

Welcome Task Force Members & Guests

A few notes prior to the meeting starting:

Task Force Members, if possible, please change your screen name to be TF_Your_Name, 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. If we have a breakout session in today's meeting, individual breakout rooms 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



September 29, 2023

Virtual Meeting



SCHOOL + STATE
FINANCE PROJECT

Overview of Today's Agenda

1. Welcome & Norms Review (10 mins) (Info & Awareness)
2. Administrative Survey Review (10 mins) (Discussion)
3. Adequacy Studies Parameters Development (60 mins) (Discussion)
4. Finalize Adequacy Studies Parameters (15 mins) (Action/Decision)
5. At-Risk Task Force Review (30 mins) (Info & Awareness)
6. Break (5 mins)
7. Student Need in the State Funding Formula (105 mins) (Discussion)

Technical Etiquette

Zoom Etiquette:

- Task Force Members, if possible, please have your screen name as **TF_Your_Name**. All other Participants please have your screen name as **Your_Name_Role**.
- Please do not utilize the chat function
- If you wish you to comment, please use the raise hand function within Zoom and wait to be called on by the facilitator
- Please do not interrupt someone as they are speaking

Guidelines for Interaction, Deliberation and Collaboration

- Appreciate that a variety of perspectives are represented throughout this Task Force
- Task Force Members should assume good intentions from other Task Force members
- All Task Force Members should strive to understand the intent of what has gone before and what didn't work
- When introducing or discussing new topics, please endeavour to provide a clear, concise breakdown of factors, what policies drive them and the funding that goes into each one
- Task Force Members are responsible to set aside sufficient time between meetings to accomplish all readings and work
- Please appreciate that Task Force Members are performing different roles than their day to day positions

Project Plan Feedback

Sep

Tuesday, 12th

- Vision Setting
- Project Plan Buildout
- Adequacy Study Parameters Design

Friday, 29th

- **Adequacy Study Parameters Vote**
- Revisit At-Risk Task Force Decisions & No Decisions
- Unpack student need & additional costs associated
- Discuss & Review current and alternative ways to fund based on need (i.e. categorical funding)
- Develop 2 proposals to model

Oct

Tuesday, 17th

- Proposal Review/Refinement
- Review and discuss current history and purpose of Cost of Living
- Review and discuss effect on PPR, Avg Staff Salary, and other district characteristics
- Develop 2 Proposals to model

Tuesday, 31st

- Proposal Review/Refinement
- Review and discuss current indexes utilized in formula understanding history, affect, and intended purpose
- Discuss and review alternative options to address concerns
- Develop 2 proposals to model
- Review basics and funding for Institutional Charter Schools and how they differ from other Charter Schools

Nov

Tuesday, 14th

- Proposal Review/Refinement
- Review current challenges & effects of mill levy overrides
- Devel 2 proposals to model
- Review and discuss current size factor
- Discuss alternative methods to adjust for size & geography
- Develop 2 proposals to model

Model Development & Buildout

Dec

Tuesday, 5th

- Review & discuss models and the interplay between proposals-
- Refine & align on proposals (identify additional modeling requirements)
- **Vote on Recommendations for**
 - **Prioritizing Student Need**
 - **Cost of Living Factor**
 - **Multiplicative Indexes**

Tuesday, 12th

- Review & discuss models
- **Vote on Recommendations for**
 - **ICSS**
 - **Size Factor**
 - **Undecided AT RISK proposals**

Jan

Friday, 12th

- Discuss and provide feedback (In person) for the Final Report

Note: Task Force Members will be able to provide feedback outside of the optional Jan meeting

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Administrative Survey

Purpose of the Survey: To collect feedback and input around meetings and resources

Participation: 16 out of 20 Task Force Members

Takeaways (Survey Results):

1. Zoom is preferred over Teams
2. Utilize Breakout rooms but ensure to take notes and/or record
3. Desire to engage with content over logistics
4. Mixed feelings about 4 hour meetings

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Adequacy Parameters

What have we done?

