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120 Days Start to Finish

The 2017 Colorado General Assembly’s 120-day legislative session was at times slow and plodding, sandwiched between periods of furious activity. The result for CASB member school boards: surprisingly positive. Not “let’s throw a ticker tape parade and fete the grand accomplishments of the elected 100” kind of positive; more like “we can all breathe easier for a while as we contemplate the enormous
issues still facing education and our state as a whole”. A quick breakdown of the numbers to kick things off:

- 69 education related bills were introduced
- 45% of those bills did not become law, approximately
- 18 CASB members testified on bills
- 48 CASB members attended one of the Days at the Capitol
- 244 students from around the state were hosted by CASB at the Capitol
- 20 bills were testified on by CASB staff

CASB will be hosting a series of “Legislative Wrap Up” meetings around the state to offer members a chance to informally discuss the 2017 session and to begin setting the stage for the 2018 session. The meetings are free to CASB members and lunch/dinner is on us. Register Today!

To help CASB members prepare for the meetings, and others to wrap their arms around the session, we present the following roundup of information about the 2017 session.

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### School Finance

The school finance bill ([SB17-296](https://www.casb.org/site/default.aspx?PageType=3&DomainID=81&ModuleInstanceID=1013&ViewID=6446EE88-D30C-497E-9316-3F8874B3E108&)) sets 2017-18 total program funding at $6.63 billion, compared to the current $6.37 billion. Total program funding is the combination of state and local revenues used for basic school operating expenses.

- The negative factor remains at $828 million, this year’s level. The negative factor was a moving target during the months-long budget process and, at a couple of points it appeared it might top $900 million. As revised, higher estimates of local district revenue that came in near the session’s end made it possible to hold the negative factor flat.
- Base per-pupil funding, which all districts receive, is $6,546, a 2.8 percent increase based on inflation.
- Average per-pupil funding, including adjustments for cost of living, district size and other factors, will be $7,662. That’s up from $7,420 this year.

The annual school finance bill is intended to be a technical measure to formally set school funding for the upcoming year. That doesn’t prevent lawmakers from trying to add extra clauses, and a few slipped through this time.

The most interesting is elimination of the term “negative factor” from state school laws. “Negative factor” has been replaced with “budget stabilization factor,” the term that was originally used to describe this funding work-around. We encourage all CASB members to refer to the new change as the “BS” factor when discussing school finance, which seems an appropriate term based on how Colorado K-12 education is funded. Take a closer look at what this means for your district.

Rural school districts will receive some additional one time money due to the passage of SB17-267, titled the “Sustainability of Rural Colorado.” Please see the [CASB Legislative Update](https://www.casb.org/site/default.aspx?PageType=3&DomainID=81&ModuleInstanceID=1013&ViewID=6446EE88-D30C-497E-9316-3F8874B3E108&...) for information about SB-267 and how it became a law. See how the $30 million allocated to rural schools under SB267 is broken down.

The Legislature approved a two-year study of the state’s school funding system ([HB17-1340](https://www.casb.org/site/default.aspx?PageType=3&DomainID=81&ModuleInstanceID=1013&ViewID=6446EE88-D30C-497E-9316-3F8874B3E108&...)). The study will be led by a bipartisan committee of lawmakers with the help of a paid consultant. Interestingly, the bill also bans hiring any consultant who previously has done work for the state. The bill contains a long list of specific issues that the study is supposed to consider.

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### Charter Schools

Locally raised mill levy overrides (MLO) are additional funds that local taxpayers agree to pay, in order to provide additional support for their local school district because of budgetary shortfalls in state funding. Some charter advocates have argued that revenues from district mill levy overrides aren’t equally shared with charter schools statewide. It’s been a hot issue at the Capitol for at least two sessions, sparking intense debates over funding equality and district decision-making powers and autonomy.

Despite the intensity of the debate, revenue sharing isn’t necessarily a statewide concern. Some 47 districts have charters and 37 of them already have some form of revenue sharing according to legislative analysts.
This year’s original MLO sharing measure, **SB 17-061**, proposed a flat per-student sharing of override revenues (although there were some exceptions) and the sharing would have been phased in over three years.

That bill passed the Senate with bipartisan support but was bottled up by House Democratic leadership. The measure’s backers inserted the sharing requirements text into the school finance act but that gambit failed in a dramatic vote on the Senate floor.

