

# S.B. 23-287 Public School Finance Task Force Report

Submitted to:

**EDUCATION COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES**

By:

**Public School Finance Task Force**

January, 2024

# Table of Contents

<b>Letter from the Task Force Chair</b>	<b>3</b>
<b>Executive Summary</b>	<b>5</b>
<b>Recommendations &amp; Impact at a Glance</b>	<b>11</b>
<b>Background</b>	<b>14</b>
<b>Challenge</b>	<b>15</b>
<b>Bill Goals and Objectives</b>	<b>15</b>
<b>Approach</b>	<b>16</b>
<b>Data Analysis and Modeling</b>	<b>17</b>
<b>Recommendations</b>	<b>19</b>
Recommend that the legislature increase the base funding levels for student education in Colorado.	<b>20</b>
Recommend to increase At-Risk weight to at least 0.31 and remove cap (0.3) on total possible At-Risk weight	<b>21</b>
Recommend to increase ELL weight to at least .5 on total possible ELL weight. Starting in FY 2024-25 there will be no eligibility cap for students.	<b>23</b>
Recommend to include additional Tier A and B student weights in the formula. Tier A student weight would be at least 0.5. Tier B students would be at least 0.85.	<b>25</b>
Recommend that personnel and non personnel factor be removed from the funding formula and move cost of living, size factor and any additional district weight factors from the preliminary per pupil calculation, to the end of the formula in a “District Adjustment”	<b>27</b>
Recommend rebasing the cost of living factor utilizing 2021 as a base. Rebasing the cost of living factor should occur at minimum every 2 years while accounting for the historical average of districts.	<b>29</b>
Recommend the legislature explore establishing additional or alternative factors, including a potential Colorado based “cost of doing business” factor, that account for the additional costs of districts to hire and retain staff and the increased costs of basic business needs. Additional or alternative factors should be revisited and updated periodically as a result of adequacy studies.	<b>31</b>
Recommend establishing a minimum cap of 0.1 to the cost of living factor.	<b>33</b>
Artificially capping COL denies students funding for the education they need and creates a gross inequity by zip code. Where a student is born should not result in inequitable funding for that child. COL should not be capped so that districts have adequate funding to pay their teachers a reasonable wage to live in their communities.	<b>35</b>
Recommend utilizing the current size factor calculation, but remove the size factor benefit for districts educating 1,027 students or more and incorporating a remoteness weight having districts receive weights based on their NCES classification: Rural: Remote = 0.25, Rural: Distant = 0.2, Rural: Fringe = 0.15, Town: Remote = 0.1, Town: Distant = 0.05, Town: Fringe = 0.025	<b>35</b>
Recommend the legislature should annually revisit and update the base and need weights. Updates should reflect the results of the adequacy studies when they have been published.	<b>39</b>

Recommend the legislature utilize categorical funding to address students with complex or higher special needs, sometimes referred to as Tier C.	39
Recommend the legislature utilize categorical funding to address Gifted and Talented Students with a weight of at least .25 to Gifted and Talented Students.	41
Recommend the General Assembly continues to fully fund the existing Mill Levy Equalization Fund (as established in CRS 22-30.5-513.1.)	42
Recommend that the legislature continues to address Mill Levy Override Equalization for all students in Colorado.	44
The Task Force made these recommendations with the understanding of their combined effects on schools and the legislature should avoid taking recommendations in isolation.	45
Recommend phasing in changes to the new formula for no longer than a 4 year time period utilizing hold harmless.	45
The Task Force recommends in order to commission the two adequacy studies that meet the intent of the legislature in commissioning such studies, that the legislature make a supplemental appropriation that addresses the responses from the RFI published in November 2023.	46
<b>Conclusion</b>	<b>47</b>
<b>Appendix</b>	<b>49</b>

## Letter from the Task Force Chair

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Dear State of Colorado Legislators & Colorado Citizens:

I am pleased to share with you the culmination of our dedicated efforts as a Public School Finance Task Force, responding to our charge from Senate Bill 23-287 which was signed into law as part of the 2023 Colorado Legislative Session. Our charge was to make recommendations for improvements to the Colorado School Finance Formula. The specific improvements the Legislature hoped for were outlined in the bill: simpler, less regressive, more adequate, understandable, transparent, equitable and student-centered.

The structural framework for the existing Colorado School Finance Formula was designed in 1994. Much of that original work remains useful and relevant today, including the funding for each individual pupil and the state share component to ensure communities of low property wealth are not systemically underfunded. While many of the original concepts remain strong, developments over the subsequent 30 years require continual improvement and adjustments to the funding formula. Primarily, the need to align resources more directly in areas the current public school education system struggles with today: educating students who are growing up in poverty, learning English as a second language, and students with special needs.

1994 preceded much of our current understanding of what public school should be. Many of the parents and guardians of today's public school students were barely born or themselves experiencing primary school at the time of the passing of that legislation. There were only ~600,000 pupils in Colorado and today's pupil enrollment is nearly 50% higher. Indeed, 1994 was before what we now know to be the internet, the national requirements for accountability through statewide testing, the expansion of charter schools in Colorado, the September 11th attacks, the increase in school shootings, the Great Recession, and the COVID-19 pandemic. It was a different time and a different era. Curriculums have evolved to be more inclusive and tell a more complete story, academic standards are higher, and the sum of the standards and expectations of public school students are greater. The physical space and capital needs to support a safe and welcoming environment have become more costly and dynamic. Post-secondary opportunities like Career and Technical Education and Concurrent College enrollment were non-existent or in their infancy.

The responsibility resides with elected officials and community leaders to regularly review fundamental pieces of legislation, like the School Finance Act, to innovate and ensure resources are deployed to meet the needs of today. Democracies and public institutions across the globe face increasing distrust and declining support from their constituents. I submit that much of that negative sentiment resides in the inability of those institutions of power to keep up with the times and continue to serve the public as they are expected. While none of us can individually solve those great issues, we can each do our part.

I personally thank the State Legislature and Governor for allowing experts and practitioners in the field of K-12 public education to work through these questions and issues related to School Finance in Colorado. In addition to commissioning this Task Force, the legislature and governor also staffed it with expert facilitators and sophisticated data analysis practitioners. This allowed our group to have depth and coherence in our discussions informed by our experiences but also relevant and clear data. While 4 months is a short time to work through these issues, and due to this time constraint, the task force's inability to take a deeper dive in some areas is reflected in our request to the legislature for future work, there is wisdom and pragmatism in applying a timeline to these questions. Hopefully the work of this Task Force will lead to substantive changes or at least incremental improvement. Our work need not and will not be the final word. History will march forward, and hopefully there will not be 30 years between our work and when this question is seriously reviewed again. There will undoubtedly be statewide and national events that shape our future in ways we can barely comprehend.

Finally, I owe a debt of gratitude to my colleagues on the Public School Finance Task Force and to the facilitators. My fellow voting members devoted a great deal of time and expertise to make this work meaningful. They also took hard votes, and to a person, when votes did not go their way, remained focused and committed to the larger task. The collection of individuals was truly strong and uncommon. Without the collaboration of my colleagues this effort could not have succeeded. Additionally, the facilitator team brought great skill in both data analysis, data visualization, and meeting facilitation. Their work was of the highest quality. I hope all who review this document will take the time to understand the context and substance in our discussions and conclusions. Then, bring their own voice, experiences, and knowledge to the next round of discussions on these important issues wherever they take place.

Best,

A handwritten signature in black ink, appearing to read 'Chuck Carpenter', with a stylized flourish extending to the right.

Chuck Carpenter

Chair, 2023 Colorado Public School Finance Task Force

Chief Financial Officer, Denver Public Schools

# Executive Summary

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## Executive Summary:

### *Overview and Context*

The purpose of the 2023 Public School Finance Task Force was to examine and make recommendations to the Colorado State Legislature concerning the state's school finance formula. The specific charge was to improve the formula by making it simpler, less regressive, more adequate, understandable, transparent, equitable and student-center. The full details of this charge was outlined in [Senate Bill 23-287](#). The bill authorizing the Task Force was signed into law in 2023.

To achieve this goal, the legislation required the Colorado Department of Education to contract with a third-party entity to facilitate the Public School Task Force and report to the General Assembly on recommendations by January 31, 2024. This allowed for the results from the Task Force recommendations and findings to be implemented in the School Finance Formula for the School Year 2024-25.

The Task Force elected a chair in its first meeting and developed a schedule focused on the following six areas detailed specifically in its legislatively required charge:

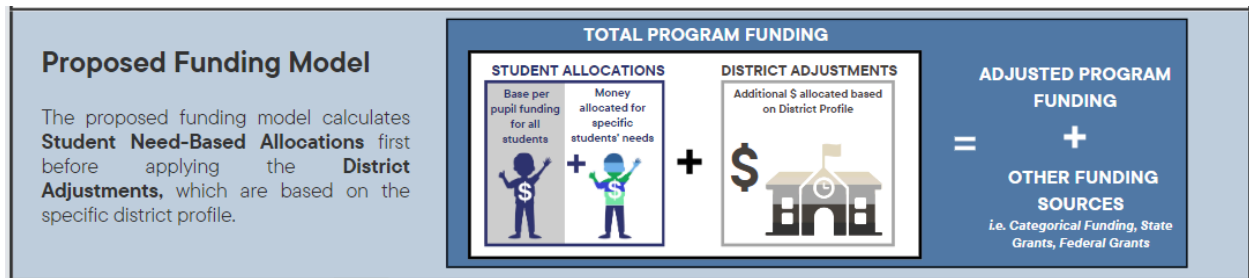
- 1. Multiplicative Indexes:** Eliminating the use of multiplicative indexes for cost of living, personnel and non-personnel costs, and district size;
- 2. COL Factor (Cost of Living Factor):** Recalibrating the cost of living factor, capping the cost of living factor, or alternative methods to account 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;
- 3. Student Need Factor:** 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 evidenced-based research on student-centered funding that has a direct impact on student outcomes;
- 4. Size Factor:** Revising the size factor to incorporate considerations other than or in addition to student enrollment, including the remoteness of a school district; and
- 5. Charter School Institute MLOs (Mill Levy Overrides):** 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.

- 6. **Adequacy Study:** To set parameters to examine and make recommendations concerning the components and costs necessary to adequately provide Colorado students with a free and uniform public education. The department is required to contract with two independent entities to conduct school finance adequacy studies.

*Task force membership, timeline, and process*

The Task Force membership<sup>1</sup> was detailed in the legislation commissioning the group (22-54-104.7, C.R.S.). Membership was defined by the expertise an individual would bring to the Task Force. Those included School Leaders, School District Superintendents, School District CFOs, individuals with expertise in school finance, and other leaders within public K-12 education in Colorado. The specific roles are detailed in the legislation. In addition to voting members, the Colorado Department of Education and the Legislative Council Staff also participated in Task Force meetings and provided expertise when necessary. CDE staff, Joint Budget Committee (JBC) staff and Legislative Council Staff were non-voting members. The work of the Task Force was required to be completed by the end of 2023 and in no more than 9 meetings which were held between September of 2023 and December of 2023 with a 10<sup>th</sup> meeting held in January 2024 to finalize the report. The report from the facilitator is required to be submitted to the Legislature by January 31, 2024. The group utilized Robert's Rules of Order to finalize recommendations. Due to the limited time window, the task force was unable to take a deeper dive into some areas of the task force charge, such as cost of living, which is reflected in the request to the legislature for continued research and engagement on such topics.

*Core Findings & Recommendations Directly Responding to Task Force Responsibilities:*



*Source: Please see Recommendations & Impact at a Glance Section (page 11) for further details*

The recommendations in the table below were formally motioned, seconded and approved with a majority vote of the Public School Finance Task Force and directly related to the charge from the Colorado Legislature. In the case of each topic area, the Task Force was briefed on the materials from the facilitator team. When it was necessary, staff from the Colorado Department of Education, JBC, and Legislative Council Staff were able to provide additional information.

<sup>1</sup> A list of the Task Force Participants and support personnel can be found in the appendix.

Task Force Area	Approved Recommendations specifically related to the Funding Formula	Vote Count (Yellow cells represent votes with < 75% support)
Additional Recommendation	Recommend that the legislature increase the base funding levels for student education in Colorado.	14-2
Student Need Factor	Recommend to increase At-Risk weight to at least 0.31 and remove cap (0.3) on total possible At-Risk weight	9-7
Student Need Factor	Recommend to increase ELL weight to at least .5 on total possible ELL weight. Starting in FY25 there will be no eligibility cap for students.	15-1
Student Need Factor	Recommend to include additional Tier A and B student weights in the formula. Tier A student' weight would be at least 0.5. Tier B students would be at least 0.85.	16-0
Multiplicative Indexes	Recommend that personnel and non personnel factor be removed from the funding formula and move cost of living, size factor and any additional district weight factors from the preliminary per pupil calculation, to the end of the formula in a "District Adjustment"	14-2
COL Factor	Recommend rebasing the cost of living factor utilizing 2021 as a base. Rebasing the cost of living factor should occur at minimum every 2 years while accounting for the historical average of districts.	13-3
COL Factor	Recommend the legislature explore establishing additional or alternative factors, including a potential Colorado based "cost of doing business" factor, that account for the additional costs of districts to hire and retain staff and the increased costs of basic business needs. Additional or alternative factors should be revisited and updated periodically as a result of adequacy studies.	16-0
COL Factor	Recommend establishing a minimum cap of 0.1 to the cost of living factor.	11-5
Size Factor	Recommend utilizing the current size factor calculation, but remove the size factor benefit for districts educating 1,027 students or more and incorporating a remoteness weight having districts receive weights based on their NCES classification: Rural: Remote = 0.25, Rural: Distant = 0.2, Rural: Fringe = 0.15, Town: Remote = 0.1, Town: Distant = 0.05, Town: Fringe = 0.025	11-5
Additional Recommendation	Recommend the legislature should annually revisit and update the base and need weights. Updates should reflect the results of the adequacy studies when they have been published.	16-0



*Additional Recommendations:*


Like the Core Recommendations and Findings, the recommendations in the table below were formally motioned, seconded and approved with a majority vote of the Public School Finance Task Force. While the areas below were not formally part of the charge of the Task Force, the membership of the Task Force voted and approved these additional recommendations.

Task Force Area	Approved Recommendations <u>BEYOND</u> the Funding Formula	Vote Count (Yellow cells represent votes with < 75% support)
Student Need Factor	Recommend the legislature utilize categorical funding to address students with complex or higher special needs, sometimes referred to as Tier C	16-0
Student Need Factor	Recommend the legislature utilize categorical funding to address Gifted and Talented Students with a weight of at least .25 to Gifted and Talented Students	10-6
Institute Charter MLO	Recommend the General Assembly continues to fully fund the existing MILL Levy Equalization Fund (as established in CRS 22-30.5-513.1.)	12-5
Additional Recommendation	Recommend that the legislature continues to address Mill Levy Override Equalization for all students in Colorado.	15-0
Additional Recommendation	The Task Force made these recommendations with the understanding of their combined effects on schools and the legislature should avoid taking recommendations in isolation.	16-0
Additional Recommendation	Recommend phasing in changes to the new formula for no longer than a 4 year time period utilizing hold harmless.	15-0
Adequacy Study	The Task Force recommends in order to commission the two adequacy studies that meet the intent of the legislature in commissioning such studies, that the legislature make a supplemental appropriation that addresses the responses from the RFI published in November 2023.	14-2

*Impact and Implications:*

If all of the Core Findings and Recommendations were taken together, this would be a consequential change in the way schools are funded in Colorado. **The committee reviewed all of these elements**

together with detailed modeling and considered the changes in aggregate, not in isolation. First, it would add at least \$474 million to funding in the Colorado K-12 public schools. The Task Force was not charged with identifying opportunities for additional resources or recommending financial trade-offs in the state budget. This would be approximately a 4.9% increase over current forecasted funding levels overall for K-12 (Total Program Funding) in FY 2024-25 and a 8.9% increase to the state share of K-12 assuming local property taxes remain as forecasted. The increase would not be an across the board increase to all school districts and for all students. The consequences of the recommendations taken together change some of the values reflected in the existing formula.

