



MYTH: State economic growth means increased funding for schools.

TRUTH: Based on state budget formulas, just because the economy grows does not mean the percentage of state funding to school districts grows. School districts are not alone. Despite growth, the state is making cuts or modest increases to transportation and higher education as well.



MYTH: Elizabeth Schools must be getting more money because my property tax bill shows a larger portion going to the district.

TRUTH: The district does not receive additional funding as assessed property values increase even though property owners pay more property taxes. As local property taxes increase, the state decreases the portion it contributes to school districts based on the amounts established by the School Finance Act.



MYTH: Education has plenty of money because of the marijuana tax.

TRUTH: The revenue the state receives from marijuana taxes does not contribute to school district operational costs. Of the tax revenue collected, \$40 million is set aside into a statewide grant fund, the BEST program, to be used only for building construction. All 178 school districts in Colorado must apply for the funding and have funds available to match the BEST grant money awarded (Learn more at <http://bit.ly/marijuanatax>).

Elizabeth Schools has been fortunate to receive three BEST grants totaling more than \$1.7 million that helped pay for a portion of the new roofs at Elizabeth High School and Singing Hills Elementary and for the wastewater treatment system at Singing Hills Elementary.



MYTH: School districts have more than enough money.

TRUTH: The current school funding formula is outdated and very complicated due to a number of amendments and bills. The result is a tangled system and vast inequities in funding for school districts across the state.

Gallagher Amendment

In theory, each school district should be funded by relatively equal shares from state and local sources. Gallagher mandates assessed value of residential properties statewide can't exceed 45% of the state's overall assessed value. Businesses make up the remaining 55%. This works well when residential and commercial property values rise or fall at similar rates. But, when there's a housing boom like Colorado is experiencing now, things quickly get out of whack. Currently, nearly two-thirds of school funding comes from the state and just over one-third from local property taxes. This puts added strain on the state budget.

Amendment 23

Amendment 23 was designed to boost public education funding by mandating that school funding grow by inflation plus 1% from 2001-2011, and by the rate of inflation thereafter. In 2009, plunging tax revenue caused by the Great Recession prompted the legislature to adopt the Negative Factor, or Budget Stabilization Factor.

Negative Factor/Budget Stabilization Factor

As the state struggled to keep up with the promises made in Amendment 23, legislators decided 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 in the School Finance Act. This subtracted money intended for education and reduced revenue for all Colorado school districts. Each year, the size of the negative factor changes depending on the state budget. Since 2010, Elizabeth Schools' funding has been cut more than \$21.5 million cumulatively.

Mill Levy Overrides

Due to drastic funding cuts, many districts have asked voters to approve additional funding through mill levy override (MLO) tax measures to support their operational expenses. This has led to vast inequities between districts and large differences in opportunities for students. Elizabeth Schools doesn't have a MLO.