



Public School Finance Task Force Meeting Minutes

October 31st, 2023 9:00 AM - 1:00 PM

[Link to Live Stream Meeting](#) | [SB23-287](#)

Task Force Members Present: Alex Magaña, Brenda Dickhoner, Carrie Zimmerman, Chuck Carpenter, Dan Snowberger, Deborah Hendrix, Kathy Gebhardt, Jennifer Okes, Kermit Snyder, Leslie Nichols, Lisa Weil, Marc Carey, Marty Gutierrez, Riley Kitts, Sarah Siegel, Sarah Swanson, Steven Bartholomew, Terry Croy Lewis, Nick Plantan

Task Force Members Absent: Craig Harper

Facilitator & Support: Nick Stellitano – Dillinger Research & Applied Data, Patrick Gibson - CT School State Finance Project, Ashley Robles - CT School State Finance Project, Amy Carman - Executive Director of School Finance & Grants, Shelbie Konkel - Senior Legislative Advisor, Tim Kahle - School Finance Program Director, Melissa Bloom - Principal Policy Advisor, Yolanda Lucero - Fiscal Data Coordinator

Welcome and Norms Review

- The Task Force Facilitator Nick Stellitano commenced the meeting at 9:06 AM MST and welcomed task force members and guests.
- The Task Force Chair Chuck Carpenter thanked task force members and guests for attending this meeting, reviewed today's agenda, reviewed technical etiquette, including straw polls. Chuck Carpenter also reviewed the guidelines for interaction, deliberation, and collaboration.
- Chuck Carpenter reviewed the project plan, and the task force's purpose, scope, and work to date on each item.
- Chuck Carpenter introduced 3 polls to gauge task force member perspective on the progress to date. The straw polls presented statements and asked each task force member the extent to which members strongly agreed, agreed, neutral, disagreed, or strongly disagreed with the statement.
 - **Survey #1 (Adequacy Studies):** The two adequacy studies both bring a varied set of methods and the completion of both surveys will bring value to the legislature
 - 35% strongly agree, 59% agree, 6% neutral.
 - **Survey #2 (Adequacy Studies):** The two adequacy studies, done thoroughly and completely, may cost more than the resources set aside by the General Assembly. If the cost to complete both studies proves to be greater than the resources provided by the General Assembly, the resources needed to fully complete those studies should be provided.
 - 38% strongly agree, 56% agree, 6% disagree.
 - **Survey #3 (Adequacy Studies):** The amount of funding provided for "At Risk" (a proxy for poverty) is substantially less than what is provided for by surrounding states. The Colorado Legislature should prioritize an increase in funding to At Risk (whatever the future measure for students in poverty) when funding becomes available to do so.
 - Dan Snowberger, Leslie Nichols, Kathy Gebhardt shared that it was difficult to offer an answer when it is not clear where the additional money is coming from.
 - 69% strongly agree, 19% agree, 6% neutral, 6% disagree.
 - **Survey #4 (ELL):** The amount of funding provided for "English Language Learners" is

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substantially less than what is provided for by surrounding states. The Colorado Legislature should prioritize an increase in funding to students learning English when funding becomes available to do so.

- Leslie Nichols and Kathy Gebhardt shared that it was difficult to offer an answer when it is not clear where the additional money is coming from.
- Alex Magana shared that schools are asked to accomplish a lot given the amount of money and needs of students.
- 53% strongly agree, 33% agree, 13% neutral.

Adequacy Process Update

- Jennifer Okes provided an update on the Adequacy Study process. Jennifer shared that CDE originally posted the Adequacy Studies Request for Information (RFI) on 10/27. Jennifer mentioned that the posted RFI inadvertently contained several typos, but CDE pulled down the RFI, fixed the errors, and RFI will be republished today (10/31). The timeline for inquiries on the RFI by interested parties is the end of this week, and CDE will respond to any questions received by 11/10. The final RFI response deadline for interested parties is 12/1/23.
- Jennifer shared that based on that timeline, CDE will discuss next steps with the Task Force once RFI responses are received.
- Jennifer noted that CDE is working on the Adequacy Studies Request for Proposals (RFP), but RFI responses will inform the RFP. The goal is to publish the RFP in January.