PROPOSED FUNDING MODEL IMPACT OVERVIEW	
	<p>Under the adopted recommendations made by the Public School Finance Task Force, total program funding in FY 2024-25 is expected to increase from \$9.6 billion to <b>\$10.1 billion</b> – an increase of <b>\$473.9 million</b>.</p>
	<p><b>Increases in total program funding are typically due to changes in remoteness and student need weights.</b></p> <p>Generally, the adopted recommendations <b>benefit higher need</b> (measured by At-Risk percentage), <b>lower wealth</b> (measured by override revenue), and <b>small rural</b> districts.</p>

*Source: Please see Recommendations & Impact at a Glance Section (page 13) for further information*

The removal of the duplicative indexes of personnel factor, cost of living, and size limits the impacts of those formula elements and reduces funding attributed to those factors. Similarly, capping the cost of living factor has a notable impact especially for the 107 districts with cost of living factors higher than the cap. Along with changes which serve to limit some funding elements, the substantial additional resources added to the formula for At Risk, English language learners, special education, and remoteness supporting rural schools provides an investment in those factors making a value statement about the needs of students with those characteristics.

While all of these recommended changes were approved by a majority of the committee, there were some members who did not agree with certain recommendations and those members were given the opportunity to provide a “minority report” to fully detail their disagreements which is included in this document. That said, the Core Findings and Recommendations did have widespread support with all but one recommendation having at least 60% approval from the Task Force. The one recommendation that only passed by a single vote (funding At Risk at 0.31) did not have wider support because many members of the committee felt that investment was too low and should have been 0.5 or 1.0, which was also modeled by the facilitator team and reviewed by the committee. The consequential adjustments for reordering the formula components and eliminating the multiplicative indexes passed 14-2 (88%), rebasing the cost of living factor passed 13-3 (81%), and capping the cost of living factor passed 11-5 (69%). Additionally, funding for At Risk factor, English language learners, and special education all secured broad support with the largest disagreements in the size of the weights, not the dramatic increase in those factors.

The Additional Recommendations all passed with at least 88% support and 4 out of 5 passed unanimously. Those recommendations reflected future steps and guidance the Task Force felt the Colorado Legislature should take that were not directly within the scope of the Task Force charge.

The remaining sections of this document detail the thorough discussions, complex financial modeling (verified by the Colorado Department of Education), and the detailed commentary and deliberations of Task Force members. The topics the Task Force considered are sophisticated and impact 178 school districts and the Charter School Institute and 860k funded pupils. The summary provided in this section does provide a broad overview of the recommendations and findings, but each individual recommendation includes a great deal of deliberation and work from Task Force members. While the task force discussed and voted on the recommendations individually, they did so with an understanding of what the combined effects of the changes would be on districts. The task force made decisions with the expectation that the legislature would consider the recommendations as a whole, rather than in isolation. These decisions were not made lightly and it would benefit those who want a detailed understanding of these findings to review the entire document.

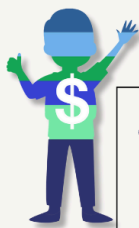
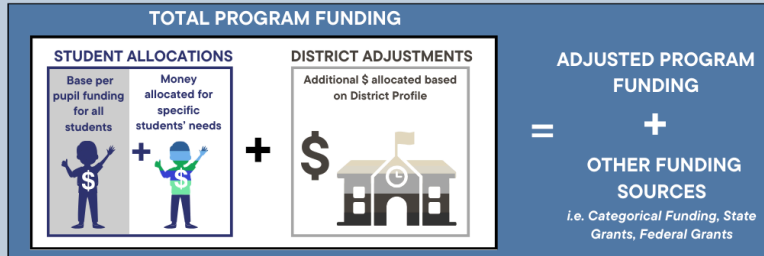
# Recommendations & Impact at a Glance



Per Senate Bill 23-287, the Public School Finance Task Force responsibility is to examine and make recommendations concerning making the school finance formula simpler, less regressive, and more adequate, understandable, transparent, equitable and student-centered.

## Proposed Funding Model

The proposed funding model calculates **Student Need-Based Allocations** first before applying the **District Adjustments**, which are based on the specific district profile.



## WHAT ARE STUDENTS' NEED-BASED ALLOCATIONS?

HOW ARE STUDENTS' NEED-BASED ALLOCATIONS CHANGING?	BASE	AT-RISK	SPED	ELL	ONLINE & EXTENDED H.S. FUNDING
		Increase At-Risk weight to at least 0.31 and remove cap (0.3) on total possible At-Risk weight.	Recommend to include additional Tier A and B student weights in the formula. Tier A student weight would be at least 0.5. Tier B students would be at least 0.85	Increase ELL weight to at least .5 on total possible ELL weight. Starting in FY25 there will be no eligibility cap for students	No change

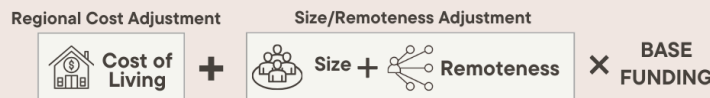
### Additional Student Need-Based Recommendations

- ★ Recommend the legislature utilize categorical funding to address **students with complex or higher special needs**, sometimes referred to as **Tier C**
- ★ Recommend the legislature utilize categorical funding to address **Gifted and Talented Students** with a weight of at least .25 to Gifted and Talented Students

\* Recommendations are applied within Other Funding Sources i.e. Categorical Funding, State Grants, Federal Grants



## WHAT ARE DISTRICT ADJUSTMENTS?



- ★ Recommend establishing a **minimum cap** of 0.1 to the cost of living factor.
- ★ Recommend **rebasing the cost of living factor** utilizing 2021 as a base. Rebasement should occur at minimum every 2 years while accounting for the historical average of districts.
- ★ Recommend utilizing the current size factor calculation, but remove the size factor benefit for districts educating 1,027 students or more and incorporating a remoteness weight having districts receive weights **based on their NCES classification**: Rural: Remote = 0.25, Rural: Distant = 0.2, Rural: Fringe = 0.15, Town: Remote = 0.1, Town: Distant = 0.05, Town: Fringe = 0.025

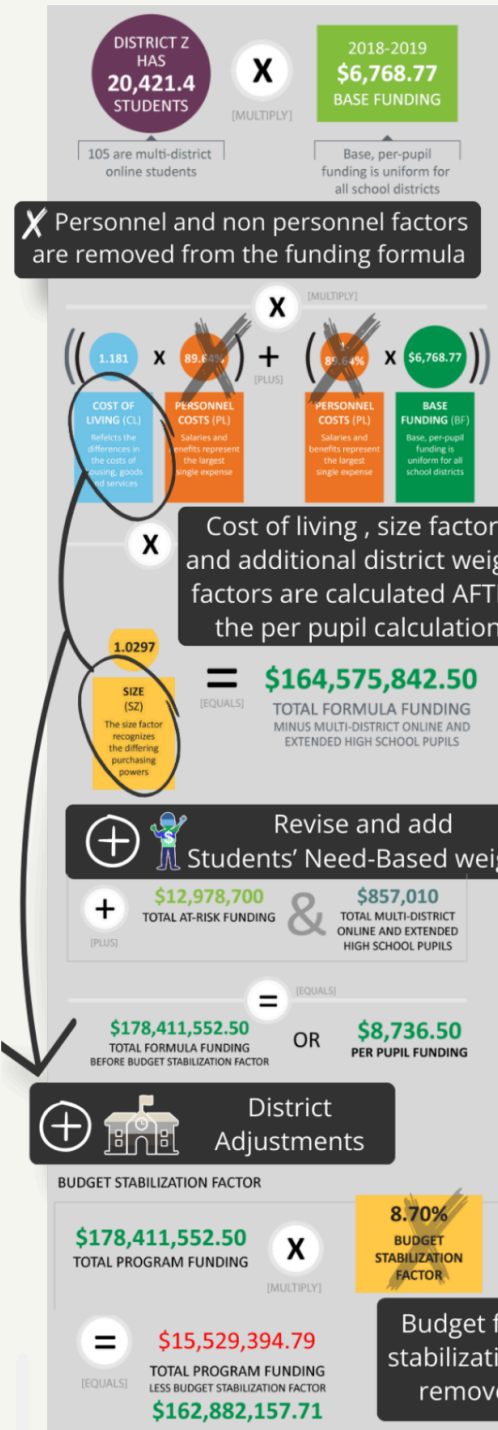
## Additional Recommendations

The Public School Finance Task Force made these recommendations with the understanding of their combined effects on schools and the legislature should avoid taking recommendations in isolation.

- ★ Recommend that the legislature **increase the base funding levels** for student education in Colorado.
- ★ Recommend the legislature should **annually revisit and update the base and need weights**. Updates should reflect the results of the adequacy studies when they have been published.
- ★ Recommend the legislature explore **establishing additional or alternative factors**, including a potential Colorado based "cost of doing business" factor, that account for the additional costs of districts to hire and retain staff and the increased costs of basic business needs. Additional or alternative factors should be revisited and updated periodically as a result of adequacy studies.
- ★ Recommend the General Assembly continues to **fully fund** the existing MILL Levy Equalization Fund (as established in CRS 22-30.5-513.1.)
- ★ Recommend that the legislature continues to address **MILL Levy Override Equalization** for all students in Colorado.
- ★ The Task Force made these recommendations with the understanding of their combined effects on schools and the legislature should avoid taking recommendations in isolation.
- ★ Recommend phasing in changes to the new formula for no longer than a **4 year time period** utilizing hold harmless.

# Breaking Down the Old Model

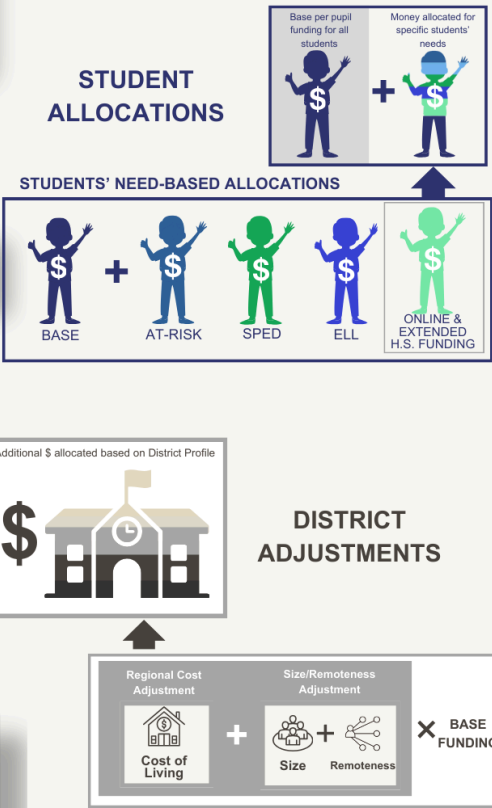
What is Changing?



<https://www.cde.state.nv.us/communications/copublicschoolfinance>

The **Public School Finance Task Force** recommends that

- ★ personnel and non personnel factor be **removed** from the funding formula
- ★ cost of living, size factor and any additional district weight factors are to be moved from the preliminary per pupil calculation to the **end of the formula** as a "District Adjustment."



# Impact of the Adopted Recommendations

## from the Public School Finance Task Force

The following takeaways do not include the impact of a phase-in or hold harmless, unless explicitly stated. Additionally, student counts in the bullets below refer to the total funded pupil count included in the latest version of the School Finance Funding model for FY 2024-25. The adopted recommendations aimed to make the school finance formula simpler, less regressive, and more adequate, understandable, transparent, equitable and student-centered.

*Note: The figures presented in this document are estimates based on assumptions and available data, and are not official government estimates by CDE or LCS. These figures are subject to change with new data and policy changes.*

### PROPOSED FUNDING MODEL IMPACT OVERVIEW

over  
**\$10B**  
in SY24-25  
funding

Under the adopted recommendations made by the Public School Finance Task Force, total program funding in FY 2024-25 is expected to increase from \$9.6 billion to **\$10.1 billion** - an increase of **\$473.9 million**.

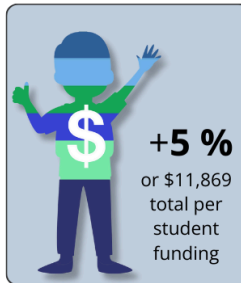
**Increases in total program funding are typically due to changes in remoteness and student need weights.**

Generally, the adopted recommendations **benefit higher need** (measured by At-Risk percentage), **lower wealth** (measured by override revenue), and **small rural** districts.

### HOLD HARMLESS

The state cost to implement a hold harmless to ensure districts do not lose funding is \$64.1 million above the total projected change (**\$473.9 million**).

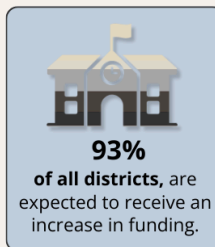
- This would ensure that **186,724 students** (or 22 percent of all Colorado students) do not experience a decrease in total program funding for their school districts.
- This would also ensure that **31,786 At-Risk students** (or 9 percent of all At-Risk students) do not experience a decrease in total program funding for their school districts.
- To phase-in the final recommendation over 4 fiscal years would require an **additional investment of \$118.5 million each year** of the phase-in, from FY 2024-25 to FY 2027-28.
- To hold losing districts harmless, this would also require an **additional \$16 million each year** of the phase-in.



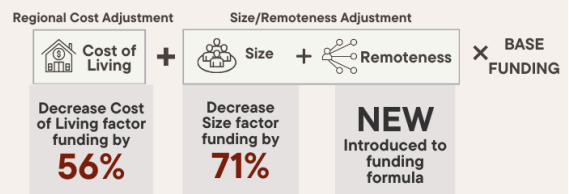
### STUDENT FUNDING IMPACT



- **663,413 students** (or 78 percent of all Colorado students) will experience increased total program funding for their school districts.
- **318,350 At-Risk students** (or 91 percent of all At-Risk students) will experience increased total program funding for their school districts.



### DISTRICT FUNDING IMPACT



- Adding a formula component for remoteness **supports rural schools**, and provides an investment for the students attending a district with those additional needs.

### WHO WILL NOT SEE AN INCREASE?

**7%**  
of all districts, are expected to receive less in total program funding\*

- Decreases<sup>1</sup> in total program funding are typically due to **changes in the size and cost of living factors**.
- The removal of the personnel factor and the multiplicative nature of the cost of living and size factor limits the impacts of those formula components and reduces the funding allocated through those factors.



