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Colorado Input-Based Adequacy Study

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Study Partners and Components

- **APA** – Professional Judgment (PJ) Adequacy Study and oversight/management of project
- **Picus, Odden and Associates** – Current Formula Review and Evidence Based (EB) Adequacy Study
- **Afton Partners** – Landscape, Cost of Living, Impacts of Wealth and Income, and Survey Analyses
- **New Solutions K-12** – Special Education Study
- **Tracie Rainey and Molly Homburger** – Colorado school finance expertise and support across studies

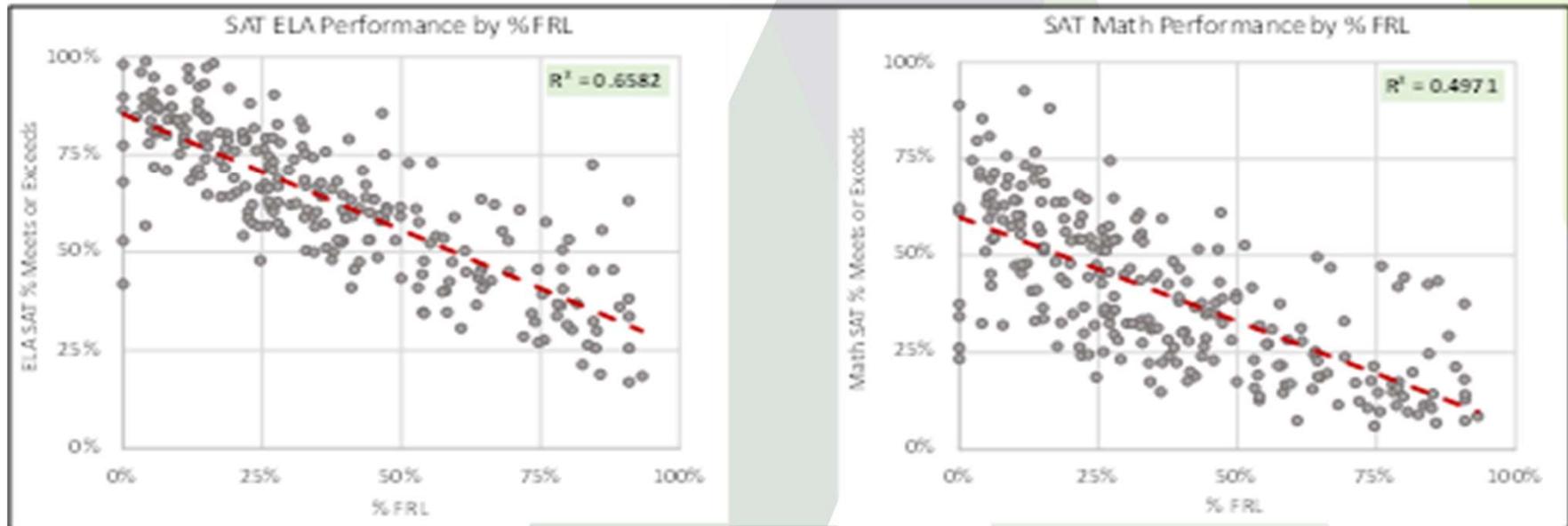
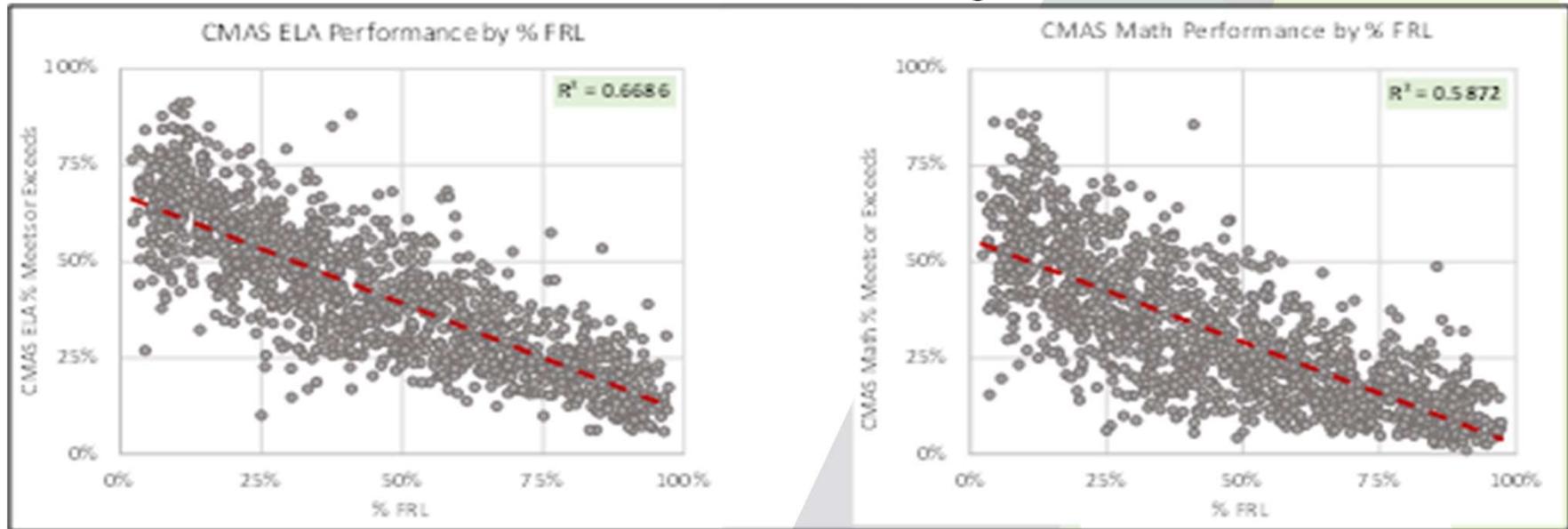
Review of Current Formula

