

A NEW SCHOOL FINANCE FORMULA FOR COLORADO: MYTHS AND FACTS



Colorado's legislature has one of the most significant opportunities to help kids in decades: The historic updates to the school funding formula proposed by Speaker McCluskie and Assistant Majority Leader Bacon in **HB24-1448**.

Colorado's existing school funding formula has not been updated since 1994. It has resulted in the state sending more money per pupil to some of Colorado's most well-resourced school districts than to districts where students face the most barriers to educational opportunity.

Under the proposed new formula, student characteristics are considered first when the state is funding Colorado school districts. How many students in each district are living in poverty? How many are learning to speak English? How many have special needs? The more of these students that the district serves, the more dollars it gets from the state to support them.

The result:

100% of Colorado school districts would receive more funds beginning in 2025.

All 850,310 Colorado kids would receive more funding for their schools beginning in 2025.

Colorado would invest \$750 million more in our schools and students.

But with big change can come big questions. Here's what to know about some misconceptions about HB24-1448.

You may have heard...

The formula was developed hastily and without input from people who work in schools.

The truth is...

Colorado's funding formula has not been substantially updated since 1994. **Legislators, advocates, districts and educators have been working for almost 10 years to improve Colorado's deeply inequitable school funding formula and inadequate school funding levels.** A task force of experts, including district leaders, teachers, and education policy leaders, developed the recommendations that informed HB1448 to reflect the current needs of Colorado schools and the most up-to-date research on how to fund schools effectively.

You may have heard...

The new formula is not financially sustainable.

The truth is...

Using a thoughtful, careful combination of projected growth in the General Fund and State Education fund, **House Bill 1448 puts an additional \$500 million into our public education system in a sustainable way that leaves the state with a billion-dollar cushion after the full six-year implementation plan.**

You may have heard...

Too many school districts will lose money if we change the formula.

The truth is...

None of Colorado's 178 school districts will receive less funding than they did in 2024-25. Under this bill, 100% of Colorado school districts will receive more money beginning in the 2025-26 school year.

You may have heard...

The new formula doesn't reflect the fact that school districts in areas that are more well-resourced than other parts of the state serve many at-risk students.

The truth is...

The new formula ensures that all school districts receive funding that reflects and supports their students who live in poverty, are learning English, or have special needs. Funding each year will reflect districts' unique and changing student characteristics.

You may have heard...

The new formula just reshuffles money across schools and districts serving kids in need and will not result in meaningful change.

The truth is...

For decades, Colorado has had among the biggest gaps in academic achievement by race and income in the country. This reflects our state's systemic lack of investment in schools and districts that serve large numbers of students of color and low-income students and our reliance on local property wealth and taxes to fund public schools. **Students of color are disproportionately likely to attend school districts that would benefit from changes to our school funding formula.** HB24-1448 is an opportunity to support students who have historically been underserved by our state's approach to funding schools and improve academic achievement and well-being for students across the state.

You may have heard...

Student-centered school funding is a step toward school vouchers or other policy changes that are bad for public schools.

The truth is...

Student-centered school funding is an approach recommended by education policy experts. Some form of student-centered school funding has been adopted in 39 states. Top performing countries around the world also use student-centered funding. The latest leading research demonstrates that how states distribute education funding matters just as much as how much states spend on education. **This proposal does not clear the way for changes to Colorado's education policy that would harm our essential K-12 public schools - it invests in our districts, our schools, and our students.**

You may have heard...

We need to wait until next year, when we have an adequacy study, to make any changes.

The truth is...

The adequacy studies are important and will let us know how much Colorado needs to invest in our schools. However, we still have an obligation to equitably spend the \$10 billion we already invest. The formula changes in 1448 tell us how to divvy up the pie, while the adequacy studies will tell us by how much the pie needs to grow. There are stakeholders who find it difficult to advocate for an increase in a state investment with our current inequitable school finance formula. If we modernize our formula, we can bring along more stakeholders in advocating for a bigger investment. **The adequacy study will give us helpful information that we can leverage to advocate for more funding for education in future years, but we do not need to wait for it to make changes that will simplify and modernize our school funding formula.**

The most important truth:

The new formula proposed in HB24-1448 would allow districts to make changes like improving pay for Colorado teachers, creating smaller class sizes and caseloads, investing in safer, more welcoming school buildings, or providing enriching programs and extra support for students when they need it—all elements of a high-quality education that every student deserves.

It is time to modernize our school funding formula and direct more resources to students who need more resources.