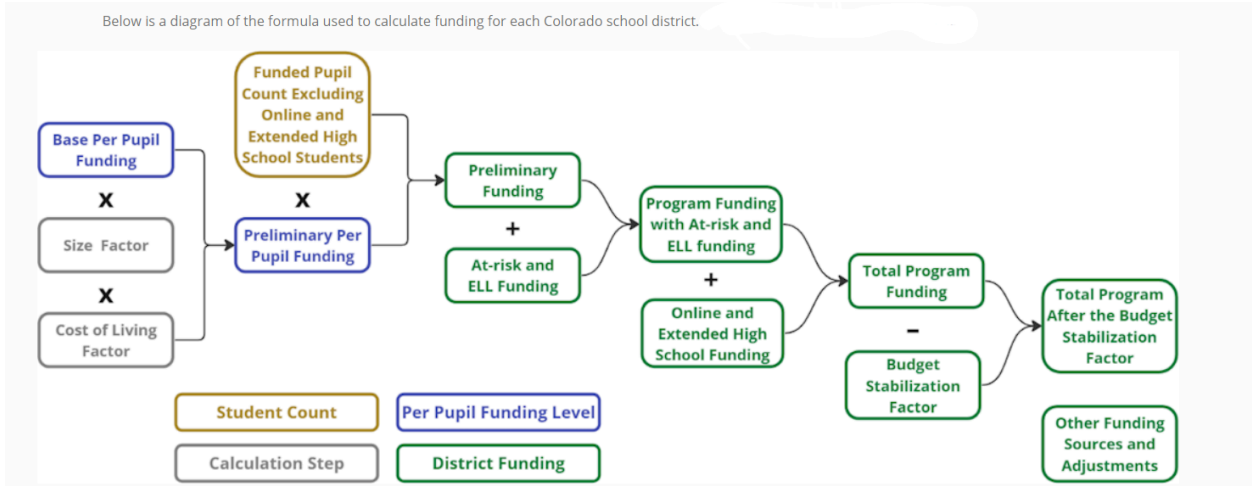
\* Decreases cited here are before the application of the recommended hold harmless, which ensures that no district under the recommendations would receive a decrease in funding.  
<sup>1</sup> Prior to hold harmless application

# Background

## Public School Districts and BOCES

Colorado currently has 178 school districts plus the Charter School Institute (CSI)<sup>2</sup> which serve approximately 880,000 students. Schools across the state fall into one of three categories, urban, rural, and small rural. Rural and small rural districts are categorized depending on the size of their student population and the distance from the nearest large urban/urbanized area. Rural districts have student enrollment of approximately 6,500 students or fewer, while small rural districts have student enrollment of fewer than 1,000 students. One hundred and ten school districts are classified as small rural, and 36 are classified as rural. Rural and small rural districts comprise approximately 80% of the school districts across the state, however, they serve only approximately 15% of the total student population. Twenty-one Boards of Education Cooperative Services (BOCES) assist districts across the state by providing supplemental services including special education, staff development, and teacher preparation programs.

## Current Funding Model



Source: [https://co-lcs.shinyapps.io/co\\_school\\_finance/](https://co-lcs.shinyapps.io/co_school_finance/)

Colorado’s current school funding model is based largely on yearly per pupil counts with several adjustments to address district size, cost of living, personnel costs, and additional student needs. Each October 1st, per pupil counts are made across the state with full time students counted as 1 and part-time students counted as 0.5. A district’s pupil count is funded at either the current year’s pupil count, or the average pupil count over the last two to five years, whichever total is higher. Note that CSI student counts are not included in district pupil counts.

<sup>2</sup> CSI is the only state-wide charter school authorizer in Colorado.

For each district, the current statewide per pupil funding level (for the 2023-2024 budget year, this base is \$8,086.41) is adjusted for cost of living, applied only to personnel costs. Personnel costs are calculated based on district size, with a higher personnel weight granted to larger districts reflecting that a larger percentage of their budgets is spent on personnel. Then, the cost of living adjustment results in greater funding for districts with higher costs of living. Following this, an adjustment is made based on district size. The minimum adjustment is a 3% increase for the largest school district. Size adjustments increase as district size decreases, reflecting higher costs per pupil for smaller districts. This district-adjusted per pupil funding amount is multiplied by the district's October 1 pupil count. Following these adjustment calculations, additional funding is provided to school districts based on the number of students who fall into four distinct categories; At-Risk, English Language Learners, Multi-District Online Programs, and Extended High School Programs. Funding for Special Education students is currently not allocated through the funding formula but instead through categorical funding. Once the base per pupil calculation, additional adjustments, and category weights are totaled, an overall district program funding amount can be calculated. As a result of all of these factors, the overall district program funding amount and resulting district level per pupil funding amount vary across the state.

## Challenge

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### *Current Funding Challenges*

Senate Bill 23-287 states that the purpose of the Finance Task Force is to create recommendations that help to create a simpler, less regressive, more adequate, understandable, transparent, equitable, and student-centered funding model. The biggest challenge facing the task force was a lack of alignment around the definition of each of these terms. No definitions were provided within the bill and given the varying backgrounds and experiences, task force members approached the work with different assumptions and vision of success.

## Bill Goals and Objectives

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### *Task Force Purpose and Make-up*

The purpose of the Task Force was to examine and make recommendations concerning making the school finance formula simpler, less regressive, and more adequate, understandable, transparent, equitable, and student-centered. The Task Force was composed of a wide range of experts and practitioners in the field of K-12 public education from across the state. Geographical distribution as well as student population were considered to ensure voting representation would address all needed areas. Additional, non-voting members were appointed to help provide the needed background information to the group.

### *Required Recommendations*



Task Force members were required to make finding and recommendations on the following changes to the school finance formula:

1. Eliminate the use of multiplicative indexes for cost of living, personnel, and non-personnel costs, and district size.
2. Recalibrate 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. Additionally, 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.
3. Prioritize student needs in the formula, including measures, to the extent possible, that align the at-risk factor, English 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.
4. Revise the size factor to incorporate considerations other than or in addition to student enrollment, including the remoteness of a school district.
5. Secure 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.

## Approach

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### *Task Force Meetings*

Nine Task Force meetings were held between August and December of 2023 with a 10<sup>th</sup> meeting held in January 2024 to finalize the report. Meetings were held virtually and focused on large group discussion to enable members to learn the background and context of each focus area of the bill, work as a group to develop proposals, and finalize recommendations required for the report to the General Assembly. Design thinking was utilized to help the group develop their recommendations and meetings were conducted using Robert's Rules of Order.

Topic areas were reviewed in detail during the first five Task Force meetings. Pre-reads were created for members ahead of each meeting to provide some background information. Detailed presentations on each topic were also reviewed and discussion regarding topics took place during meetings to enable Task Force members to get up to speed on each topic so that required proposals and final recommendations could be created.

Once topic areas were reviewed in detail, Task Force members identified priorities, then developed and aligned on two proposal options for each topic area. Models were created utilizing each proposal option to enable Task Force members to review data, discuss long-term impact, identify potential unintended consequences, and better understand potential outcomes. Based on discussion of the modeling data,

draft recommendations for each topic area were then finalized. Proposals were developed and reviewed during four of the ten meetings.

### ***Finalizing Recommendations***

During the last three Task Force meetings, members finalized recommendations to be included in the report to the General Assembly. The Task Force used Robert’s Rules of Order to accept and vote on draft recommendations. Majority rule was used to finalize the complete list of recommendations, however, minority opinions and proposals were also recorded.

## **Data Analysis and Modeling**

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### ***Base Model***

All funding formula modeling was created using the latest version of the School Finance Funding model for FY 2024-25.<sup>3</sup> This model was provided by the Colorado Department of Education (CDE) in August of 2023, and includes the latest projections for certain student counts and the inflation adjusted base funding. Additionally, only the total program funding, which is the total amount each school district receives under the School Finance Act from state and local sources, was evaluated across all modeling and analysis, without consideration of the Budget Stabilization Factor, or the source of new funding (state versus local funding).

### ***Additional Data Sources***

In order to model certain proposals for the Task Force, additional data sources were used in concert with the base model.

- *Sparsity*: Various proposals included a sparsity formula component, measured as the number of students per square mile in a school district. The data was provided by the Colorado General Assembly Legislative Council Staff (LCS), and uses the projected membership for FY 2024-25. Ultimately, including a sparsity formula component was not recommended by the Task Force.
- *Remoteness*: Various proposals included a remoteness formula component. The Task Force considered two options to define school district remoteness, using either the Colorado Department of Education (CDE) Rural and Small Rural Designation or the National Center for Education Statistics (NCES) Locale Classifications. The CDE designation is composed of 3 statuses (urban, rural, and small rural). These designations are determined by the size of the district, the distance from the nearest large urban/urbanized area, and student enrollment.<sup>4</sup> The NCES locale framework is composed of 4 basic types (City, Suburban, Town, and Rural) that each contain three different subtypes. The NCES locale framework was designed to provide a general indicator of the type of geographic area where a school is located, and relies on data provided by the U.S.

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<sup>3</sup> Colorado Department of Education. (2023). *FY2024-25 District Funding Calculation Worksheet - Projection Tracking*. Available from <https://www.cde.state.co.us/cdefinance/sfdetails>.

<sup>4</sup> Colorado Department of Education. (n.d.). *Colorado Department of Education Rural and Small Rural Designation*. Denver, CO: Author. Retrieved from <https://www.cde.state.co.us/cdeedserv/cderuraldesignationlist>.

Census Bureau.<sup>5</sup> Ultimately, the NCES Locale Classifications were used to determine district remoteness.

- *Cost of Living Factor*: Various proposals included changes to the current Cost of Living Factor, including rebasing the Cost of Living (COL) Factor. The underlying data from the 2021 Colorado Cost of Living Study prepared by Corona Insights, was provided by the LCS.<sup>6</sup> The methods for rebasing the COL Factor were also provided by the LCS. The LCS recommended two methods for rebasing: (1) rebase the COL Factor by using the vector of results from the 2021 COL study and normalize so that the lowest COL in the 2021 study gets a factor of 1 and all other districts are above that, or (2) rebase the COL Factor by using the current vector of factors and normalize so that the lowest factor gets a factor of 1 and all other districts are above that. The facilitation team calculated the rebased COL Factors and were reviewed by the LCS to ensure correct implementation. Ultimately, the Task Force recommended rebasing the COL Factor using the vector of results (method 1).
- *Comparable Wage Index for Teachers*: Some proposals included the Comparable Wage Index for Teachers (CWIFT). The CWIFT is an index created by the National Center for Education Statistics (NCES) of the United States Department of Education, and aims to measure the systematic, regional variations in the wages and salaries of college graduates who are not PK-12 educators. The CWIFT uses data from the U.S. Census Bureau's American Community Survey (ACS) on earnings, age, occupation, industry, and other demographic characteristics for millions of U.S. workers.<sup>7</sup> Ultimately, the Task Force did not adopt any recommendations that included the use of the CWIFT.
- *English Language Learners*: Various proposals included changes to the eligibility for English Language Learners (ELL). Data for ELLs by proficiency level, student eligibility, and district was provided by the CDE. The data provided by CDE included student counts for the 2022-23 school year.
- *Special Education*: Various proposals included a special education (SPED) formula component. CDE provided Tier A and Tier B student counts by district for the 2022-23 school year.

### **Other Key Modeling Assumptions**

Several key modeling assumptions were made to estimate the impact of each proposal on Colorado districts and the state itself. These assumptions are detailed below:

- The rebased Cost of Living (COL) Factor was based on the latest available data. However, these figures were subject to change as the 2023 Colorado Cost of Living Study was currently in progress.

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<sup>5</sup> Gevert, D. (2019). Education Demographic and Geographic Estimates Program (EDGE): Locale Boundaries File Documentation, 2017 (NCES 2018-115). U.S. Department of Education. Washington, DC: National Center for Education Statistics. Retrieved from [https://nces.ed.gov/programs/edge/docs/EDGE\\_NCES\\_LOCALE.pdf](https://nces.ed.gov/programs/edge/docs/EDGE_NCES_LOCALE.pdf).

<sup>6</sup> Corona Insights. (2022). *2021 Colorado School District Cost of Living Analysis*. Denver, CO: Author. Available from [https://leg.colorado.gov/sites/default/files/corona\\_insights\\_2021\\_cost\\_of\\_living\\_report.pdf](https://leg.colorado.gov/sites/default/files/corona_insights_2021_cost_of_living_report.pdf).

<sup>7</sup> Cornman, S.Q., Nixon, L.C., Spence, M.J., Taylor, L.L., and Gevert, D.E. (2019). Education Demographic and Geographic Estimates (EDGE) Program: American Community Survey Comparable Wage Index for Teachers (ACS-CWIFT) (NCES 2018-130). U.S. Department of Education. Washington, DC: National Center for Education Statistics. Retrieved from [https://nces.ed.gov/programs/edge/docs/EDGE\\_ACS\\_CWIFT\\_FILEDOC.pdf](https://nces.ed.gov/programs/edge/docs/EDGE_ACS_CWIFT_FILEDOC.pdf).

- Modeling used the current law At-Risk counts and percentages contained in the base model for FY 2024-25.<sup>8</sup> The method for determining At-Risk counts and percentages was not modified per the recommendations made by the At-Risk Working Group.
- The student counts for English Language Learners (ELL) and special education Tier A and Tier B may differ from the data provided in the base model for FY 2024-25 due to different reporting years. Data provided by the Colorado Department of Education (CDE) contained student data for the 2022-23 school year, while the base model includes projections for FY 2024-25.
- Modeling also excluded the Budget Stabilization Factor (BS Factor), and used total program funding calculated before the BS Factor for all analyses.

### ***Data Analysis***

To assist Task Force members in evaluating the impacts of various proposals, several materials were prepared by the facilitation team and were shared with Task Force members for review and feedback. The facilitation team prepared presentations, interactive workbooks, and district runs for independent review by Task Force members, as well as shared additional analyses during Task Force meetings.

The task force and facilitation team engaged only in determining appropriate weights for student characteristics and did not engage in the evaluation of qualifying characteristics for each group to determine eligibility for student characteristic weights. For example, the task force and facilitation team did not engage in the determination of how at-risk student counts should be determined, but solely engaged in the determination of the specific at-risk weight that should apply to students categorized as eligible for the weight.

Across all materials, the facilitation team aimed to provide both statewide and district-level impacts and analyses for each proposal. During proposal development, the facilitation team would provide impacts based on different district types, such as by district At-Risk percentages, by district size, by district remoteness, by district per-pupil wealth, by district mill levy override revenue per-pupil, and by district sparsity type. For final recommendation development, the facilitation team also provided total program funding for all Colorado districts and the impact for each district to the Task Force. The estimated district total program funding for FY 2024-25 under the recommended changes and current law can be found in the Appendix.

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<sup>8</sup> Colorado Department of Education. (2023). *FY2024-25 District Funding Calculation Worksheet - Projection Tracking*. Available from <https://www.cde.state.co.us/cdefinance/sfdetails>.

# Recommendations

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***Recommend that the legislature increase the base funding levels for student education in Colorado.***

Vote Count	Related Meetings	Analyses
14-2	<a href="#">Oct 17th, 2023</a> <a href="#">Oct 31, 2023</a> <a href="#">Nov 14, 2023</a> <a href="#">Dec 5, 2023</a> <a href="#">Dec 12th, 2023</a> <a href="#">Dec 20th, 2023</a>	<a href="#">Increase Base by \$2,000 for Scenario 5</a> <a href="#">Increase Base by \$500 for Scenario 8</a>

**Summary of Recommendation**

- This recommendation calls for an increase in the base funding levels for students (estimated at \$8,472.15 in FY 2024-25), but did not specify by how much to increase the funding level.
- Increasing the base amount drives additional resources to all Colorado students, and to all other formula components, such as student need weights or district adjustments, that use the base in allocating resources.

