Colorado has a once-in-a-generation opportunity to reimagine the potential of our education system and our children by overhauling our school finance system.

Every student deserves access to the resources they need to receive a high-quality education. It takes more than funding to create a great school, but without adequate funding that is distributed in equitable and targeted ways, it is nearly impossible to provide resources such as dedicated and skilled teachers, engaging classroom materials, school counselors and social workers, or music and art classes.

Our current system for funding Colorado’s schools is inadequate and inequitable, both in how we collect revenue (the inputs) and how those dollars are allocated through our complex funding formula (the outputs).

Inputs: Broken and Unsustainable PreK-12 Revenue System

- Our PreK-12 system is unique in that any revenues not raised at the local level must be backfilled by the state. Education is funded by local property taxes and other types of revenue from the state General Fund, such as income tax. If local revenues fall, the state must backfill the difference.

- Over the last 30 years we’ve seen a dramatic shift in paying for education to the state. Local revenues make up less and less of overall funding – they’re now at 36 percent of total, and 30 years ago that was closer to 60 percent.

- This has meant significantly more pressure on the state budget over time. If something is not done to address certain aspects of TABOR and Gallagher in the coming years, this imbalance will only get worse.
Property taxpayers across the state contribute vastly disproportionate amounts to what is then available for PreK-12 education in the state.

On the same median value home ($312,400), a taxpayer in Primero, Colorado contributes $38 to the PreK-12 system, a taxpayer in Eagle pays $262, and taxpayers in Greeley, Alamosa and 37 other school districts contribute $611. Voters and school districts have no control over their total program mill levy.

In every instance, the state looks at what is raised with local tax revenue and then backfills the difference to ensure every student has the same base per pupil investment.

On top of this system, we layer mill levy override inequities – where with voter approval, communities have the ability to raise and spend property taxes over and above what they receive through the School Finance Act. 121 districts in Colorado have passed mill levy overrides, raising an additional $1.1 billion, and 57 have not.

**Outputs:** Outdated, Inadequate and Inequitable School Funding Formula

In 1995, the earliest year for which comprehensive data are available, Colorado’s per-pupil funding sat approximately $402 below the national average, after adjusting for regional differences in the cost of living. By 2014, the gap between what Colorado was spending on each student and the national average had grown to nearly $2,700 per pupil.

Multiplied by 25 kids in a classroom, that $2,700 gap represents more than $67,000 per classroom that Colorado schools would receive if our state’s per pupil funding were on par with the national average.

Only nine states spend less per pupil than Colorado.
Formula Inequity and Inadequacy
A comparison of total amounts spent through our current formula for 2017-18:

- **Cost-of-living factor:** $1.1 billion
- **At-risk students factor:** $341 million
- **District size factor:** $317 million
- **Special Education categorical:** $172 million
- **English Learner (EL) students categorical:** $20 million
- **Gifted and Talented students categorical:** $12 million
- **Budget Stabilization Factor:** -$830 million

- There is broad agreement about the need for additional resources to bring students living in poverty to academic proficiency, yet Colorado only devotes $341 million to the “at-risk” factor – which serves the 34 percent of students eligible for free lunch. In contrast, $1.1 billion is funneled to districts where cost of living is high.

- Since 2010, the budget stabilization factor has meant Colorado schools have been underfunded by more than $7 billion compared to what they should have received through the formula.
Questions for Candidates

Here are questions you might ask candidates to learn more about their positions on issues affecting Colorado kids. Whether you ask in person, online or by phone, these questions are designed to help you educate candidates while learning more about whether they are making kids a priority in their platform:

1. Because of the interaction of provisions in TABOR and Gallagher, over the last 30 years there’s been a dramatic shift in the burden for K-12 funding being on local districts to the burden being on the state, increasing pressure on the state budget every year. With the residential assessment rate at 7.2 percent this year and a projected ratchet-down to 6.1 percent in 2019, what action (if any) do you think is needed to make school finance and other state budget priorities sustainable long-term?

2. Colorado’s School Finance Act hasn’t been comprehensively revised since 1994. What changes (if any) do you think are needed in our school funding formula to improve outcomes for kids?

3. Despite evidence that high quality preschool and full-day kindergarten help young learners build a strong foundation for academic success, access is limited to both of these by state funding constraints. Fewer than 1 in 4 four-year-olds have access to the Colorado Preschool Program and 3 in 4 kindergarteners are enrolled in a full day. What steps would you take to expand access to preschool and full-day kindergarten?

4. Research has consistently shown that high-quality, dedicated educators are the most important in-school factor for student success. In 2017-2018, the average pay for teachers in Colorado is $52,728, but we know that salaries vary significantly across the state – from $29,356 in Woodlin to $75,220 in Boulder. We also know that the cost of living has increased dramatically across the state, and that when comparing Colorado’s teacher wage competitiveness to other states, Colorado ranks dead last. How would you ensure that every school district in Colorado has the ability to offer a living wage to educators?