Cost of Living & Multiplicative Indexes Data Review

- Nick Stellitano reviewed the progress to date on the cost of living factor charge of the task force.
- Nick provided an overview of the 3 surveys to be discussed today - the administrative survey, the cost of living proposal feedback survey, and the multiplicative index pre-read survey.
- Nick Stellitano reviewed where the task force currently stands in the decision making process for the cost of living factor, and the goals for the task force regarding cost of living.
- Ashley Robles of the facilitation team reviewed the current location and impact of the cost of living factor in the school finance formula, including the preliminary per pupil calculation.
- Leslie Nichols shared that the analysis reviewed by the task force makes sense, but that the personnel costs factor functions as another size factor, due to the method for calculating the personnel costs factor.
- Alex Magana asked how the size factor factors into the equation, and how it correlates to the cost of living factor.
 - Ashley responded that the size factor would be discussed in the multiplicative index part of today's discussion, but that both factors impact the preliminary per pupil funding.
- Carrie Zimmerman shared that the residual impact of the cost of living factor being applied where it currently is applied is part of the issue we are facing.
- Dan Snowberger questioned whether the conclusion that the larger districts spend a higher proportion of budgets on personnel is problematic because the way it is calculated impacts what districts can offer teacher salaries.
- Kermit Snyder echoed Leslie and Dan and noted that he would gladly spend the same proportion on personnel if he could, but what smaller districts can spend on personnel is impacted by the cost of doing business.
- Ashley reviewed trends in district cost of living factors, and the differences in districts with different cost of living factor values.
- Leslie asked what the message or thinking was behind the median per pupil wealth given that the School Finance Act ultimately determines that revenue available to districts.

- Ashley and Nick responded that it is additional context to understanding differences in a district, and that generally they are hesitant to remove data points.
- Nick Plantan noted that the only meaningful correlation is average teacher salary, which he would expect.
- Alex Magana asked about factors that provide additional revenue.
 - Ashley and Nick replied that the mill levy overrides were one such factor that would be discussed.
 - Ashley clarified that average teacher salary data was from 2021, so data may have shifted over the past few years.
- Brenda Dickhoner asked if there were ways to look at the granularity of high and very high COL quartiles given the majority of student counts are in these quartiles.
- Sarah Siegel wanted to remind the group that it is her perspective that the task force is not being used to correct for whatever inequities are created by mill levy overrides.
- Riley Kitts shared that he would disagree with Sarah Siegel regarding mill levy overrides given that the group is tasked with a statewide funding formula, and noted that the group should take into account the differences in each district including cost of living and ability to raise revenue for mill levy.
- Dan Snowberger noted that he agreed with Riley's point regarding the mill levy overrides.
- Kathy Gebhardt asked if the district data behind the analysis (who is in each quartile) would be available, and Nick Stellitano replied that this data would be shared later on in the presentation.
- Lisa Weil noted that the legislature recognized when they started the Budget Stabilization Factor the pressure of the cuts that were happening, so they started letting the school finance act increase the percent of the per pupil the district could override which was a recognition that they were reducing state funding.
- Leslie concluded that the relationship between cost of living factor and average teacher salary as evidence that the factor is doing what it is intended to do.
- Alex Magana shared that he sees the cost of living and mill levy override revenue per pupil relationship as helpful, but asked if we see a relationship between all factors together.
 - Ashley responded that the facilitation team has not looked at it in this manner (regression analysis), especially given that short timeline.
 - Nick responded that the Colorado landscape of districts is varied which would lead him to hypothesize that the relationship would probably be murky and not significant.
- Carrie Zimmerman asked a question on how to interpret negative correlation between cost of living factor and At-Risk student percentage.
 - Nick responded that on average a district with a high cost of living is serving fewer At-Risk students. In other words, districts serving more At-Risk students are in areas where districts have lower cost of living factors.
- Nick Plantan asked if graphs show correlations and relationships, not causation.
 - Nick Stellitano responded that this understanding is correct.