The Task Force was charged with making findings and recommendations concerning making the school finance formula simpler, less regressive, and more adequate, understandable, transparent, equitable and student centered. Throughout the entire set of Task Force meetings, there was a general frustration that the Task Force was required to make recommendations prior to the results of the adequacy studies being completed. Given that the results of the study would help inform changes to the formula that directly addressed its adequacy and equity, the Task Force wished to acknowledge that the current base funding levels are not adequate.

Using the “Superintendent’s Bill” (HB 18-1232) as a grounding for comparison, discussion, and guidance, members of the Task Force noted that increasing the base funding levels would benefit all students across Colorado and would additionally help increase the amount of funding allocated to students with additional needs (At-Risk, ELL, etc...). Because of this, the Task Force wanted to emphasize the importance of ensuring that the funding formula has an adequate base.

During the final 2 meetings, analyses were completed to help model and demonstrate the cost of increasing the base funding level by \$2,000 per pupil and \$500 per pupil.

At the December 12th meeting, the Task Force made a motion to adopt the above recommendation, which was approved by a vote of 14 in favor to 2 opposed.

**Recommend to increase At-Risk weight to at least 0.31 and remove cap (0.3) on total possible At-Risk weight**

Vote Count	Related Meetings	Analyses
<p>9-7                      Minority Report signed by 5 out of 17 task force members                      Included after summary</p>	<p><a href="#">Aug 29, 2023</a>  <a href="#">Sept 29, 2023</a>  <a href="#">Oct 17, 2023</a>  <a href="#">Dec 5, 2023</a>  <a href="#">Dec 12, 2023</a></p>	<ul style="list-style-type: none"> <li>● <a href="#">Task Force #3 Student Need Workbook Results 9.27.23</a></li> <li>● <a href="#">Updated Student Need Analysis/Tables</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #7 Dec 5th 2023</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/12 meeting)</a></li> <li>● <a href="#">District Runs for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Cost of Living Cap Impact (for 12/20 meeting)</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/20 meeting)</a></li> <li>● <a href="#">Statewide &amp; District Runs for Meeting #9 Dec 20th 2023</a></li> </ul>

**Summary of Recommendation**

- This recommendation increases the At-Risk weight in the formula from 0.12 to 0.31 and removes the current 0.3 cap on the total possible At-Risk weight a district can receive for each student.
- No changes were recommended for the At-Risk students above the state average, or the determination of eligibility for the weight.
- This recommendation drives additional resources to districts educating At-Risk students.

The Task Force was charged to make findings and recommendations regarding the prioritization of student needs in the formula, including measures, to the extent possible, that align the At-Risk factor,

English Learner factor, and special education categorical funding based upon available evidenced-based research on student-centered funding that has a direct impact on student outcomes.

The Task Force commenced this work by discussing the types of student needs and starting to draft proposals at the September 29th meeting. The work continued through the Task Force reviewing the work of the At-Risk Working Group at the October 17th meeting, reviewing how student need is currently addressed in the current school finance formula, other state funding models, and best practices and research on the costs of educating students with additional learning needs. At the October 17th Task Force meeting the Task Force and facilitation team reviewed the aggregate and distributional impact of 3 different proposals to change the At-Risk weight in the formula, with increases ranging from 0.5 to 1.0. Task force members expressed support for weight increases, and noted the amount of additional funding necessary to provide weight increases.

The Task Force continued this discussion at the December 5th meeting with a discussion of the “Superintendent’s Bill” (HB 18-1232) and how At-Risk funding was changed under this prior proposal. For this discussion, the facilitation team created 4 summative scenarios, each of which increased the At-Risk weight to 1.0 in line with research recommendations, and removed the current 0.3 cap on the total possible At-Risk weight. Task force members did not find consensus on such scenarios, and discussed whether to be aspirational or realistic in the funding required to support recommendations of the Task Force.

At the December 12th meeting, the facilitation team created and reviewed 2 additional scenarios for the Task Force, 1 of which increased the At-Risk weight to 1.0, and the second scenario which increased the At-Risk weight to 0.31, with both scenarios removing the total possible At-Risk weight cap. Task force members discussed the new scenarios and expressed that the revised scenarios were improved compared to prior versions, but expressed concern over the timeline needed to make decisions and recommendations.

At the December 12th meeting, the Task Force made a motion to recommend an increase of the At-Risk weight to 0.5 and to remove the cap of 0.3 on the total possible At-Risk weight which preceded a discussion on aligning the weight to the final ELL weight. A motion was made to amend the recommendation to increase the At-Risk weight to at least 0.31, and to remove the cap of 0.3 on the total possible At-Risk weight, which passed by a vote of 9 in favor, 7 opposed. Following the amendment vote, Nicholas Stellitano called for a vote on the amended motion, which passed by a vote of 9 in favor to 7 opposed.

**Minority Report -**

**Note: This minority report was authored by Lisa Weil, Kathy Gebhardt, Sarah Seigel, Marty Gutierrez, and Leslie Nichols (5 out of 17 task force members) and does not reflect the views of all members of the task force.**

**Summary:** The 0.31 weight for at-risk students is too low.

The Task Force was unanimous in its support for a significant increase in the size of the at-risk factor, in recognition of the demonstrated fact that students who live in poverty require additional resources, support and attention to address gaps in opportunities and services available to them from birth. In fact, the first scenarios created for the Task force added a factor of 1.0 – or a doubling of base per pupil funding for students who meet the relevant definition for “at-risk” (a definition that is currently in flux.)

A second set of scenarios was developed for the Dec 12th, 2023 meeting, making a variety of changes to the first set of scenarios. One of the most consequential changes was the creation of a scenario that reduced the size of the at-risk factor from 1.0 to 0.31. Importantly, that factor size was taken from HB18-1232 – a bill that contained the components of a school finance reform proposal designed by a number of superintendents and supported by 174 of Colorado’s 178 superintendents in 2018.

Task Force members opposing the 0.31 at-risk factor recommendation contended the following:

- Due to the order in which recommendations were considered and voted upon (in the context of a conversation where some suggested that the Task Force needed to be cognizant of the overall cost of the recommendations), the 0.31 at-risk weight was approved before the Task Force subsequently considered and adopted a 0.5 weight for English Language Learners. Some who voted for the higher ELL weight wanted to revisit the previous at-risk vote to make that weight equivalent to the ELL rate, but there was no opportunity to do so.
- While several Task Force members who opposed this recommendation had requested more information about the Superintendents’ plan, they were concerned that only one specific provision (the 0.31 at-risk weight) of that bill was selected for consideration by the Task Force and that its use outside the context of the plan’s entirety was arbitrary and that it under-accounted for the actual needs of at-risk students.
- The superintendents’ plan (HB18-1232) assumed a significant increase in the base per pupil amount. That is, the 0.31 reflected the best estimate of an adequate weight, when that weight is multiplied against a base per pupil amount that is based on the amount of resources necessary to allow a student with no special needs in a district with no special characteristics to meet Colorado standards. A study conducted in 2013 concluded that Colorado’s base per pupil funding was more than \$2,000 below that definition of adequacy. As such, applying the arbitrary 0.31 weight to Colorado’s current, inadequate base would result in continued and substantial underfunding for at-risk students.

***Recommend to increase ELL weight to at least .5 on total possible ELL weight. Starting in FY 2024-25 there will be no eligibility cap for students.***



Vote Count	Related Meetings	Analyses
15-1	<a href="#">Aug 29, 2023</a> <a href="#">Sept 29, 2023</a> <a href="#">Oct 17, 2023</a> <a href="#">Dec 5, 2023</a> <a href="#">Dec 12, 2023</a>	<ul style="list-style-type: none"> <li>● <a href="#">Task Force #3 Student Need Workbook Results 9.27.23</a></li> <li>● <a href="#">Updated Student Need Analysis/Tables</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #7 Dec 5th 2023</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/12 meeting)</a></li> <li>● <a href="#">District Runs for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Cost of Living Cap Impact (for 12/20 meeting)</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/20 meeting)</a></li> <li>● <a href="#">Statewide &amp; District Runs for Meeting #9 Dec 20th 2023</a></li> </ul>

**Summary of Recommendation**

- This recommendation increases the ELL weight from 0.08 to 0.5.
- This recommendation increases the eligibility for ELL students from up to 5 years for each participating student to when the student reaches proficiency.
- This recommendation drives additional resources to districts educating ELL students, and expands the number of students eligible for this formula characteristic.

The Task Force was charged to make findings and recommendations regarding the prioritization of student needs in the formula, including measures, to the extent possible, that align the At-Risk factor, English Learner factor, and special education categorical funding based upon available evidenced-based research on student-centered funding that has a direct impact on student outcomes.

The Task Force commenced this work by discussing types of student needs, and starting to draft proposals at the September 29th meeting, and continued this work at the October 17th meeting, by reviewing how student need is currently addressed in the current school finance formula, other state funding models, and best practices and research on the costs of educating students with additional learning needs. At the October 17th Task Force meeting the Task Force and facilitation team reviewed the aggregate and distributional impact of 4 different proposals to change the English Language Learner weight in the formula, with increases ranging from a flat 0.5 to a stratified weight structure from 0.1 to 0.5 based on proficiency categories, and increases in student eligibility to 5 years, versus removing the eligibility cap. Task force members expressed support for weight increases, interest in stratifying weights based on proficiency, and interest in highlighting diseconomies of scale for districts educating small populations of English Language Learners.

At the December 12th meeting, the facilitation team created and reviewed 2 additional scenarios for the Task Force, 1 of which increased the English Learner weight to 0.5 with no eligibility cap for students, and the second of which aligned to the weights of the “Superintendent’s Bill” which provided lower weights (from 0.29 to 0.35) that were scaled based on district size. At this meeting a motion was made to recommend increasing the ELL weight to at least 0.31. Following discussion on specific weights and the interplay between student weight categories, Task Force members motioned to amend the recommendation to the scaled ELL weights based on district size from 0.29 to 0.35. The amendment passed by a vote of 10 in favor to 6 opposed, however the amended motion then failed by a vote of 7 in favor to 9 opposed.

Following this motion, a motion was made to recommend increasing the ELL weight to 0.5, but also remove the eligibility cap for students. Task force members unsuccessfully attempted to amend this motion to increase the ELL weight to 0.31, by a vote of 5 in favor to 11 opposed. The original motion was then adopted by a vote of 15 in favor to 1 opposed.

***Recommend to include additional Tier A and B student weights in the formula. Tier A student weight would be at least 0.5. Tier B students would be at least 0.85.***

Vote Count	Related Meetings	Analyses
16-0	<a href="#">Aug 29, 2023</a> <a href="#">Sept 29, 2023</a> <a href="#">Oct 17, 2023</a> <a href="#">Dec 5, 2023</a> <a href="#">Dec 12, 2023</a>	<ul style="list-style-type: none"> <li>● <a href="#">Task Force #3 Student Need Workbook Results 9.27.23</a></li> <li>● <a href="#">Updated Student Need Analysis/Tables</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #7 Dec 5th 2023</a></li> </ul>

		<ul style="list-style-type: none"> <li>● <a href="#">Revised Scenario Overview (for 12/12 meeting)</a></li> <li>● <a href="#">District Runs for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Cost of Living Cap Impact (for 12/20 meeting)</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/20 meeting)</a></li> <li>● <a href="#">Statewide &amp; District Runs for Meeting #9 Dec 20th 2023</a></li> </ul>
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**Summary of Recommendation**

- This recommendation incorporates a new student weight for districts educating students with disabilities into the funding formula.
- In the current funding system, funding for special education students existed outside the funding formula.
- This recommendation provides additional resources for districts with special education student populations, while not changing the current categorical support for these students.

The Task Force was charged to make findings and recommendations regarding the prioritization of student needs in the formula, including measures, to the extent possible, that align the At-Risk factor, English Learner factor, and special education categorical funding based upon available evidenced-based research on student-centered funding that has a direct impact on student outcomes.

The Task Force commenced this work at the September 29th Task Force meeting by reviewing different types of student needs, the role of categorical funding for special education students, how Amendment 23 impacts possible changes in state funding allocations, and Task Force member priorities. This work continued at the October 17th meeting, by reviewing how student need is currently addressed in the current school finance formula, other state funding models, and best practices and research on the costs of educating students with additional learning needs. At the October 17th Task Force meeting the Task Force and facilitation team reviewed the aggregate and distributional impact of 3 different proposals to keep special education categorical funding unchanged and implement a new weight for special education students formula, with weights ranging from 0.75 for Tier A students to 0.5 for Tier A and 0.85 for Tier B, to a weight of 2.32 for all special education students. Task force members expressed support

for providing districts educating special education students, including “high-cost” students, additional resources through the formula, given the additional supports and resources needed.

At the December 12th meeting, the facilitation team created and reviewed 2 additional summary scenarios for the Task Force, both of which kept special education categorical funding “as-is” and included a weight of 0.5 for Tier A students and a weight of 0.85 for Tier B students. Following the review of the provided new scenarios, a motion was made to recommend including additional Tier A and B student weights in the formula, with a Tier A student weight of at least 0.5, and a Tier B weight of at least 0.85. Following discussion about whether to include additional recommendations for Tier C students, the motion was adopted by a vote of 16 in favor to 0 opposed.

***Recommend that personnel and non personnel factor be removed from the funding formula and move cost of living, size factor and any additional district weight factors from the preliminary per pupil calculation, to the end of the formula in a “District Adjustment”***

Vote Count	Related Meetings	Analyses
14-2	<a href="#">Oct 17, 2023</a> <a href="#">Oct 31, 2023</a> <a href="#">Nov 14, 2023</a> <a href="#">Dec 5, 2023</a> <a href="#">Dec 12, 2023</a>	<ul style="list-style-type: none"> <li>● <a href="#">Task Force Meeting #4 Pre-Read Survey</a></li> <li>● <a href="#">Cost of Living and Size Adjustments to Base</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #7 Dec 5th 2023</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/12 meeting)</a></li> <li>● <a href="#">District Runs for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Cost of Living Cap Impact (for 12/20 meeting)</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/20 meeting)</a></li> </ul>

		<ul style="list-style-type: none"> <li>● <a href="#">Statewide &amp; District Runs for Meeting #9 Dec 20th 2023</a></li> </ul>
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**Summary of Recommendation**

- The current formula uses the cost-of-living, personnel and non personnel costs, and size factors to determine the preliminary per pupil funding.
- This recommendation aims to remove the multiplicative nature of the formula, and move any district weight factors to the “end” of the formula.
- This recommendation will allocate funding through the revised cost-of-living and size factors at the “end” of the formula.

The Task Force was charged to make findings and recommendations regarding eliminating the use of multiplicative indexes for cost of living, personnel and non-personnel costs, and district size.

The Task Force commenced this by completing a pre-read that detailed how the current cost of living factor is determined, how the personnel and non-personnel factors are determined, and how these factors interact with one another and the size factor to determine the preliminary per pupil funding. The pre-read material was shared with the Task Force in advance of the October 17th Task Force meeting. At this meeting, Task Force members discussed the order of operations in the current formula and possible proposals to address the multiplicative nature of the cost of living factor.

At the October 31st Task Force meeting, Task Force members continued the discussion, and they generally agreed that district level factors should be “moved down” the formula and that personnel and non-personnel factors should be removed from the formula. Task force members also mentioned that the cost of living factor should not be completely removed from the funding formula, unless another index or factor accounting for regional cost pressures replaced the cost of living factor.

At the November 14th Task Force meeting, Task Force members also expressed interest in moving the size factor within the funding formula. During this meeting, Task Force members also expressed interest in incorporating additional district adjustments, such as adjustments for sparsity and remoteness.

