

Entangled Colorado
Constitution
&
its impact on
Littleton Public Schools



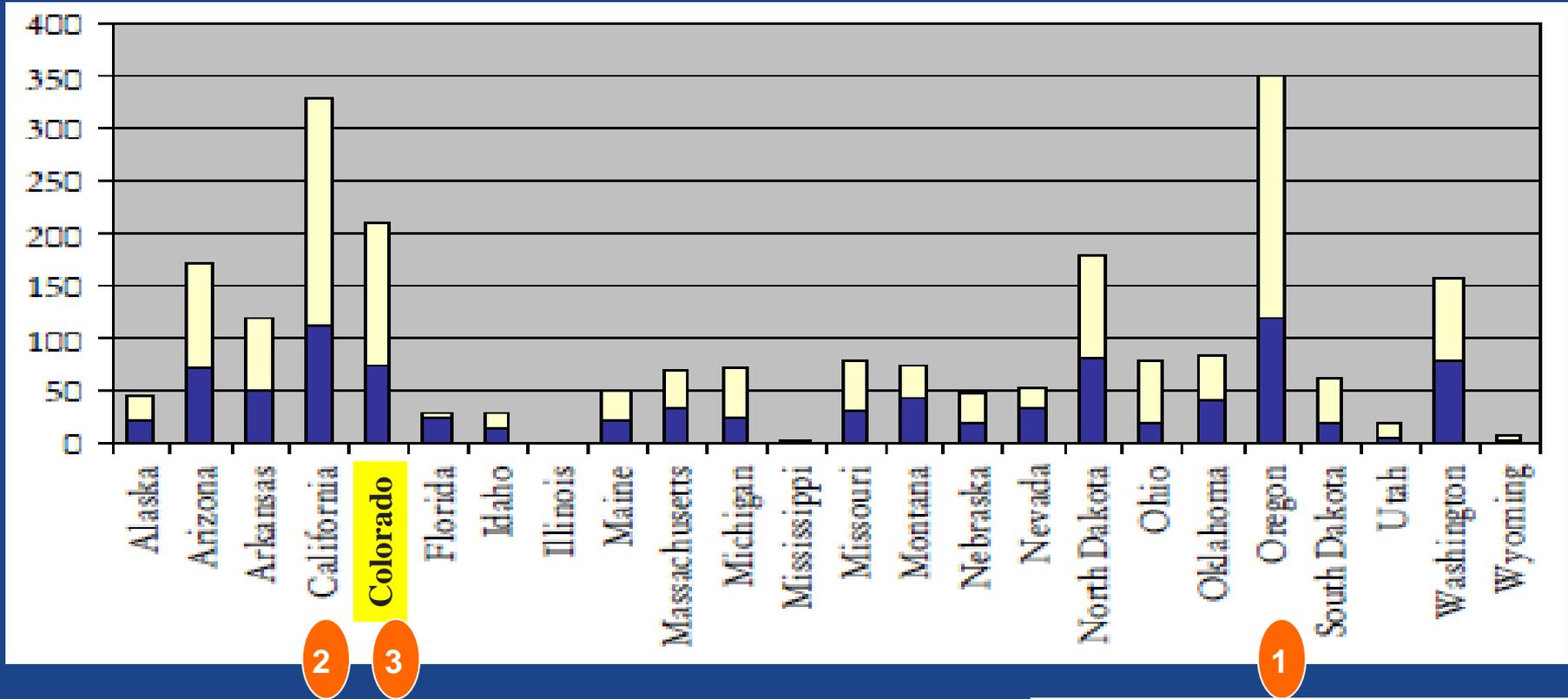


CONSTITUTIONAL INITIATIVE PROCESS

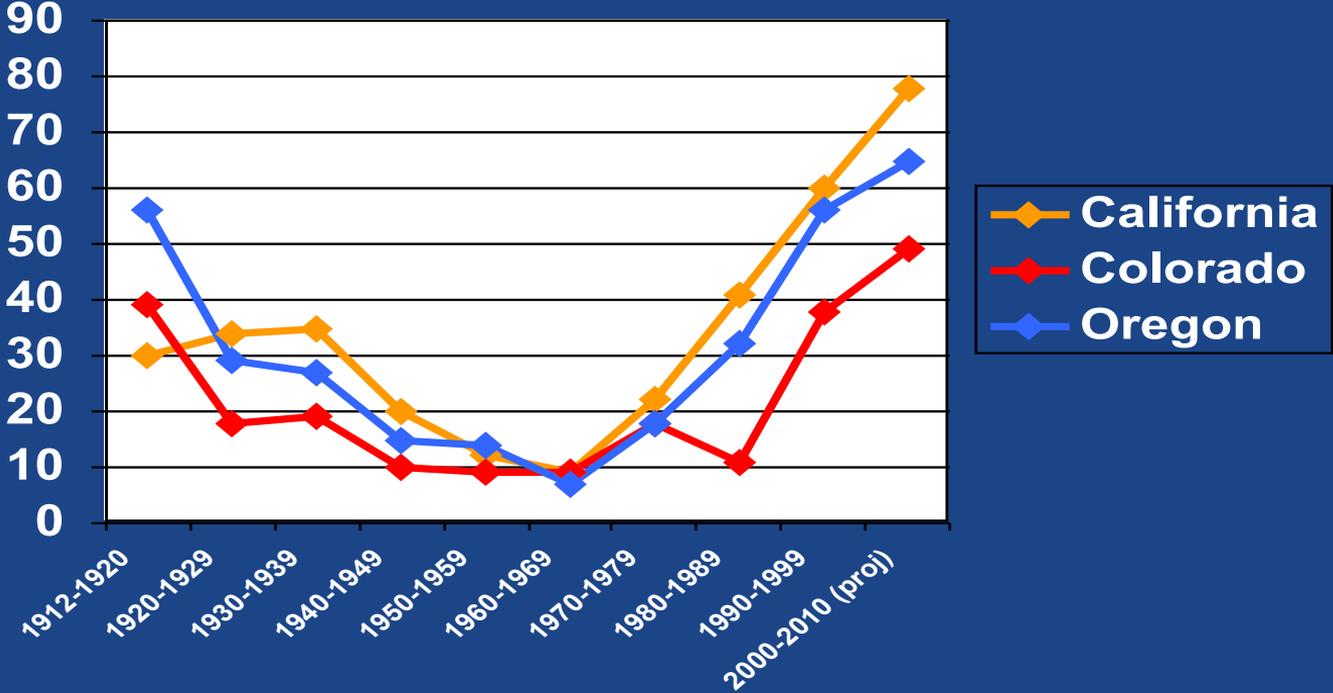
Colorado has one of the most easily-amended state constitutions, and therefore we've seen more citizen initiatives than any state except CA and OR.

