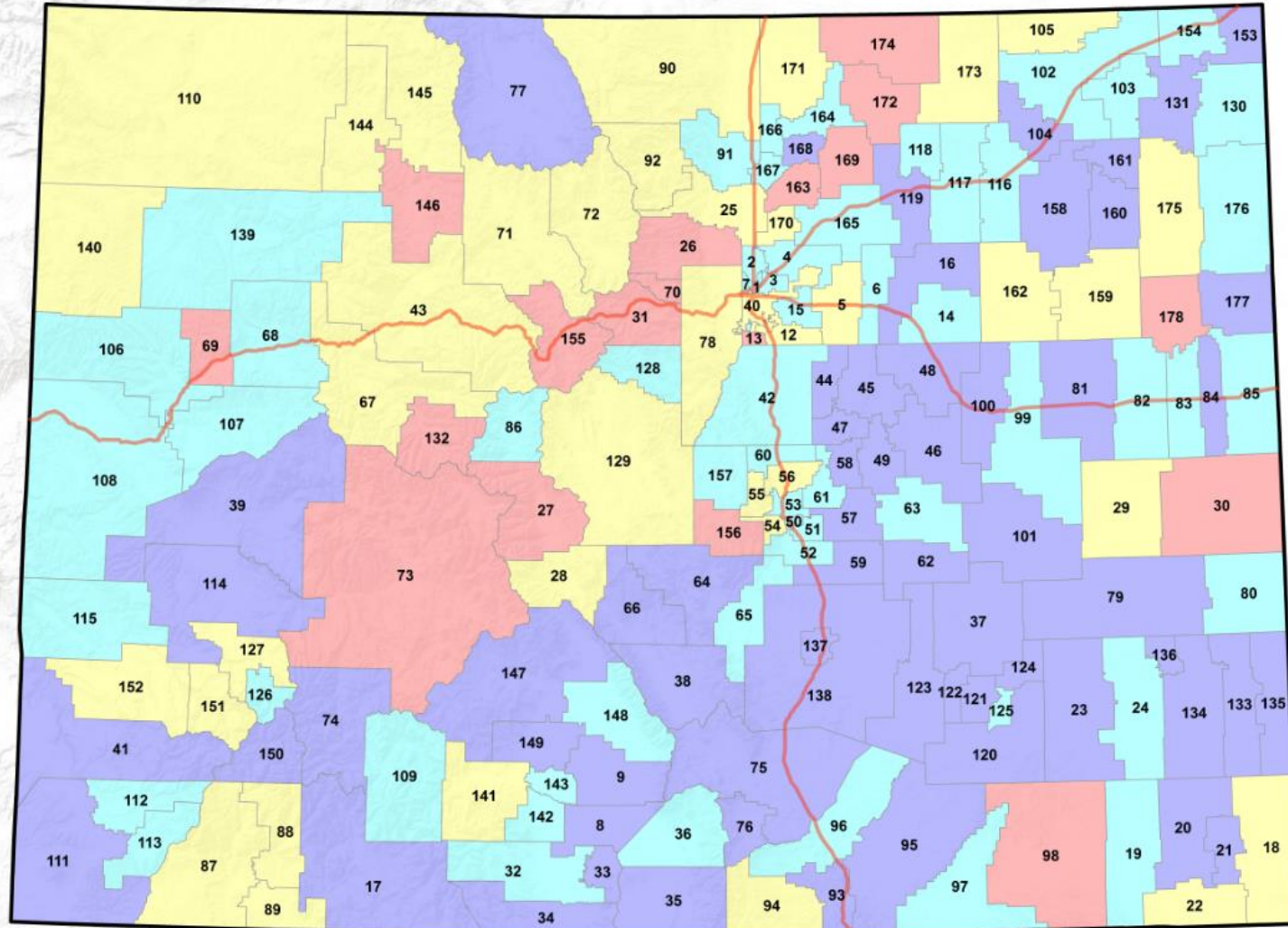
Comparison of Negative Factor (NF) and Override Revenue Per Pupil, FY 2014-15



Percent Change of Final Per Pupil Funding (After the Negative Factor and Including Overrides) from Per Pupil Funding Before Application of the Negative Factor (Excluding Overrides), FY 2014-15



Percent Change of Final Per Pupil Funding (After the Negative Factor and Including Overrides) from Per Pupil Funding Before Application of the Negative Factor (Excluding Overrides), FY 2014-15

