

May 20, 2020

Members of the Colorado General Assembly,

We are a diverse group working with and on behalf of Colorado K-12 students and their families. We represent policy and advocacy organizations, early childhood education providers, school districts, and groups serving educators, students, families and the business community. Last week's revenue forecast and Joint Budget Committee discussions have made it clear that painful cuts to preK-12 spending appear unavoidable in the coming years because of dramatic revenue losses.

The COVID-19 crisis and accompanying school closures have laid bare the profound inequities in the lives of children that impede their school success. But the pandemic, for all its horrible consequences, has also stimulated bold, innovative thinking and forced a new look at existing structures and fault lines. You have an opportunity to interrupt harmful practices that exist in our current system of resourcing schools and students and prioritize the success of young people that are currently furthest from opportunity. ***As you face important budget decisions related to preK-12 funding over the next couple of weeks, we ask that you use an equity lens to target resources where they will make the biggest difference for kids by incorporating the following principles into this year's School Finance Act:***

1. Account for voter-approved mill levy override funding as a factor in how funding cuts are applied.
2. Adjust school finance formula factors as a targeted solution instead of resorting to across-the-board cuts through the budget stabilization factor.
3. Continue the state's investment in preschool and full-day kindergarten.

1) Account for voter-approved mill levy override funding as a factor in how funding cuts are applied.

In the absence of a statewide solution to our education funding challenges in the last decade, districts have increasingly turned to 178 local solutions by leaning on local voters and philanthropy. This means that the dollars available to invest in Colorado's students varies significantly between districts, in part due to local property wealth and voters' ability to invest more in education.

Since the BSF was instituted, the amount of funding approved locally by voters has grown from \$580 million in the 2009-2010 school year to \$1.4 billion in the 2019-2020 school year, and we know that funding does not benefit all students equitably. Fifty-two school districts have *zero* mill levy override dollars per student to offset funding cuts.

In fiscal year 2019-2020, the state's 35 school districts with the lowest assessed property value per student were only able to raise an additional \$1,049 per student with an average of 16.51 override mills, while residents in the 35 school districts with the highest assessed value per student were able to raise an

average of \$2,109 per student on just 2.83 voter-approved override mills. Essentially, our state's low property wealth districts taxed themselves at *5.8 times* the rate of high property wealth districts in FY 19-20, but only *generated half of the additional dollars* for their students. The Joint Budget Committee has discussed for years how these override mill levies are layered on top of wildly variable total program mill levies, the foundational inequality in our funding system.

It was never intended that local revenues would be taken into account in distribution of state share, but we would argue that these extraordinary times call for the accounting of voter-approved funds in determining how cuts should be applied, even if only temporarily. We believe the legislature should play a role in supporting communities that struggle to find adequate funding to meet student needs because of low property wealth and/or inability to raise local funds through mill levy overrides.

2) *Adjust school finance formula factors as a targeted solution instead of resorting to across-the-board cuts through the budget stabilization factor.*

Since 2010, the budget stabilization factor (BSF) has been a way to ensure that all districts experience some of the pain of reduced funding, but especially in these difficult times, an equal percentage cut to all districts will only exacerbate inequities in our school funding system because it will fail to protect the only targeted investment we make in our students and communities living in poverty and experiencing the most barriers to opportunity (the at-risk factor in the funding formula).

Rather than applying an across-the-board cut to all districts through the budget stabilization factor, which reduces the impact of the at-risk factor, we support targeted adjustments to the formula, such as lowering the impact of the cost-of-living adjustment. Our formula sends a dramatically disproportionate amount of funding to high cost-of-living districts, approximately *three times* what we spend to support students living in poverty and more than *six times* what we spend on special education.

