

Welcome Task Force Members & Guests

A few notes prior to the meeting starting:

Task Force Members please have your camera on and relevant documents available at the beginning of the meeting.

- Welcome to the public who are watching the meeting via Live Streaming. We will have a breakout session in today's meeting that will not be streamed. These discussions will not involve any decision making and a readout from each breakout will be provided when the full meeting resumes.
- If the public has any questions or comments, these can be sent via email to Amy Carman at carman_a@cde.state.co.us

SB 23-287 School Finance Task Force



August 29, 2023

Virtual Meeting



**SCHOOL + STATE
FINANCE PROJECT**

Who We Are

- Dillinger Research and Applied Data Inc (DillingerRAD) is a Connecticut-based woman and veteran led 501(c)3 nonprofit
- DillingerRAD partners with youth-centered organizations to leverage data and tools they currently use to help students and youth succeed.
- DillingerRAD has partnered with multiple state level agencies, work groups, and task forces in support of legislation directly impacting youth



Who We Are

SCHOOL + STATE FINANCE PROJECT

- The School and State Finance Project is a nonpartisan, nonprofit policy organization focused on education funding and state finance issues.
- We work collaboratively with policymakers, school districts and communities to develop innovative, data-driven solutions that address the most pressing education finance challenges.
- We are a Connecticut-based independent organization not affiliated with any national group.
- We are a nonprofit project of TSNE, which is a nonpartisan and experienced fiscal sponsor that currently serves nonprofits from a variety of sectors throughout New England and across the country.

Overview of Today's Agenda

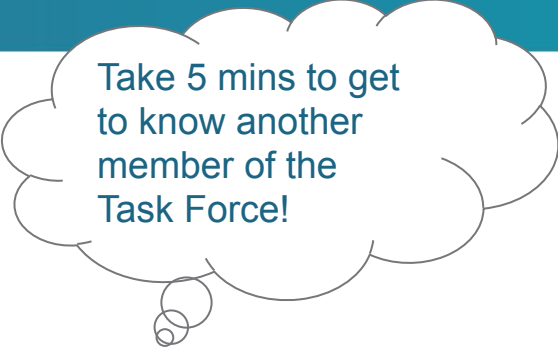
1. Welcome
2. Introductions (Discussion)
3. Statewide Training for Boards & Commissions: (Awareness)
4. Administration / Logistics: (Awareness)
5. Colorado State Funding Review (Awareness)
6. State Funding 101 (Awareness)
7. Task Force Chair Responsibilities (Discussion/Action)

Welcome

As a non-voting member, CDE is here to support the Task Force:

- Support a neutral, fair and transparent process
- Openly discuss the topics outlined in legislation
- Make informed recommendations
- Meet the appropriate timelines for various deliverables

Introductions



Take 5 mins to get to know another member of the Task Force!

Discussion Topics

- Name
- Role
- What “superpower” do you bring to the Task Force
- What do you hope to get out of this Task Force

You will be introducing your partner when you get back to the main group!

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Open Meetings



[Question Document](https://bit.ly/TF_questions)
https://bit.ly/TF_questions



Colorado Sunshine Law – Overview

- *“All meetings of two or more members of any state public body at which public business is discussed or at which any formal action may be taken are declared to be public meetings open to the public at all times.” Section 23-6-402, C.R.S.*
- Formation of public policy happens in the public, not in secret
- Ensures transparency in and public access to government



Colorado Sunshine Law – Who and What is Covered?