- Discussed various components of the RFI as a Large Group
- As a Large Group, we began to establish two separate sets of parameters for two separate Adequacy Studies
- Individually, Task Force members provided input/feedback on set of parameters.
- Facilitator synthesized input/feedback

Task Force Responsibility:

“(7) (a) THE TASK FORCE SHALL DEVELOP THE PARAMETERS FOR A STUDY TO EXAMINE AND MAKE RECOMMENDATIONS CONCERNING THE COMPONENTS AND COSTS NECESSARY TO ADEQUATELY PROVIDE COLORADO STUDENTS A FREE AND UNIFORM PUBLIC EDUCATION.”

Process for Decision Making

Process for Decision Making

1. Review the content through pre-reads, presentations, and discussion
2. Identify, develop, and align on 2 proposals to model
3. **Model & review data discussing impact, unintended effects, and potential outcomes**
4. **Revise and finalize a draft recommendation**
5. Utilizing aspects of Robert's Rules a member of the Task Force makes a motion to accept the proposed recommendation
6. Another Task Force member must 2nd it
7. The Task Force is given the opportunity to discuss
8. Once points of discussion have been raised the facilitator will move to take a vote on whether to accept or reject the proposed recommendation
9. If a majority vote to accept the proposal, it will be incorporated into the final report, if not, the proposal must be revised and finalized again (Step 4)

Finalize Draft Recommendations

Adequacy Study Parameter Component	Proposal Draft #1 (Input Focused)	Proposal Draft #2 (Outcome Focused)
Educational Outcomes	The study must use state standards in determining the resources necessary to achieve such a standard. In doing so, the study should specify the <u>Colorado Academic Standards, and include a consideration of student proficiency and college/career readiness.</u>	The study must use state standards in determining the resources necessary to achieve such a standard. In doing so, the study should specify the <u>Colorado Academic Standards, and include a consideration of student proficiency and college/career readiness.</u>

Finalize Draft Recommendations

Adequacy Study Parameter Component	Proposal Draft #1 (Input Focused)	Proposal Draft #2 (Outcome Focused)
<p>Methods</p>	<p>The first study must be input focused, and must utilize professional judgment and evidence-based methods to determine educational costs.</p> <p>In the course of using the professional judgment method, a broad array of perspectives must be included on the panels. The panels should reflect the diverse populations and communities in Colorado. The panels must include the following:</p> <ul style="list-style-type: none"> • Educators and/or administrators from various school types, such as traditional public schools, district and state charters, online schools, and different educational models; • Parents, students, and/or community members; • Individuals that serve diverse student populations, such as minority students, at-risk students, English language learners, students with disabilities, and gifted and talented students; and • Individuals that work in different geographic regions, and can speak to the personnel costs, cost of living, remoteness, and economies of scale in their communities. 	<p>The second study must be outcome focused, and must utilize successful schools and cost function methods to determine educational costs.</p> <p>In the course of using the successful schools method, the study should be growth focused, and the schools selected should reflect the diverse populations and communities in Colorado. Additional study considerations are detailed below:</p> <ul style="list-style-type: none"> • Various school types, such as traditional public schools, district and state charters, online schools, and different educational models; • Schools with diverse student populations, such as minority students, at-risk students, English language learners, students with disabilities, and gifted and talented students; and • Schools in different geographic regions. <p style="text-align: right;">Link: Survey Results</p>

Finalize Draft Recommendations

Adequacy Study Parameter Component	Proposal Draft #1 (Input Focused)	Proposal Draft #2 (Outcome Focused)
Parameters	<p>The study must include the following:</p> <ul style="list-style-type: none"> • The base amount to educate a student without additional learning needs; • Per pupil weights to educate a student with additional learning needs, including at-risk students, English language learners, students with disabilities, and gifted and talented students; • The impact of wealth and income in a school district and possible adjustments needed; • The impact of school size and possible adjustments needed; • The impact of rural/urban settings and remoteness and possible adjustments needed; • The impact of cost of living and possible adjustments needed; and • Accounting for varying personnel costs. 	<p>The study must include the following:</p> <ul style="list-style-type: none"> • The base amount to educate a student without additional learning needs; • Per pupil weights to educate a student with additional learning needs, including at-risk students, English language learners, students with disabilities, and gifted and talented students; • The impact of wealth and income in a school district and possible adjustments needed; • The impact of school size and possible adjustments needed; • The impact of rural/urban settings and remoteness and possible adjustments needed; • The impact of cost of living and possible adjustments needed; and • Accounting for varying personnel costs.

