



SKI COUNTRY EDUCATOR

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School Accountability Reform must be accompanied by School Finance Reform

With all of the talk of accountability reform in education – i.e. tying student performance and teacher evaluation to performance pay and non-probationary status, we must also consider school finance reform.

Colorado is abysmal in the financial commitment we make to K-12 funding; as well as higher education and preschool funding.

- Colorado ranks 42nd in the nation in per pupil funding (adjusted for cost of living).
- \$1,397 below the national average in per pupil spending or \$1919 adjusted for cost of living.
- 50th in teacher pay parity.
- 48th in per capita spending on higher education.

I believe that teachers and school employees are more than willing to take the steps necessary to improve student performance but along with that there is a necessity to assure the education community that the citizens of Colorado and the legislature are willing to make the financial commitment to make this happen.

...Dennis Carlson, Director – Ski Country UniServ

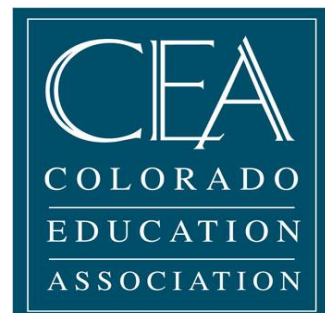
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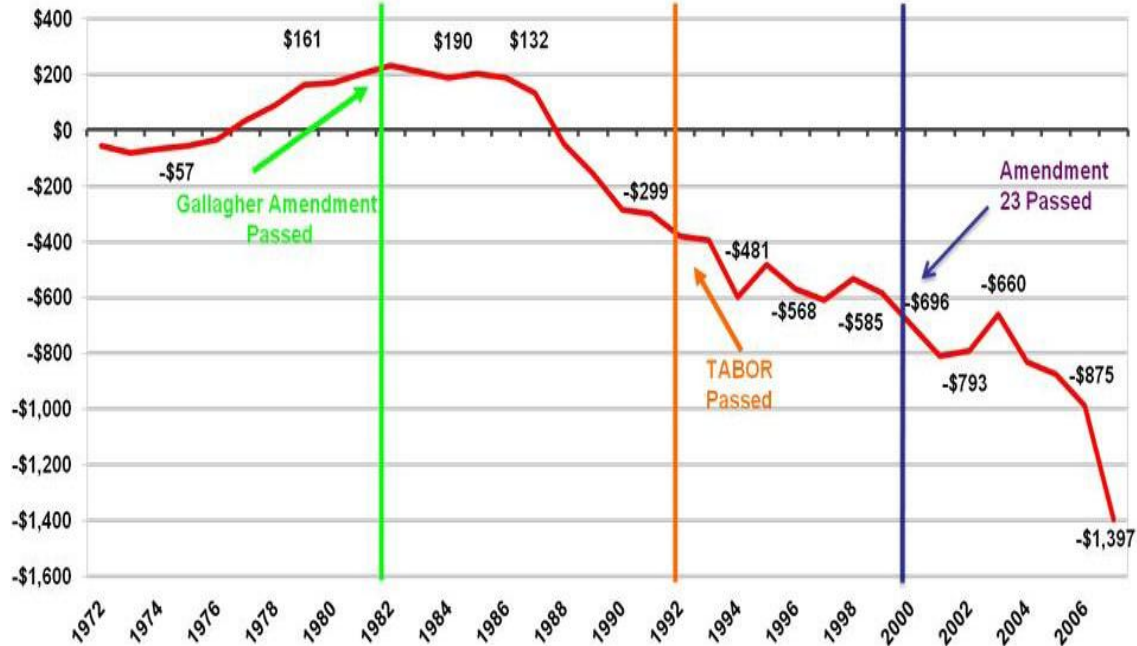
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K-12 Per-Pupil Funding: Colorado vs. National Average

Source: National Center for Education Statistics

Difference between CO and National Average



HOW DID WE GET HERE?

The falling red line on this graph documents how Colorado's per pupil funding compares to the national average from 1972-2007. With conventional wisdom in and around the Capitol that K-12 funding is "fine" and has been protected – perhaps *too* protected – by Amendment 23, this graph tells the real story of Colorado's 30 year history of disinvestment. The downward trend started with the Gallagher Amendment in 1982 and continued to decline with the passage of TABOR in 1992. Even with a slight increase following Amendment 23, Colorado continued dropping to new lows relative to the national average. In 2007, Colorado was \$1,397 below the national per pupil funding average. *Learn more at greateducation.org.*

Great Education Colorado

MISSION:

Great Education Colorado is a statewide, nonpartisan, [grassroots](#) organization that is focused on improving education in Colorado through wise, increased investment in our schools, colleges and universities.

Great Ed works to inform citizens about critical education resource and reform issues and to empower them to advocate effectively for permanent change in how we invest in our schools and our children. From preschool through college we believe that Colorado must take the steps necessary to invest in our students' education for the long-term. And while increased funding alone cannot solve the problems in the state's public education system, in its absence, no equitable or sustainable solutions to provide the opportunities necessary for our students' and for Colorado's future are possible.

Go to the following website <http://www.greateducation.org/> to find out how you can help and become a member of Great Education Colorado.