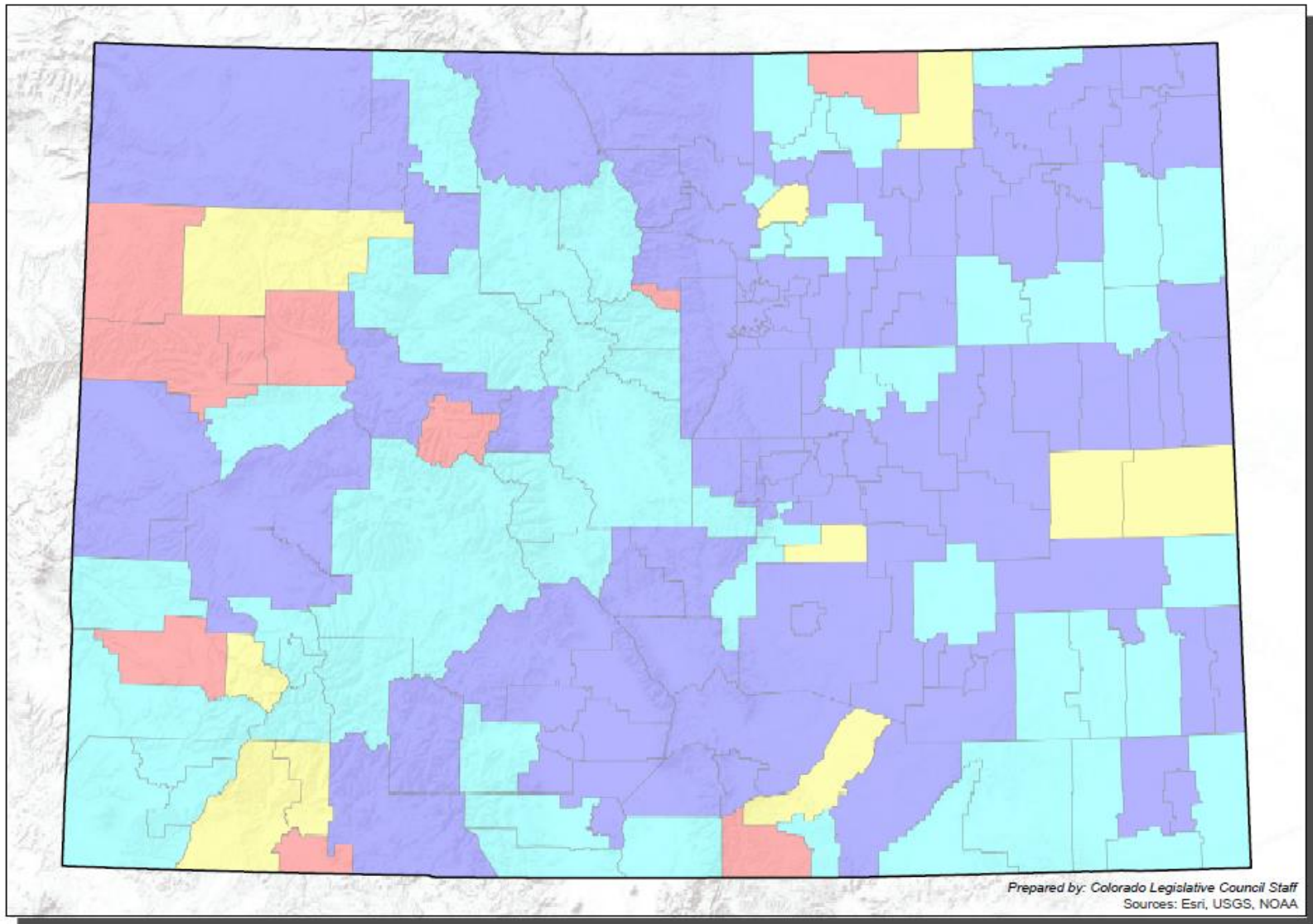


■ > 10%
 ■ 0.01% - 10%
 ■ -12.9% - 0%
 ■ = -13%

School Finance (Total Program) Mill Levies

- Issue: Total program mill levies vary significantly throughout the state, affecting each district's reliance on state funding to support total program.
 - Professors Roza and Reschovsky indicated that a consistent mill levy is preferable to ensure local effort, stabilize funding, and reduce pressure on state funds.
 - For FY 2014-15, total program mill levies in Colorado ranged from a low of 1.68 mills to a statutory limit of 27.0 mills. In some cases, low local mill levies require a significant state share even for high property wealth districts.