Number of Initiatives to Date by State

(Shaded areas of each bar denotes number of measures approved.)



State Initiative Trends by Decade



NOTE: These are NOT cumulative values.

A Cluttered Constitution

Because it's just as easy for citizens to amend our state CONSTITUTION as it is to amend state LAWS, and

because amendments to the constitution are much harder to change in the future than are amendments to state law (fixing problems in the constitution requires another vote of the people, whereas our elected legislature can fix problems in state law),

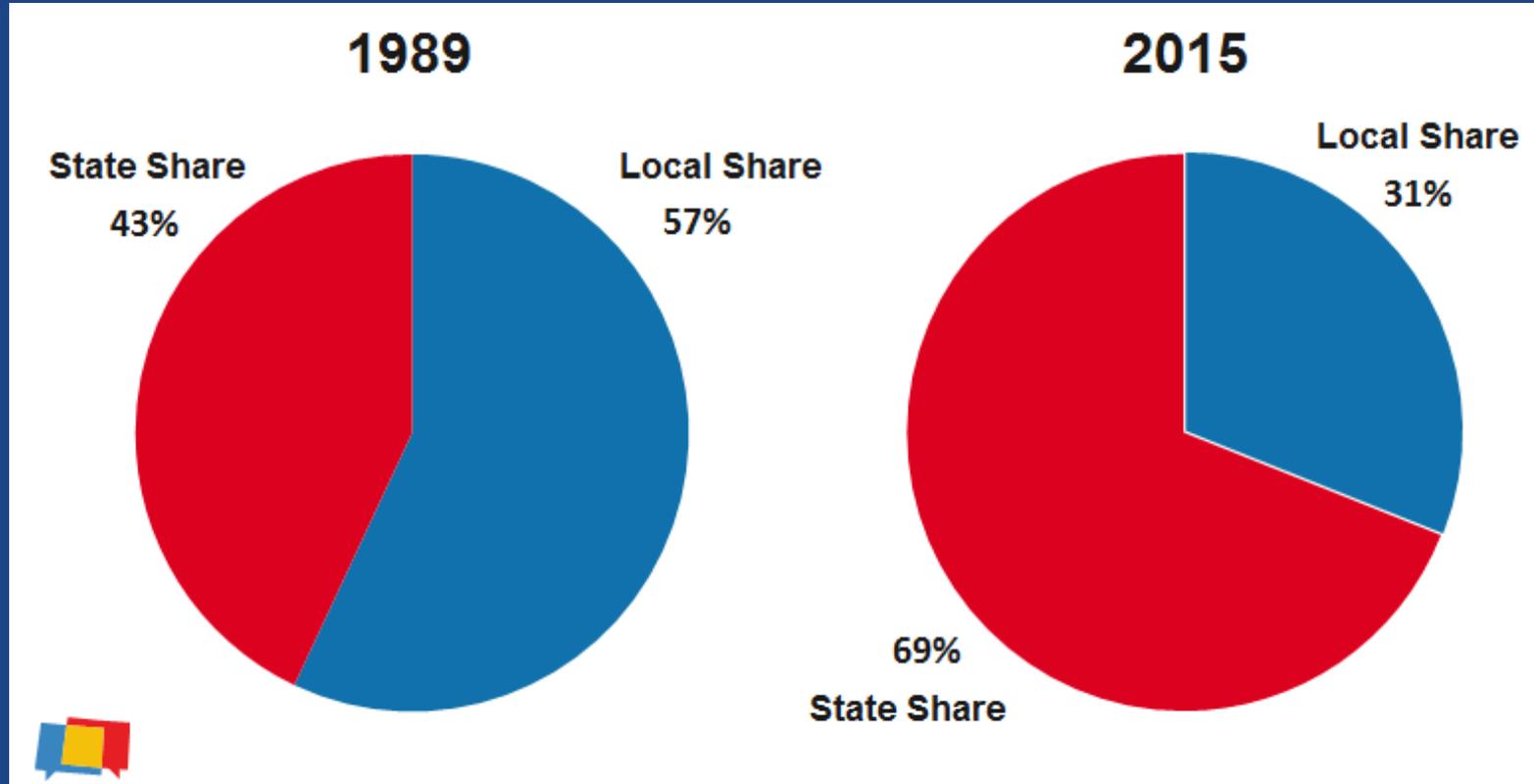
initiative proponents (many of whom are out-of-state interests) are incentivized to pursue amendments to our CONSTITUTION rather than state LAWS, and this is creating an increasingly inflexible and conflicted framework for our state.

1982: Gallagher Amendment

- Shields homeowners from large property tax increase as home values rose rapidly.
- Requires that residential property comprise no more than 45% of total assessed value of all property.
- In years that the residential property grows more quickly than the non-residential property the assessment rate of residential property goes down.

Constitutional Fiscal Rule #1:

The Gallagher Amendment has resulted in continually shifting the K-12 funding cost from local to state government, which causes the K-12 “slice” of the state budget to grow every year.

