Colorado Association of School Boards



















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School Funding



Every spring, superintendents and Boards of Education wait for the Colorado General Assembly to make their final funding decision before they can complete their own budgets. School funding issues in Colorado are well known and schools have made numerous cuts over the past decade just to keep their heads above water.

But, there is good news with House Bill 18-1379, or the 2018 Public School Finance bill, which includes the biggest school funding increase in years. At this point in time, the bill has cleared the House with overwhelming support and now faces full review in the Senate but the key features of the measure are unlikely to change.

Base school funding is set in the annual state budget bill, also known as the Long Bill (HB18-1322), which passed in the House and Senate. The school finance bill completes the funding

package by setting the size of the Budget Stabilization Factor (BSF) - the term lawmakers now use for what was called the Negative Factor - and adding some additional spending. "This is a school finance act that all of us can be incredibly proud of," said Rep. Brittany Pettersen, D-Lakewood and chair of the House Education Committee.

Total program funding, the amount of state and local revenues allocated for basic school operating costs, is projected to be \$7.08 billion in 2018-19, a \$460.9 million increase over the \$6.62 billion figure for the current 2017-18 budget. This includes a \$150 million reduction in the BSF, which will bring it to \$672 million in 2018-19, one of the lowest annual amounts ever.

Since 2010, when the Negative Factor was first imposed, Colorado school districts have received \$6.6 billion less than they would have otherwise.

The scope of next year's funding increase is also illustrated by average per-pupil funding, a common benchmark in school finance. The funding plan will translate to an average per-pupil figure of \$8,137, a \$475 increase over the current year. This may be the largest increase since the Negative Factor was created. Previously, the largest figure was an increase of \$344 per-pupil in 2014-15.

The 2018 Public School Finance bill also includes an additional \$30 million in funding for rural school districts. This provision will supply an additional \$360 per student for small rural school districts (those with fewer than 1,000 students) and an additional \$169 per student for larger rural districts (up to 6,500 students).

The bill also includes:

- An additional 1,000 slots that school districts can use for preschool or kindergarten.
- A change in the way funding for English language learners is provided which will yield a \$1.4 million increase in funding.

Read what the additional funds will mean to Colorado rural school districts.



Retiring Without Liability

PERA currently has more than 560,000 members across Colorado, including the vast majority of educators. However, PERA has an unfunded liability of more than \$32 billion which is disconcerting to lawmakers and PERA members alike. This has created budget woes for the employee and employer as costs have steadily increased as a result of SB 10-001.

Modifications to Public Employees' Retirement Association to Eliminate Unfunded Liability, known as Senate Bill 18-200, if passed, will help to alleviate additional financial stress on school districts as it will not require districts to increase their contributions to the pension system.

As passed by the Senate, the bill didn't require additional contributions by employers, like school districts. The bill was heavily amended by the House Finance Committee before they passed the new version on a bipartisan 10-3 vote.

Here are key elements of the current version:

- The state will pay PERA about \$225 million a year instead of requiring employer and employee contribution increases.
- Pensions will be based on highest average salary over a five-year period instead of three years.
- The retirement age will rise to 60 for school and DPS divisions. Ages for other divisions remain the same.
- Retiree cost of living increases will be set at 1.25 percent but suspended for two years beginning July 2018.
- A change in the definition of salary will only impact new employees.
- Automatic contribution, or other adjustments, to meet future funding challenges will be split evenly among employees, retirees and employers.
- The proposed expansion of a defined contribution plan for additional employees has been removed from the bill.

The Colorado House will hear the bill next week. It will then be up to the Senate to either agree or continue the debate.

Keepin' Track



The elected one hundred under the gold dome have proposed more than 700 bills so far and, with a few days left, you can certainly expect more. Not all bills will become law of course, but there are many that have been signed into law by the Governor. The bills that met their demise in committee hearing rooms are available HERE.

There are several bills still working their way through the process and the CASB Bill Tracker will help you keep track of their progress.

The following information gives updates on several bills of interest to CASB members.

HB18-1070

"Additional Public School Capital Construction Funding" Bill sponsors: Rep. Dave Young (D), Rep. Cole Wist (R), Sen. Rachel Zenzinger (D) and Sen. Ray Scott (R)

The Building Excellent Schools Today (BEST) program is a huge success in that it provides funding to construct safe, adequate and efficient schools in many areas of the state that do not have the resources to build on their own. HB18-1070 will ensure that the funds Colorado voters approved to fund the program are actually directed to the BEST program. The bill inched closer to passage with an affirmative vote in the Senate committee. Expect the full Senate to take up the questions soon.

HB18-1232

"New School Funding Distribution Formula"

Bill sponsors: Rep. Dave Young (D), Sen. Rachel Zenzinger (D), Sen. Don Coram (R)

The vast majority of Colorado Superintendents - 174 out of 178 - are supporting a new formula to better fund Colorado K-12 students. The Superintendent's plan takes into account the cost to educate the whole child, regardless of where that student lives within the state. HB18-1232 represents several years of study and research by Colorado superintendents as to how to best fund public education. Bill sponsor, Rep. Dave Young (D), asked that the bill be postponed indefinitely, but hopes to continue the conversation.

HB18-1269

"Parent Notice for Student Safety and Protection"

Bill sponsors: Rep. Brittany Pettersen (D), Rep. Paul Lundeen (R), Sen. Rhonda Fields (D), Sen. Owen Hill (R) The bill will require school districts to notify parents when a school district employee is charged with a specific crime. It will also require school districts and law enforcement agencies to collaborate on notifications. The bill has been heavily amended but appears to be on its way to becoming law.

HB18-1352

"Oil and Gas Facilities Distance from School Property"

Bill sponsors: Rep. Mike Foote (D), Rep. Matt Gray (D), Sen. Matt Jones (D), Sen. Irene Aquilar (D)

Currently, the distance an oil and gas operation must be "set back" from a school building is calculated from where the main school building is located. This bill will require the setback to begin at the school's property line. Many schools use the space behind school buildings for playgrounds and athletic fields, which has the potential to expose students to higher levels of fumes from oil and gas operations. The CASB Delegate Assembly passed Legislative Resolution #6 in support of such legislation. After a marathon House committee hearing, the bill was sent to the full chamber. The path forward in the Senate is much more uncertain.

SB18-158

"School Access to Interoperable Communication Technology"

Bill sponsors: Rep. Crisanta Duran (D), Rep. Marc Catlin (R), Sen. Don Coram (R), Sen. Leroy Garcia (D)

The bill will make it easier for school districts to purchase radio communications that will allow school personnel and first responders to communicate in the event of an emergency. The bill is well on its way to the Governor following approval in the House and Senate.

For Your Calendar

CASB invites all of our members to join us for one of 11 legislative wrap-up meetings around the state. The meetings are informal and offer an opportunity for school board members to ask questions and better understand the legislation passed by the General Assembly. Check out the schedule and registration information. Take a break to expand your understanding of important





CASB Advocacy Tools



CASB Bill Tracker - Track the latest education news from the Capitol.

CASB Advocacy Text Alerts - To subscribe, send a text to 52886 and type in "CASB".

CASB publishes the School Board Advocate once a month when the Colorado General Assembly is not in session, except for July and December. During session, it is published twice a month. If you have suggestions or feedback about the School Board Advocate, please contact Matt Cook, director of public policy and advocacy. Matt can be reached at 303-832-1000.

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