During the December 5th meeting, Task Force members reviewed 3 scenarios that removed the personnel factor and moved the cost of living factor, size factor, and additional district weight factors to the end of the formula. Generally, the Task Force supported this proposal, however Task Force members expressed concern about removing both the cost of living factor and personnel factor without replacing it with another index or factor.

This discussion continued at the December 5th meeting, when Task Force members reviewed 2 additional scenarios that contained the same proposal. Following the review of these scenarios, a motion was made to recommend that the personnel and non-personnel factor be removed from the

funding formula and move cost of living, size factor and any additional district weight factors from the preliminary per pupil calculation, to the end of the formula in a “District Adjustment”. The motion passed by a vote of 14 in favor to 2 opposed.

***Recommend rebasing the cost of living factor utilizing 2021 as a base. Rebasing the cost of living factor should occur at minimum every 2 years while accounting for the historical average of districts.***

Vote Count	Related Meetings	Analyses
13-3	<a href="#">Oct 17, 2023</a> <a href="#">Oct 31, 2023</a> <a href="#">Nov 14, 2023</a> <a href="#">Dec 5, 2023</a> <a href="#">Dec 12, 2023</a>	<ul style="list-style-type: none"> <li>● <a href="#">Task Force #5 Survey Results</a></li> <li>● <a href="#">Task Force #6 Survey Results</a></li> <li>● <a href="#">Cost of Living and Size Adjustments to Base</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #7 Dec 5th 2023</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/12 meeting)</a></li> <li>● <a href="#">District Runs for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Cost of Living Cap Impact (for 12/20 meeting)</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/20 meeting)</a></li> <li>● <a href="#">Statewide &amp; District Runs for Meeting #9 Dec 20th 2023</a></li> </ul>

**Summary of Recommendation**

- The current implementation of the cost of living factor relies on historical cost of living data and may never decrease - meaning factor values have been building on each other since 1994, and

have never ever been rebased.

- This recommendation modernizes the cost of living factor to solely utilize data from the most recent cost of living study conducted every two years.
- This recommendation will redistribute resources to districts based on recent cost of living analyses, and continue to do so moving forward.

The Task Force was charged to make findings and recommendations regarding the recalibration of 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.

The Task Force commenced this work by completing a pre-read that detailed how the current cost of living factor is determined, how it impacts Colorado school districts and students, and how other states account for differences in the cost of educating students between districts in advance of the October 17 Task Force meeting. At this meeting, Task Force members highlighted the significant impact of the cost of living factor on district funding, the significant differences in the cost to attract and retain teachers between school districts, and how the cost of living factor does not account for the cost of doing business.

The Task Force continued this discussion on October 31st with an in-depth review of the multiplicative nature of the factor, and the distributional impact of the factor by student need. Task force members did not express consensus in the feedback survey on how the cost of living factor should be changed, and the Task Force reviewed 4 different scenarios to change the factor, including eliminating the factor, moving it to a different part of the formula, moving the factor to categorical funding, or transforming the current factor values. Task force members expressed support for moving the cost of living factor to eliminate the multiplicative nature of the factor, and re-basing it to provide updated data for districts.

Task force members revisited cost of living at the November 14th Task Force meeting, where members discussed an additional metric, the Comparable Wage Index for Teachers (CWIFT) to account for differences in regional wages, and discussed rebasing the factor regularly.

At the December 5th meeting, Task Force members reviewed 3 scenarios, 2 of which rebased the cost of living factor using the vector of results from the 2021 study, in addition to other changes. This discussion continued at the December 12th meeting, when Task Force members reviewed 2 additional scenarios that rebased the cost of living factor using the vector of results from the 2021 study, in addition to other changes. Following the review of these scenarios, a motion was made to recommend rebasing the cost of living factor utilizing 2021 as a base, and that rebasing the cost of living factor should occur at minimum every 2 years while accounting for the historical average of districts. The motion passed by a vote of 13 in favor to 3 opposed.

***Recommend the legislature explore establishing additional or alternative factors, including a potential Colorado based “cost of doing business” factor, that account for the additional costs of districts to hire and retain staff and the increased costs of basic business needs. Additional or alternative factors should be revisited and updated periodically as a result of adequacy studies.***

Vote Count	Related Meetings	Analyses
16-0	<a href="#">Oct 17, 2023</a> <a href="#">Oct 31, 2023</a> <a href="#">Nov 14, 2023</a> <a href="#">Dec 5, 2023</a> <a href="#">Dec 12, 2023</a> <a href="#">Dec 20, 2023</a>	<ul style="list-style-type: none"> <li>● <a href="#">Task Force #5 Survey Results</a></li> <li>● <a href="#">Task Force #6 Survey Results</a></li> <li>● <a href="#">Cost of Living and Size Adjustments to Base</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #7 Dec 5th 2023</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/12 meeting)</a></li> <li>● <a href="#">District Runs for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Cost of Living Cap Impact (for 12/20 meeting)</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/20 meeting)</a></li> <li>● <a href="#">Statewide &amp; District Runs for Meeting #9 Dec 20th 2023</a></li> </ul>

**Summary of Recommendation**

- Currently, the school finance formula accounts for the cost of living in the district relative to the cost of living in other districts in the state through a biennial study.
- This recommendation establishes a new factor to exist in the formula, but did not specify whether this new factor would replace existing factors or exist alongside existing factors.



- This recommendation aims to account for other regional variations in wages or salaries, and basic business needs, and would produce a different distribution of resources depending on the additional or alternative factors implemented.

The Task Force was charged to make findings and recommendations regarding the recalibration of 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.

The Task Force commenced this work by completing a pre-read that detailed how the current cost of living factor is determined, how it impacts Colorado school districts and students, and how other states account for differences in the cost of educating students between districts in advance of the October 17 Task Force meeting. At this meeting, Task Force members highlighted the impact of the cost of living factor on district funding, differences in the cost to attract and retain teachers between school districts, and how the cost of living factor does not appropriately account for the cost of doing business.

The Task Force continued this discussion on October 31st with an in-depth review of the multiplicative nature of the factor, and the distributional impact of the factor by student need. Task force members revisited cost of living at the November 14th Task Force meeting, where members discussed considerations for revising the cost of living factor. As part of this discussion Task Force members reviewed and discussed an additional metric, the Comparable Wage Index for Teachers (CWIFT), which intends to account for differences in the cost of doing business, and discussed rebasing the factor regularly. Task force members expressed support for recommending the legislature fund the identification of a new measure that better accounts for differences in educational costs, but expressed uncertainty about the experimental nature of CWIFT and the lack of familiarity with the metric with regard to Colorado-specific differences.

At the December 5th meeting, Task Force members reviewed 3 scenarios, each of which utilized the CWIFT factor to provide an additional cost of living factor to districts. Task force members expressed the same concerns as heard at the prior meeting, and the final scenarios reviewed by the Task Force on December 12th and December 20th did not include an alternate metric.

At the December 20th meeting, Task Force members continued to express concern that the current cost of living factor does not adequately identify the cost differences present, or appropriately adjust funding to account for these cost differences. A motion was made to recommend the legislature explore establishing additional or alternative factors, including a potential Colorado based “cost of doing business” factor and cost of doing business index, that account for the additional costs of districts to hire and retain staff and the increased costs of basic business needs, and that additional or alternative factors should be revisited and updated periodically as a result of adequacy studies, which was passed by a vote of 16 in favor to 0 opposed.

***Recommend establishing a minimum cap of 0.1 to the cost of living factor.***

Vote Count	Related Meetings	Analyses
<p>11-5 Minority Report signed by 5 out of 17 task force members Included after summary</p>	<p><a href="#">Oct 17, 2023</a> <a href="#">Oct 31, 2023</a> <a href="#">Nov 14, 2023</a> <a href="#">Dec 5, 2023</a> <a href="#">Dec 12, 2023</a> <a href="#">Dec 20, 2023</a></p>	<ul style="list-style-type: none"> <li>● <a href="#">Task Force #5 Survey Results</a></li> <li>● <a href="#">Task Force #6 Survey Results</a></li> <li>● <a href="#">Cost of Living and Size Adjustments to Base</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #7 Dec 5th 2023</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/12 meeting)</a></li> <li>● <a href="#">District Runs for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Cost of Living Cap Impact (for 12/20 meeting)</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/20 meeting)</a></li> <li>● <a href="#">Statewide &amp; District Runs for Meeting #9 Dec 20th 2023</a></li> </ul>

**Summary of Recommendation**

- The current cost of living factor does not have a cap and ranges from 0.02 to 0.65, resulting in a wide range of additional funding for districts based on this factor.
- As part of the broader adjustments to the cost of living factor in other recommendations, this recommendation provides a maximum cap to the cost of living factor values, such that districts with cost of living factors above 0.1 will have values reduced to 0.1 per the cap.
- This recommendation will limit the amount of additional funding that districts with high cost of living factors above 0.1 will receive through this formula characteristic.

The Task Force was charged to make findings and recommendations regarding the recalibration of 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.

The Task Force commenced this work by reviewing how the current cost of living factor is determined, how it impacts Colorado school districts and students, and how other states account for differences in the cost of educating students between districts in advance of the October 17 Task Force meeting. At this meeting, Task Force members highlighted the significant impact of the cost of living factor on district funding, the significant differences in the cost to attract and retain teachers between school districts, and how the cost of living factor does not account for the cost of doing business.

The Task Force continued this discussion on October 31st with a review of the multiplicative nature of the factor, and the distributional impact of the factor. Task force members did not express consensus in the feedback survey on how the cost of living factor should be changed, and the Task Force reviewed 4 different scenarios to change the factor, including eliminating the factor, moving it to a different part of the formula, moving the factor to categorical funding, or transforming the current factor values. Task force members expressed support for moving the cost of living factor to eliminate the multiplicative nature of the factor, and re-basing it to provide updated data for districts.

At the December 5th and December 12th meetings, Task Force members reviewed 5 additional scenarios that included significant changes to the cost of living factor. Following the review of these scenarios, Task Force members expressed interest in future changes to this factor,, resulting in a failed motion at the December 12th meeting to recommend the legislature conduct a Colorado-based study for a “cost of doing business” wage index coupled with adding a cap to the cost of living factor based upon the conducted study.

Accordingly, the facilitation team created a scenario for the December 20th meeting that included a 0.1 cap on the cost of living factor, along with the impact of different caps on district funding. At this meeting, a motion was made to recommend establishing a cap of 0.1 to the cost of living formula. Subsidiary motions to amend the recommendation to include a cap of 0.15, and to remove the specific cap value both failed, before a motion was made to amend language to establish a minimum cap of 0.1, which passed by a vote of 12 in favor to 4 opposed. The amended motion then passed by a vote of 11 in favor to 5 against.

**Minority Report -**

**Note: This minority report was authored by Leslie Nichols, Kathy Gebhardt, Sarah Seigel, Marty Gutierrez, and Lisa Weil (5 out of 17 task force members) and does not reflect the views of all members of the task force.**

**Summary:** The Cost of Living cap of 0.1, or 10%, is harmful.

Task force recommendations regarding Cost of Living (COL) do three things at the same time:

- Move COL from the beginning (where it was “multiplicative”) to the end (where it is “additive”) of the formula
- Re-calibrate COL to reflect the biennial Legislative Council Cost of Living Report figures
- Cap COL at a minimum of 0.1

Changes 1 and 2 make sense and enjoyed broad support across the task force - they make the formula simpler, remove the multiplicative weighting of COL, and make COL responsive to the biennial study. The third change, though, was debated extensively by the task force and is not only unnecessary, it is harmful. Moving COL to the end of the formula reduces its impact on formula cost dramatically; capping it on top of this move results in severe inequities across the state.

**Context:** The policy thinking behind COL is sound - districts that are more expensive to live should be funded more so that teachers can be paid more adequately to afford their locally higher cost of living.

The COL recalibration sets the least expensive district in the state at a weight of zero, and then uses the COL derived in the study to weight each district. Weights go from zero to 39%. 107 districts, or 60% of them, have weights over 10%, the recommended cap.

Limon, Mancos, and Hayden are comparable districts in size (near 450 enrollment) and remoteness (rural:remote). It is 9% more expensive to live in Limon than the least expensive district in Colorado, 12% more expensive to live in Mancos, and 21% more expensive to live in Hayden, which is in the shadow of Steamboat Springs (the fourth most expensive district in the state). With the cap, Limon gets its full weight of 9% for COL, but Mancos and Hayden both get a weight of 10% which is inadequate for both and incredibly inequitable for Hayden. It leaves Mancos and especially Hayden in the untenable position of not having funds enough to pay their teachers to live in their communities.

Artificially capping COL denies students funding for the education they need and creates a gross inequity by zip code. Where a student is born should not result in inequitable funding for that child. COL should not be capped so that districts have adequate funding to pay their teachers a reasonable wage to live in their communities.

***Recommend utilizing the current size factor calculation, but remove the size factor benefit for districts educating 1,027 students or more and incorporating a remoteness weight having districts receive weights based on their NCES classification: Rural: Remote = 0.25, Rural: Distant = 0.2, Rural: Fringe = 0.15, Town: Remote = 0.1, Town: Distant = 0.05, Town: Fringe = 0.025***

Vote Count	Related Meetings	Analyses
<p style="text-align: center;">11-5</p> <p>Minority Report signed by 5 out of 17 task force members Included after summary</p>	<p style="text-align: center;"> <a href="#">Oct 31, 2023</a>  <a href="#">Nov 14, 2023</a>  <a href="#">Dec 5, 2023</a>  <a href="#">Dec 12, 2023</a> </p>	<ul style="list-style-type: none"> <li>● <a href="#">Task Force #5 Survey Results</a></li> <li>● <a href="#">Task Force #6 Survey Results</a></li> <li>● <a href="#">District Size, Sparsity, Remoteness Data</a></li> <li>● <a href="#">Size/Sparsity/Remoteness Proposals</a></li> <li>● <a href="#">Cost of Living and Size Adjustments to Base</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #7 Dec 5th 2023</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/12 meeting)</a></li> <li>● <a href="#">District Runs for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Final Scenario Comparison for Meeting #8 Dec 12th 2023</a></li> <li>● <a href="#">Cost of Living Cap Impact (for 12/20 meeting)</a></li> <li>● <a href="#">Revised Scenario Overview (for 12/20 meeting)</a></li> <li>● <a href="#">Statewide &amp; District Runs for Meeting #9 Dec 20th 2023</a></li> </ul>

**Summary of Recommendation**

- Under the current formula, all districts receive some benefit from the size factor, and there are no considerations for remote school districts.
- This recommendation revises the current size factor and includes remoteness as a district adjustment factor.
- This recommendation drives more funding towards small and remote districts, and eliminates size factor funding for larger districts.

The Task Force was charged to make findings and recommendations regarding the revision of the size factor to incorporate considerations other than or in addition to student enrollment, including the remoteness of a school district.

The Task Force commenced this work at the October 31st Task Force meeting with a review of how the size factor is implemented in the current school finance formula, how other state funding formulas provide adjustments based on district characteristics, and common principles and policy recommendations for funding formulas. Task force members expressed support for continuing to ensure

small districts are appropriately funded, and uncertainty regarding why all districts currently receive additional funding based on district size.

The Task Force continued this work during the November 14th meeting, when Task Force members reviewed the current distribution of enrollment, remoteness, and sparsity present in Colorado, how other states account for these district characteristics, and expressed support for including formula considerations for district sparsity, remoteness, and size. Task force members did not reach consensus on specific recommendations at this meeting.