- Applies to all boards, committees, commissions, authorities or other advisory, policy-making, rulemaking, or other formally constituted bodies and any public or private entity which has been delegated a governmental decision-making function
- Administrative meetings (such as meetings between staff) are NOT required to be open



Three components under the law

1. Public notice
2. Open meeting
3. Meeting minutes and transparency



Colorado Sunshine Law – Public Notice

- Notification posted in a public space so that everyone knows when and where a meeting is taking place
- Posted at least 24 hours in advance
- Given prior to all meetings
- Agenda information included when possible



Colorado Sunshine Law – Open Meetings

- Meetings of two or more members of a public body where any public business is discussed or formal action taken must be open to the public
 - This can include in person, phone, or electronic meetings
- What is exempt?
 - Social gatherings if discussion of public business is not the purpose
 - Staff communicating logistical information to members
 - Executive sessions
 - Only occur under special circumstances and clearly documented



Colorado Sunshine Law – Meeting Minutes and Transparency

- Public meetings must be documented, and the public must be able to access the minutes
- Meeting minutes should be posted on the board's website
- CDE staffer or board director, unless otherwise designated, is responsible for documenting all meetings



Open Records



Colorado Open Records Act (CORA)

- CORA (Section 24-72-201, et. seq., C.R.S.) allows citizens to gain access to public records
- Intended to ensure transparency in government affairs
- Public records are required to be available for inspection by members of the public upon request



Colorado Open Records Act (CORA)

- “Public records” include any writing “made, maintained, or kept by” the state or any agency
 - Includes board or commission business emails, meeting minutes, official reports and documents
 - Some exceptions, including communications that are personal in nature
- Err on the side of considering all communications to be potentially releasable



Code of Ethics Laws



Code of Ethics – Standards of Conduct

- **Public office = public trust**

- “The holding of public office or employment is a public trust, created by the confidence which the electorate reposes in the integrity of public officers. A public officer shall carry out his duties for the benefit of the people of the state.” (Section 24-18-103, C.R.S.)

- **Avoid conflicts of interest**

- “A member of the board, commission, council, or committee shall not perform an official act which may have a direct economic benefit on a business or other undertaking in which such member has a direct or substantial financial interest.” (Section 24-18-108.5, C.R.S.)



Code of Ethics – Conflicts of Interest

- When conducting business, members are expected to refrain from:
 - Taking actions that serve their personal interests rather than public interests
 - Taking official actions as board members that have a direct financial benefit to them personally or to a program for which they work or serve
- Prohibits votes, not all participation
- Applies to potential conflicts, not just actual conflict
- Financial interest includes investment, employment

CONFLICT
OF INTEREST



Code of Ethics – Conflicts of Interest, cont.

- Prohibits outside employment or compensation “incompatible with the proper discharge of” public duties
 - No gifts, honoraria, or fees/payment that may lead to preferential treatment, impede on independence or impartiality
- Disclose any conflicts of interest at earliest stage possible
 - Refrain from voting, participating in discussions, or attempting to influence other board/commission members



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Workgroup Purpose & Scope

THE PURPOSE OF THE TASK FORCE IS TO **EXAMINE AND MAKE RECOMMENDATIONS CONCERNING MAKING THE SCHOOL FINANCE FORMULA** SIMPLER, LESS REGRESSIVE, AND MORE ADEQUATE, UNDERSTANDABLE, TRANSPARENT, EQUITABLE, AND STUDENT-CENTERED.