Our students living in poverty need us now more than ever. The research is unequivocal about the clear need for additional resources to bring students living in poverty to academic proficiency, and the work of the Legislative Interim Committee on School Finance showed that we were dramatically underinvesting in these students even before the COVID crisis. The latest estimates project that the number of students eligible for free lunch in Colorado is expected to increase by 50,000 next year as a result of the pandemic. These are the students and families that we know will be struggling even more in this crisis.

Another consideration is the disproportionate ability of children in families with means to access supplemental learning and enrichment opportunities during and on the other side of this crisis. Families with disposable income have been able to retain their jobs and invest time and resources into keeping their children on track. We all know that the "summer slide" already impacts low-income children more than those with means. Research from The National Center for the Improvement of Educational Assessment predicts that students could enter Fall 2020 with only approximately 70 percent of reading

learning gains and 50 percent of math learning gains compared with a typical year. Students from families in lower socioeconomic brackets are likely to experience more pronounced learning loss than their peers. We anticipate that these gaps will only be exacerbated by the early end to this school year and the availability (or lack thereof) of summer enrichment opportunities throughout the state. In short, as we have seen in other sectors (health, employment, etc.), we expect this pandemic will exacerbate inherent inequities in our society. If there was ever a time to apply an equity lens to our investment in children's education, it is now.

3) Continue the state's investment in preschool and full-day kindergarten (FDK).

We know you value full-day kindergarten and preschool and their long-term academic benefits for our youngest learners. Putting that investment at risk, even temporarily, will have a huge impact on today's young children for the rest of their lives. In addition, passing the costs of full-time attendance on to parents who may be dealing with financial insecurity would place FDK out of reach for many children and disproportionately affect children in rural communities. Rural school districts have offered FDK for years, without charging tuition, by cutting funding from other areas, and would likely go back to doing this in the absence of state funding.

Just as important, unlike other cuts to education budgets, FDK and preschool serve a two-generation purpose as they are necessary work supports for families with young children. Cutting FDK and preschool could hinder our state's economic recovery by making it harder for parents to get back to work.

Repurposing CPP slots for full-day kindergarten or cutting CPP slots would place a disproportionate burden on already at-risk 3- and 4-year-olds (the overwhelming majority of whom are students of color and low-income) and their families who meet specific risk factors already to qualify for the Colorado Preschool Program. These families need access to preschool, even more than families of older children, so that they can work. As such, cuts to CPP slots or repurposing those slots back to full-day kindergarten access will hamstring families' ability to get back to work as we look to restart Colorado's economy.

By incorporating the above principles into this year's School Finance Act, you have an opportunity to correct for inequities that are baked into our current system instead of perpetuating them. Thank you for taking these recommendations into consideration as you face the enormous challenge of making the difficult budget decisions required by the pandemic. We look forward to continued collaboration to find solutions that drive towards equity and result in the best possible outcomes for Colorado's children in these extraordinary times.

Sincerely,

Cañon City School District
Centennial School District R-1
Center Consolidated School District
Colorado Association for the Education of Young Children
Colorado Association for Infant Mental Health (CoAIMH)
Colorado Children's Campaign
Colorado Latino Leadership, Advocacy, & Research Organization (CLLARO)
Colorado Succeeds
Colorado Youth Congress
Creede School District
Democrats for Education Reform (DFER)
Denver's Early Childhood Council
Early Childhood Council Leadership Alliance (ECCLA)
Education Reform Now
Empowering Communities Globally: For the Care of Children
Equity Network United for Metro Denver (ENUF)
Harrison School District 2
Healthy Child Care Colorado
Lake County School District
La Veta School District
Mile High United Way
Moffat Consolidated School District #2
Mountain Valley School District
North Conejos School District
Our Turn Colorado
Parent Possible
Pueblo County School District 70
Rocky Ford School District
San Luis Valley BOCES
School Community Youth Collaborative
Stand For Children Colorado
Teach For America Colorado
Teach Plus Colorado
Together Colorado
Sargent School District
Young Aspiring Americans for Social and Political Activism (YAASPA)