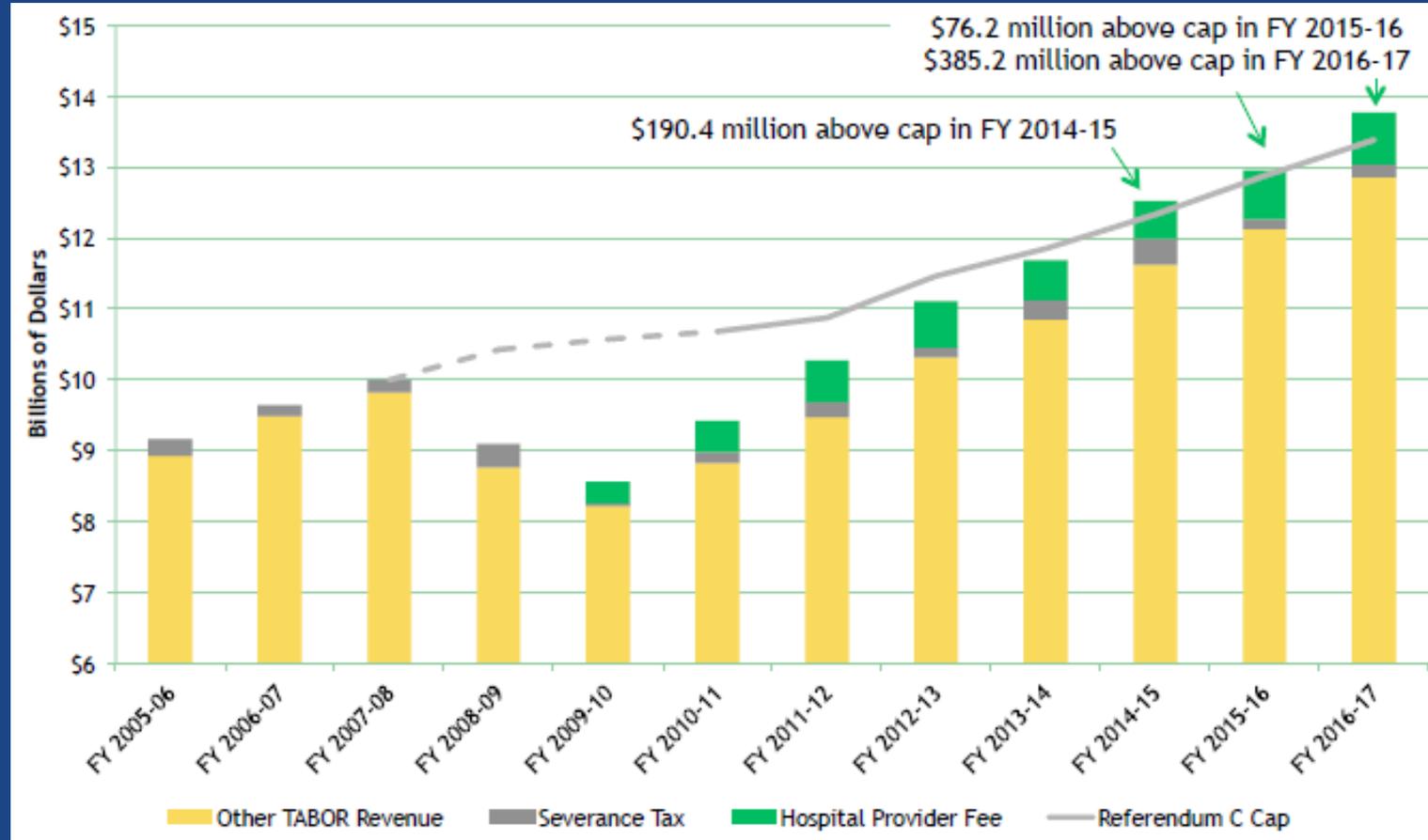


1992: Taxpayer Bill of Rights (TABOR)

- Cannot raise tax rates without voter approval.
- Cannot spend revenues collected under existing tax rates without voter approval if revenues grow faster than the rate of inflation (CPI) and population growth.
- "TABOR surplus", must be refunded to taxpayers, unless voters approve a revenue change as an offset in a referendum.
- However, spending growth could be interrupted due to an economic recession, in which case inflation-adjusted per capita spending did decrease—and TABOR did not permit inflation-adjusted per capita spending to return to its pre-recession level (ratchet-down effect).**

Constitutional Fiscal Rule #2:

TABOR continually decreases state revenues relative to the size of the economy because the economy grows faster than the Tabor limit.



Fees collected to be spent for a specific purpose (for example, Hospital Provider Fees) count toward the TABOR revenue spending limit, even though they cannot be spent on general fund expenses such as schools, roads, health and human services.

A TABOR Simile*



*From Henry Sobanet's presentation at the Economic Forecast Breakfast.

2000: Amendment 23

- Requires the state legislature to annually increase K-12 per pupil funding by “inflation +1 percent” through 2011 and inflation thereafter.
- It requires funding for specific “categorical programs” such as special education and transportation to increase by the same percent. This is designed to restore the cuts experienced by public schools in the 1990s.
- “Negative Factor” ruled *Constitutional* in the Dwyer Case (2015)

2015-16 LPS BASE FUNDING + FACTORS

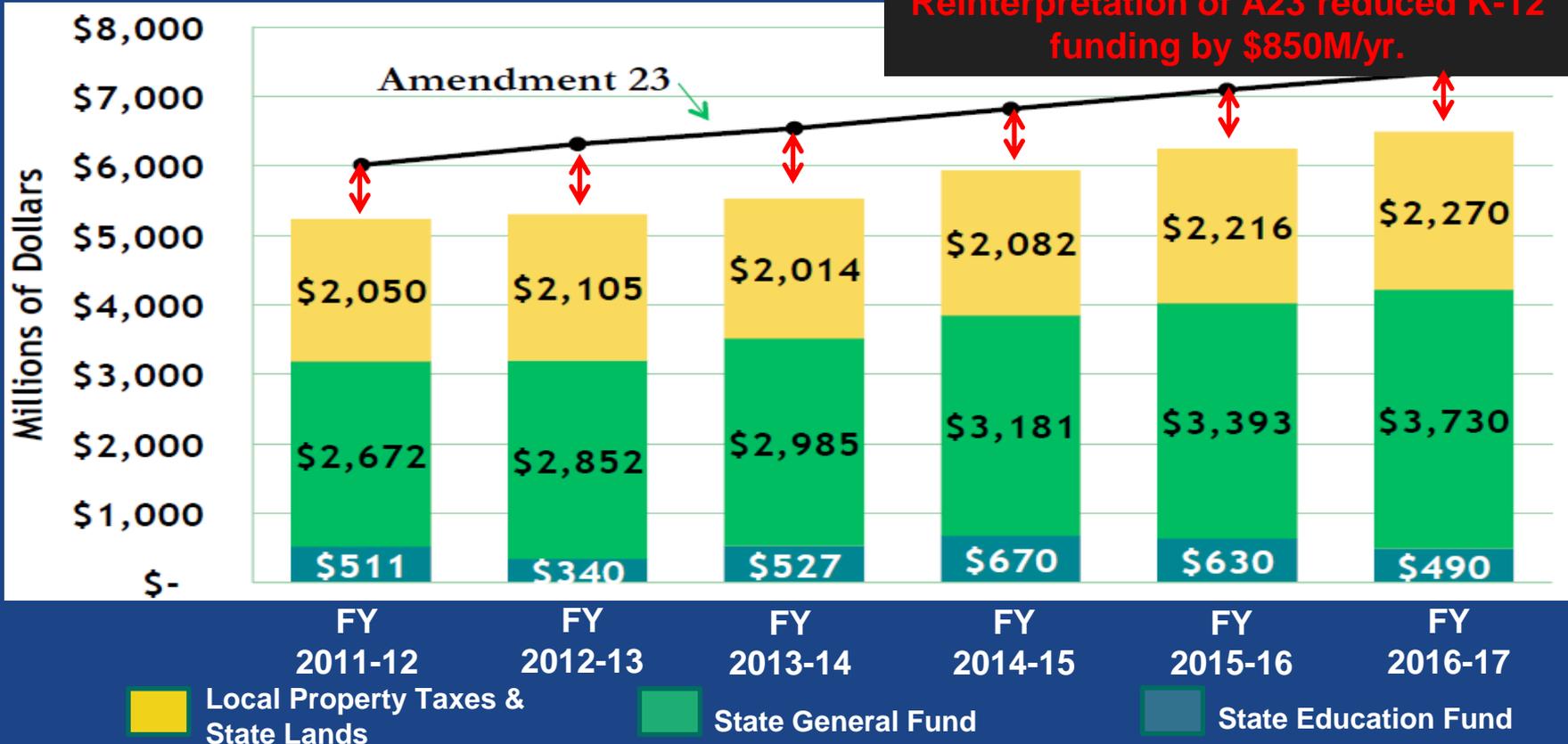
LPS Base Funding Per Pupil = \$6292 + Personnel Factor (.8913)
Cost of Living Factor (1.233)
Non-Personnel Factor (.1087)
Size Factor (1.0297)
At-Risk Factor (.12)
Negative Factor = 12.13 (or \$970.00)

