



# The Bell Policy Center

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FOR IMMEDIATE RELEASE

Aug. 10, 2006

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## Facts don't support 65 Percent school funding proposals

In November, Colorado voters will be asked to impose a 65 percent spending framework on school districts in either of two ballot questions: Amendment 39 and Referendum J.

The competing proposals would require school districts to spend at least 65 percent of their operating funds on classroom instruction or student achievement.

The idea sounds sensible, but it doesn't deliver.

"The facts don't support the concept," said Frank Waterous, senior policy analyst for the Bell Policy Center, a nonpartisan think tank that focuses on social public policy issues affecting Colorado. "These proposals are simplistic gimmicks, and there's no solid evidence these spending requirements do any good."

In an issue brief released today, Waterous drew on research that compares spending patterns and student achievement test results in Colorado school districts. The facts show no correlation between a set percentage of spending and achievement.

Most pointedly, 19 Colorado school districts spent less than 65 percent of their operating funds on instruction, but had student proficiency levels at or above 90 percent in reading and math. The investment research firm Standard and Poor's based this comparison on school district spending in the 2002-03 school year and student achievement test scores in the 2003-04 school year. (*See page 4 of the issue brief.*)

The flip side is also true. Six school districts spent 65 percent or more on instruction; half tallied above the statewide student achievement of 80 percent proficiency, while half tallied below.

"Based on the evidence, both Amendment 39 and Referendum J are ill-conceived, ill-advised and unsupported education policy measures," Waterous said.

**The differences between Amendment 39 and Referendum J** lie primarily in how they define "classroom instruction" or "services that directly affect student achievement."

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**Amendment 39 has a more narrow definition**, and would force 166 of the 178 school districts in Colorado to shift spending. Services defined as outside-the-classroom spending, and thus a focus for budget cuts, would be teacher training, counselors, school nurses, social workers, principals and administrators, maintenance, cafeterias and school buses.

**Referendum J has a more inclusive definition.** It considers teacher training, counselors, cafeterias and school buses to be legitimate student support spending. It would exclude only school district administration and operations and maintenance of school buildings. By this definition, only three Colorado school districts would have to shift spending.

**Amendment 39 is the result of a citizens' initiative** that is part of a national movement promoted by the Washington, D.C.-based First Class Education. The organization's goal is to have all 50 states adopt a 65 percent spending plan. It claims that classrooms will make huge gains in funding without a tax increase.

The concept is now law in Georgia, is a formal education policy goal in Kansas, and is being implemented in Texas under an executive order from Gov. Rick Perry. But it's been rejected in 11 other states. It's on the ballot this fall in Colorado and Oklahoma. Initiative efforts in Arizona, Oregon and Washington failed to get on the ballot this year.

Colorado's Amendment 39 ballot question would amend the state constitution. That means it would take another majority of Colorado voters to approve any changes to the spending limit or its definitions.

**Referendum J is the result of a bill passed by the state legislature** in the 2006, sponsored by Rep. Mike Merrifield, D-Manitou Springs, and Sen. Sue Windels, D-Arvada. It comes as a counter-measure to the more strict language in Amendment 39. Referendum J is a statutory measure that would amend state law. It would take a majority vote in the state legislature to amend it in the future.

**Bell Policy Center opposes both of Colorado's 65 percent ballot measures, and recommends that voters reject both questions in November.**

### **What Referendum J and Amendment 39 mean for Colorado school districts**

Colorado Legislative Council staff is analyzing the potential impacts of Amendment 39 and Referendum J on Colorado's 178 school districts, in preparation for the 2006 Blue Book. The council staff is using school district budgets from the 2004-05 school year, which are more recent than the spending figures assessed by Standard and Poor's.

**Under Referendum J**, three districts **would** have to shift spending. They are:

- East Grand 2, Granby
- West End RE-2, Nucla
- Silverton 1

**Under Amendment 39**, 166 districts would have to shift spending. The only districts that met A-39's requirements, and **would not** have to shift spending are:

- Saint Vrain Valley RE-1J, Longmont
- Branson RE-82
- Genoa-Hugo C-113
- Karval RE-23
- Creede Consolidated 1
- Ouray R-1
- Aspen 1
- Granada RE-1
- Lamar RE-2
- Cripple Creek-Victor RE-1
- Woodland Park RE-2
- Pawnee RE-12, Grover