- Utilized the review of the current SFA and HB24-1448 to help guide later analysis
- **Strengths of HB24-1448 include:**
 - Soft landing for declining enrollment districts while using a single current year count
 - Removal of multiplicative approach
 - Use of district size and locale adjustments
 - Higher weights and inclusion of special education weight
 - Elimination of budget stabilization factor (BSF)

Review of Current Formula

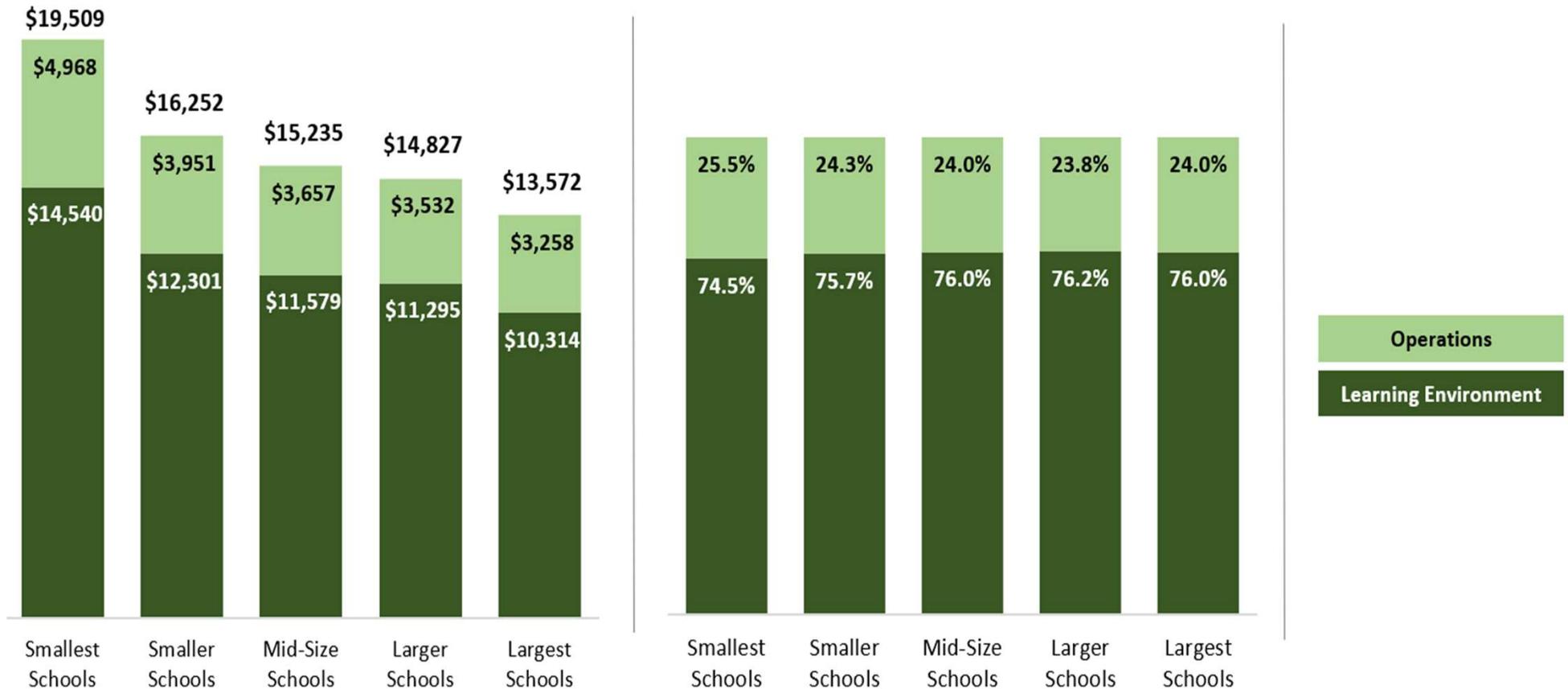
- **Weaknesses of HB24-1448:**
 - No clear rationale for the base cost
 - Recommend review of cost of living factor Unclear on the combined impact of district size adjustment and locale factor
 - Weights are lower than adequacy studies tend to recommend
 - Potential inequities of local overrides
 - Some areas have potential funding cliffs for districts