Three New Threats

Just when you thought the anti-tax and anti-public education crowd couldn't hurt us any more than they already have through the Gallagher Amendment in 1982 and the TABOR Amendment in 1992 wait until you see this:

Proposition 101: Public Service Cuts

- Supersedes Ref C, sets lower spending limit, and reinstates the ratchet.
- Cuts General Fund revenues 20% (\$1.2 billion in current dollars).*
- Cuts future transportation funding more than 33% (\$465 million in current dollars).
- Eliminates funding for rural, disabled and low-income telecommunications programs.
- Cuts to city and county revenues more than \$600 million a year.

Amendment 60: Local Budget Constraints

- Cuts local support for schools in half.**
- Requires the state to make up the difference out of the General Fund (which Prop 101 will have cut by 20%).
- Sunset's local "de-brucing" elections affecting property taxes.
- Appears to reverse state mill levy freeze.

Amendment 61: Public Financing Ban

- Bans any kind of debt financing by the state (including Certificates of Participation for roads and buildings and short-term financing to manage cash flow).
- Limits debt financing by local governments.
- Requires local governments to cut taxes when debts are repaid.

* When fully implemented over 10+ years.

** When fully implemented over four years.

Proposition 101

(Preliminary analysis done by Rich Jones at the Bell Policy Center)

The first sentence of the measure reads, "This voter-approved revenue change shall be strictly enforced to reduce government revenue." Proponents say they intend for this language to be interpreted according to the provision in TABOR that defines spending limits. If so, then proponents clearly intend to repeal Referendum C, passed by voters in 2005, and impose a new, lower state spending limit moving forward. And just like before

Ref C, this new limit would ratchet down state spending after recessions.

Proponents also intend the measure to impose new, lower spending limits in all cities and counties in Colorado.

Based on preliminary estimates from the Bell Policy Center, when fully implemented the provisions of Proposition 101 would reduce state income tax revenues by \$1.2 billion per year (current value), state and local revenues from a range of sales taxes and vehicle fees by well over \$1.1 billion per year (current value), and state revenues from telecommunications charges and fees by \$4.5 million (current value) per year.

When fully implemented, the provisions of Proposition 101 would cut state revenue by at least:

1. \$1.2 billion in income tax revenues (rate reduced from 4.63% to 3.5%)
2. \$179 million in transportation revenues from elimination of FASTER fees
3. \$164 million in transportation revenues by cutting registration, license and title fees to \$10 per vehicle
4. \$100 million in sales taxes from exempting \$10,000 in vehicle value from sales taxes
5. \$22 million by eliminating sales taxes on rental vehicles
6. \$4.5 million in telecommunications fees by prohibiting all fees, except those to fund 911 services. Another \$72 million that is used to subsidize telecommunications services in rural areas would be cut, but these funds go to a private escrow account and not the state.

Total equals \$1.7 billion (current value)

When fully implemented, the provisions of Proposition 101 would cut local government revenue by at least:

1. \$500 million in specific ownership taxes by cutting them to \$2 per new vehicle and \$1 per used vehicle
2. \$100 million in sales taxes from exempting \$10,000 in vehicle value from sales taxes (based on an average 3 percent sales tax rate for local governments)
3. \$22 million by eliminating sales taxes on rental vehicles (based on an average 3 percent sales tax rate for local governments)

Total equals \$622 million (current value)

Totals do not include the loss of state and local sales taxes on leased vehicles because we were not able to gather the necessary data on vehicle leases to calculate this amount.

Our calculations for the amount of sales taxes reduced by the \$10,000 exemption on the value of a vehicle are based on sales of new and used vehicles at Colorado franchised new vehicle dealers only. They do not include sales by independent auto dealers and private individuals.

Amendment 60

Amendment 60 is a constitutional change that will make significant changes in property tax law. It appears that the numerous "de-Brucing" elections that have successfully passed since 1992 will be overturned and phased out, having a huge impact on local governments and school districts. This in turn would have a disastrous impact on the state budget because of the required state backfill to local K-12 districts.

Amendment 61

(Preliminary Analysis by Rich Jones of the Bell Policy Center)

Proposed Constitutional Initiative 61 would make sweeping changes in how the state and local governments can use and issue debt.

It would ban the use of any kind of debt by the state of Colorado. We believe Colorado would become the only state in the nation without the authority to issue debt.

It would limit the amount of debt issued by local governments, require all local debt be approved by the voters in a November election, and require local governments to cut their tax rates equal to the average annual debt payments as debts are repaid.

How it applies to state government

A strict reading of the proposed initiative indicates that the state of Colorado would be prohibited from issuing debt of any kind, including general obligation bonds, certificates of participation, revenue bonds, tax anticipation notes or borrowing by "any other name."

