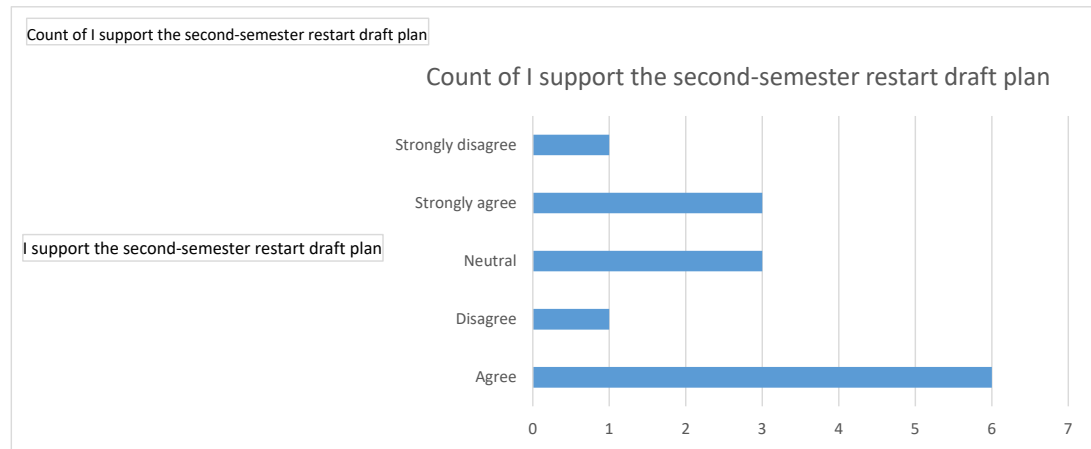


DAC Feedback Diagram
Input on Second Semester Restart

I support the second-semester restart draft plan	Count of I support the second-semester restart draft plan
Agree	6
Disagree	1
Neutral	3
Strongly agree	3
Strongly disagree	1





School Finance 101



District Accountability Committee – January 19, 2021
Nicole Stewart, Interim Chief Financial Officer

AGENDA

- ➡ **Colorado School Finance**
- ➡ **Individual District Finance**
- ➡ **District Budget Update**



Colorado School Finance

The amount each school district receives through the funding formula prescribed in the ***School Finance Act***.

Based on pupil counts and other ***“factors”*** outlined in the formula plus funding for at-risk and on-line students.

Funded with a ***mix of state (income and sales) and local (property) tax***. Each district's mix can be different.