Landscape Analysis: Performance by FRL %



Landscapes Analysis

Average Per Student Spending Categories by Size Quintile (values and percentages)



Impacts of Wealth and Income

Income Level (MHI)	High Income & Low Wealth	High Income & Mid Wealth	High Income & High Wealth
	Mid Income & Low Wealth	Mid Income & Mid Wealth	Mid Income & High Wealth
	Low Income & Low Wealth	Low Income & Mid Wealth	Low Income & High Wealth
	Community Wealth Level (NAV per pupil)		

Income Level (MHI)	12	21	27
	24	16	19
	23	22	14
	Community Wealth Level (NAV per pupil)		

Income Level (MHI)	23%	42%	30%
	46%	48%	41%
	58%	61%	44%
	Community Wealth Level (NAV per pupil)		

Income Level (MHI)	\$95,597	\$101,374	\$91,320
	\$74,110	\$74,875	\$77,350
	\$54,955	\$58,150	\$61,250
	Community Wealth Level (NAV per pupil)		

Impacts of Wealth and Income: Educational Inputs with versus without MLOs

Income Level (MHI)	\$ 53,180	\$ 60,802	\$ 58,479
	\$ 52,355	\$ 50,255	\$ 46,930
	\$ 44,998	\$ 48,475	\$ 46,770
	Community Wealth Level (NAV per pupil)		

Income Level (MHI)	20:1	16:1	13:1
	16:1	15:1	11:1
	15:1	14:1	10:1
	Community Wealth Level (NAV per pupil)		

Income Level (MHI)	\$ 44,753	\$ 41,924	\$ 47,633
	\$ 46,742	\$ 47,520	\$ 41,389
	\$ 46,387	\$ 43,177	\$ 43,281
	Community Wealth Level (NAV per pupil)		

Income Level (MHI)	17:1	20:1	16:1
	14:1	14:1	18:1
	17:1	12:1	10:1
	Community Wealth Level (NAV per pupil)		

Survey

- Nearly 1,500 respondents
- Priorities were generally consistent across respondents with Teacher Quality the highest priority for all groups
 - School Culture and Academic Performance also ranked high
- Additional Funding Priorities
 - Teacher Quality still the highest priority for all respondent groups
 - School Culture, Academic Performance, course offerings, and Student Mental Health

Professional Judgment Approach

- Utilized six representative districts that mirrored the size differences in districts in the state
- Worked with Colorado Department of Education (CDE) to identify the educational standards Colorado students, teachers, schools, and districts are expected to meet

Professional Judgment Approach

- Held a series of panels with Colorado educators to identify resources, including:
 - School (3 panels)
 - Special needs (2 panels)
 - District (4 panels)
 - CFO (1 panel)
 - Remoteness (1 panel), and
 - Statewide (1 panel)
- Each panel reviewed the work of the prior panel(s)
- No panel discussed dollars per pupil, just identified the resources needed

Professional Judgment Approach

- APA team utilized statewide average salaries along with adjusted benefit costs to identify:
 - Base cost
 - Weights for student adjustments
 - District adjustments
- Results of the PJ study were then reconciled with EB results for final study recommendations

Evidence Based Approach

- Relies on two research types:
 - Reviews of research on the effects of student achievement by individual educational strategies provided by the EB Model
 - Case reports of schools and districts that have dramatically improved student performance over a four-to-six-year period – sometimes actually “doubling” student performance on state tests

Evidence Based Approach

- Model schools and district are developed based on the research
- Panels of Colorado educators were asked to review the identified resources and adjust for state context
- A base cost and student weights were identified by the approach
- Results of the EB were reconciled with PJ results for final study recommendations

Special Education Study

- Examined current education funding system against national best practices
- Spoke to special education directors at BOCES and school districts
- Identified funding recommendations that were incorporated into the EB results
 - Included weights for mild and moderate students
 - Full reimbursement for high cost students