At the December 5th meeting, Task Force members reviewed 3 scenarios that revised the size factor calculation using different calculations and enrollment cutoffs, scaled remoteness weights based on CDE and NCES classifications, and scaled district sparsity weights based on the number of students per square mile. In reviewing these scenarios, Task Force members expressed disagreement on whether district size, sparsity, or remoteness should be emphasized more in Task Force recommendations, and how to balance simplicity with properly addressing district needs. Task force members expressed support for ensuring that small rural districts were not negatively impacted by Task Force recommendations.

At the December 12th meeting, Task Force members reviewed 2 additional scenarios that revised the size factor to apply only to districts educating fewer than 459 students, and new formula weights for sparsity and remoteness. The final 3 scenarios created by the facilitation team were reviewed by the Task Force on December 20th, which included the current size factor calculation solely for districts educating fewer than 1,027 students, no sparsity funding, and 2 proposals that provided scaled remoteness weights based on district NCES locale classifications. Task force members appreciated the focus of the new scenarios, but expressed concern on limiting the size factor to solely those districts educating fewer than 1,027 students. In the discussion of the relationship between district size and remoteness, several task force members expressed a desire to not negatively impact rural and small rural schools, and expressed an interest in voting on the Size and Remoteness factors together to recognize the shared impact of the characteristics.

On December 20th, a motion was made to recommend utilizing the current size factor calculation, but remove the size factor benefit for districts educating 1,027 students or more, and to recommend having districts receive weights based on their NCES classification: Rural: Remote = 0.25, Rural: Distant = 0.2, Rural: Fringe = 0.15, Town: Remote = 0.1, Town: Distant = 0.05, Town: Fringe = 0.025. Subsidiary motions proposed expanding the eligibility to larger school districts and limiting the motion to focus on remoteness, both of which failed. Ultimately, the motion was adopted by a vote of 11 in favor to 5 opposed.

**Minority Report -**

**Note: This minority report was authored by Lisa Weil, Kathy Gebhardt, Sarah Seigel, Marty Gutierrez, and Leslie Nichols (5 out of 17 task force members) and does not reflect the views of all members of the task force.**

Defining the appropriate district-based weights was a source of productive conversation among Task Force members and there was agreement that the formula should provide rural districts with additional funding in recognition of their remoteness and absence of economies of scale (size).

**Opponents of this recommendation believed that the size factor adopted by the Task Force (1) is insufficient and (2) excludes too many districts from qualifying for the factor.**

**Concerns:**

- The recommendation would be **detrimental to rural districts**, especially in the context of other recommendations that had significantly reduced the funding directed to rural districts (e.g., moving the size and COL factors to the end of the formula).
- While recognizing that the lack of economy of scale impacts the smallest districts the most, **there is still a cost differential for districts up to a certain size – currently defined in statute as 6500**. As indicated by previous studies and current law, the costs associated with the absence of economies of scale extend far beyond 1,027 students.
- A **“cliff effect”** would result between districts just below the cut point (1027) and those just above it. Current law includes a “smoothing” process to avoid the arbitrary and negative impact of such cliffs. Opponents noted that allowing a tapering of the size factor up to the current limit (6,500 students) would have a significant positive impact on those districts, with a very small impact on overall school finance funding.
- This recommendation was made in the context of Task Force deliberations that distinguished between “district” and “student” factors. Some who opposed this recommendation argued that this distinction is artificial, as **the size factor is intended to give districts the additional resources required to meet the needs of rural students**. As such, diverting too much weight away from this “district” factor would have the result of reducing the educational opportunities available to students based on their zip code.
- Even though, under the Task Force recommendations, many rural districts with student counts over 1,027 did make up for the loss of size factor funding because of the addition of the “remoteness” factor and expanded student factor weights (ELL, special education, at-risk), the new formula **does not take into account the additional per-student costs of meeting the needs of those students because of small size** (i.e., because both (1) the fixed costs of operating a district and (2) the resources required to meet the needs of smaller special ed, ELL and at-risk populations are divided among fewer students).
- Under this recommendation (in the context of all changes), dozens of districts would see a decrease (though they would be “held harmless”) or only a marginal increase in funding, **leaving them practically as underfunded as they currently are – despite the addition of hundreds of millions of dollars in Total Program funding**. This implies that these districts are currently funded at a level that is adequate to meet the diverse needs of their student populations. That is demonstrably false.

***Recommend the legislature should annually revisit and update the base and need weights. Updates should reflect the results of the adequacy studies when they have been published.***

Vote Count	Related Meetings	Analyses
16-0	<a href="#">Dec 20th, 2023</a>	N/A

**Summary of Recommendation**

- The Task Force has recommended significant changes to the school funding formula for the next fiscal year (FY 2024-25), and simultaneously has specified the parameters for adequacy studies to be completed by January 2025.
- The adequacy studies will inform stakeholders on the cost of educating Colorado students to achieve specified standards.
- This recommendation will result in yearly shifts in funding distribution based on new base amounts and student need weights every year.

The Task Force was charged with making findings and recommendations concerning making the school finance formula simpler, less regressive, and more adequate, understandable, transparent, equitable and student centered. The challenge with this charge is that the set of recommendations created by the Task Force are within the current context of today’s environment. As noted above, since the current funding formula has been created, the internet, national requirements for accountability through statewide testing, the expansion of charter schools in Colorado, the September 11th attacks, school shootings, the Great Recession, and the COVID-19 pandemic all have profoundly impacted students and the educational system as a whole.

It is because of this that no one should come away from this report and these recommendations thinking that this Task Force has “fixed everything” or made “the perfect formula”. Quite the opposite. The Task Force acknowledges and appreciates that the set of recommendations are grounded in and based on today’s context and current challenges. It is vitally important that the funding formula not become static and unchanging for another 30 years but instead should always evolve and adapt to the ever changing landscape.

At the December 20th meeting, the Task Force made a motion to adopt the above recommendation, which was approved by a vote of 16 in favor to 0 opposed.

***Recommend the legislature utilize categorical funding to address students with complex or higher special needs, sometimes referred to as Tier C.***

Vote Count	Related Meetings	Analyses
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16-0	<a href="#">Aug 29, 2023</a> <a href="#">Sept 29, 2023</a> <a href="#">Oct 17, 2023</a> <a href="#">Dec 5, 2023</a> <a href="#">Dec 12, 2023</a>	
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**Summary of Recommendation**

- Currently, grants are awarded to districts that educate students with disabilities who qualify as “high cost” students. In total, districts receive \$4 million.
- This recommendation aims to use categorical funding to increase funding for Tier C students.
- This recommendation drives additional resources to districts educating students with complex or higher special needs.

The Task Force was charged to make findings and recommendations regarding the prioritization of student needs in the formula, including measures, to the extent possible, that align the At-Risk factor, English Learner factor, and special education categorical funding based upon available evidenced-based research on student-centered funding that has a direct impact on student outcomes.

The Task Force commenced this work at the September 29th Task Force meeting by reviewing different types of student needs, the role of categorical funding for special education students, how Amendment 23 impacts possible changes in state funding allocations, and Task Force member priorities. This work continued at the October 17th meeting, by reviewing how student need is currently addressed in the current school finance formula, other state funding models, and best practices and research on the costs of educating students with additional learning needs.

At the October 17th Task Force meeting the Task Force and facilitation team reviewed the aggregate and distributional impact of 3 different proposals to keep special education categorical funding unchanged and implement a new weight for special education students formula, with weights ranging from 0.75 for Tier A students to 0.5 for Tier A and 0.85 for Tier B, to a weight of 2.32 for all special education students. Task force members expressed support for providing districts educating special education students, including “high-cost” students, additional resources through the formula, given the additional supports and resources needed.

At the December 12th Task Force meeting, Task Force members discussed the treatment of Tier C state funding for “high-cost” special education students following the adoption of new weights in the funding formula for Tier A and Tier B students. Tier C “high-cost” funding is awarded to Administrative Units through an application process for the reimbursement of high-cost out-of-district or in-district placements. Through this reimbursement system, 42 percent of in-district applications (77 of 184) and 51 percent of out-of-district applications (36 of 71) were funded at some level in 2020-21 school year, with \$4 million in total allocated to fund approximately \$12 million in reimbursement requests across in-district and out-of-district placements, according to the 2021-22 Annual Report by the Special Education Fiscal Advisory Committee. Following this discussion, a motion was made to recommend the

legislature utilize categorical funding to address students with complex or high special needs, sometimes referred to as Tier C, which was adopted by a vote of 16 in favor to 0 opposed.

***Recommend the legislature utilize categorical funding to address Gifted and Talented Students with a weight of at least .25 to Gifted and Talented Students.***

Vote Count	Related Meetings	Analyses
10-6	<a href="#">Aug 29, 2023</a> <a href="#">Sept 29, 2023</a> <a href="#">Oct 17, 2023</a> <a href="#">Dec 5, 2023</a> <a href="#">Dec 12, 2023</a>	

**Summary of Recommendation**

- Currently, state categorical funds are used to provide resources and support for the instruction and growth of gifted students.
- This recommendation provides additional funding for districts educating Gifted and Talented students by establishing the weight for Gifted and Talented students at 0.25 outside the funding formula within categorical funding.

The Task Force was charged to make findings and recommendations regarding the prioritization of student needs in the formula, including measures, to the extent possible, that align the At-Risk factor, English Learner factor, and special education categorical funding based upon available evidenced-based research on student-centered funding that has a direct impact on student outcomes.

The Task Force commenced this work at the September 29th Task Force meeting by reviewing different types of student needs, and Task Force member priorities. This work continued at the October 17th meeting, by reviewing how student need is currently addressed in the current school finance formula, other state funding models, and best practices and research on the costs of educating students with additional learning needs. Task force members did not reach consensus on the importance of funding Gifted and Talented Students through the funding formula, through the completion and synthesis of the Task Force member survey prior to the October 17th meeting, although several Task Force members expressed support for the weights (0.15 to 0.18) included in the “Superintendent’s Bill” (HB 18-1232) in the survey as well as the Task Force meeting.

At the December 12th Task Force meeting, Task Force members discussed how to address the needs of Gifted and Talented students through categorical or funding formula investments, in conjunction with addressing the needs of students with disabilities through funding formula changes. Following the discussion on special education weight changes, a motion was made to recommend the legislature utilize categorical funding to address Gifted and Talented Students with a weight of at least 0.25 to Gifted and

Talented Students. Task force members discussed how the 0.25 weight was derived from a previous adequacy study, and adopted the motion by a vote of 10 in favor to 6 opposed.

***Recommend the General Assembly continues to fully fund the existing Mill Levy Equalization Fund (as established in CRS 22-30.5-513.1.)***

Vote Count	Related Meetings	Analyses
<p>12-5 Minority Report signed by 4 out of 17 task force members Included after summary</p>	<p><a href="#">Oct 31st, 2023</a> <a href="#">Nov 14th, 2023</a> <a href="#">Dec 5, 2023</a></p>	<p>N/A</p>

**Summary of Recommendation**

- There currently exists a Mill Levy Equalization Fund for Institute charter schools, along with legislation (S.B. 23-287) passed to fully fund mill levy equalization for these schools.
- This recommendation aligns the charge of the Task Force to the currently existing fund and legislation, and would result in full mill levy equalization for such schools.

The Task Force was charged with securing mill levy override equalization for Institute charter schools based upon the school district where the Institute charter school is geographically located, including additional considerations for students who do not reside in the school district in which the Institute charter school is geographically located, multi-district online programs, and total program funding. To help establish a shared understanding around charter schools and Institute charter schools, Bill Kottenstette, who serves as the Executive Director of the School Choice Unit at CDE, was invited to provide an overview of the Charter School Institute on Oct 31st, 2023.

Much of the discussion during the Oct 31st, 2023 and Nov 14th, 2023 meetings centered around how mill-levy equalization is important and vital for all students across the state, not just Institute charter schools. Given that S.B 23-287 stipulated that “BEGINNING IN THE 2024-25 BUDGET YEAR AND EACH BUDGET YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE GENERAL FUND THE AMOUNT NECESSARY EACH BUDGET YEAR TO FUND FULL MILL LEVY EQUALIZATION FOR ALL INSTITUTE CHARTER SCHOOLS FOR THE APPLICABLE BUDGET YEAR.” (S.B. 23-287, C.R.S. 22-30.5-513.1) the Task Force generally agreed that creating an additional solution above the one developed by the Legislature was not necessary.

The Task Force concluded this discussion on December 5 with a motion to adopt this recommendation, approved by the Task Force by a vote of 12 in favor, and 5 opposed.

### **Minority Report -**

**Note: This minority report was authored by Kathy Gebhardt, Sarah Seigel, Marty Gutierrez, and Leslie Nichols(4 out of 17 task force members) and does not reflect the views of all members of the task force.**

### **Summary:**

The mill levy overrides should be equalized and expanded to be available to all districts and all students with sufficient, ongoing funding.

The Task Force adopted two resolutions related to mill levy overrides:

1. “The General Assembly continues to fund the mill levy equalization fund as established in C.R.S. 22-30.5-513.1” (passed by less than 75% of the members)
2. “The legislature continues to address mill levy equalization for all students in Colorado.” (passed by 15 members and 2 abstentions)

**This minority report focuses on why the first resolution does not do enough to address the systemic inequities across the state regarding mill levy overrides and that it is important for the legislature to not assume this 1 recommendation adequately addresses the overall issue.**

Task Force members identified that district mill levy overrides throughout the state have created inequities from district to district which is an unfair aspect of the current funding system. There are 64 districts that currently do not have mill levy overrides, for a variety of reasons, the majority of which are beyond their control.

Much of the discussion related to the vote on the resolution on mill levy overrides for institute charter schools centered on the concept that the need to equalize mill levy overrides for CSI schools was a symptom of a larger systemic issue with mill levy overrides. Given that the task force was charged with making recommendations “concerning the components and costs necessary to adequately provide Colorado students with a free and uniform public education” and that the majority of task force members aligned with the commitment to creating equitable funding for ALL students, a few members of the task force voted no on the first resolution regarding mill levy equalization for CSI schools. There was a subsequent resolution offered that focused on the larger systemic issue that was accepted by the majority of the task force.

There was some concern that the second resolution was outside the scope of the charge. However, this resolution is consistent with other resolutions from the task force when there was strong support from the majority of the task force for requesting the legislature continue work on an important issue.

***Recommend that the legislature continues to address Mill Levy Override Equalization for all students in Colorado.***

Vote Count	Related Meetings	Analyses
15-0	<a href="#">Oct 31, 2023</a> <a href="#">Nov 14, 2023</a> <a href="#">Dec 5, 2023</a>	

**Summary of Recommendation**

- In the course of reviewing the Mill Levy Equalization Fund for Institute charter schools, the Task Force also discussed securing mill levy override equalization for all students.
- This recommendation addresses mill levy override equalization for all students, rather than just for Institute charter schools.

The Task Force was charged with making findings and recommendations regarding the securing of mill levy override equalization for Institute charter schools based upon the school district whether the Institute charter school is geographically located, including additional considerations for students who do not reside in the school district in which the Institute charter school is geographically located, multi-district online programs, and total program funding.

Task Force members sought clarity from the Department on the intent of the language of the legislation at the October 31st Task Force meeting, and whether the charge was specifically directed towards Institute charter schools or, separately, multi-district online programs, and total program funding for all districts. The Department clarified that the language of this Task Force charge specifically targeted the Institute charter schools, and the Task Force discussed the expansion of this Task Force charge at the October 31st Task Force meeting to consider mill levy override equalization not just for students attending Institute charter schools but for all students in the state. Task force members identified mill levy overrides as an inequitable and unfair aspect of the current school funding system for all students.