Individual Time for Modeling & Discussion

- Nick Stellitano provided an overview of the Cost of Living Scenario Builder - Part 1, an interactive tool.
- Chuck asked how the user inputs changes to the cost of living factor in the sample workbook.
 - Nick S. responded that the number inputted into the input box is added or subtracted to the district's current cost of living factor values.
- Dan Snowberger asked if the change is to the current cost of living calculation, assuming it is correct and does not change how it is calculated.
 - Nick S. responded yes.

- Steven Bartholomew asked if cell E2 would be 0 in FY 25 for a base level amount if nothing changed.
 - Nick S. responded yes.
- Steven asked if this workbook analyzes solely one factor or other factors in the finance formula.
 - Nick S. responded yes, only the cost of living factor.
- Steven wants to clarify where charter school institute schools and students stand with regard to districts as students are located across the state.
- Alex asked where the student and funded pupil counts presented in the model come from.
 - Ashley responded that these examples are real districts that are representative of the quartiles previously shown in the presentation.
- Leslie noted that the per pupil fund calculation does not show at-risk counts out of the funded per pupil counts.
 - Ashley responded that she can add that information to that sheet.
- Leslie asked if the funded pupils matter in the calculator of the overall change.
 - Nick S. responded that yes, that this is the correct way of thinking about this model.
- Steven Bartholomew asked how the individual district run file is sorted.
 - Nick S. responded that he would allow task force members to make a copy for their use in Google Sheets.
- Dan asked how the district cost of living and size factor spreadsheet was shared - Nick provided the location in the slides.
- Marty Gutierrez shared that task force members may need to refresh the presentation to access the updated link.

The task force took a 10 minute break at 10:25 AM MST.

Cost of Living Proposal Refinement

- Nick Stelitano brought the group back at 10:31 AM MST and handed over to Chuck to set the stage for the next section of the meeting.
- Chuck clarified that the purpose is to develop proposals for the facilitation team to analyze and review.
- Nick S. stated that the group did not provide consensus in feedback surveys, and would review four scenarios to adjust the cost of living factor.
- Steven asked about what categorical funding is and to give some examples
 - Nick responded that yes we would cover this question in Scenario 3.
- Leslie noted that the charge is to revise the cost of living factor and it must take into account updated biannual cost of living factor.
 - Nick responded it ultimately depends on the decision of the task force and the “how” it is implemented.
- Ashley Robles reviewed the implementation and implications of Scenario 1 which would eliminate cost of living.
 - Riley Kitts asked if impacts are additive - Ashley responded that the total program was inclusive of At-Risk and ELL funding.
 - Sarah Swanson wants to stress that these numbers are based on the current formula, and that these numbers can go elsewhere.
 - Kathy asked if these numbers excluded the Budget Stabilization Factor - Ashley responded yes.
 - Leslie appreciated the freedom of the student need discussion to look at what kids need, and is frustrated that we are talking about dollars here rather than concepts