Finalize Draft Recommendations

Adequacy Study Parameter Component	Proposal Draft #1 (Input Focused)	Proposal Draft #2 (Outcome Focused)
Additional Considerations	<p>The following additional considerations should be included in the study if time and budget permit:</p> <ul style="list-style-type: none"> • An analysis of the impact of choice schools; • An analysis of the compounding effect of the budget stabilization factor; • An analysis evaluating the effect of the COVID-19 pandemic. 	<p>The following additional considerations should be included in the study if time and budget permit:</p> <ul style="list-style-type: none"> • An analysis of the impact of choice schools; • An analysis of the compounding effect of the budget stabilization factor; • An analysis evaluating the effect of the COVID-19 pandemic.
Highest Prioritization	<p>Due to possible time and budgetary constraints, the study should prioritize <u>determining the base amount to educate a student without additional learning needs</u> and <u>evaluating the cost of program services</u>.</p>	<p>Due to possible time and budgetary constraints, the study should prioritize <u>determining the base amount to educate a student without additional learning needs</u> and <u>evaluating the cost of program services</u>.</p>

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2022 At Risk Working Group - History

Purpose of today's presentation is to answer....

1. What was the At Risk Measure Working Group and what was its purpose?
2. What did the Working Group achieve?
3. What did it not achieve?

Will utilize CDE's summary presentation to the State Board of Education in February 2023 as a foundation to answer these questions. Additional information / clarification shown in red.



COLORADO

Department of Education

At-Risk Measures Working Group Report to State Board of Education

February 8, 2023

The “why” behind the bill was to replace FRPL as the at-risk measure with something more usable and representative.

HB 22-1202 created a new At-Risk Measure for the School Finance formula and established a working group to provide input on several topics:

- collecting the necessary data to implement the measure;
- developing the neighborhood socioeconomic status index and determining the (minimum of) five index factors;
- determining how a student’s neighborhood socioeconomic index value should be incorporated;
- conducting pre-implementation modeling and testing with actual data;
- considering the impact of the new measure on other programs;
- determining the distribution of at-risk funding, how districts and charter schools will demonstrate that at-risk funding is being used to serve at-risk students, the process for initially identifying students, and the design of a hold-harmless provision.



New At-Risk Measure

Identified Student
Percentage (ISP)

+

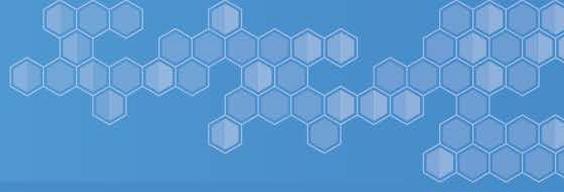
Neighborhood
Socioeconomic Status (SES)
Indicator

This is a headcount. It *replaces* using a count of students who qualify for free or reduced price lunch (FRPL).

URBAN INSTITUTE

This is a weighted count. It is new. It adds students to the ISP count based on the conditions in student neighborhoods. Currently assumes every student has some weight/need.

The two counts together result in a new, imputed at-risk count for each district. It is no longer a pure headcount.