Current School Finance Mill Levies, FY 2014-15

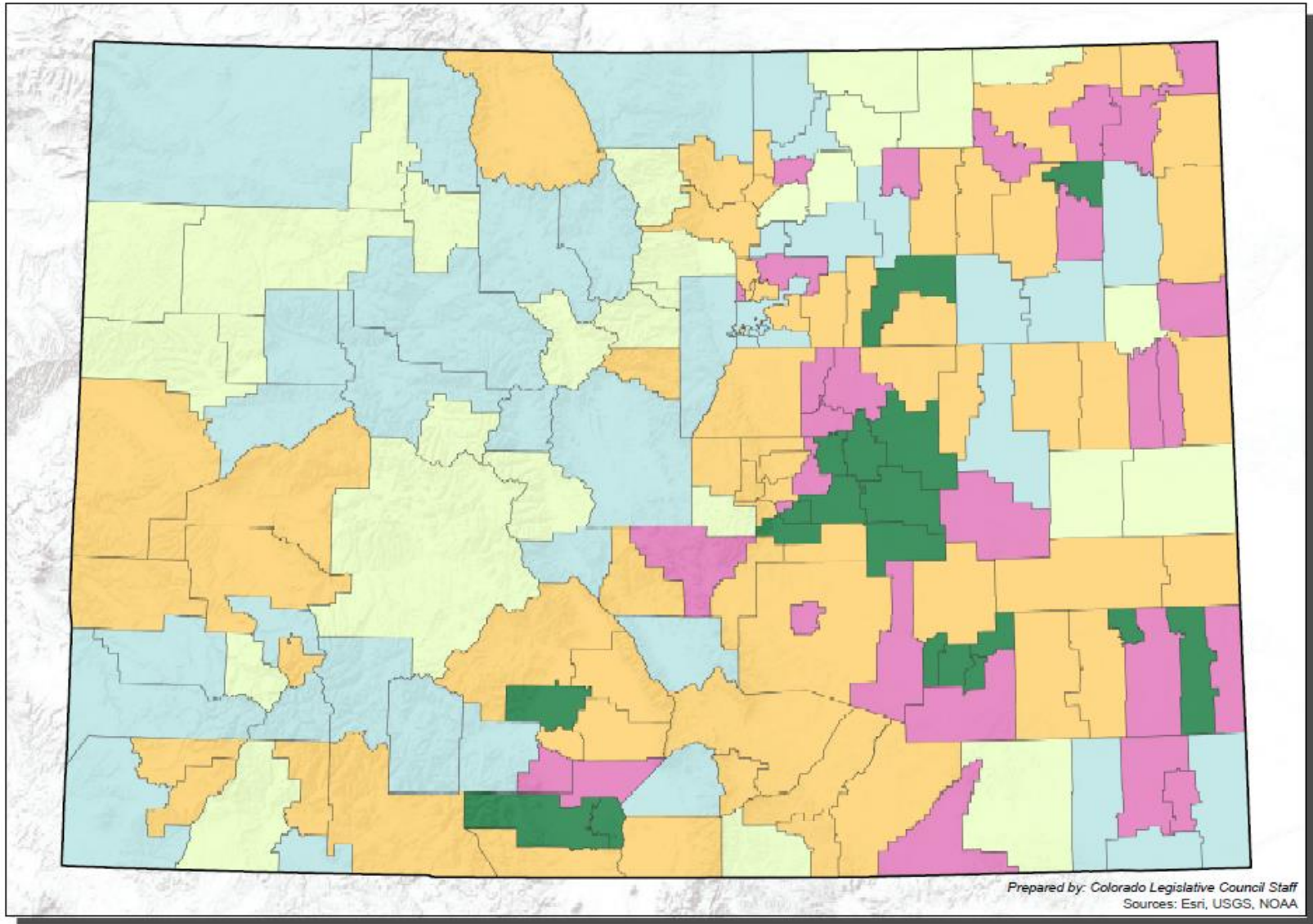


Less Than 5.00 5.01 - 10.00 10.01 - 20.00 20.01 - 27.00

Mill Levy Overrides

- Issue: Differences in the level of local property wealth (assessed value) between districts affect the viability of mill levy overrides to provide additional funding.
 - With voter approval, school districts may collect additional property taxes through mill levy overrides. Override revenues are not considered as part of the school finance formula. 115 districts collected \$826.5 million from overrides in FY 2014-15.
 - Current law caps mill levy overrides for most districts at 25.0 percent of total program funding (the cap is 30.0 percent for some rural districts).
 - For some districts, reaching that cap requires a relatively low override (in terms of additional mills). For others, reaching the cap would require prohibitively large increases in the mill levy: 19 districts would require more than 50 additional mills and 6 would require more than 100 mills. One district would require an override of 459.8 mills to reach the cap.