- A. **ELIMINATING THE USE OF MULTIPLICATIVE INDEXES** FOR COST OF LIVING, PERSONNEL AND NON-PERSONNEL COSTS, AND DISTRICT SIZE;
- B. RECALIBRATING THE COST OF LIVING FACTOR, CAPPING THE COST OF LIVING FACTOR, OR ALTERNATIVE METHODS TO ACCOUNT FOR THE COST OF LIVING, INCLUDING THROUGH CATEGORICAL FUNDING. **A RECOMMENDATION CONCERNING A REVISED COST OF LIVING FACTOR** MUST BE ABLE TO REGULARLY CHANGE AS A RESULT OF THE BIENNIAL COST OF LIVING STUDY.
- C. **PRIORITIZING STUDENT NEEDS IN THE FORMULA**, INCLUDING MEASURES, TO THE EXTENT POSSIBLE, THAT ALIGN THE AT-RISK FACTOR, ENGLISH LANGUAGE LEARNER FACTOR, AND SPECIAL EDUCATION CATEGORICAL FUNDING BASED UPON AVAILABLE EVIDENCE-BASED RESEARCH ON STUDENT-CENTERED FUNDING THAT HAS A DIRECT IMPACT ON STUDENT OUTCOMES;
- D. **REVISING THE SIZE FACTOR** TO INCORPORATE CONSIDERATIONS OTHER THAN OR IN ADDITION TO STUDENT ENROLLMENT, INCLUDING THE REMOTENESS OF A SCHOOL DISTRICT; AND
- E. **SECURING EQUALIZATION IN MILL LEVY OVERRIDES** FOR INSTITUTE CHARTER SCHOOLS BASED UPON THE SCHOOL DISTRICT WHERE THE INSTITUTE CHARTER SCHOOL IS GEOGRAPHICALLY LOCATED, INCLUDING CONSIDERATIONS FOR STUDENTS WHO DO NOT RESIDE IN THE SCHOOL DISTRICT WHERE THE INSTITUTE CHARTER SCHOOL IS GEOGRAPHICALLY LOCATED, MULTI-DISTRICT ONLINE PROGRAMS, AND TOTAL PROGRAM FUNDING.e

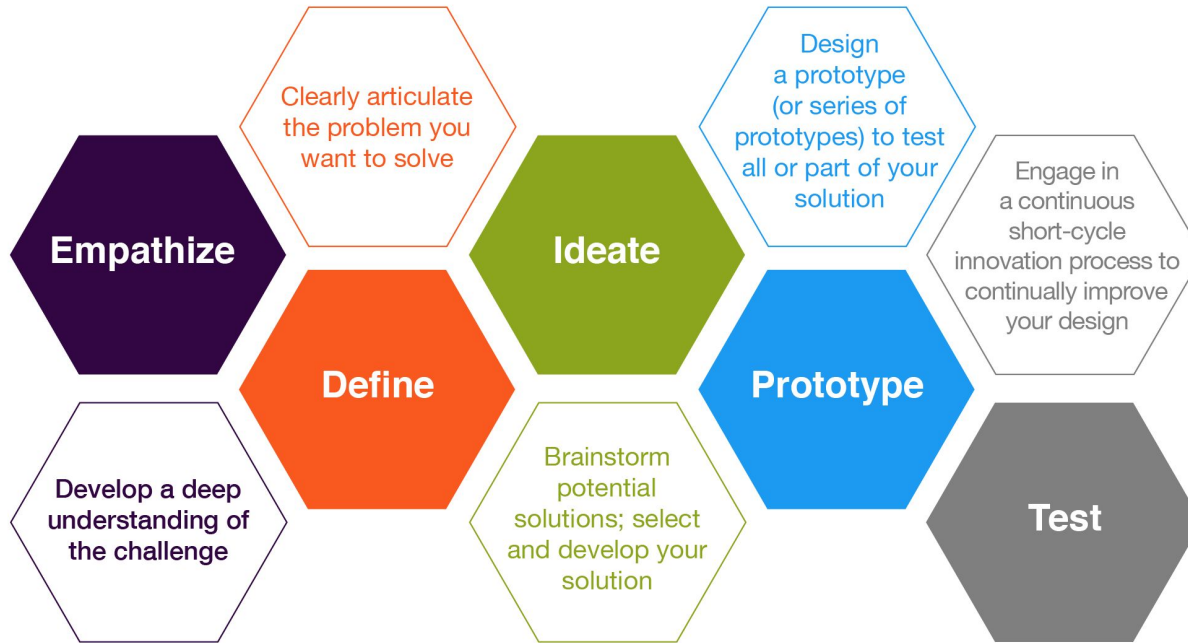
Jan 31, 2024: Report detailing Findings & Recommendations due and parameters for 2024 study