- Ashley Robles reviewed the implementation and implications of Scenario 2 which would move the cost of living factor in the formula.
- Leslie noted that when the task force discussed student need factors, the group had the freedom to think about what is needed to educate a kid, and felt like they were looking at dollars and was a little frustrated with that.
 - Nick S. responded that the group would go through scenarios quickly and then have that discussion.
- Marty G's concern is that last meeting we were not trading things off, and this time with the cost of living factor we are talking about trading for someone else.
- Deborah shared that these ideas were just scenarios and taking time to understand the thinking behind the scenarios, and from there we can have a discussion on the impacts on student need, staffing, and other topics.
- Kathy asked if we were going to have a conversation about measuring cost of living in scenario 4 and what is off the table.
 - Nick S. responded that nothing is off the table and that we would review scenarios 3 and 4 and then open it up for discussion.
- Ashley Robles reviewed the implementation and implications of Scenario 3 which would move the cost of living factor to categorical funding.
 - Kathy asked how these would be state dollars if local sources pick up the majority of special education costs.
 - Jennifer Okes clarified that although the state dollars come from the General Fund and State Education Fund, the locals are covering a large portion of these costs.
- Ashley Robles reviewed the implementation and implications of Scenario 4 which could transform the current way of calculating the cost of living factor.
- Nick S. opened up the discussion by asking task force members to provide direction for cost of living modeling and proposal development.
 - Dan asked for salaries for teachers at beginning and top of teacher salary schedule to be added to the district cost of living run. Dan asked if cost of living is accomplishing the purpose, or causing additional differences in cost of living as an additional questions.
 - Kathy noted the Wyoming report shared is helpful, and noted that cost of living indexes are wage indexes, and asked how the group could do that.
 - Ashley responded that the facilitation team would look at each state but cautioned that we may not be able to model that given the complexity of such a study and timeline.
 - Nick P believed the cost of living factor is having the intended effect, and agrees with the current placement in the formula, likes the idea of looking at what the right index for us to be looking at.
 - Terry Croy Lewis would support eliminating or moving it given reading evidence, but bringing back to CO, Charter School Institute has the advantage of being in 16 different districts, and seeing advantages of districts who can raise revenue.
 - Terry called out Montezuma Cortez really struggles given average teacher salary and competing with very high salaries in new mexico.
 - As Such, Terry noted that she believed it was not doing what it intended to do.
 - Sarah Swanson asked what the federal government uses to look at differences in salaries.
 - Ashley responded that she will look at that and provide resources following the call.
 - Brenda Dickhoner agrees that teachers have to make enough wages to live where they are at, but believes we are not capturing all factors needed to recruit and retain teachers.

- Believes our charge is for us to be creative and look at what other states are doing.
- Nick S. provided hypothetical scenarios of eliminating COL factor or using a wage index and how that would impact districts.
- Brenda would prefer to eliminate COL and re-invest money in at-risk and ELL.
 - Brenda shared that she wants to look at the remoteness and salaries of surrounding areas.
 - Brenda expressed a preference for scenario 1 or combination of scenarios 2 and 4.
- Lisa Weil wants to look at the ultimate goal and wants to look at the cost of doing business and what are the cost pressures and how many of those can we incorporate in different or new factors?
 - Would be interested to know what superintendents agreed to on this topic in 18-1232.
- Riley's first preference is to eliminate the factor and keep money within the formula. Riley expressed a second preference of a hybrid of Scenarios 2 and 4 - move it to a different place in order of operations and fix the policy behind it.
 - Would recommend looking at pre-k factors used in the rollout of universal pre-k.
- Steven supports scenario 1 and 2 more than others. In scenario 2 Steve would like to see at-risk coming before cost of living. In the end Steven believes putting more \$ at the beginning with the at-risk factor will save the state \$ by investing in at-risk students.
- Alex agreed with Terry and Riley, and noted that he was moving towards moving cost of living factor in the formula. Alex expressed worry about removing it.
- Nick S. synthesized feedback into proposals
 - Moving it into a different part of the formula past at-risk.
 - Recommendation around re-basing it.
- Leslie hears broad agreement about paying teachers what they need to be paid (how is tricky), being able to recruit and retain teachers including in remote areas.
- Alex agrees with Leslie and wonders how the factor impacts urban areas.
- Ashley asked a clarifying question about how the group would move the factor past or around at-risk given complexity.
 - Chuck responded that facilitators can look at tradeoffs and come to a recommendation and why it was implemented that way, as it is difficult to have this technical discussion in a large group.

The task force took a 5 minute break at 11:25 AM MST.