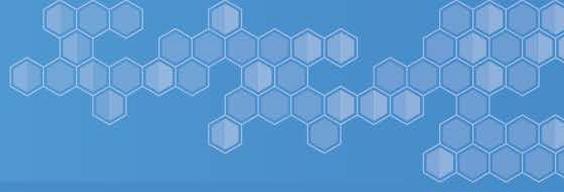
Identified Student Percentage

- ISP = Directly Certified Students + Categorically Eligible Students
 - **Directly Certified Students:** Students who are administratively linked to their household's participation in SNAP or TANF (typically, 130% FPL or less), or Migrant Education Program.
 - **Categorically Eligible Students:** Students who experience homelessness (lack a fixed, regular, or adequate nighttime residence), participate in the Head Start program, or are determined to be a runaway, in foster care, or a migrant student.
- Eligible children may also be certified for free meals through their household's participation in Medicaid/CHIP+
- *This means that submission of a FRPL form will no longer make a student eligible for at-risk*

Recommendations for SES Components

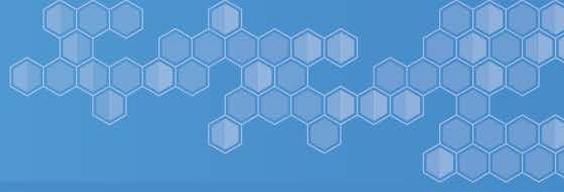
- The Socio-Economic Status (SES) is recommended to include the following data points from the American Community Survey (ACS):
 - Share of those in the same residence as of last year
 - Share of adults age 25 or older with a bachelor's degree or higher
 - Share of children under 18 who are adopted, foster, or living with relatives that are not their biological parents
 - Median household income
 - Share of occupied housing units with more than 0.5 occupants per room
 - Average ratio of income to rent/ownership costs
 - Share of children age 5 to 17 who speak non-English language at home

Every student's address is used to assess neighborhood conditions the district is serving. New impacts of school choice, MDOL.



- **Count Equalization**
 - At-risk count should be equal to at least the total number of students identified as eligible for FRPL in SY2022-23

- **Hold Harmless**
 - Districts should not receive less At-Risk funding than they did in SY2022-23
 - Hold harmless provision should be reconsidered after first year of implementation and every five years thereafter



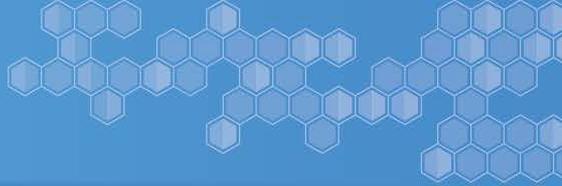
Every student in the district is placed into a quintile based on their address and associated census data.

- Use of Quintiles for SES

- ACS data points should be averaged into an SES Index, which divides each Census block group into one of five socio-economic status quintiles

- Implementation timeline

- The working group recommends waiting to implement the new At-Risk Measure until the 2024-25 school year



- Weight Among Quintiles

- 75 percent ISP, 25 percent SES Index - 8 votes
- 60 percent ISP, 40 percent SES Index - 1.5 votes
- 50 percent ISP, 50 percent SES Index - 9.5 votes

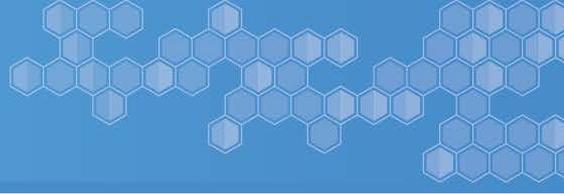
The working group was unable to resolve these 2 recommendations because of a lack of actual data to model the implications.

- At-Risk Measure Weighting

- (Low) 1, 0.8, 0.6, 0.4, 0.2 (High) – Even weight - 5 votes
- (Low) 1, 0.9, 0.7, 0.5, 0.3 (High) – Concentrated weight - 14 votes
- (Low) 1, 0.9, 0.8, 0.6, 0.2 (High) – Concentrated weight - 1 vote

This means students in the lowest need / high SES quintile are still weighted.