LPS TOTAL Funding Per Pupil = \$7022

Constitutional Fiscal Rule #3:

Amendment 23 requires increased funding for K-12 education, even during economic downturns.

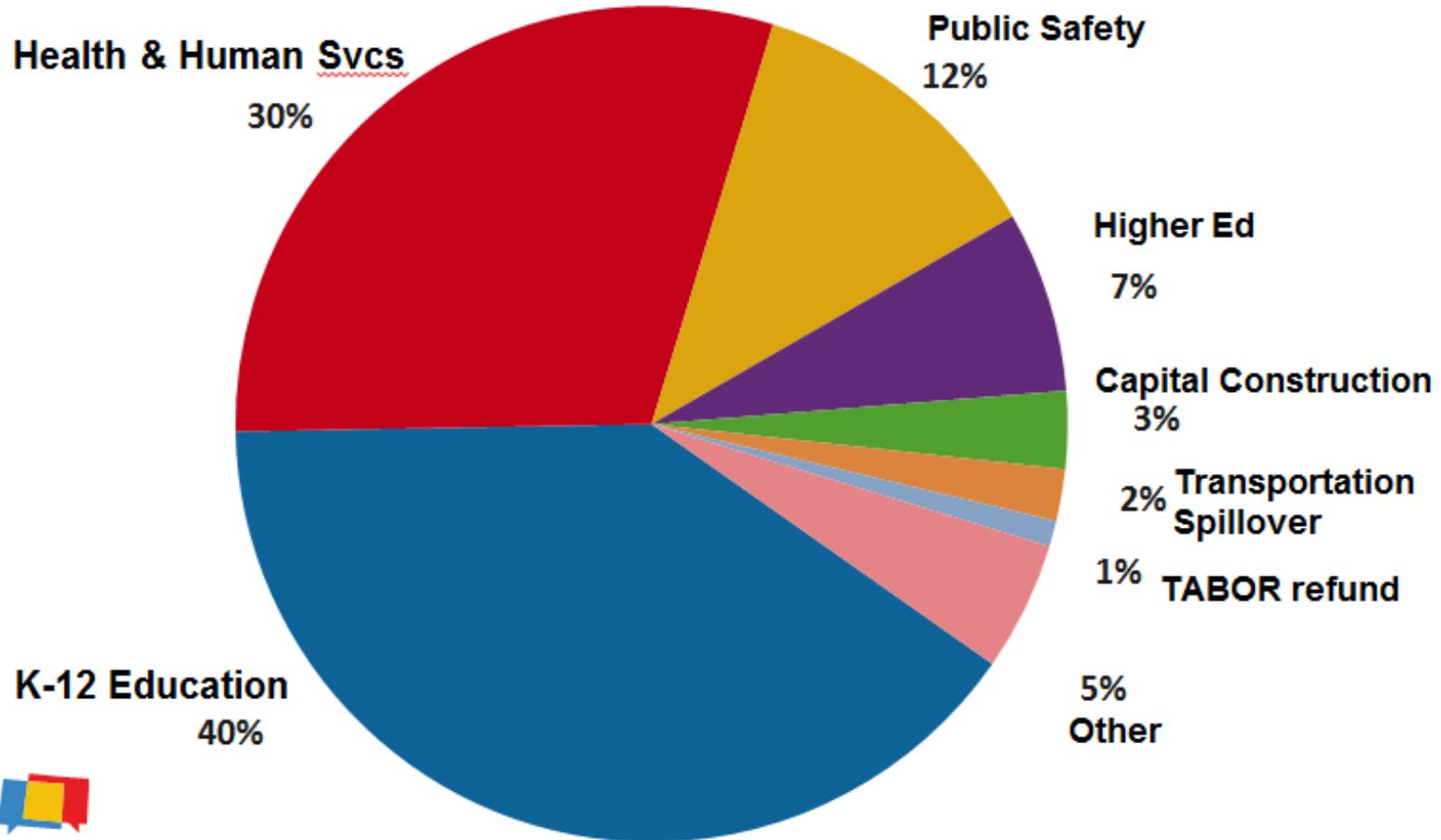
Reinterpretation of A23 reduced K-12 funding by \$850M/yr.



2005 Referendum C

- Gave Colorado state government a five-year reprieve from the spending limits of TABOR (FY 2005-06 - FY 2009-10)
- Funds specifically used for public K-12 education, higher education, health care and transportation
- Permanently eliminated the “ratcheting” effect of TABOR

Where Do We Spend Our Money?