Multiplicative Index Proposal Development

- Nick Stelitano brought the group back at 11:30 am MST and reviewed the agenda for the next 90 minutes of the task force meeting.
- Ashley reviewed the different multiplicative indexes implemented in the current school finance formula, including the cost of living, personnel and nonpersonnel costs, and the size factor.
- Ashley reviewed the trends in districts with different size factor values including average teacher salary, median per pupil wealth, override revenue per pupil, and student at-risk percentage.
- Leslie noted that the current Colorado measure of sparsity does not do a good job of getting at remoteness.
- Nick S. reviewed the process of decision making for adjustments to the size factors and multiplicative indexes.
- Nick S. reviewed discussion topics for multiplicative indexes to guide forthcoming discussion.

6

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- Kermit asked why all districts receive a size factor, including Denver Public Schools?
- Deborah agreed with Kermit and believes that this is confusing - how do we simplify this so that it makes sense?
- Jennifer doesn't have an answer as to why all districts have a size factor but has heard this concern over the years as a question.
- Leslie commented that the way formula works now that it costs \$8,472 to educate kids, but there are district characteristics that change the amount it takes to educate those kids, but then there are student characteristics such as at-risk or ELL students that have additional costs?
 - Leslie would recommend removing personnel costs, and perhaps not having the size factor compound on top of that.
 - Leslie is very interested in breaking down remoteness and size.
 - Leslie believes that district characteristics can be a level set for applying at risk and other student characteristics.
- Riley commented that he saw the task force charge and wants to eliminate the multiplicative index of the formula.
 - Riley would like to see district specific characteristics move towards the end of formulas and perhaps form a district specific factor that takes into account wages, sparsity and size?
- Nick P. commented that he did not understand why there are separate personnel costs/cost of living and nonpersonnel and size factor.
 - Nick S. noted that we should have a conversation on the size factor - big cost on remoteness and sparsity.
- Kermit believed that the formula currently prioritizes district characteristics over student needs, and wants to focus on students first.
- Alex worried if we eliminate multiplicative indexes we would move towards more of a categorical funding model.
 - Alex would like to learn more about why we have these buckets and wanted to understand the original intent of the factors.
- Brenda emphasized the EdBuild brief as useful and would be interested in looking at these factors holistically.
- Leslie believed that district size really matters and doesn't want to lose sight of this for small districts.
- Terry agreed with Riley and Brenda on the size factor, we need to re-think it and move it. Terry believes the current system is crude.
 - Terry would like to revisit what goes into the current size factor.
- Nick Plantan believed we need to talk about what we are trying to do with the size factor and what the real intention is.
- Carrie Zimmerman noted that a lot of what we are discussing is found in the base amount, and perhaps the committee should recommend having a solid base as a starting point, which means we would have less to add to it.
- Nick S. synthesized the discussion into a set of tentative proposals.
 - A package of district characteristics to be included later in the formula
 - Subsequently, to determine what are the district characteristics to be included in the formula.
- Deborah agreed with Nick S and pointed out that this would allow the allocation to be more student centric and address student needs like at-risk and ELL.
- Alex asked which factors we would eliminate so that we are not going into multiplicative indexes again, and what do we adjust for that.

- Lisa pointed out that there is less of a distinction between doing things that address needs of a district and things that address the needs of the students, they are interconnected.
- At 12:07 PM MST the Commissioner of Education Susana Cordova thanked task force members for their work on this complicated issue and appreciated the thoughtfulness of the discussion.