Guidelines for Interaction, Deliberation and Collaboration

Large Group Discussion

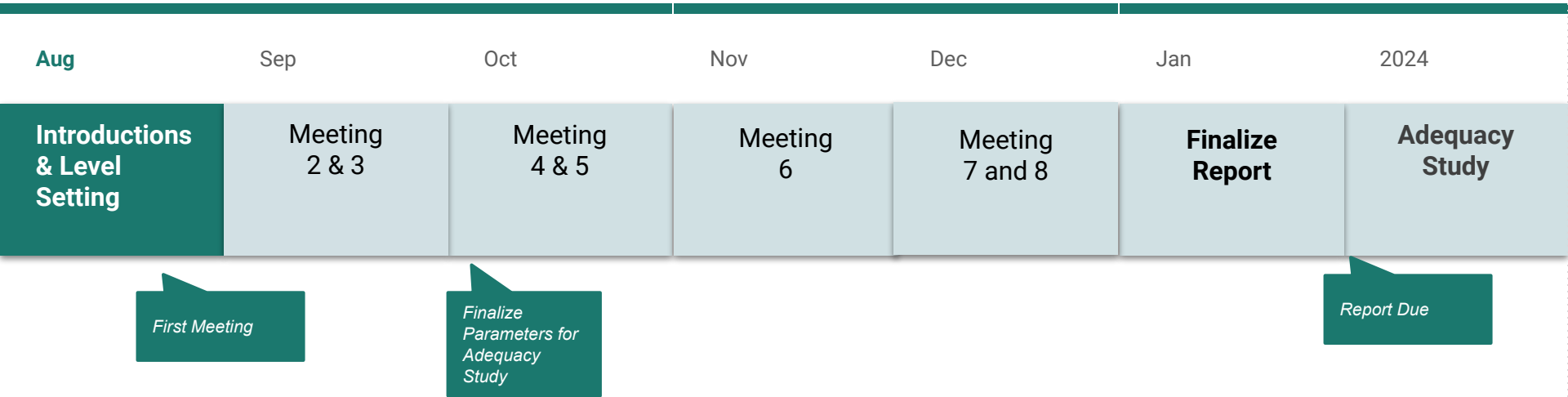
What are important and key guidelines to help support the Task Force's ability to interact, deliberate, collaborate and ultimately provide key recommendations?

Design Thinking



Project Plan *DRAFT*

Aug 2023 through Jan 2024



Pre-reads and additional supporting documents will be sent out ahead of each Task Force Meeting

Additional activities may be required of Task Force members between regular Task Force Meetings

Project Plan will be developed and finalized in collaboration with the Task Force Chair

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- **School Districts**
 - 178 School Districts + CSI
 - Approx 20 large districts (mostly I-25 Corridor)
 - Approx 107 small rural districts
 - Approx 40 rural districts
 - 21 Boards of Education Cooperative Services
 - Assist districts with supplemental services
 - Special Education
 - Staff Development
 - Teacher preparation programs



- **Based on October 1 pupil count date**
 - Enrollment, Schedule, Attendance
 - Full-time vs. part-time students
 - Full-Time = 1.0
 - Part-Time = 0.5
- **Funded pupil count**
 - Greater of the current year's pupil count
OR
 - Best average over the last two to five years