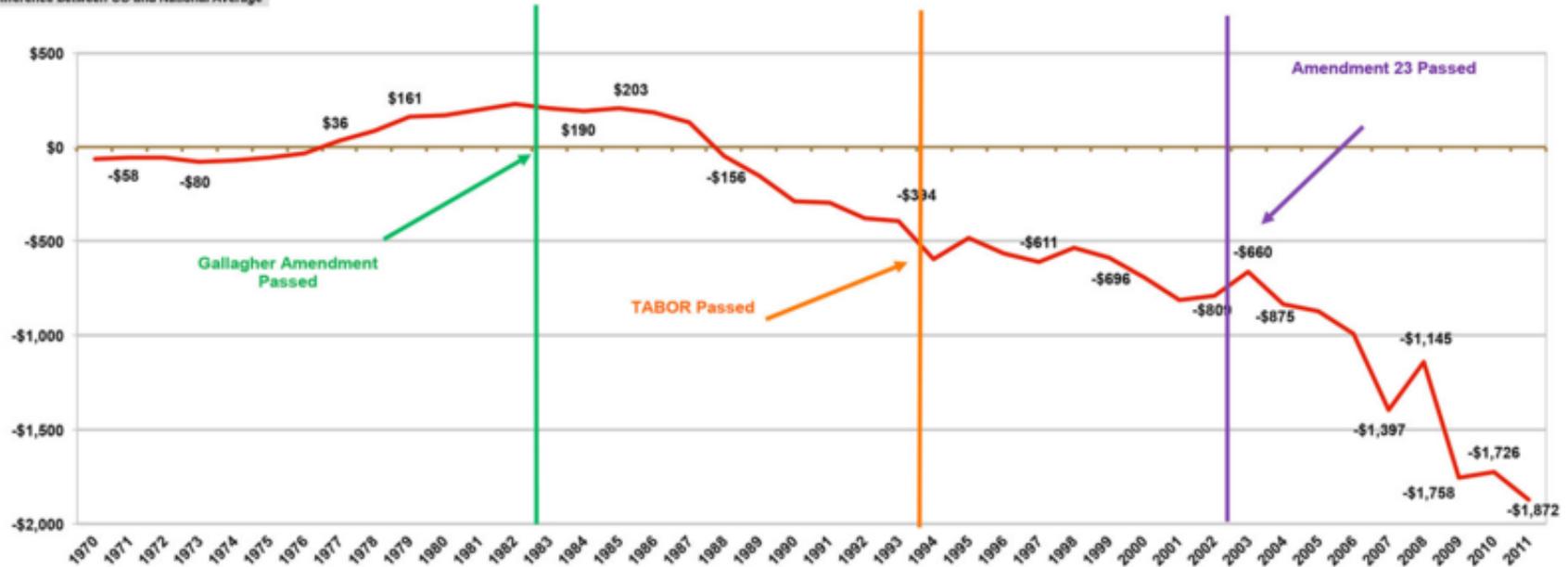


K-12 Per Pupil Funding: Colorado vs. National Average

K-12 Per-Pupil Funding: Colorado vs. National Average

Source: National Center for Education Statistics

Difference between CO and National Average



The “Negative Factor” has cost LPS
\$87.5 million
 since 2009.
 That’s about \$1,000 per student per year.

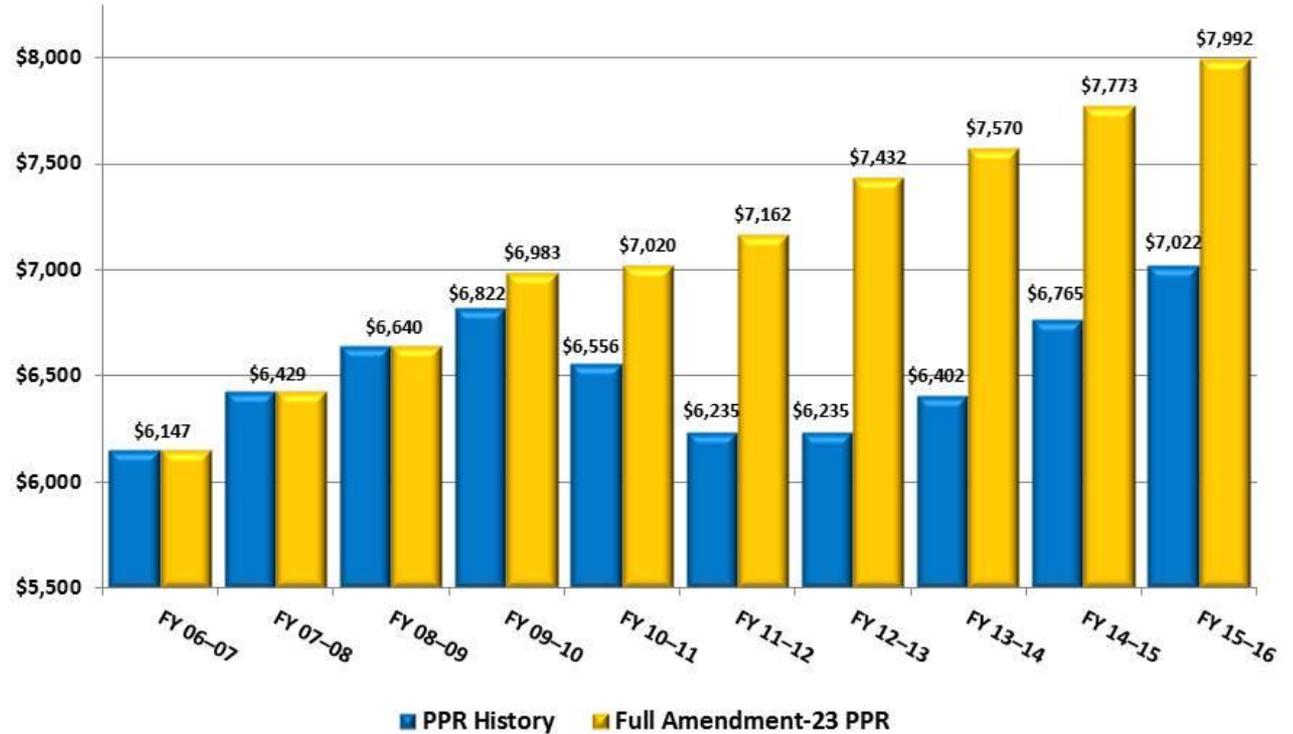
LITTLETON PUBLIC SCHOOLS
 Summary of Negative Factor