The task force took a 3 minute break at 12:09 PM MST

Charter Institute Review

- Nick S. brought the task force back at 12:12 PM MST. Nick introduced Bill Kottenstette, who serves as the Executive Director of the School Choice Unit at CDE to provide an overview of the Charter School Institute.
- Bill Kottenstette provided an overview of charter schools in Colorado with an eye towards the task force charge of equalization in mill levy for Charter School Institute schools.
- Dan asked if the legislature ever considered when a local community approves mill levy overrides to fund education to a greater amount locally it would result in money to all public schools?
 - Bill replied that HB 17-1375 did not prohibit communities from sharing MLO money with CSI schools.
- Terry clarified that shared charter funding through mill levy overrides is based on the district where the charter school is located, and that Durango shared money with CSI schools under Dan's leadership.
- Kermit asked if when a district passes a mill levy override with specific language in the ballot measure on what they can spend the money on, are CSI schools held to the same requirement?
 - Bill replied that HB 17-1375 required districts to make a mill levy plan for sharing money.
 - Terry clarified that schools have not requested money that they would not otherwise have received.
 - Leslie appreciates that mill levy overrides for charter schools are unfair and that legislation has passed to fix it, but also notes that it is unfair to districts who can't raise enough money through mill levy overrides, or can't raise any money through mill levy overrides.
 - Kermit asked that given how it is a heavy lift for districts to get money through mill levy overrides passed, is there any other expectation that a CSI school would support mill levy overrides given that they would benefit?
 - Terry replied that there is a partnership that they encourage between district schools and charter schools.
- Kathy asked if the task force was going to look at multidistrict online programs and total program costs in this meeting?
 - Jennifer responded that multidistrict online programs are operated by district or CSI schools and they would fall into either category regarding mill levy overrides.
 - Jennifer also responded that the task force language referring to multidistrict online programs refers to these programs operated by CSI schools.
 - Nick S. read the task force charge and asked for clarification on this specific language.
 - Chuck responded that the CDE and facilitation team would answer the question and bring the answer back to the next task force meeting.
 - Terry clarified that CSI only has 1 multidistrict online school that educates about 300 students.
 - Kathy hopes that we can use total program funding language to talk about disparities in mill levy overrides beyond this task force meeting.

Charter Institute Proposal Development

8

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- Nick S. reviewed the process for decision making regarding the task force charge on charter school institute schools.
- Nick S. noted that a potential option is to put together a proposal/recommendation that this should be fully funded per legislative fix to the CSI mill levy equalization fund.
- Chuck requested specific comment on Bill's note that legislation has been put into place to provide this fix for CSI schools.
- Dan noted that we are creating an additional challenge for the legislature.
- Kathy noted that if her district were required to share mill levy overrides with CSI schools that do not have antidiscrimination language in contract, that would not be popular in her community.
- Alex highlighted that although we are looking at a small number of schools, if we fully fund it, what are the implications of school and student growth 10 years down the line if this really takes off?
- Deborah believed that CSI schools are public schools and should be funded as public schools are funded. Deborah shared her belief that these children should have the same education as children attending district schools.
- Terry clarified that CSI has had enrollment stabilize over the past few years, and underscored that it is very complicated to get to CSI, as many districts have ECA (exclusive chartering authority) and want to authorize their own schools.
- Nick S. asked if non-CSI charter schools are public.
 - Bill responded yes.
- Steven clarified that funds would follow students where they go to school, and wants funding for students at his CSI school to be equal to students at other schools.
- Brenda shared that CSI schools were able to raise salaries based on increase in mill levy equalization fund, which is perhaps why this task force charge was included.
 - Brenda recommended that the task force put in the final report support for the current legislative fix.
- Kathy noted that she agrees that all students are public school students, which is why she believes it is important that all schools have anti discrimination policies.
- Leslie shared that mill levy overrides are unfair for all school districts, not just CSI.
- Terry shared that she completely understood Leslie's point on mill levy overrides because CSI experiences that unfairness every day, and CSI students would never receive more revenue than district partners.
- Brenda noted that we should look at revenue raising capacity in district characteristics that we are looking at.
- Nick S. synthesized the discussion as follows:
 - Some recommendation to support the legislation to fully fund the Mill Levy Equalization Fund that currently exists.
 - What are other options to expand opportunity for what they are trying to accomplish to expand definition between CSI schools.
- Kathy asked if the task force report would have a minority report/opinion, and Nick responded yes.

Next Steps & Closing

- Nick Stellitano covered the next steps for the task force including completing the size factor pre-read survey and compiling/modeling the concepts discussed during the multiplicative index and mill levy equalization reviews.
- Chuck thanked the Commissioner for joining the meeting and thanked task force members for completing surveys and pre-reads and participating in the discussion.
- Nick S. adjourned the meeting at 12:55 PM MST.