- Use of American Community Survey (ACS) in rural communities
 - ACS data may not fully represent the socioeconomic conditions of very small districts
- Timing of Medicaid/Children Health Plan (CHP) student count availability
 - Medicaid counts to include in ISP will not be available until July or August of 2023
- Large swings in ISP versus Free and Reduced Lunch percentages
 - ISP percentages are markedly different from their free and reduced lunch percentages as measured by deciles for ~20 districts

Current est. is October



An Example

How to Implement SES Index

Sample District 500 Students Total						
	ISP (30%) 150 Students	Lowest SES 80 Students	2nd SES 120 Students	3rd SES 200 Students	4th SES 50 Students	Highest SES 50 Students
A	150	$\frac{x 1.0}{80}$	$\frac{x 0.8}{96}$	$\frac{x 0.6}{120}$	$\frac{x 0.4}{20}$	$\frac{x 0.2}{10}$
	150	326				
B	150	$\frac{x 1.0}{80}$	$\frac{x 0.9}{108}$	$\frac{x 0.8}{160}$	$\frac{x 0.6}{30}$	$\frac{x 0.3}{15}$
	150	393				

Even quintile weight

Concentrated quintile weight

The ISP count and the SES count are multiplied by their weights in the formula (i.e. 60%/40%) to get the final imputed count.

2022 At Risk Working Group - History

Follow up questions to CDE

[CDE's At Risk Measure Working Group web page](#)

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5 Minute Break



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Adequacy Parameters

What have we done?

- Individually reviewed the pre-read material and began to provide input/feedback on an initial set of proposals

Task Force Responsibility:

“(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;”

Process for Decision Making

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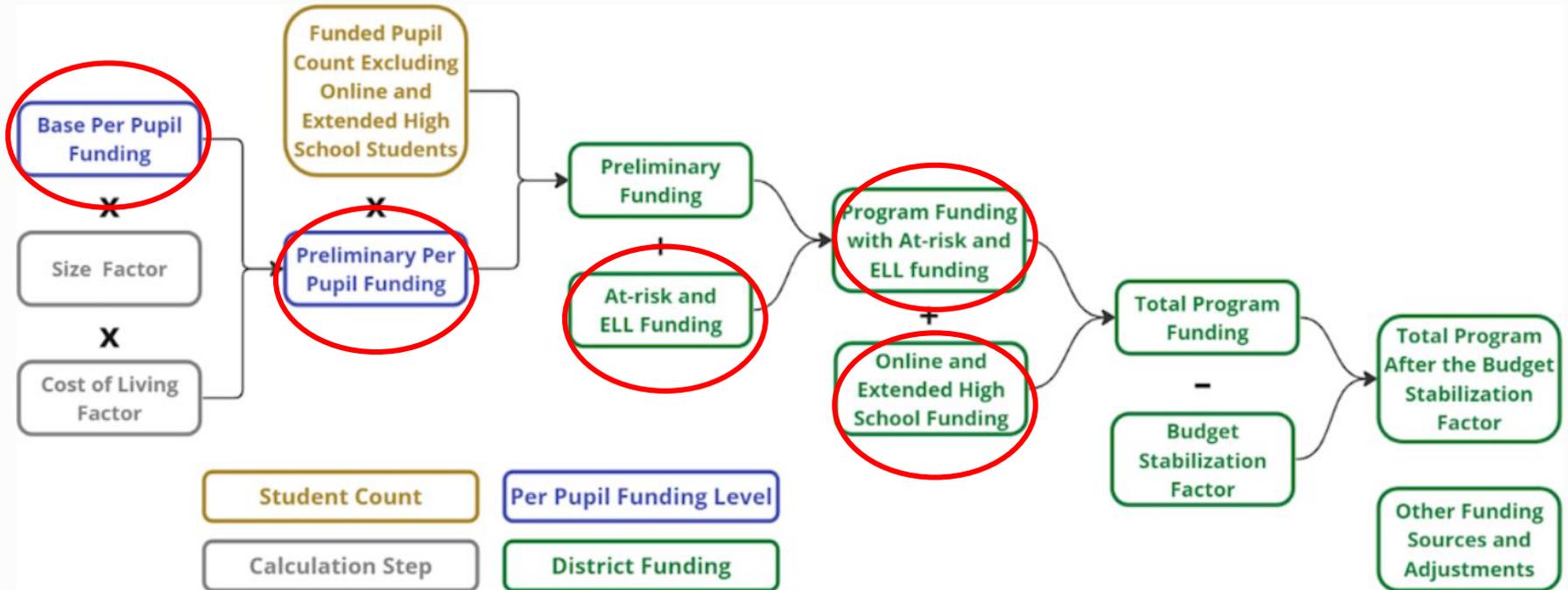
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Common Questions

CO School Finance Formula

Below is a diagram of the formula used to calculate funding for each Colorado school district. Click a part of the diagram to learn more.