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Total
2008-09 to 2009-10	\$ (2,400,000)	\$ (2,400,000)	\$ (2,400,000)	\$ (2,400,000)	\$ (2,400,000)	\$ (2,400,000)	\$ (2,400,000)	\$ (16,800,000)
2009-10 to 2010-11		\$ (4,600,000)	\$ (4,600,000)	\$ (4,600,000)	\$ (4,600,000)	\$ (4,600,000)	\$ (4,600,000)	\$ (27,600,000)
2010-11 to 2011-12			\$ (6,800,000)	\$ (6,800,000)	\$ (6,800,000)	\$ (6,800,000)	\$ (6,800,000)	\$ (34,000,000)
2011-12 to 2012-13				\$ (4,000,000)	\$ (4,000,000)	\$ (4,000,000)	\$ (4,000,000)	\$ (16,000,000)
2012-13 to 2013-14					\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,500,000
2013-14 to 2014-15						\$ 2,400,000	\$ 2,400,000	\$ 4,800,000
2014-15 to 2015-16							\$ 600,000	\$ 600,000
Total Negative Factor	\$ (2,400,000)	\$ (7,000,000)	\$ (13,800,000)	\$ (17,800,000)	\$ (17,300,000)	\$ (14,900,000)	\$ (14,300,000)	\$ (87,500,000)

Blue Bar = actual per pupil revenue

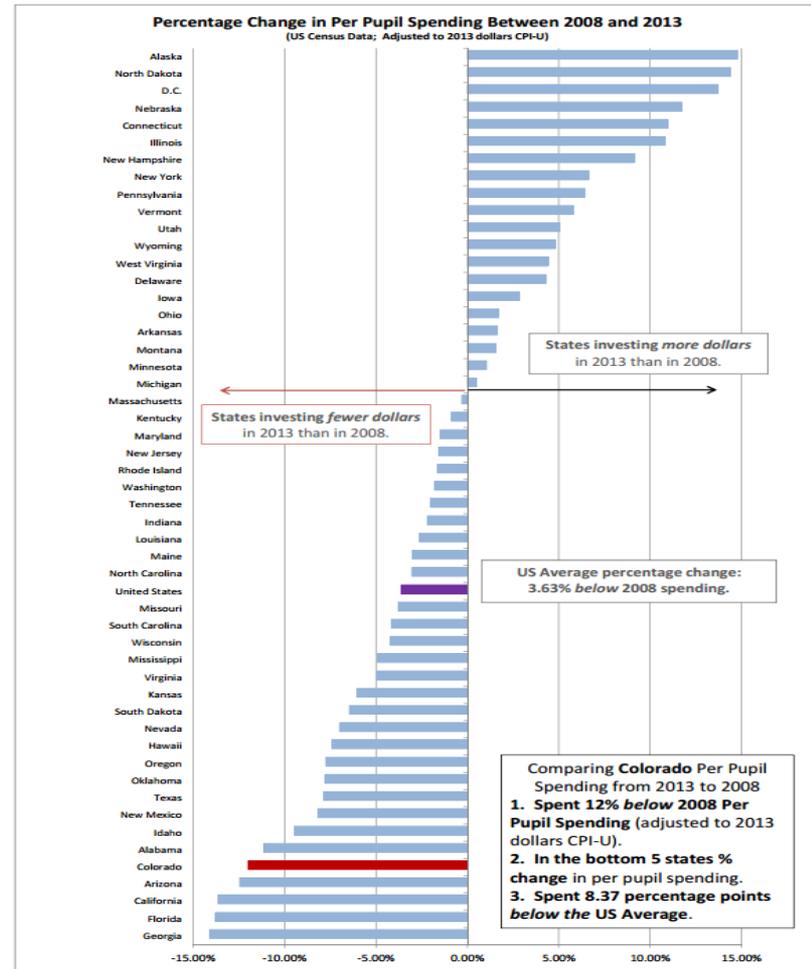
Gold Bar = the amount of per pupil revenue approved by Colorado voters through Amendment 23 in 2000

History of LPS Per-Pupil Revenue (PPR)



Colorado spent 12 percent less (when adjusted for inflation) on every child's education in 2013 than in 2008.

Colorado has cut more funding out of K-12 education since 2008 than all but four other states.