The Task Force continued the discussion of mill levy override equalization for all students at the December 5th Task Force meeting, as part of the discussion on the original Task Force charge regarding mill levy override equalization for Institute charter schools. Task force members expressed support for all students receiving mill levy override equalization to remedy inequities, but expressed hesitancy given that this focus area was not part of the enabling legislation of the Task Force.

At the December 5th meeting, the Task Force made a motion to adopt the above recommendation, which was approved by a vote of 15 in favor to 0 opposed.

***The Task Force made these recommendations with the understanding of their combined effects on schools and the legislature should avoid taking recommendations in isolation.***

Vote Count	Related Meetings	Analyses
16-0	<a href="#">Dec 12th, 2023</a>	N/A

**Summary of Recommendation**

- The Task Force has recommended significant changes to the school funding formula and funding system, each of which impact the amount and nature of funding allocated to districts.
- Taking single recommendations in isolation could distort the intent of the Task Force in making holistic changes to how schools are funded.

The Task Force was charged with making findings and recommendations concerning making the school finance formula simpler, less regressive, and more adequate, understandable, transparent, equitable and student centered. One of the challenges with this charge is that districts within Colorado have immense variation in size, shape, location, need, etc... and it is near impossible to have one funding formula that works for every district. The Task Force worked diligently to try and ensure all districts and their unique needs were addressed. Through the ideation of modeling and subsequent recommendations, many decisions were made with the “whole picture” in mind. Because of this, it is important to understand that one particular recommendation within this report was influenced and recommended based on other recommendations. The complex interrelationships between funding components and mechanisms cannot be ignored and should not be ignored. Because of that, it is important for readers to look at the recommendations as a system and not one off concepts.

At the December 20th meeting, the Task Force made a motion to adopt the above recommendation, which was approved by a vote of 16 in favor to 0 opposed.

***Recommend phasing in changes to the new formula for no longer than a 4 year time period utilizing hold harmless.***

Vote Count	Related Meetings	Analyses
15-0	<a href="#">Dec 12, 2023</a> <a href="#">Dec 20, 2023</a>	<ul style="list-style-type: none"> <li>• <a href="#">Revised Scenario Overview (for 12/20 meeting)</a></li> </ul>

**Summary of Recommendation**

- The significant changes recommended by the Task Force are projected to result in additional costs to the state, as well as decreases in funding for some districts.

- This recommendation implements the recommended changes over a certain amount of time, to spread the additional cost to the state over multiple years, and ensures that districts are held harmless from negative funding impacts produced by the recommended formula changes.
- This recommendation will result in increased funding to most districts, and that no district will receive less funding.

Throughout the process of developing recommendations and reviewing proposal impacts, Task Force members expressed concern about the additional cost to the state as well as the impact of formula changes on district budgets. The Task Force reviewed key considerations for phasing-in a new formula and holding districts harmless at the December 12th Task Force meeting.

The Task Force continued this work at the December 20th Task Force meeting, when Task Force members reviewed how a sample formula phase-in of four years for the final two scenarios could decrease the initial investment necessary from the state, and the relatively small cost (approximately \$20 million statewide) to hold districts harmless in the final 3 scenarios developed by the facilitation team. Task force members discussed the pros and cons of phase-in timelines along with the benefits and drawbacks holding districts harmless to the impact of changes made to the funding formula.

Following this discussion on December 20th, a motion was made to recommend phasing in changes to the new formula for no longer than a 4 year time period, utilizing hold harmless, which passed by a vote of 15 in favor, 0 against.

***The Task Force recommends in order to commission the two adequacy studies that meet the intent of the legislature in commissioning such studies, that the legislature make a supplemental appropriation that addresses the responses from the RFI published in November 2023.***

Vote Count	Related Meetings	Relevant Modeling or Data
14-2	<a href="#">Sept 12, 2023</a> <a href="#">Sept 29, 2023</a> <a href="#">Dec 5th, 2023</a>	Results of the RFI

**Summary of Recommendation**

- The Task Force drafted parameters for two adequacy studies to fulfill a responsibility of the Task Force.
- When soliciting information from vendors as part of the RFP process, vendors expressed concern for conducting the adequacy studies within the funding provided by the School Finance Act (S.B. 23-287).
- This recommendation would provide additional funding to conduct the specified adequacy studies to the level determined by the Task Force in drafting the parameters of the studies.

The Task Force was charged with making findings and recommendations regarding setting parameters to examine and make recommendations concerning the components and costs necessary to provide Colorado students with a thorough and uniform public education. The Department of Education is required by the enabling legislation to contract with two independent entities that represent different perspectives regarding school finance to complete the two adequacy studies. The School Finance Act (S.B. 23-287) appropriation for the Task Force estimated a cost of \$100,000 per adequacy study contract in FY 2023-24.

Once the Task Force adopted adequacy study parameters, the Department completed a Request for Information (RFI) process for interested vendors that closed on December 1, 2023. Department staff informed the Task Force at the December 5th Task Force meeting that the Department received responses from four vendors, estimated budgets to complete one adequacy study ranged from \$100,000 for a “bare-bones” approach to up to \$1.5 million, and only one vendor shared that anything could be accomplished with a budget of \$100,000 per the School Finance Act contract estimate for each study. Over the course of the Task Force meetings, Task Force members expressed concern that the amounts appropriated by the legislature to complete the two adequacy studies were not sufficient to fully complete such studies.

Following the aggregate overview of the response to the RFI at the December 5th, 2023 Task Force meeting, the Task Force discussed adopting a recommendation concerning the amounts appropriated to complete the adequacy studies. At this meeting, Task Force members discussed the specifics of this recommendation. Specifics discussed include whether the Task Force should recommend a funding increase versus making a general statement on the funding allocated for this purpose, whether to recommend a general funding increase versus a specific funding amount, whether the Task Force should recommend a general increase versus making a supplemental appropriation, and whether or not the recommendation should include a cap on the amount of the appropriation.

The Task Force concluded this discussion on December 5 with a motion to adopt this recommendation, approved by the Task Force by a vote of 14 in favor, and 2 opposed. In response, the Colorado Department of Education submitted a FY2023-24 supplemental budget request to the General Assembly for \$1,400,000.

## Conclusion

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The 2023 Public School Finance Task Force fulfilled its legislative mandate to examine and make recommendations to improve Colorado's school finance formula. Through a comprehensive 4 month process guided by Senate Bill 23-287, and with the support of the facilitator team, the Colorado Department of Education, the Colorado Joint Budget Committee Staff, and the Colorado Legislative Council Staff, the Task Force provided recommendations for all of the six key areas noted on their mandate: addressing multiplicative indexes, the cost of living factor, student need factors, size factors,



Institute Charter School mill levy overrides, and guiding the adequacy study. The core findings and recommendations from the Task Force also reflect their additional charge of improving the formula by making it more simple, equitable, transparent, and student-centered.

There were 17 voting members on the Task Force. The group was diverse in ways including race, gender, geography, age, profession within the education field, and likely others. This broad group of individuals notably was able to make recommendations in all areas they were charged, and in many of those areas there was widespread agreement. There were 12 recommendations from the Task Force directly responding to the charge from the legislature (as noted in the Executive Summary). 12 recommendations had at least 75% majority approval. 7 of the 12 recommendations had 80% approval.

This large level of agreement from the group is not without consequence. Key recommendations from the Task Force would make critical changes to the funding formula that will have an impact on how funds are distributed to school districts. If all of the recommendations were adopted by the Colorado Legislature, an additional \$474 million of additional funding would be allocated to support students in the state. While the funding would not be evenly distributed amongst districts, the funding would follow the values demonstrated in the factors emphasized by the Task Force including: size and remoteness factors for rural students, At Risk, English language learners, and special education.

The impact of these recommendations are meaningful for Colorado students and the state as a whole. The benefits of large scale investments in public education have been studied and the conclusions are clear. Investing in public K-12 education results in better graduation rates for students, greater student achievement, higher college acceptance rates, increased wages for graduates, a more highly skilled workforce, lower levels of adult poverty, and a stronger state economy overall.

In moving forward, the Task Force emphasized in its additional recommendations the need for ongoing legislative commitment to address the evolving needs of Colorado students. The proposed changes from this Task Force would result in a meaningful update of the existing school finance funding formula. Colorado last substantially changed its state funding for public schools in 1994. The improvements recommended by this Task Force may stand the test of time but that does not remove the responsibility of future Colorado elected officials and future Task Forces to continually review these conclusions and ensure that the future challenges and the needs of future students are being met. The question of whether funding is adequate and whether it is shared fairly across the state to meet the goals of the public education system in Colorado is a question that must be reasked and reanswered as each generation makes its way through our public schools.

# Appendix

## *S.B. 23-287 Public School Finance Task Force Participants*

<b>Task Force Members</b>	<b>Additional Participants Supporting the Task Force</b>
Alex Magaña, Executive Director, Beacon Network Schools School Admin (Principal)	Nick Stellitano, Managing Director, Dillinger Research & Applied Data
Brenda Dickhoner, President and CEO, Ready Colorado Expertise in School Finance	Patrick Gibson, Deputy Executive Director, School + State Finance Project (Connecticut)
Carrie Zimmerman, Superintendent, Center Consolidated School District Superintendent (High At-Risk Population)	Ashley Robles, Senior Data Analyst, School + State Finance Project (Connecticut)
Craig Harper, Chief Legislative Budget & Policy Analyst, Joint Budget Committee Director of JBC Staff or Director's Designee (NON-VOTING)	Amy Carman, Executive Director of School Finance & Grants, Colorado Department of Education
Chuck Carpenter, Chief Financial Officer, Denver Public Schools District CFO (High ELL Population)	Shelbie Konkel, Senior Legislative Advisor, Colorado Department of Education
Dan Snowberger, Superintendent, Elizabeth School District Superintendent (Low Property Value)	Melissa Bloom, Principal Policy Advisor, Colorado Department of Education
Deborah Hendrix, Executive Director, Parents Challenge Representing Children and Families	Rich Hull, School Finance Analyst, Colorado Department of Education
Jennifer Okes, Chief School Operations Officer, Colorado Department of Education Commissioner's Designee from CDE with Expertise in School Finance (NON-VOTING)	Tim Kahle, School Finance Program Director, Colorado Department of Education
Kathy Gebhardt, Board President, Boulder Valley School District Board of Education Expertise in School Finance	Gene Fornecker, School Finance Senior Analyst, Colorado Department of Education

Task Force Members	Additional Participants Supporting the Task Force
Kermit Snyder, Superintendent, Rocky Ford School District District CFO (Small Rural)	Corey Kispert, Network Admin, Colorado Department of Education
Leslie Nichols, Superintendent, Gunnison Watershed School District Superintendent (Rural)	Annette Severson, Manager of Data Services, Colorado Department of Education
Lisa Weil, Executive Director, Great Education Colorado Expertise in School Finance	
Marc Carey, Economist, Legislative Council Director of Leg Council Staff or Director's Designee (NON-VOTING)	
Marty Gutierrez, Math Teacher, Adams 12 Five Star Schools Teacher	
Nick Plantan, Chief Operating Officer at DSST Public Schools Charter School Leader (High ELL Population)	
Riley Kitts, Policy Director Education Reform Now Expertise in School Finance	
Sarah Siegel, Researcher Director, Colorado Education Association Statewide Educators Organization	
Sarah Swanson, Director of Policy, Colorado Succeeds Expertise in Business and K-12 Education	
Steven Bartholomew, Executive Director, New Legacy Charter School Charter School Leader (High At-Risk Population)	
Terry Croy Lewis, Executive Director, Charter School Institute Charter School Institute Representative	

**Final Recommendations Adopted by the Task Force**

The table below details the specific recommendations adopted by the Task Force, and whether each recommendation was included in the modeling of formula impact to the state and district total program funding. Not all recommendations were included in the estimation of formula impact due to the relationship of each recommendation to the School Finance Act, and the level of specificity contained within each recommendation.

Task Force Charge	Approved Recommendations specifically related to the Funding Formula	Is it included in modeling?
Additional Recommendations	Recommend that the legislature increase the base funding levels for student education in Colorado.	Not included in modeling.
Prioritizing Student Need	Recommend to increase At-Risk weight to at least 0.31 and remove cap (0.3) on total possible At-Risk weight.	Included in modeling.
	Recommend to increase ELL weight to at least .5 on total possible ELL weight. Starting in FY25 there will be no eligibility cap for students.	Included in modeling.
	Recommend to include additional Tier A and B student weights in the formula. Tier A student weight would be at least 0.5. Tier B students would be at least 0.85.	Included in modeling.
Eliminating Multiplicative Indexes	Recommend that personnel and non personnel factor be removed from the funding formula and move cost of living, size factor and any additional district weight factors from the preliminary per pupil calculation, to the end of the formula in a “District Adjustment”.	Included in modeling.
Revised Cost of Living Factor	Recommend rebasing the cost of living factor utilizing 2021 as a base. Rebasing the cost of living factor should occur at minimum every 2 years while accounting for the historical average of districts.	Included in modeling.
	Recommend the legislature explore establishing additional or alternative factors, including a potential Colorado based “cost of doing business” factor, that account for the additional costs of districts to hire and retain staff and the increased costs of basic business needs. Additional or alternative factors should be revisited and updated periodically as a result of adequacy studies.	Not included in modeling.
	Recommend establishing a minimum cap of 0.1 to the cost of living factor.	Included in modeling.

Task Force Charge	Approved Recommendations specifically related to the Funding Formula	Is it included in modeling?
Revising the Size Factor	Recommend utilizing the current size factor calculation, but remove the size factor benefit for districts educating 1,027 students or more and incorporating a remoteness weight having districts receive weights based on their NCES classification: Rural: Remote = 0.25, Rural: Distant = 0.2, Rural: Fringe = 0.15, Town: Remote = 0.1, Town: Distant = 0.05, Town: Fringe = 0.025	Included in modeling.
Additional Recommendations	Recommend the legislature should annually revisit and update the base and need weights. Updates should reflect the results of the adequacy studies when they have been published.	Not included in modeling.

Task Force Charge	Approved Recommendations <u>BEYOND</u> the Funding Formula	Is it included in modeling?
Prioritizing Student Need	Recommend the legislature utilize categorical funding to address students with complex or higher special needs, sometimes referred to as Tier C	Not included in modeling.
	Recommend the legislature utilize categorical funding to address Gifted and Talented Students with a weight of at least .25 to Gifted and Talented Students	Not included in modeling.
Securing Equalization in Mill Levy	Recommend the General Assembly continues to fully fund the existing Mill Levy Equalization Fund (as established in CRS 22-30.5-513.1.)	Not included in modeling.
	Recommend that the legislature continues to address Mill Levy Override Equalization for all students in Colorado.	Not included in modeling.
Additional Recommendations	The Task Force made these recommendations with the understanding of their combined effects on schools and the legislature should avoid taking recommendations in isolation.	Not included in modeling.
	Recommend phasing in changes to the new formula for no longer than a 4 year time period utilizing hold harmless.	Not included in modeling.
	The Task Force recommends in order to commission the two adequacy studies that meet the intent of the legislature in commissioning such studies, that the legislature make a supplemental	Not included in modeling.

Task Force Charge	Approved Recommendations <u>BEYOND</u> the Funding Formula	Is it included in modeling?
	appropriation that addresses the responses from the RFI published in November 2023.	

