



School Finance Partnership: Modernizing Colorado's School Finance System

Joint Education Committee
February 13, 2013

Partnership Co-Chairs:
Chris Watney, President and CEO, Colorado Children's Campaign
Bob Deibel, CEO and Owner, Officescapes
Cary Kennedy, Denver CFO and former State Treasurer



Why School Finance?

Today's State Education Funding System:
The School Finance Act

- Both nationally and in Colorado, state school finance acts are typically rewritten about every 10 years.
- Colorado's School Finance Act (SFA) was last overhauled in 1994. While our state is racing forward on other education policies, the issue of school finance remains largely unchanged and outdated in many areas.
- Over the last several years other efforts, including multiple interim committees have sought to update our finance act, yet none have achieved success.



School Finance Partnership

In order to address the need and the complicated nature of the School Finance Act, the Children's Campaign convened a diverse group of stakeholders to take on the issue of modernizing the state's funding formula. The stakeholders:

- The School Finance Partnership met for the first time in April 2011, presented recommendations to community in May 2012.
- The Partnership convened once a month for education on school finance issues with national and state experts – topics included:
 - Weighted Student Funding
 - Tax Structure and Constitutional Influences
 - Opportunities to Drive Innovation within the Formula
 - Student count date
 - Student-Learning Focused Funding Systems Nationwide
- The Steering Committee also met every month and made decisions on a full consensus model, finalizing recommendations in January 2012.



School Finance Partnership Steering Committee

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| • Chair- Chris Watney, Colorado Children's Campaign President and CEO | • Colorado Association of School Boards |
| • Chair- Cary Kennedy, City of Denver CFO and Former State Treasurer | • Colorado Association of School Executives |
| • Chair- Bob Deibel, OfficeScapes President and Owner | • Colorado Education Association |
| • Early Childhood Education Representative, Barbara O'Brien | • Colorado Forum |
| • Higher Education Representative, Paul Teske | • Colorado Legacy Foundation |
| • Representative Tom Massey | • Colorado Succeeds |
| • Senator Mike Johnston | • Denver Metro Chamber of Commerce |
| | • Donnell-Kay Foundation |
| | • Great Futures Colorado |

Recommendations were reached by consensus.



School Finance Partnership Guidelines

Overarching Principles

- The state should use the most recent and research-supported data in order to achieve best outcomes
- A sufficient base should be sought, and fragmented funding streams should be limited
- Funding should support a culture of continuous quality improvement and accountability
- Funding should be efficient and effective to reach desired student outcomes



School Finance Partnership Recommendations

Areas of Focus

- Alignment and Accountability to Student Outcomes
- Innovation
- Equity
- Sufficiency



Alignment and Accountability to Student Outcomes

- Low performing districts should come under more oversight than high performing districts.
- School leaders should have a large role in budgeting and resource allocation within their schools.
- The State Education Funding System should support quality early childhood education to ensure kindergarten readiness and ease transitions through the system.
 - Full-day kindergarten for all families who choose it
 - Full-day, quality preschool for at-risk 4 year olds and half day preschool for at-risk 3 year olds.



Innovation

- In order to encourage innovation and allow districts the autonomy to address unique challenges and opportunities, education funding should provide districts or schools with as much flexibility as possible to meet educational outcomes.
- A pool of money should be created to be competitively allocated as seed funding and technical assistance to schools and districts for the design, development, planning and evaluation of innovative programs.



Equity

- Equitable funding to school districts must address the unique and special needs and challenges faced by districts and the students they serve.
- Additional resources should be provided for students with limited English proficiency, student living in poverty, for example.
- Education funding must recognize the different resources necessary to attract and retain high quality personnel in different geographic regions across the state.
- More robust regional service delivery model
- Should allocate funds equitably based on accurate student counts throughout the year.



Sufficiency

- State education funding system should provide revenue sufficient for districts to meet state standards and assessment, accountability, and evaluation expectations.
 - Full funding for the development and implementation of the teacher evaluation system.
 - Support for modern technology.
 - Colorado voters should be asked to support a tax and revenue structure that supports the School Finance Partnership recommendations, including constitutional changes addressing conflicts among TABOR, Gallagher and Amendment 23 to ensure sustainability of recommendations as well as to ensure the constitutional guarantee of a thorough and uniform system of free public schools.



TAG Process

- The School Finance Partnership and many other interested stakeholders (more than 100 people at most meetings) spent recent months engaging in collaborative discussion with Senators Johnston and Heath.
- Process of taking higher-level principles of the School Finance Partnership to granular level
- Topics discussed:
 - Base and adjustments
 - Special Education
 - Preschool and Full-Day Kindergarten
 - Funding at Student Level
 - Need for Additional Revenue
 - State and Local Share of Funding
 - Funding Innovation at the Local Level



Building On Consensus

- The School Finance Partnership continues to be engaged and involved as this process evolves.
- Doing nothing is not an option.
- Need to ensure work remains a package.
- Legislation to be introduced in this session
 - Cannot guarantee everything from the School Finance Partnership recommendations will be included, however helped establish a framework to build from.
- This work has the potential to impact every student in the state, so everyone's feedback and help is needed.

