Colorado Association of School Boards















**Publications** 

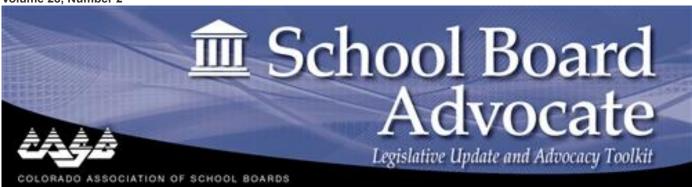




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School Board Advocate: January 27, 2017

Volume 28, Number 2



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# **Respect Decisions by Voters, District-Charter Relationships**

If you bought a pickup truck and the dealer tried to give you a compact sedan instead, you wouldn't be very happy. Colorado voters will face a similar situation if Senate Bill 61 is passed by the General Assembly. If voters have elected to raise taxes to help support their neighborhood schools, the bill would require those school districts to also spend those revenues on district-authorized charter schools even if the charter schools didn't exist when the mill levy override was approved.

Most Colorado school districts share funds with charter schools in their districts. This process works well because locally elected boards of education work closely with their communities to ensure all students succeed. Boards make it clear what the mill levy funds are to be used for, and for which specific programs. For the General Assembly to tell voters that their vote really didn't matter, that the choices they made don't count, would undermine the foundation of our system of governance.

It's important to remember that Colorado charter schools have access to funds not available to school districts, including:

- · Private gifts and donations
- Grants specifically for charter schools
- · Access to \$25 million in state funds for capital construction

Additionally, SB 61 would create a statewide mill levy for charter schools authorized by the Charter School Institute (CSI). Currently, the fiscal impacts of such a move are being calculated, but it seems reasonable to ask: At a time when the state is struggling to fund its current obligations, does it make sense to create a new expense that would serve only 1-in-8 students?

The bill is sponsored by Sen. Owen Hill, R-Colorado Springs, Sen. Angela Williams, D-Denver, and Rep. Lang Sias, R-Arvada. CASB encourages you to contact them and express your concerns about Senate Bill 61.

Sen. Owen Hill - 303-866-2737 Sen. Angela Williams - 303-866-4864 Rep. Lang Sias - 303-866-2962



## **Budget Whack-a-Mole**

As Colorado struggles ever more with problems created by a tax code enshrined in the state constitution, the governor and legislators are leaving no stone unturned in a search for funds to keep the state operating. But just when one budget issue is addressed, it seems that another one pops up.

The latest issue to pop up could reduce statewide property tax revenues, the primary source of funding for local governments and most school districts, by \$135.1 million. This budget dilemma stems from a little-understood element of the Gallagher Amendment called the residential assessment rate (RAR).

Under Gallagher, adopted in 1982, the statewide property tax burden must be divided as 45 percent residential and 55 percent commercial. At that time, the assessment rate was set at a fixed rate of 29 percent for commercial property. The RAR was pegged at 21 percent, but it was not set in stone.

When home valuations increase dramatically, as has happened several times since 1982, the residential assessment rate drops to maintain the 45-55 split. State officials project that the RAR will drop from 7.96 percent to at least 6.56 percent this year. (Remember, it was 21 percent in 1982.)

When the assessment rate for residential property drops, it reduces the amount local governments collect in property tax revenue.

After the "dot com" recession in the early 2000s and then the Great Recession, residential assessed values in Colorado were low enough that the RAR didn't need to be adjusted. Now that home values have been increasing steadily for several years, the RAR will fall. For school districts, it means lower property tax revenues, which in turn means the state must "backfill" for the loss of funds.

The dramatic drop in RAR over time explains why the local share of K-12 funding has dropped from 54 percent in 1985 to 34 percent in 2015, while the state's backfilling increased from 46 percent to 66 percent.

The Governor's Office of State Planning and Budgeting (OSPB) made a presentation to the Joint Budget Committee (JBC) to adjust the governor's proposed budget for 2017-18. In order to cover the \$135 million shortfall, the governor is proposing an increase in the tax on retail marijuana and a reduction to the Senior Homestead Exemption. As Millie Hamner, vice chair of the Joint Budget Committee, put it: "We are cutting seniors to fund seniors." The OSPB supplemental budget information is available

The JBC will have many challenges as it crafts a budget for approval by both the House and Senate. It is early in the session and budget decisions often come down to the last minute, so stay tuned.



### Isn't There Any Good News?

In an effort to end this edition of School Board Advocate on a positive note, we add some good news. CASB members have responded in a big way

when asked to step up their advocacy efforts. It is vital that school board members are up to speed on the issues

so that they can add to the conversation about the future of our state. Make sure to check out the advocacy resources available to you below.

The next opportunity to convene our dedicated advocates will be the CASB Winter Legislative Conference on February 23-24. CASB has lined up a power-packed program, chock-full of useful information you need to be a better board member. Most importantly, this is a great opportunity for you to come and tell your story to your elected folks under the Gold Dome. Now, more than ever, they need to hear and hear it loudly - that we must make education a priority.

## **2017 CASB WINTER LEGISLATIVE** CONFERENCE **Hotel Deadline**

This is the gathering that gets you up to speed and involved in state and federal legislative efforts important to public education in Colorado. View the agenda and speakers. Register today!

Wednesday, Feb. 1

## **CASB Advocacy** Tools

- · CASB Bill Tracker
- **CASB** Legislative **Conference Call** Tuesday, Feb. 7 at 6 p.m. Dial 877-240-8466 PIN: 8115970342# Presentation available at http://join.me/mattcookcasb
- **CASB Members at** Education Committee - Sign up here
- CASB Days at the Capitol



Our first Day at the Capitol is Wed., March 1. Join us at CASB for a briefing with our advocacy team, followed by a visit to the Colorado Legislature to see the House and Senate in action. To find out what's scheduled, visit the Colorado General Assembly website.

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Advancing excellence in public education through effective leadership by locally elected boards of education.

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