Per pupil spending in neighboring states in 2013

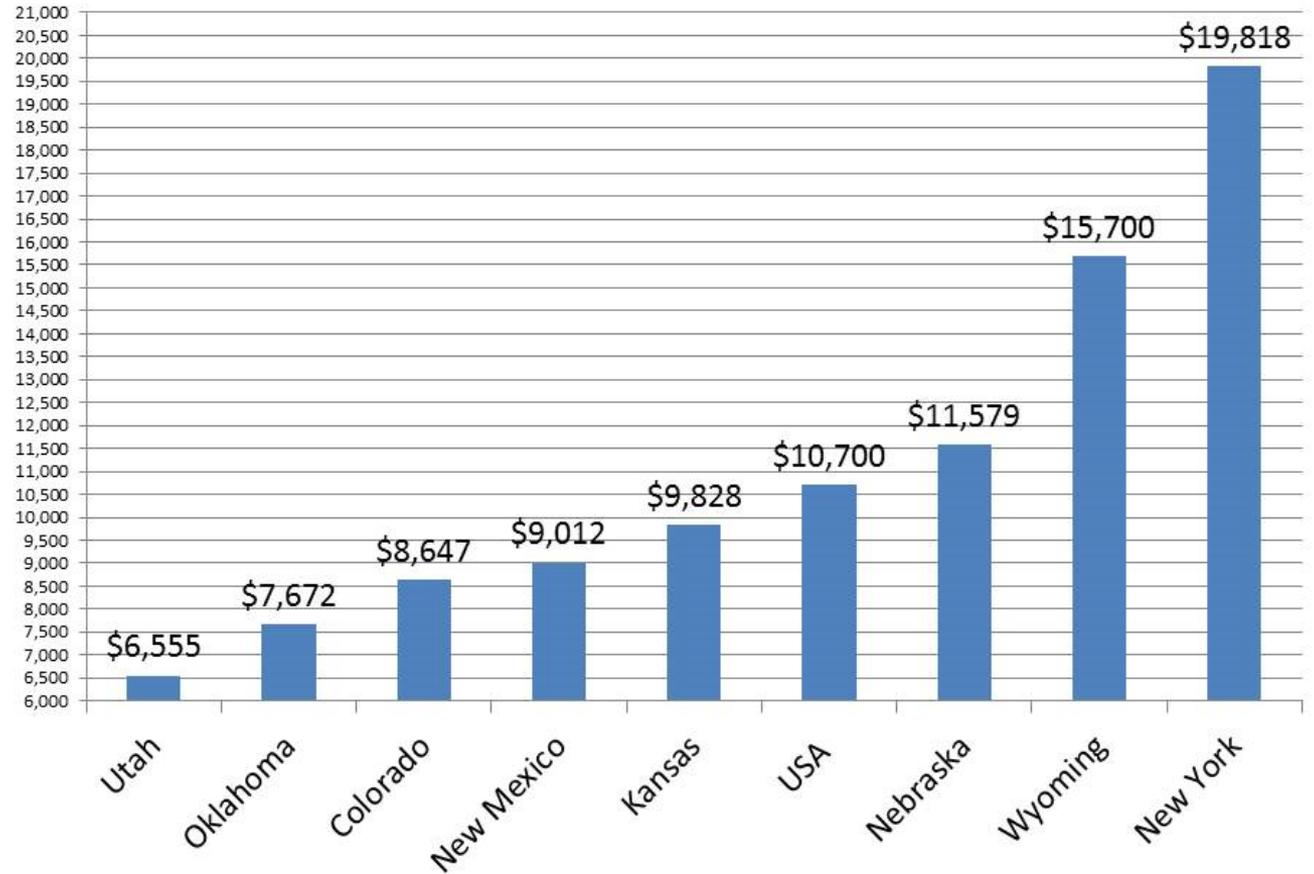
Utah spent the least in the USA

New York spent the most in the USA

\$10,700 was the national average

Sources: U.S. Census Bureau, 2012 Census of Governments, Finance-Survey of School System Finances and 2008-2011, 2013 Annual Survey of School System Finances.

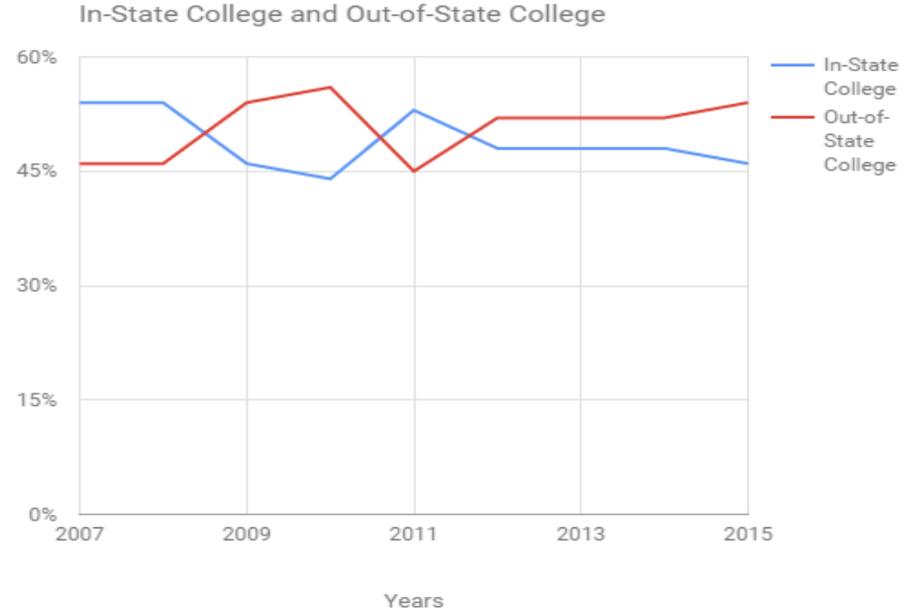
Amount spent per student in 2013



Colorado is losing its college-bound graduates to other states.
Underfunding Higher Ed causes tuition increases,
which makes out-of-state colleges more affordable.

A local example:

More Honors and High Honors graduates from Arapahoe High School now attend out-of-state colleges and universities than in-state.



Colorado Transportation is underfunded

“The state of the state on transportation: it’s terrible in Colorado. In Colorado today, we have a transportation crisis on our hands.”

--Shailen Bhatt

Executive Director, CDOT

in a May 2015 speech delivered at the

Denver Metro Chamber of Commerce State of the State luncheon

Who Suffers? The Underserved

Building teacher capacity to work with students in poverty/second language learners

- Co-Teaching Model
- All students receive regular classroom instruction
- Staff development for teachers
- Model classrooms, best practices
- Peer Labs
- Longer school school day

Building capacity at home

- Parent liaisons support school-home connections; provide translations for parents
- Programs to help feed families
- PBIS, Leader in Me programs
- Evening sessions for parents reinforce lessons children receive at school; promote routine and goals for parents with their children
- Additional parent/teacher conferences
- Additional staff

LPS demographics

LPS families speak 57 languages

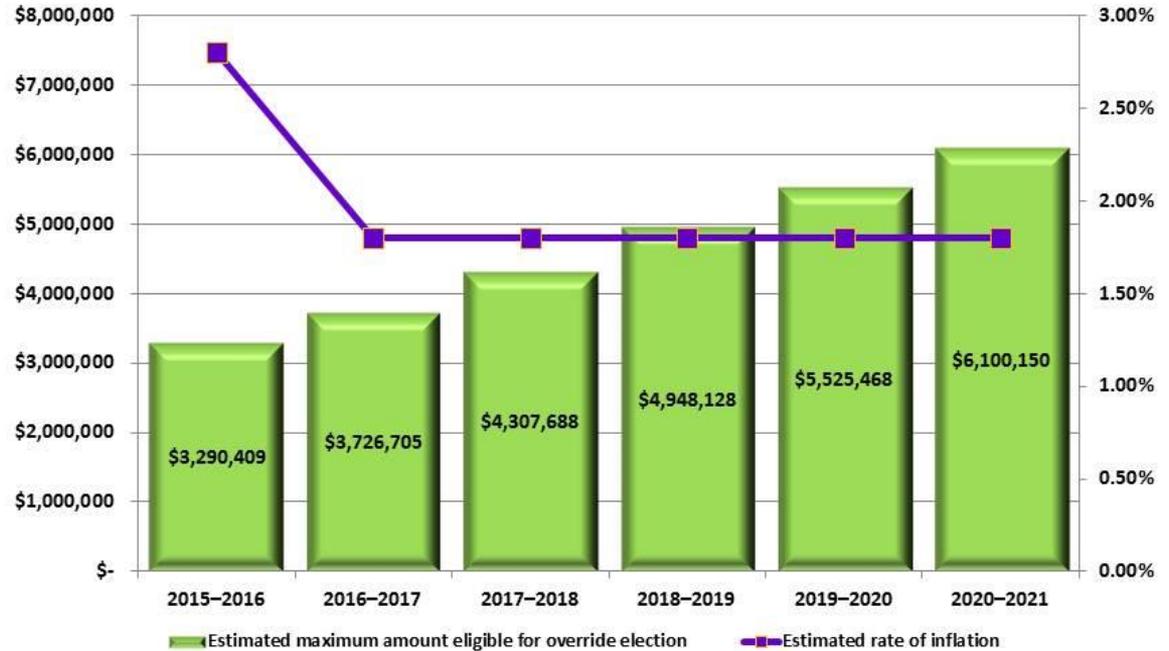
19% of LPS families meet federal income requirements for free or reduced price meals (an indicator of poverty)

These numbers continue to increase

Colorado law limits the amount of additional local taxes that voters can approve for school districts. The limit is 25% of the total program funding.