**Estimated District Total Program Funding for FY 2025  
Under Recommended Changes and Current Law**

*Note: The figures presented are estimates based on assumptions detailed in this report and available data, and are not official government estimates by CDE or LCS. These figures are subject to change with new data and policy changes.*

*The recommended FY 2025 total program funding figures do not include the phase-in or the hold harmless provision. Implementing a hold harmless in FY 2025 under the recommended changes without a phase-in would require a \$64.1 million investment, to ensure no district would receive less total program funding in FY 2025 as a result of the specified formula changes, than they otherwise would have received absent these changes.*

District Code	District Name	Baseline FY 2025 Total Program Funding	Recommended FY 2025 Total Program Funding	Change without Hold Harmless
0010	MAPLETON 1	\$ 77,318,855	\$ 88,009,729	\$ 10,690,874
0020	ADAMS 12 FIVE STAR SCHOOLS	440,101,699	456,816,073	16,714,374
0030	ADAMS COUNTY 14	71,469,296	82,537,581	11,068,285
0040	SCHOOL DISTRICT 27J	261,255,548	272,526,945	11,271,397
0050	BENNETT 29J	16,524,383	18,837,139	2,312,756
0060	STRASBURG 31J	13,549,024	15,576,423	2,027,399
0070	WESTMINSTER 50	99,536,936	110,466,440	10,929,504
0100	ALAMOSA RE-11J	23,489,040	27,498,165	4,009,125
0110	SANGRE DE CRISTO RE-22J	4,128,082	4,819,447	691,365
0120	ENGLEWOOD 1	25,841,287	26,746,103	904,816
0123	SHERIDAN 2	13,868,190	15,463,960	1,595,769
0130	CHERRY CREEK 5	571,640,607	572,512,987	872,380
0140	LITTLETON 6	142,516,369	139,850,861	(2,665,508)
0170	DEER TRAIL 26J	4,915,237	5,709,331	794,094
0180	ADAMS-ARAPAHOE 28J	458,433,123	519,816,688	61,383,565
0190	BYERS 32J	57,646,101	64,349,553	6,703,451

District Code	District Name	Baseline FY 2025 Total Program Funding	Recommended FY 2025 Total Program Funding	Change without Hold Harmless
0220	ARCHULETA COUNTY 50 JT	18,756,732	20,967,896	2,211,164
0230	WALSH RE-1	3,045,043	3,412,203	367,160
0240	PRITCHETT RE-3	1,210,104	1,296,171	86,067
0250	SPRINGFIELD RE-4	4,039,984	4,715,282	675,298
0260	VILAS RE-5	2,609,718	2,834,680	224,962
0270	CAMPO RE-6	1,104,309	1,192,115	87,806
0290	LAS ANIMAS RE-1	8,910,946	10,129,743	1,218,796
0310	MC CLAVE RE-2	3,606,345	4,235,130	628,784
0470	ST VRAIN VALLEY RE 1J	348,635,243	355,360,584	6,725,341
0480	BOULDER VALLEY RE 2	303,399,339	296,047,839	(7,351,500)
0490	BUENA VISTA R-31	10,818,881	12,255,509	1,436,628
0500	SALIDA R-32	15,049,230	15,893,093	843,863
0510	KIT CARSON R-1	1,990,161	2,206,385	216,223
0520	CHEYENNE COUNTY RE-5	3,372,579	3,673,101	300,522
0540	CLEAR CREEK RE-1	8,046,104	9,152,955	1,106,851
0550	NORTH CONEJOS RE-1J	11,287,026	14,206,185	2,919,158
0560	SANFORD 6J	4,952,424	5,817,988	865,564
0580	SOUTH CONEJOS RE-10	3,061,528	3,384,555	323,027
0640	CENTENNIAL R-1	3,394,287	3,852,777	458,490
0740	SIERRA GRANDE R-30	4,313,255	5,122,351	809,096
0770	CROWLEY COUNTY RE-1-J	5,037,802	6,060,617	1,022,815
0860	CUSTER COUNTY SCHOOL DISTRICT C-1	4,762,864	5,618,846	855,982
0870	DELTA COUNTY 50(J)	48,015,503	53,236,201	5,220,698
0880	DENVER COUNTY 1	978,067,083	1,069,043,586	90,976,503
0890	DOLORES COUNTY RE NO.2	4,188,054	4,737,980	549,926
0900	DOUGLAS COUNTY RE 1	684,484,429	658,372,464	(26,111,964)
0910	EAGLE COUNTY RE 50	78,808,229	85,399,541	6,591,312
0920	ELIZABETH SCHOOL DISTRICT	26,785,288	29,518,539	2,733,252
0930	KIOWA C-2	4,679,322	5,129,539	450,218
0940	BIG SANDY 100J	5,119,249	5,870,310	751,062
0950	ELBERT 200	4,178,268	4,458,144	279,875

District Code	District Name	Baseline FY 2025 Total Program Funding	Recommended FY 2025 Total Program Funding	Change without Hold Harmless
0960	AGATE 300	1,592,327	1,737,485	145,158
0970	CALHAN RJ-1	5,840,232	6,633,143	792,911
0980	HARRISON 2	139,396,752	148,325,743	8,928,991
0990	WIDEFIELD 3	100,149,470	103,252,223	3,102,753
1000	FOUNTAIN 8	83,854,460	90,496,380	6,641,919
1010	COLORADO SPRINGS 11	282,964,299	294,418,233	11,453,935
1020	CHEYENNE MOUNTAIN 12	38,662,189	37,004,055	(1,658,133)
1030	MANITOU SPRINGS 14	14,635,432	13,342,653	(1,292,779)
1040	ACADEMY 20	275,311,953	263,558,373	(11,753,580)
1050	ELLCOTT 22	11,537,408	14,017,488	2,480,080
1060	PEYTON 23 JT	7,820,367	8,821,655	1,001,288
1070	HANOVER 28	4,461,757	5,132,199	670,442
1080	LEWIS-PALMER 38	68,322,317	65,083,997	(3,238,320)
1110	FALCON 49	320,746,354	332,674,129	11,927,776
1120	EDISON 54 JT	2,313,798	2,436,063	122,265
1130	MIAMI/YODER 60 JT	4,866,332	5,788,909	922,578
1140	CANON CITY RE-1	35,388,781	40,035,030	4,646,248
1150	FREMONT RE-2	14,537,705	16,866,094	2,328,389
1160	COTOPAXI RE-3	3,350,002	3,741,426	391,424
1180	ROARING FORK RE-1	70,371,194	75,560,844	5,189,650
1195	GARFIELD RE-2	49,657,065	57,929,275	8,272,209
1220	GARFIELD 16	13,639,044	14,292,345	653,301
1330	GILPIN COUNTY RE-1	5,512,909	5,988,602	475,692
1340	WEST GRAND 1-JT	5,641,082	6,505,720	864,638
1350	EAST GRAND 2	13,983,966	16,033,002	2,049,036
1360	GUNNISON WATERSHED RE1J	22,077,381	25,515,464	3,438,083
1380	HINSDALE COUNTY RE 1	1,824,819	1,868,439	43,621
1390	HUERFANO RE-1	5,804,956	7,534,048	1,729,092
1400	LA VETA RE-2	3,690,405	4,428,622	738,217
1410	NORTH PARK R-1	3,224,715	3,491,330	266,616
1420	JEFFERSON COUNTY R-1	823,449,949	823,976,858	526,909
1430	EADS RE-1	3,330,681	3,797,791	467,110



District Code	District Name	Baseline FY 2025 Total Program Funding	Recommended FY 2025 Total Program Funding	Change without Hold Harmless
1440	PLAINVIEW RE-2	3,532,534	4,065,706	533,172
1450	ARRIBA-FLAGLER C-20	2,901,694	3,382,537	480,844
1460	HI-PLAINS R-23	2,442,785	2,812,416	369,631
1480	STRATTON R-4	3,518,523	4,184,758	666,234
1490	BETHUNE R-5	2,315,914	2,588,166	272,253
1500	BURLINGTON RE-6J	8,293,472	10,469,623	2,176,151
1510	LAKE COUNTY R-1	10,983,027	13,395,551	2,412,524
1520	DURANGO 9-R	65,112,099	67,320,505	2,208,407
1530	BAYFIELD 10 JT-R	15,351,215	15,540,519	189,304
1540	IGNACIO 11 JT	9,574,381	11,182,053	1,607,672
1550	POUDRE R-1	351,138,084	349,943,921	(1,194,162)
1560	THOMPSON R2-J	158,463,201	163,646,118	5,182,916
1570	ESTES PARK R-3	11,880,253	12,746,679	866,426
1580	TRINIDAD 1	10,193,737	11,670,860	1,477,123
1590	PRIMERO REORGANIZED 2	3,992,334	4,624,868	632,534
1600	HOEHNE REORGANIZED 3	4,494,894	5,110,892	615,998
1620	AGUILAR REORGANIZED 6	2,253,828	2,569,647	315,819
1750	BRANSON REORGANIZED 82	4,809,400	5,367,322	557,922
1760	KIM REORGANIZED 88	1,045,286	1,178,582	133,296
1780	GENOA-HUGO C113	3,514,175	3,981,407	467,232
1790	LIMON RE-4J	5,769,640	7,346,170	1,576,530
1810	KARVAL RE-23	1,141,901	1,256,505	114,603
1828	VALLEY RE-1	20,950,508	23,415,004	2,464,497
1850	FRENCHMAN RE-3	3,521,513	3,962,295	440,782
1860	BUFFALO RE-4J	4,585,210	5,189,078	603,868
1870	PLATEAU RE-5	3,225,893	3,561,726	335,833
1980	DE BEQUE 49JT	2,967,466	3,265,397	297,930
1990	PLATEAU VALLEY 50	4,429,208	5,049,946	620,738
2000	MESA COUNTY VALLEY 51	227,512,072	239,652,968	12,140,896
2010	CREEDE SCHOOL DISTRICT	2,016,961	2,127,572	110,611
2020	MOFFAT COUNTY RE:NO 1	20,926,875	24,414,087	3,487,212
2035	MONTEZUMA-CORTEZ RE-1	27,196,530	32,161,975	4,965,445

District Code	District Name	Baseline FY 2025 Total Program Funding	Recommended FY 2025 Total Program Funding	Change without Hold Harmless
2055	DOLORES RE-4A	7,712,305	9,262,426	1,550,121
2070	MANCOS RE-6	5,915,288	7,455,462	1,540,174
2180	MONTROSE COUNTY RE-1J	64,409,731	73,802,989	9,393,258
2190	WEST END RE-2	4,473,688	4,926,615	452,927
2395	BRUSH RE-2(J)	15,773,340	17,281,941	1,508,600
2405	FORT MORGAN RE-3	36,989,319	43,461,312	6,471,994
2505	WELDON VALLEY RE-20(J)	3,811,832	4,119,857	308,025
2515	WIGGINS RE-50(J)	10,255,154	12,848,921	2,593,766
2520	EAST OTERO R-1	16,046,665	17,145,095	1,098,429
2530	ROCKY FORD R-2	8,325,371	9,379,738	1,054,367
2535	MANZANOLA 3J	3,411,007	3,680,602	269,595
2540	FOWLER R-4J	4,952,441	5,883,632	931,191
2560	CHERAW 31	3,783,496	4,077,964	294,468
2570	SWINK 33	4,616,717	4,735,992	119,275
2580	OURAY R-1	3,540,381	3,499,777	(40,604)
2590	RIDGWAY R-2	4,953,270	5,244,587	291,317
2600	PLATTE CANYON 1	8,996,130	10,117,702	1,121,572
2610	PARK COUNTY RE-2	6,936,498	8,220,426	1,283,928
2620	HOLYOKE RE-1J	6,946,762	9,045,554	2,098,792
2630	HAXTUN RE-2J	4,234,989	5,147,580	912,591
2640	ASPEN 1	22,704,158	17,278,789	(5,425,369)
2650	GRANADA RE-1	3,624,912	4,199,948	575,036
2660	LAMAR RE-2	16,579,517	18,225,154	1,645,638
2670	HOLLY RE-3	3,926,919	4,934,013	1,007,094
2680	WILEY RE-13 JT	3,859,832	4,384,807	524,975
2690	PUEBLO CITY 60	164,021,000	181,116,444	17,095,444
2700	PUEBLO COUNTY 70	109,146,756	117,822,856	8,676,100
2710	MEEKER RE1	7,807,334	9,733,442	1,926,108
2720	RANGELY RE-4	5,532,819	6,989,697	1,456,877
2730	DEL NORTE C-7	5,246,841	6,297,221	1,050,381
2740	MONTE VISTA C-8	11,603,373	13,779,397	2,176,024
2750	SARGENT RE-33J	4,628,421	5,243,678	615,258

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2760	HAYDEN RE-1	5,840,088	6,548,362	708,274
2770	STEAMBOAT SPRINGS RE-2	30,201,797	31,014,076	812,279
2780	SOUTH ROUTT RE 3	4,894,481	5,304,459	409,978
2790	MOUNTAIN VALLEY RE 1	3,204,198	3,630,095	425,897
2800	MOFFAT 2	3,793,192	4,202,348	409,156
2810	CENTER 26 JT	7,599,408	10,406,724	2,807,317
2820	SILVERTON 1	1,848,531	1,943,216	94,685
2830	TELLURIDE R-1	13,026,037	12,292,086	(733,952)
2840	NORWOOD R-2J	3,529,065	3,632,548	103,483
2862	JULESBURG RE-1	6,366,361	7,390,661	1,024,300
2865	REVERE SCHOOL DISTRICT	2,536,764	2,781,403	244,640
3000	SUMMIT RE-1	41,542,705	46,021,619	4,478,915
3010	CRIPPLE CREEK-VICTOR RE-1	4,631,706	5,358,634	726,927
3020	WOODLAND PARK RE-2	21,727,729	21,683,214	(44,515)
3030	AKRON R-1	5,660,540	7,019,435	1,358,895
3040	ARICKAREE R-2	1,855,916	2,018,812	162,896
3050	OTIS R-3	3,651,788	4,115,617	463,829
3060	LONE STAR 101	2,608,578	2,823,595	215,016
3070	WOODLIN R-104	1,678,376	1,831,264	152,887
3080	WELD COUNTY RE-1	19,865,115	24,062,506	4,197,391
3085	EATON RE-2	22,102,836	22,585,231	482,395
3090	WELD COUNTY SCHOOL DISTRICT RE-3J	28,874,565	34,846,875	5,972,310
3100	WINDSOR RE-4	91,263,260	88,675,842	(2,587,418)
3110	JOHNSTOWN-MILLIKEN RE-5J	41,920,406	42,672,305	751,898
3120	GREELEY 6	252,156,036	281,185,644	29,029,608
3130	PLATTE VALLEY RE-7	12,787,641	13,948,861	1,161,220
3140	WELD COUNTY S/D RE-8	27,320,805	29,954,715	2,633,911
3145	AULT-HIGHLAND RE-9	11,489,340	14,216,945	2,727,604
3146	BRIGGSDALE RE-10	3,373,481	3,639,016	265,535
3147	PRAIRIE RE-11	3,356,795	3,669,077	312,282
3148	PAWNEE RE-12	1,333,951	1,405,035	71,084

District Code	District Name	Baseline FY 2025 Total Program Funding	Recommended FY 2025 Total Program Funding	Change without Hold Harmless
3200	YUMA 1	10,450,347	12,106,794	1,656,448
3210	WRAY RD-2	8,414,880	10,718,569	2,303,689
3220	IDALIA RJ-3	3,242,658	3,515,270	272,612
3230	LIBERTY J-4	1,588,634	1,591,166	2,532
-	<b>Total</b>	<b>\$ 9,616,482,097</b>	<b>\$ 10,090,367,841</b>	<b>\$ 473,885,744</b>