Basic School Finance Total Program Formula

Total Program Funding

Equals Funded Pupil Count

times Per Pupil Funding formula

with adjustments for Size of District and Cost of Living

plus At-Risk and ELL funding

plus Multi-District Online

plus Extended High School funding

then...Budget Stabilization Factor is applied

School Finance Formula Example



	District X
Total Funded Pupil Count (Includes Online)	25,645.0
Online Pupil Count	803.0
Base Funding (BF)	\$6,951.53
Cost of Living (CL)	1.216
Personnel Costs (PL)	90.11%
Size (SZ)	1.0297
Total Formula Per Pupil Funding [SZ*[(BF*CL*PL)+(BF*(1-PL))]]	\$8,551.20
Total Formula Funding (Formula Per Pupil Funding * (Total Funded Pupils – Online – ASCENT))	\$212,239,186
Total At-Risk Funding	+\$2,533,961
Total Online/ASCENT Funding	+\$6,918,503
Total Program Funding (<i>Pre-Negative Factor</i>)	= \$221,691,650
Per Pupil = Total Program Funding / Total Funded Pupil Count (<i>Pre-Negative Factor</i>)	\$8,664.63
Negative Factor at (7.05%) * Total Program Funding	(\$15,639,727)
Total Program Funding (<i>Post-Negative Factor</i>)	\$206,051,923
Total Program Per Pupil Funding (<i>Post-Negative Factor</i>)	\$8,034.78

Variation in School Finance Per Pupil Revenue

Due to the various factors within the School Finance formula, there is a wider range of per pupil funding amounts by district. For example, the following is the projected Per Pupil Revenue (PPR) for FY 23-24 for a sample of districts:

Adams 14	\$11,342
Pritchett	\$21,770
Las Animas	\$10,763
Boulder Valley	\$10,779
Denver	\$11,009
Colorado Springs 11	\$10,454
Frenchman	\$16,569
Ouray	\$19,865
Ridgway	\$14,848
Silverton	\$22,439

Historical School Finance Funding



- **2020-21**
 - Budget Stabilization Factor = \$1.052B (+\$480M)
 - Average Per Pupil Funding = \$8,123 (-366M)
 - Total Program = \$7.24B (+/- \$0)
- **2021-22**
 - Budget Stabilization Factor = \$503.3M (-\$548.7M)
 - Average Per Pupil Funding = \$9,014 (+\$891)
 - Total Program = \$7.99B (+\$750.8M)
- **2022-23**
 - Budget Stabilization Factor = \$321.3M (-\$182M)
 - Average Per Pupil Funding = \$9,595 (+582)
 - Total Program = \$8.44B (+\$450M)
- **2023-24 Projections**
 - Budget Stabilization Factor = \$141.2M (-\$180M)
 - Average Per Pupil Funding = \$10,613 (+\$1,018)
 - Total Program = \$9.10B (+\$665M)

Total District Spending



FY20-21 Total Revenue: \$13.4 Billion

Local: 50%

State: 38%

Federal: 12%

Most revenue to districts are provided through the School Finance Act:

\$7.24 Billion or 54% of total revenues



School districts also receive various federal, state and private grants. In FY 21-22, CDE disbursed the following in grant funding:

- **Federal grants** **\$823,377,179**
- **Stimulus funding** **\$542,191,347**
- **State grants** **\$402,348,367**
- **Private funding** **\$109,880**
- **Total** **\$1,768,026,774**

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Principles for a Strong Funding Formula

Four Principles that Guide Strong Funding Formulas:

1. **Adequacy:** is funding sufficient?
2. **Equity:** is funding targeted to need?
3. **Responsibility:** are leaders provided with flexibility and held accountable?
4. **Transparency:** is spending and reporting aligned to student need?

Resources

1. **Edonomics Lab:** [Desired Features of a State Funding System](#)
2. **EdBuild:** [National Overview of State Education Funding](#)
3. **Urban Institute:** [Making sense of state finding policy](#)

Colorado Context: The stated purpose of this task force highlights these principles and provides an opportunity to improve Colorado's funding formula.

Formula types

Student vs Resource vs
Program

Definitions: *How are funding amounts calculated?*

1. **Student-Based Formulas:** formulas that center student counts and student characteristics.
2. **Resource-Based Formulas:** formulas that center cost of inputs to education (resources).
3. **Program-Based Formulas:** formulas that center cost of programs prioritized by state/district.

Resources

1. **Center for American Progress:**
[Categorical funds: The intersection of school finance and governance](#)

Colorado Context: Colorado uses a student-based formula created by the Public School Finance Act of 1994 to fund districts.