According the proponents, Proposed Constitutional Initiative 61 would reinstate the ban on "debt in any form" contained in Colorado's 1876 constitution."This new ban is on any state entity ... getting any type of loan at all. ... It is not just 'money' the state can't borrow; 'items of value' (buildings, land, vehicles, equipment, funds, bonds, stocks, etc.) are included. ...The state may buy, but not borrow, even from itself - no more borrowing cash funds for the general fund, for cash flow in a fiscal year, for 'balancing' budgets with next year's revenue, or for phony state emergencies. No borrowing, period! Not even one day! No more loopholes!" (1)

Colorado is prohibited from issuing general obligation bonds; however, the Treasurer's Office issues revenue anticipation notes to help the annual cash-flow needs of the state's General Fund and local school districts. In recent years, the state has used certificates of participation to fund buildings on the Anschutz Medical Campus, to fund capital construction projects at 12 college campuses throughout the state and to repair, renovate and replace K-12 schools with major structural problems throughout the state, improving the health and safety of Colorado schoolkids. None of those projects would be allowed if Proposed Constitutional Initiative 61 passes.

How it applies to local government

Local governments, including enterprises, authorities and other political entities, may borrow money or other items of value only if approved by the voters in a November election. All local borrowing will be considered bonded debt that must be repaid in ten years. Therefore, title and notice requirements under TABOR will be applied to local elections to authorize bonded debt.

Local governments currently use certificates of participation, lease-purchase and other forms of borrowing. These can be entered into without voter approval, and this initiative will make it more difficult for local government entities to use these mechanisms to borrow funds.

In addition, local governments would be required to cut their tax rates equal to the average annual amount they pay on their debt after the debt is paid off, even if the debt is not being paid with tax revenue. These are characterized as "voter-approved revenue changes," thus lowering the local TABOR revenue limit.

For example, Arapahoe County is spending about \$1.6 million per year in COP payments for its new judicial complex. Once the COPs are paid off in 2017, it will have to cut its tax rates to reduce its revenues by \$1.6 million annually. It has to do this even though the COPs are being paid with lease payments from the Arapahoe County Airport Authority.

Proposed Initiative 61 would also limit the amount that local governments could borrow to 10 percent of the assessed taxable value of real property in its jurisdiction. All amounts borrowed by the local government and all of its authorities would be included when determining whether the ten percent limit has been met.

Under current law, counties and municipalities can borrow up to three percent of the actual assessed value of real property in their jurisdiction. However, the proponents intend to limit the total that can be borrowed to 10 percent of the assessed taxable value of residential and non-residential property by applying the assessment rates to the actual assessed value of the property.

For example, under current law, Arapahoe County can borrow up to 3 percent of the actual value, as determined by the assessor, of the taxable property in the county. In 2008, the actual value of taxable property equaled about \$65 billion and the 3 percent debt limit equaled \$1.9 billion. If the limit in Proposed Constitutional Initiative 61 is applied, the debt limit would equal 10 percent of the \$7.8 billion total assessed taxable real property or \$780 million

NEA Members on Blueprint: Where is the Collaboration?

By [Cynthia McCabe](#)

March 19, 2010 – When NEA President Dennis Van Roekel testified on Capitol Hill this week about the problems with the Obama administration’s ‘blueprint’ for reforming the No Child Left Behind law and called the related education budget proposal for the upcoming year “a mixed bag,” he echoed the sentiments of many of the Association’s 3.2 million members.

In classrooms, breakrooms and online forums like NEA Today’s Facebook page in recent weeks, educators have been talking about what effect the blueprint and experiments like the \$4 billion Race to the Top competitive school funding grant program would have on the work they do with the nation’s children. Many were skeptical, and following drastic “reform” efforts like the firing of all teachers at the Central Falls, R.I., high school, worried their profession is unfairly under attack.

“Why must educators always be stepped on,” wondered Deborah Meaux, a St. Mary Parish, La., teacher and vice-president of the Louisiana Association of Educators. Teachers who toil in the classroom are not the problem, Meaux said, pointing out that parents, communities, students, and teachers must all collaborate for student achievement. “I and all teachers have no problem being held accountable for our portion of the equation. But until Congress and legislators put real responsibility and consequences on the backs of the others involved, beating up on teachers is just grandstanding.”

NEA shares the Obama administration’s goal of fostering innovation and reform to close the gaps in achievement and opportunity in the nation’s schools. NEA members have been part of numerous successful to turn around struggling schools. (Learn more about NEA's Priority Schools Campaign.)

But NEA opposes labelling schools based on test scores as well as federally mandated criteria for evaluating teachers and Van Roekel called the blueprint “disappointing” upon its release for doing exactly that. While evaluations are of course important, local school districts hire and fire teachers, so they should work to develop evaluation systems with their employees.

Carla Benard, an English teacher from Chicago worries that programs like the blueprint represent “more of the same” when it comes to unfair evaluation scapegoating of educators and that she and her colleagues are “an easy target.” Says Benard, “We have been all too willing in the past to try and shoulder more than our share of the responsibility. No one’s shoulders, however, are broad enough to carry this load.”

For veteran educators who have kept their focus on the students in the face of various reform efforts and changing political climates, reaction to the latest incarnation of education reform is tinged with a bit of weariness.

“I want to continue to inspire and enlighten children and make school their safe haven, whatever their background,” said Greensboro, N.C., special education teacher Melodie Welborn. “I want to continue to change lives.”