LPS cannot ask voters for another increase for several years.

Estimated Maximum Amount Available for an Override Election



Laws require public schools to spend more

Public Schools are required to:

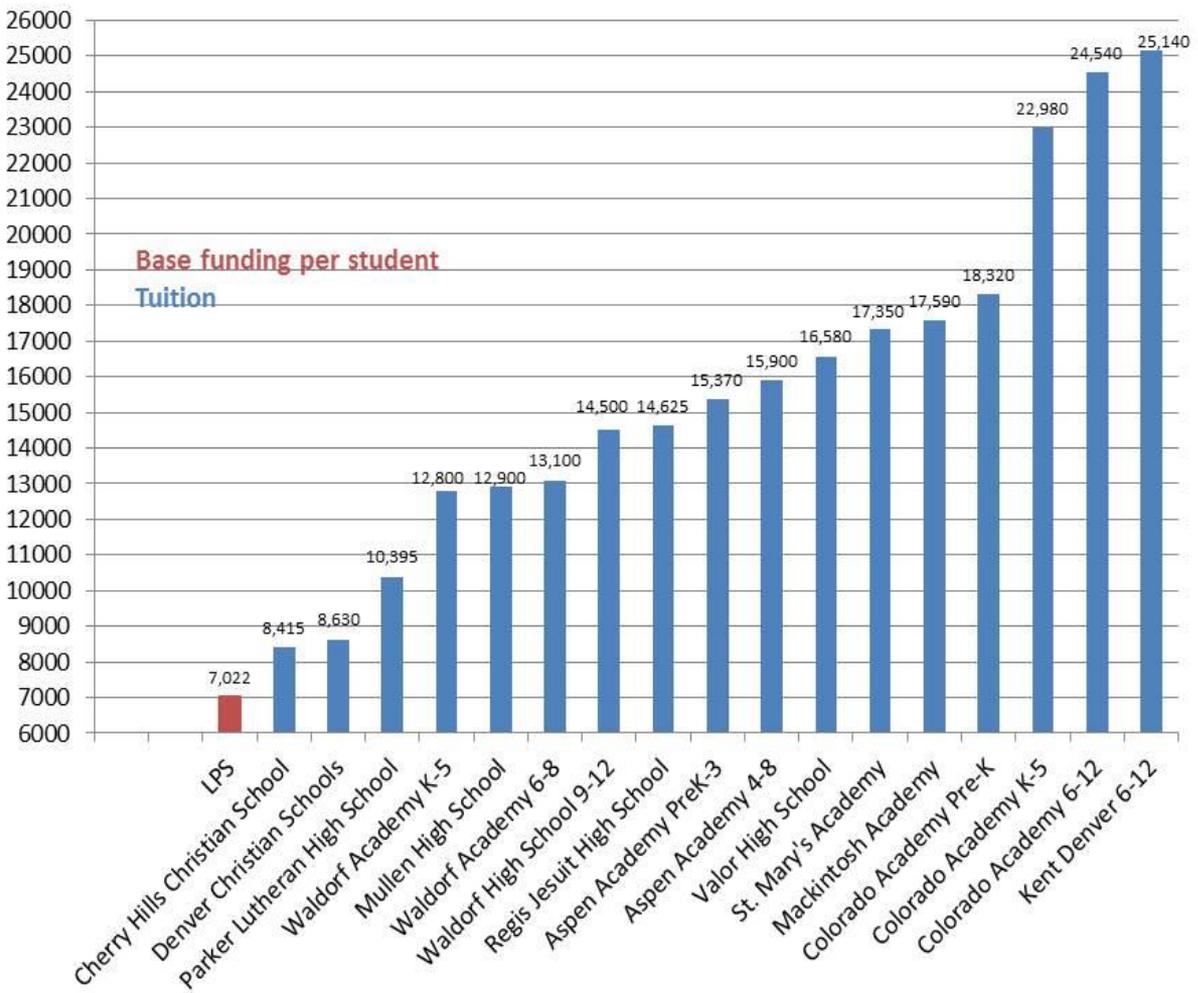
- be measured by state's accountability/accreditation system
- meet Colorado Academic Standards
- pay into PERA
- comply with unfunded mandates, which include very expensive items such as specialized programming for students with special needs, SB 191, online assessments, etc.
- Meet community expectations to provide transportation, food service, child care, mental health services

Private Schools are **NOT** required to:

- be measured by state's accountability/accreditation system
- meet Colorado Academic Standards
- pay into PERA
- comply with any state or federal legislation or unfunded mandates
- offer specialized programming for students with special needs
- offer transportation, food service, child care, or mental health services

Base state funding
LPS received per
student in 2015-2016
compared to the
tuition rates at local
private schools

(does not reflect fees or
other sources of
revenue)



Governor's Proposed Budget 2016-17

2015-16 (actual)

PPR = \$7,992 (if Amendment 23 was intact)

PPR = \$7,022 (with **\$970** negative factor)

2016-17 (proposed)

PPR = \$8,136 (if Amendment 23 was intact)

PPR = \$7,121 (with **\$1,015** negative factor)

Growth of Negative Factor = **\$45** per student FTE

Increase in PPR = **\$99** per student FTE

Colorado School Finance Project: Nonpartisan organizations that compiles research related to K-12 public Ed funding.

<http://www.cosfp.org/>

Great Education Colorado: Grassroots, nonpartisan effort to increase funding for Colorado K-12 education.

<http://www.greateducation.org/>

Building a Better Colorado: Diverse, nonpartisan coalition of Coloradans with the shared belief that Colorado can do better than the divisive arguments that have come to dominate our political discourse, engaging citizens of all political ideologies in honest conversations, to better understand the scope of opinion and perspective, and use that input to form workable solutions to key challenges facing Colorado without carrying forward any ideas that seek to undo the right of voters to approve all tax increases.

<http://betterco.org>

Next Public Meeting: January 7, 2016 - 4:30-630 @ AMG Bank and Trust in Greenwood Village

