The 2020 legislative session convenes in early January, and CASE has been busy weighing in on discussions about possible legislation as well as participating in larger conversations about school funding. We expect that public education will continue to be a top area of focus for policymakers with a substantial number of K-12 bills being introduced in the coming months.

CASE’s advocacy efforts are member-driven, and I strongly encourage you to get involved. Whether you attend a CASE Legislative Committee meeting, contact us to share your input about legislation, or attend the upcoming Public Education Day at the Capitol, we want you to be engaged in our work and value your participation.

As always, I hope you will reach out to me with any questions or thoughts you have at lescarcega@case.org. Thank you for being a part of CASE!

- Lisa Escárcega, CASE Executive Director

School funding bill would overhaul K-12 finance

As we have shared with you, the Interim Committee on School Finance has worked for months on concepts to incorporate into legislation that would create a new school finance formula. This week, the committee, led by Representative Julie McCluskie (Committee Chair, Democrat) and Representative Paul Lundeen (Committee Vice Chair, Republican) released the bill draft.

There is a general consensus among most lawmakers that Colorado’s current School Finance Act (SFA) needs to be reworked and that at twenty-five years old, it does not meet the needs of today’s students. Most legislators acknowledge that the SFA does not adequately invest in students with special needs and English language learners, and that wealthy districts are at a greater advantage than less well-off communities.

But despite bipartisan agreement that the SFA should be rewritten, there is not a shared understanding about how much—if any—new revenue should be put into a new school funding system. Committee Vice Chair Lundeen is advocating for a conversation first about how K-12 dollars are allocated, with a decision to be made later about whether more revenue should be invested into public education. In contrast, Committee Chair McCluskie believes K-12 is underfunded and that any new SFA must have new money to better meet the needs of students. Because there is not consensus at this point among committee members, the bill draft does not include any dollar amounts yet.

Key concepts of the legislation include:

- New funding formula would go into effect beginning 2021-22
- Expanded definition of “at risk students” to include those eligible for reduced-price lunch, not just free lunch
- English language learner funding would not be reduced based on any application of the budget stabilization factor to K-12 funding
- Special education funding would be calculated based on severity of a student’s disability (Tier A, B, and C, with expanded definitions)
- Changes to district size funding by moving the size factor for any district with 5,000 or more students
- Districts who would stand to lose money under the new system would be held harmless for one year
- Near-elimination of cost of living factor, with the exception of new “remote” factor and high cost factor primarily for very expensive resort communities
- Removes the minimum funded pupil count of 50 students that is in current SFA
- Creates a new “direct student support factor”

Central to discussion about this legislation for CASE is concern about creating winners and losers among districts, as it relates to funding. Superintendents have clearly stated that they cannot support a bill that hurts some communities while helping others. Under this proposed draft bill, about half of districts would stand to lose funding after one year of being held harmless, even with an infusion of new funds as great as $350 million.

CASE does not take positions on bills prior to their official introduction but will continue to provide feedback to the committee about the draft legislation. Because no dollar amount is specified in the bill, it’s challenging to provide specific feedback because that changes based on the figures that are applied to the new school finance formula.

In our association platform, we have clear guiding principles about school funding that we use to help evaluate any proposed policy change and we will articulate those beliefs to lawmakers. Additionally, CASE will continue to stress to the committee that no district is flush with funding. Any changes to the SFA cannot increase money for one district at the expense of another, and any new law must have a hold harmless period of more than the one year currently proposed in the bill draft.

As CASE Legislative Committee co-chair and Hanover superintendent Grant Schmidt said to Chalkbeat last week, “Our concern is to make sure we don’t have any losers, so to speak. We don’t necessarily agree that some (school funding) factors are district-oriented and some are student-oriented, because all districts use the funds to educate students.”

CASE will continue to keep you posted as this bill draft evolves, and it will be a top priority area of focus at our January Legislative Committee meeting.

Learn more:
Fairer to whom? Colorado considers redividing the pie with a new school finance formula (Chalkbeat, December 13, 2019)

Putting numbers to a new school finance formula could prove challenging (Chalkbeat, December 16, 2019)

Proposed legislation to create uniform mill levy
Parallel to the Interim School Finance Committee’s work on school finance legislation are conversations about a bill to address the imbalance of school and state contributions to K-12 funding, and the variance in those contributions across districts. There will be a bill introduced during the next legislative session that would set mill levies at a uniform rate of 27 mills or the number of mills that would result in enough property tax revenue to fully fund a district’s total program—whichever is less. A school district required to increase their mills based on this legislation would need to get voter approval and would not be required to increase by more than one mill each year, and could opt to phase in the increase over multiple years. The draft legislation further states that the state share of total program funding must
increase each year by inflation and student enrollment and that additional monies coming in from mill levies would be used to buy down the budget stabilization factor.

Similar to the proposed school finance legislation, CASE has not taken an official position on this bill draft. Our lobbyist has been actively engaged in conversations with policymakers about the bill, as have school districts and partner organizations like the Colorado Rural Alliance and CASB. One of the issues we have articulated to Representative Deneya Esgar, who plans to sponsor the legislation, is that some school districts support the concept, while others are strongly opposed. There is not consensus among our members about the impact and whether it even makes sense; some districts believe that the root problem with school funding lies at the state level and it should not fall on districts to address it. The other concern CASE has shared is the impact on districts of running a local campaign to raise the local mill levy rate—not only are campaigns costly, but they also require strong buy-in from teachers and other key stakeholders to help ensure success.

Other policy-related items of note
- At the CDE hearing before the Joint Budget Committee earlier this month, perhaps the most important takeaway was conversation about the capacity and funding for facility schools. Facility schools include day treatment centers, residential childcare facilities, out of home placement facilities, and hospitals that provide educational services.

  Despite increasing demand, the number of facility schools has decreased in recent years and some facilities have closed. Because of this, many students are waiting weeks or months for placement, and there is some urgency around discussing the issue and identifying next steps. CASE is working with the Consortium of Special Education Directors on this issue.

- This is the time of year where we hear about potential legislation for the next session. We expect to see bills addressing school safety, the accountability system, mandated Holocaust education in schools, ban on the use of Styrofoam in restaurants and cafeterias, educator effectiveness and evaluation, and more. It’s shaping up to be a very busy legislative session.

Save the Date: Public Education Day at the Capitol
We hope you will plan to join us on March 11, 2010 for Public Education Day at the Capitol, where we will highlight and raise awareness among legislators about the incredible work occurring in Colorado school districts and classrooms. CASE, the Colorado Rural Alliance, and a number of school districts are hosting this event, which is open to all CASE members to attend. Watch for more information coming soon.

CASE Legislative Committee Dates/Locations
Whether or not you’re on the CASE Legislative Committee, we invite all CASE members to come to these meetings and participate in the conversation. Save the date for these upcoming Legislative Committee meetings:

- **January 24, 2020 – 1:30 PM to 4:00 PM, CASE**
- **February 7, 2020 – 1:30 PM to 4:00 PM, Westin Hotel in Westminster, CO, following the conclusion of CASE Winter Leadership Conference**
- **February 28, 2020 – 1:30 PM to 4:00 PM, CASE**
- **March 20, 2020 – 1:30 PM to 4:00 PM, CASE**
• April 17, 2020 – 1:30 PM to 4:00 PM, CASE