Mill Levy Needed to Reach Maximum Override Limit, FY 2014-15

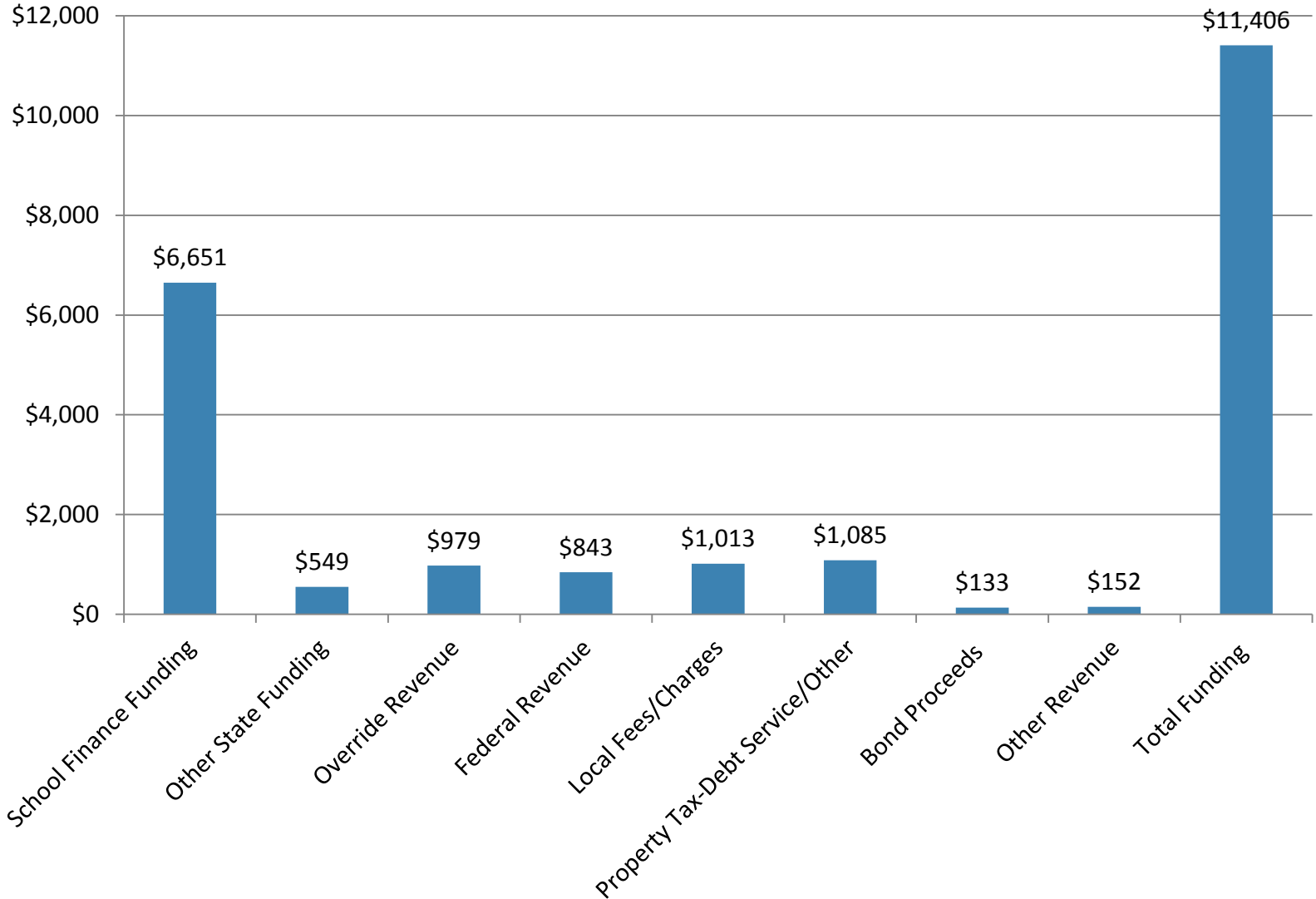


0.00 - 2.00 2.01 - 10.00 10.01 - 30.00 30.01 - 50.00 Greater Than 50

Total Funding Available (All Sources)

- School districts receive funding from a variety of sources outside of total program funding.
 - Other state revenues include categorical funding, READ Act funds, B.E.S.T. grant funds, as well as a variety of other programs and grants.
 - Other local revenues include overrides, fees and charges, bond proceeds, and property taxes for debt service.
 - Federal funds support a variety of uses, including nutrition programs, funding for at-risk students, categorical programs, etc.

Statewide Average Total School District Funding Per Pupil, FY 2013-14



Total School District Funding Per Pupil, FY 2013-14