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Common Questions (1 of 2)

Question	Response
How can I better understand the “order of operations” of the funding formula?	The CO School Finance Simulator developed by Legislative Council Staff provides a step-by-step overview of how each formula component impacts the Total Program. The “Current Formula” tab allows users to “drill down” by clicking on specific parts of the formula to understand calculations.
Why is the task force focusing on student needs before the adequacy studies are complete?	The task force charge as defined in SB 23-287 is to make recommendations to the formula to occur starting in the 2024-25 budget year, while the adequacy study is required to be submitted by January 3, 2025.
How do concentrations currently work in the funding formula?	<p>Districts with higher-than-average shares of at-risk students and more than 459 funded pupils receive additional funding, called at-risk concentration funding. Three measures determine this amount:</p> <ul style="list-style-type: none">● Preliminary per pupil funding● Eligible students, counted as the number of at-risk students above the statewide at-risk percentage● A premium factor, calculated as 0.3 (or 0.36 for districts with more than 50,000 pupils) multiplied by the difference between the statewide at-risk percentage and the district’s at-risk percentage

Common Questions (2 of 2)

Question	Response
What is “categorical” funding in the context of Colorado’s funding formula, and special education?	<p>Generally, categorical grants/funding may be spent only for narrowly defined purposes, as opposed to general operating funding. Colorado funding system contains the following “categorical funding streams” (FY 23 payments in parentheses)</p> <ul style="list-style-type: none">• Transportation (\$62 million)• Vocational Education (\$28 million)• EL Proficiency Act (\$25 million)• Special Education (Children with Disabilities, Gifted/Talented, (\$313 million)• Small Attendance Center (\$1.3 million) <p>The state provides special education funding in two main streams, known as Tier A and B. Under Tier A, administrative units receive \$1,750 for each student with a disability - totaling \$189.5 million. While under Tier B, administrative units receive additional funds based on the proportion of students with specific disabilities compared to the number of students with disabilities statewide - totaling \$106.5 million.</p>
What is the difference between socioeconomic status (SES) as compared to At Risk or free or reduced-price lunch (FRPL)?	<ul style="list-style-type: none">• Socioeconomic status (SES) is a broader metric that looks beyond income (and poverty) to include measures of educational attainment, financial security and social class/status.• The new At Risk metric includes both a count of students (ISP) as well as a metric of neighborhood SES.• FRPL is a student count based on program eligibility.

Develop Initial Set of Proposals

Student Need	Include/Modify/Exclude (# of TF members Supporting)	Mechanism (# of TF members Supporting)	Input
At Risk	Modify (12)	Student Weight (16)	Funding levels need to increase
Concentration of At Risk	Modify (7)	Student Weight (13)	More questions especially in regards to how this ties into At Risk Task Force
ELL	Modify (12)	Student Weight (15)	Funding levels need to increase
Concentration of ELL	Add (11)	Student Weight (12)	Add more levels of funding and need adequacy study
Students with Disabilities	Modify (14)	Student Weight (6)	Include in the formula (not as categorical), Add Tiering, Increase Levels of Funding
Gifted & Talented	Modify (8)	Student Weight (7)	Levels of funding are problematic
Grade Levels	Keeps Same (6) Modify (6)	Student Weight (6)	Want to understand more
Low Socio-Economic Background	Add (8)	Student Weight (11)	is and should be combined with At Risk measure
Other			Include Foster, Homelessness & Migrants

Next Steps

- Complete Cost of Living Pre Read
- Compile/Model Student Need Changes

Closing

Recap of today's discussions



Our next **Tentative** meeting is October **17**, 2023, **11 am- 3 pm**