Student Characteristics

Base Weight vs Need Weights

Definitions:

1. **Base Amount:** generally, the cost of educating non-disadvantaged students.
2. **Need Weights:** measures that adjust base amount upward to provide additional resources for students with additional needs (ELL, special education, economic disadvantage).

Resources

1. **Edunomics Lab:** [Funding student types: How states can mine their own data to guide finance policy on high-needs students.](#)

Colorado Context: Colorado uses a base of \$7,478 and adjusts districts educating English Language Learners, and at-risk students.

State vs Local Revenue

Definitions:

1. **State Dollars:** states set expectations of how much formula funding will be the responsibility of the state.
2. **Local Dollars:** states use formula funding to assess how much will be covered by local sources of revenue, specific local revenue sources, and the ability for local sources to contribute beyond formula funding.
3. **Making the two work together:** formula funding responsibility is split between state and local governments using formula calculations.

Resources

1. **Urban Institute:** [School funding: Do poor kids get their fair share?](#)

Colorado Context: districts fund the local share through property taxes and specific ownership taxes. The state fills in the remaining share of the total funding amount, “equalizing” funding across districts with differences in property wealth.

Other Formula Factors

Definitions:

1. **District Characteristics:** formula measures that account for sparsity/size/isolation, concentrated poverty, school/district type, etc.
2. **Cost of Living:** adjustments that account for in-state differences in the cost of education inputs (teacher labor markets).
3. **Hold Harmless (Enrollment & Funding Changes):** policies that minimize impact of enrollment or policy changes on district funding.
4. **Equalization Measures:** parts of formula that scale state funding based upon local property tax wealth, such that property-poor districts receive more support than property-rich districts.

Resources

1. **Education Commission of the State:**
[State information request: School finance equalization.](#)

Colorado Context: Colorado formula includes cost-of-living, personnel cost, size and at-risk concentration factors, a “lookback” on enrollment counts, and scales state share based on local tax contribution.

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Task Force Chair: Responsibilities

Large Group Discussion

- What qualities and skills should a Task Force Chair possess?

Qualities	Skills
Be available	Experience around previous task forces and committees
Be willing to communicate and talk	Deep understanding and experience of Colorado Finance +1
Growth Minded	Leadership Experience
Looked outside of the box	Wide knowledge around other attempts and formulas
Good listener and good collaborator	Experience facilitator and balancing perspectives
Someone has an understanding of the entire state? +1	
District Leadership or Budget	
Student Centric! +1	

Task Force Chair: Election Process

1. Candidates will be solicited at the meeting. Task force members may **verbally** volunteer themselves or nominate other task force members.
2. Identified candidates names will be displayed on the screen for all members and public to see
3. One at a time, task force members in attendance will **verbally** identify one of the nominated candidates they wish to vote for (non-present members will not be able to participate in the vote.)
4. Following the **verbal vote**:
 - If one candidate receives a majority vote (over 50% of votes cast), that candidate will be selected as the Chair.
 - OR-**
 - If no candidate receives a majority of votes, there will be a second round of voting with the two top candidates (potentially more than two candidates if there are ties) that received the most votes during the first round of voting. The candidate receiving the majority of votes (over 50% of votes cast) will be selected as the Chair. If no candidate receives the majority of votes, the process will continue to additional rounds of voting with only the top 2 candidates from the preceding round being eligible.

Task Force Chair: Election

Nominated Candidate	Votes Cast for
Chuck Carpenter	= 11
Kathy Gebhardt	= 6

Next Steps

1. Schedule Task Force Meetings through December, 2023
2. Draft Project Plan
3. Key inputs from task force member
4. Drafting survey

Closing

Recap of today's discussions



Our next *Tentative* meeting is September 12, 2023, 11 am- 2 pm

(in our 3 hour meetings we WILL take a mid meeting break)