When that effort stalled, the more nuanced compromise proposed in **HB17-1375** surfaced. In broad terms, here’s what it requires:

- Districts can choose to develop “equitable” plans for using override revenues for traditional, charter and innovation schools by July 1, 2018. The plans will have to be fully implemented by the 2019-20 school year.
- Schools can choose to distribute a set amount of 95 percent of MLO, instead of adopting a district plan.
- Beginning July 1, 2018 charters will have to post on their websites lists of information about the waivers they have received from various state education laws. Charters also will have to post more information about their finances.

The bill also creates a special account that can be used to provide more funds for schools supervised by the state Charter School Institute. The legislature didn’t put any money into that fund, and doing so is optional for future legislatures.

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**Assessment**

State testing has been a red-hot issue during several past sessions. In 2015, lawmakers substantially reduced state tests, especially in high school. While many lawmakers argued this was just a first step, the law seemed to take the heat out of the testing debate.

There was no heat around the issue this year. Passed early in the session with unanimous votes in each chamber, **HB17-1181** replaces ninth grade language arts and math tests with a version of the PSAT.

Also of importance to note is **HB17-1160**. This measure generally will allow districts the choice of giving early literacy assessments to ELL students in English or Spanish. In some cases, students will have to take both English and Spanish tests. In general, however, the bill is considered a win for district flexibility.

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**Teachers**

The difficulty many districts face finding qualified teachers was on lawmakers’ minds; but, they took only small steps to address the problem. Here’s what they did:

**Decided to study the problem** – The Department of Higher Education was directed to work with Colorado Department of Education to study teacher recruitment, preparation and retention and come up with a strategic plan to address teacher shortages. The agencies have until Dec. 1, 2017 to develop that plan and weren’t given extra funding to do the study or develop the plan. (**HB17-1003**)

**Made it easier to hire retirees** – Lawmakers eased the current restrictions on use of PERA retirees and gave rural districts the ability to hire retirees as teachers, bus drivers and food service workers for longer periods of time without endangering the retirees’ benefits. There are several hoops districts will have to jump through to use this flexibility. (**HB17-1176**)

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**Small Bills Require Close Attention**

A lot of seemingly minor education bills kept low profiles during the 2017 session. Several of the ones that passed will create new duties and some new opportunities for districts. These merit careful review by boards and administrative teams. Here is a quick look at some of these new laws.

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Buildings – Lawmakers approved a state grant program to help districts test water systems for lead (HB17-1306) and changed the Building Excellent Schools Today program to give a somewhat higher priority to grants for technology needs (HB17-1082).

Counseling – Grants from the Colorado Counselor Program now can be used for elementary school counselors (SB17-068). Counselors are supposed to include military careers when discussing individual career and academic plans with students (HB17-1041).

High school students – The legislature authorized the use of two diploma endorsements, one for STEM competency (HB17-1201) and one for bi-literacy (SB 17-123). Both endorsements are optional. HB17-1301 bans districts from withholding transcripts from students who haven’t paid fines, fees or returned school property. The bill allows districts to try and collect what’s owed. This does not prevent districts from not allowing students to take part in school sponsored events if they owe money to the school.

Paperwork – After a long fight, lawmakers updated the Colorado Open Records Act to require all government agencies to provide some records in digital formats (SB17-040), with several exceptions.

The Colorado Paradox

A Colorado student who began her academic career in 2009 has only ever known the scarcity of funding caused by the negative factor. That same student is now wrapping up the 7th grade and fundamentally nothing has changed in regard to how Colorado funds her education. To be sure there have been “fixes” tried at various times. However, to quote a local school district CFO, these short-term fixes are the equivalent of “Band-Aids” on a gushing artery”. Meanwhile the past eight years have seen the Colorado economy become the envy of the nation.

The 2017 session was a breakthrough year. While the Colorado General Assembly continues to wrestle with the conflicting funding constraints of Colorado’s constitutional tax code, the 2017 legislators put aside party differences to craft laws that will benefit the majority of Coloradans. This year, legislators took important steps toward ensuring that Colorado remains a premier state in which to live and do business. CASB applauds this effort and will continue, through its advocacy work, to ensure that the conversations continue and are followed up with action.

Last But Certainly Not Least

The CASB Advocacy team would like to say a great big THANK YOU to the numerous board members, superintendents and school staff who willingly shared their knowledge and expertise on the myriad of issues that surfaced during the 2017 session. Your help allowed CASB to be a valuable resource for legislators and their staffs when questions related to education came up. In addition, by having board members and students at the Capitol, legislators heard first-hand how rules and regulations passed at the Capitol create real impacts and challenges in school districts across the state. The many hard fought victories achieved would not have been possible without the help and support of the CASB membership. THANK YOU!
Advancing excellence in public education through effective leadership by locally elected boards of education.