



Colorado Association of School Boards
2253 S. Oneida Street
Denver, CO 80224-2507
Phone: (303) 832-1000 • (800) 530-8430
Fax: (303) 832-1086
www.casb.org

January 3, 2018

(via alec.garnett.house@state.co.us)

The Honorable Alec Garnett
Chair, Legislative Interim Committee on School Finance
Colorado State Capitol
200 E. Colfax Ave., Rm. 307
Denver, CO 80203

Dear Representative Garnett:

The members of the Colorado Association of School Boards (CASB) have been following with great interest the work of the Legislative Interim Committee on School Finance. Our membership would like to thank the committee for seeking input from all members of the K-12 education community. You may recall that CASB sent a letter in July of 2017 when the committee began their work. While all of the items we highlighted in the attached copy of that letter remain critical components to be addressed, we feel that equity of funding is the number one issue to ensure any newly proposed school finance formula would be successful.

First, the combined effects of the Gallagher Amendment and the Tax Payer Bill of Rights (TABOR) have brought forth a patchwork of unequitable property taxes across the state. The unequal nature of these property taxes imposes financial hardship on many schools based merely on where they are located. Many of these school districts are located in areas of the state with low property values. These locations also hamper the district's ability to raise funds locally. On the other hand, a number of Colorado school districts with significantly higher property values are effectively being subsidized by their fellow taxpayers. Throw into the mix higher property taxes paid by business property owners due to the Gallagher Amendment and we are faced with tax policy that is often unfair and that does not serve the majority of Coloradans well.

Second, for nearly a decade, Colorado school districts and students have struggled with the inequitable effects of the Budget Stabilization Factor. The Budget Stabilization or Negative Factor has a proportionately larger adverse effect on the very students the factors in the School Finance Act are intended to help – those with special needs, English language learners, students in poverty and students in small rural school districts.

These proportionately larger adverse effects are not trivial. For example, a large front-range district, with approximately 25% of its students in an at-risk category, has a per pupil negative factor of approximately \$920. Another front-range district of similar size with approximately 75% of its students in an at-risk category, has a Negative Factor of approximately \$970. If the second district had the lower Negative Factor of \$920 per pupil, it would have nearly an additional \$1,000,000 in its annual School Finance Act allotment. Similarly, a small district in eastern Colorado has a Negative Factor of \$1,780 per student, and a midsized school district in an upper middle-class community has a Negative Factor of \$910 per student. The Budget Stabilization Factor hurts most those schools and districts with the highest needs.

The Honorable Alec Garnett
Chair, Legislative Interim Committee on School Finance
Page Two

It is also important to note we do not stand alone in our concerns about equity in school funding. Colorado's public education system includes options for neighborhood schools, charter schools, innovation schools and online programs. Each bring their own special qualities and differences to the discussion. There is a valid debate to be had about how each of these options fit into the equation. However, everyone, including charter schools and online schools, agree there is simply not enough funding to support the students they serve. The equation is simple – you cannot expect full time results on a part time budget.

Colorado has one of the best economies in the nation. Our state is unquestionably a great place to live. Ultimately, CASB members hope the committee will find a solution that provides the necessary funds to ensure every student has an equal opportunity for a great education that will permit every student to become a valued contributing member of the community and to pass on that legacy to future generations of Coloradans.

Sincerely,

A handwritten signature in black ink that reads "Ken DeLay". The signature is written in a cursive style with a large, stylized "K" and "D".

Kenneth A. DeLay
Executive Director

Attachment – July 2017 letter

July 19, 2017

Representative Alec Garnett, Chair
Legislative Interim Committee on School Finance
200 E. Colfax, Room 307
Denver, CO 80203

Dear Representative Garnett,

On behalf of the nearly 1,000 locally elected school board members who make up the membership of the Colorado Association of School Boards (CASB), I am writing to express our strong support of the work the Interim Committee on School Finance is about to undertake. We are encouraged by the depth of education knowledge the committee members bring to the table. We believe the committee has the right collection of legislators to study the future funding of Colorado public education.

Colorado's 178 school districts cover the gamut from rural schools with fewer than 100 students to large front range districts that have almost 100,000 students. Across all of these unique school districts, there is a common denominator. Property taxes, the local contribution to school finance, are equitable neither for school districts, nor for local taxpayers. Moreover, as these property tax inequities have developed over the last 25 years, the state has had to sharply increase its contributions to school finance, putting additional pressure on other parts of the state's budget. These problems were explained well by the Joint Budget Committee staff in the December 2016 budget briefing. CASB members strongly believe that any reform of school finance must address this crucial issue.

Education is highly regulated. All those regulations were well-intended when adopted, and many remain important. Nevertheless, over the course of the past 25 years, the nearly unending tide of local, state and federal mandates has reached a point where school districts must devote considerable funds to the administration of these mandates. These are dollars which, if available in the classroom, could provide better academic outcomes for our students. Eliminating or reducing the regulatory burden on teachers and principals would allow these education professionals to do what they do best, educate students.

One of the largest unfunded mandates impacts students who need special education. State and federal funding for special education has never adequately funded the local commitment to educate all children while the number of students who require these services has increased. The impact on school budgets has been drastic. In order to meet the goal of a quality education for all students, the state must provide the funds to address the needs of these special students.

As Colorado prepares for its 141-year anniversary of statehood this August, Colorado is educating many students in school buildings that are nearly as old. The prospect of new school construction or renovation is unattainable for many communities. The ability to meet facility

needs is still completely dependent on local property wealth. While programs like Building Excellent Schools Today (BEST) have certainly helped, they have not fully addressed the critical need for modern and safe facilities, and much needed repairs to an aging infrastructure. CASB members believe it will be important for school construction costs to be a key discussion point as the committee goes about its work.

Colorado schools have continued to attain great outcomes for students through the tireless efforts of its teachers, administrators and families. Even with the budgetary shortfalls in Colorado K-12 funding slowing the progress, Colorado educators and students have continued to move the achievement needle in a positive direction. Imagine what our students could achieve under a system of school funding that takes into account the total cost to educate every student, regardless of circumstance!

The CASB membership looks forward to the results of the committee's work. Furthermore, we want to assist you with this work. There is no substitute for experience of locally elected school board members. We encourage you to seek advice and information from these dedicated board members. If I or the CASB staff can be of assistance, please do not hesitate to contact us.

Sincerely,

Carrie Warren-Gully
President
Board of Directors
Colorado Association of School Boards