**OVERVIEW OF STATE FUNDING DECLINE**

In 1980, Colorado's funding per student was $480 above the national average. By 2013, it was $2,100 below the national average.

**Gallagher Amendment**
Keeps relationships between residential and business tax rates proportional. This triggered the need for the state to backfill education revenue that was previously funded by local property taxes. Funding was once 2/3rds local but is now 2/3rds state.

**School Finance Act**
Determines how most of the funding from state and local tax collections are distributed across all Colorado districts through a school funding formula based on district characteristics, demographics and “factors” of each district for equitable distribution.

**TABOR**
Tax Payer’s Bill of Rights (TABOR) sets limits on amount of revenue that can be collected by the State and local governments. If revenue is higher, law requires refunds to taxpayers. The law also imposes a limit on property taxes and requires a vote to increase taxes.

**Amendment 23**
Requires State to increase yearly funding for education by establishing a minimum increase in the amount of per-pupil funding given to districts by at least the rate of inflation. Also created the State Education Fund with the goal of catching K-12 funding up to where we were in the ‘80s.

**Negative Factor**
Since the State has struggled to keep up with the education funding formula and promises made in Amendment 23, legislators decided that only certain parts of the School Finance Act needed to grow by inflation. This allowed legislators to balance the state budget by adding a “negative” factor to the other factors built into the School Finance Act. This subtracted money intended for education and reduced revenue for all Colorado districts. Each year the size of the negative factor changes depending on the state budget. In the years since its inception in 2009, Adams 12 Five Star schools has been cut over $250 million, including $40 million this year alone.

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**1980**
- $480 above the national average

**1982**
- Gallagher Amendment

**1984**
- School Finance Act

**1992**
- TABOR

**1994**
- Amendment 23

**2000**
- Negative Factor

**2009**
- Negative Factor

**TODAY**
- $2,100 below the national average
HOW DOES ADAMS 12 FIVE STAR SCHOOLS RECEIVE MONEY?

How Does Adams 12 Five Star Schools Receive Money?

State Revenue
In 1994, the School Finance Act was passed. It includes a formula on how state and local tax revenue is combined to distribute equitable funds across the state. The formula weighs characteristics and factors of each district to determine funding based on the number of students in the district (per-pupil funding).

State revenue was intended to fill in where local funds came short. In the 1980s, state revenue was only one-third of our budget. Currently, it is nearly two-thirds. At this ratio, any cuts or lack of increases from the State takes a major toll on our school funding.

Local Property Taxes
We receive tax revenue from properties within our district boundaries (residential, commercial, agricultural) based on their assessed value. Compared to other school districts, the funding we receive is less due to lower home values and fewer businesses. This results in less revenue for our schools and more funding we have to approve through local overrides.

Locally-Approved Bonds and Overrides
Colorado allows districts to ask voters to approve additional funding.

- Bonds can only be used for capital expenditures, including major repairs, renovations, additions to schools and new schools. Bonds are not included in the district general fund and cannot be used for operating costs such as salaries and benefits.
- Overrides are additions to the general fund and used for operating expenses such as salaries and benefits, instructional programs, and classroom technology.

Adams 12 Five Star Schools General Fund

<table>
<thead>
<tr>
<th>Source</th>
<th>2016-17</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Equalization Revenue</td>
<td>63.7%</td>
<td>63.7%</td>
</tr>
<tr>
<td>Local Property Taxes</td>
<td>17.3%</td>
<td>17.3%</td>
</tr>
<tr>
<td>State Categorical</td>
<td>3.3%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Specific Ownership Tax</td>
<td>3.4%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Local Mill Levy Overrides</td>
<td>10.9%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>1.4%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

July 2017

Talk with your neighbors at soccer games, BBQs or community events. Talk with your principal about having a community conversation on funding concerns.

Write the Adams 12 Five Star Board of Education or your state senator or representative to express your concern or ideas.