Cost of Living Adjustments

Approach	States that Utilize
Cost-of-living	Colorado, Wyoming*
Hedonic Wage	Alaska, Maine, Texas, Wyoming*
Comparable Wage	Illinois, Florida, Maryland, Massachusetts, Missouri, New Jersey, Nevada, New York, and Virginia

**Wyoming uses the “best of” two approaches*

Cost of Living Adjustments

Size Groupings	Total Funding Amount by COL Factor HB24-1448	% of total adjustment	Total Funding Amount by CWIFT Rebased to State Avg. (Over 1 applied)	% total adjustment	CWIFT LEA Rebased to State Average Above and Below Applied	% total adjustment
Smallest	\$3,850,796	0.3%	\$325,841	0.0%	\$(1,448,951)	-0.2%
Smaller	\$9,165,894	0.6%	\$1,194,806	0.2%	\$(2,447,549)	-0.4%
Mid-Size	\$26,294,403	1.8%	\$4,800,511	0.7%	\$(1,075,181)	-0.2%
Larger	\$100,943,097	6.9%	\$22,099,191	3.2%	\$7,904,768	1.2%
Largest	\$1,312,509,137	90.3%	\$670,373,205	95.9%	\$650,150,893	99.6%
Total	\$1,452,763,327		\$698,793,554		\$653,083,979	

Creating Final Recommendations

- Identified a single set of recommendations based on the input findings in PJ, EB, and Special Education integrating results from other studies
- Example of this work was for behavior and mental health supports
 - EB and PJ differed on identified level of resources
 - Feedback from panelists and result of the survey showed a high need for resources in this area
 - Higher resource level was identified as part of final base cost figure

Recommendations

	Input Adequacy	Current Formula	HB 24-1448 Formula
Base Per Student	\$12,346	\$8,726	\$8,726
Student Count	Single count w/ either a 3 year avg or current year; some students counted separately (e.g.: online students)	Single day count, up to 5 year declining enrollment adj.; some students counted separately (e.g.: online)	Single day count, up to 4 year declining enrollment adj.; some students counted separately (e.g.: online)
COL Adjustment	Design Colorado specific index, determine maximum impact	Cost of living w. personnel cost factor	Cost of living w. personnel cost factor
Size Adjustment	District size adjustment w/ high of 2.3380 at 50 students a min of 1.0 for districts above 3,900	District Size adjustment w/ high of 2.3958 at 50 students and a minimum 1.0297 for all districts	District size adjustment w/ high of 2.3958 at 50 minimum and 1.0 for districts above 6,500 students

Recommendations

	Input Adequacy	Current Formula	HB 24-1448 Formula
Rural Factor	Not Included	Funding for rural districts w. less than 6,500 students	Not Included
Locale Factor	Not Included	Not Included	Funding based on NCES Locale codes ranging from .25 to .025 weight
At-Risk	.35 weight applied to the same base amount for all districts, no concentration factor	Minimum weight of .12 w. a concentration factor greater for larger districts. Applied to COL/Size adjusted per student amount	.25 weight w. concentration factor only for smaller districts with at least 75% concentration. Applied to the same base amount for all districts

Recommendations

	Input Adequacy	Current Formula	HB 24-1448 Formula
ELL	Weights by WIDA level: .52 for levels 1&2, .36 3&4, and .16 5&6 applied to same base amount for all districts	.08 weight applied to COL/Size adjusted per student amount	.25 weight applied to the same base amount for all districts
SPED	.44 weight for mild and 1.1 weight for moderate applied to same base amount for all districts. Severe fully reimbursed by the state	Not Included	.25 weight applied to same base amount for all district
Online & Extended HS	Funded at specified per student amount	Funded at specified per student amount	Funded at specified per student amount

Comparisons of Funding Formula Amounts in 2025-26 Dollars

	Input Adequacy Model	HB24-1448 Full Implementation	HB24-1448 Phase In	Current Formula*
Total Program	\$13,491,482,407	\$10,408,605,930	\$10,024,346,997	\$9,929,428,661
Base Funding	\$9,953,588,473	\$7,070,801,446	\$7,070,801,445	\$7,108,677,439
At-Risk	\$1,691,936,023	\$866,824,884	N/A	\$570,291,553
ELL	\$323,534,805	\$142,793,027	N/A	\$57,342,842
Special Education	\$681,246,609	\$240,545,759	N/A	\$0
Size	\$396,363,032	\$181,822,232	N/A	\$355,500,930
Cost of Living	\$0	\$1,437,093,324	N/A	\$1,473,107,804
Rural Schools	\$0	\$0	N/A	\$36,654,926
Locale	\$0	\$155,720,248	N/A	\$0

**Due to multiplicative nature of the formula, size and cost of living also impact other adjustments*



Questions?