COLORADO SCHOOL FINANCE ACT



**Current
school
finance is
legislated
by the state
and was
last revised
in 1994.**



**Legislated
each year
with a new
bill.**



**Required
to fund
inflation
and growth.**



**Usually
finalized in
early May**

State Formula

Base Funding
is adjusted
annually
for inflation

and adjusted by factors

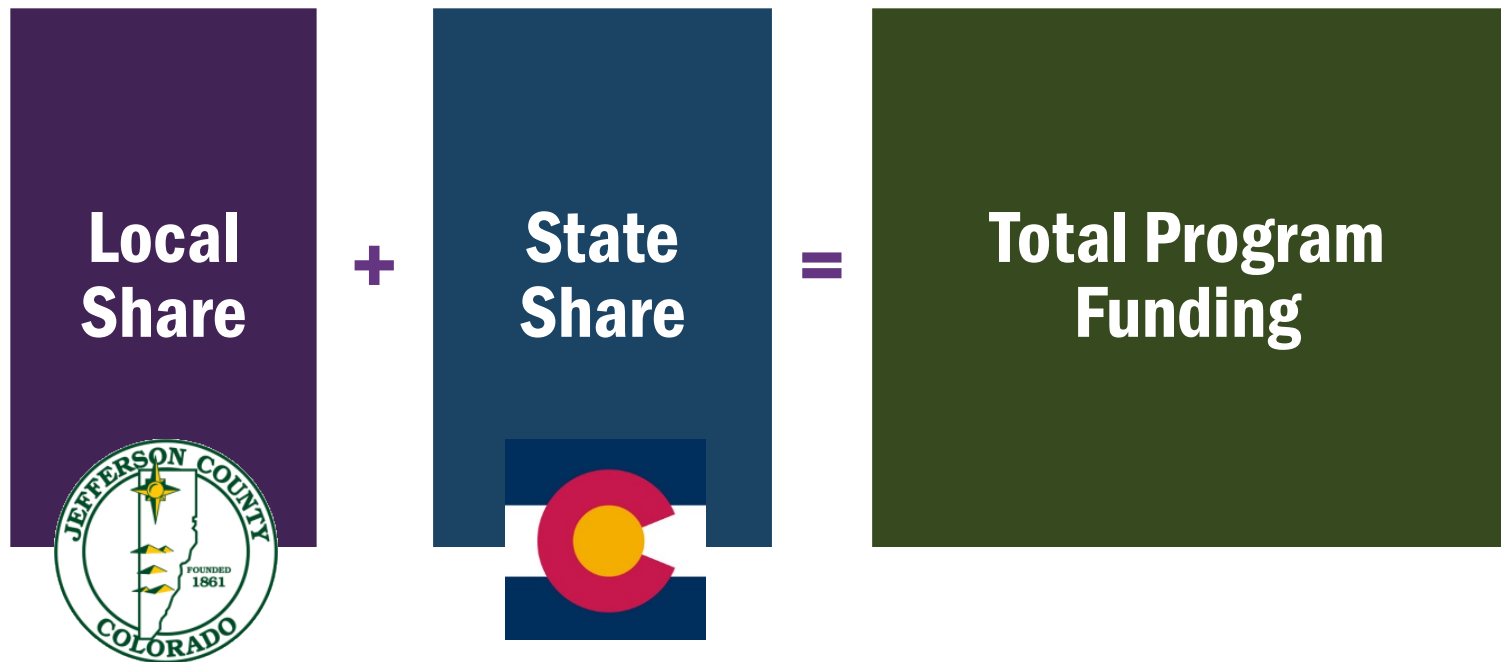
Cost of living

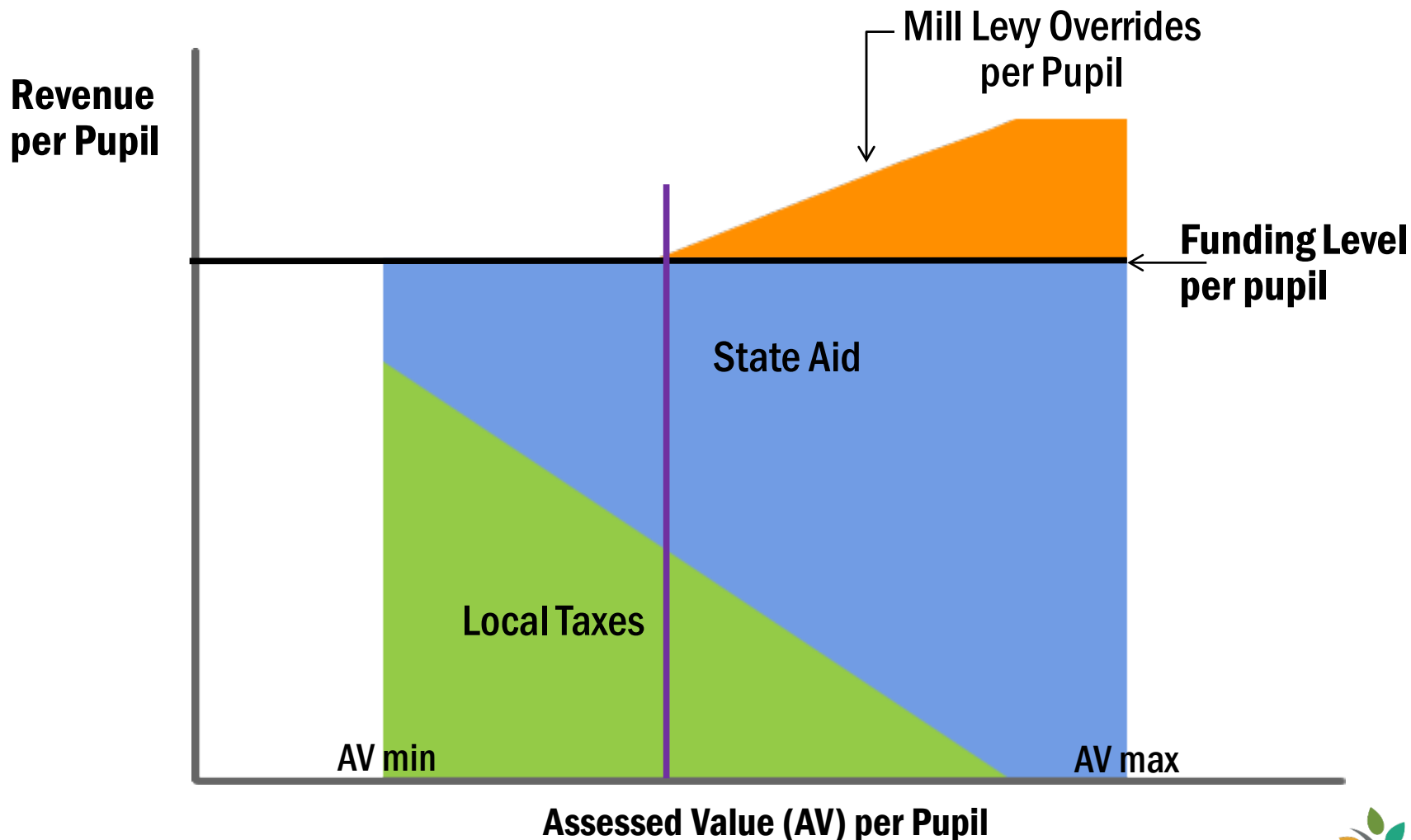
Budget stabilization factor

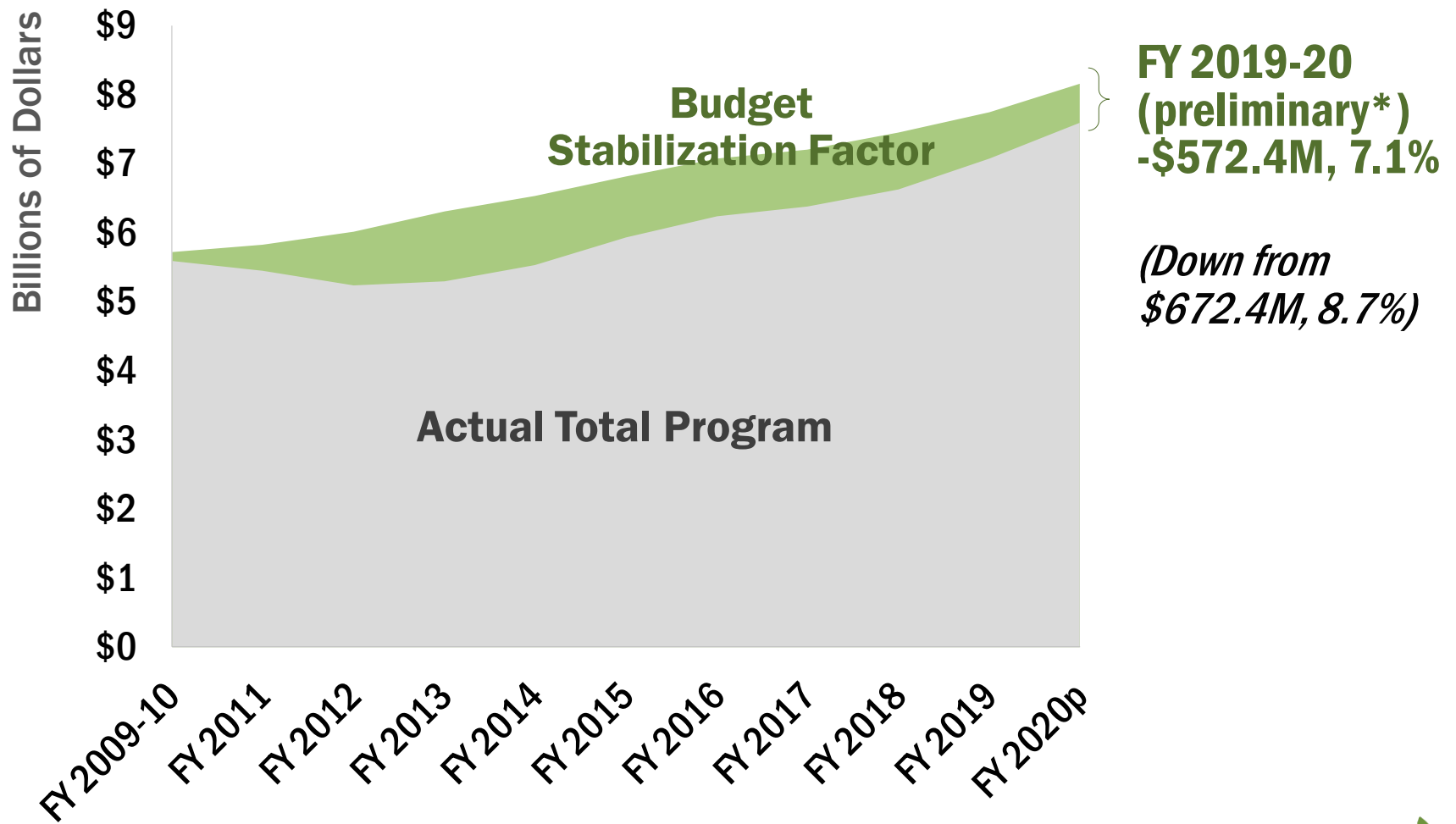
Personnel & non-personnel costs

Size of district

The two sources of revenue that combine to equal **Total Program Funding**.



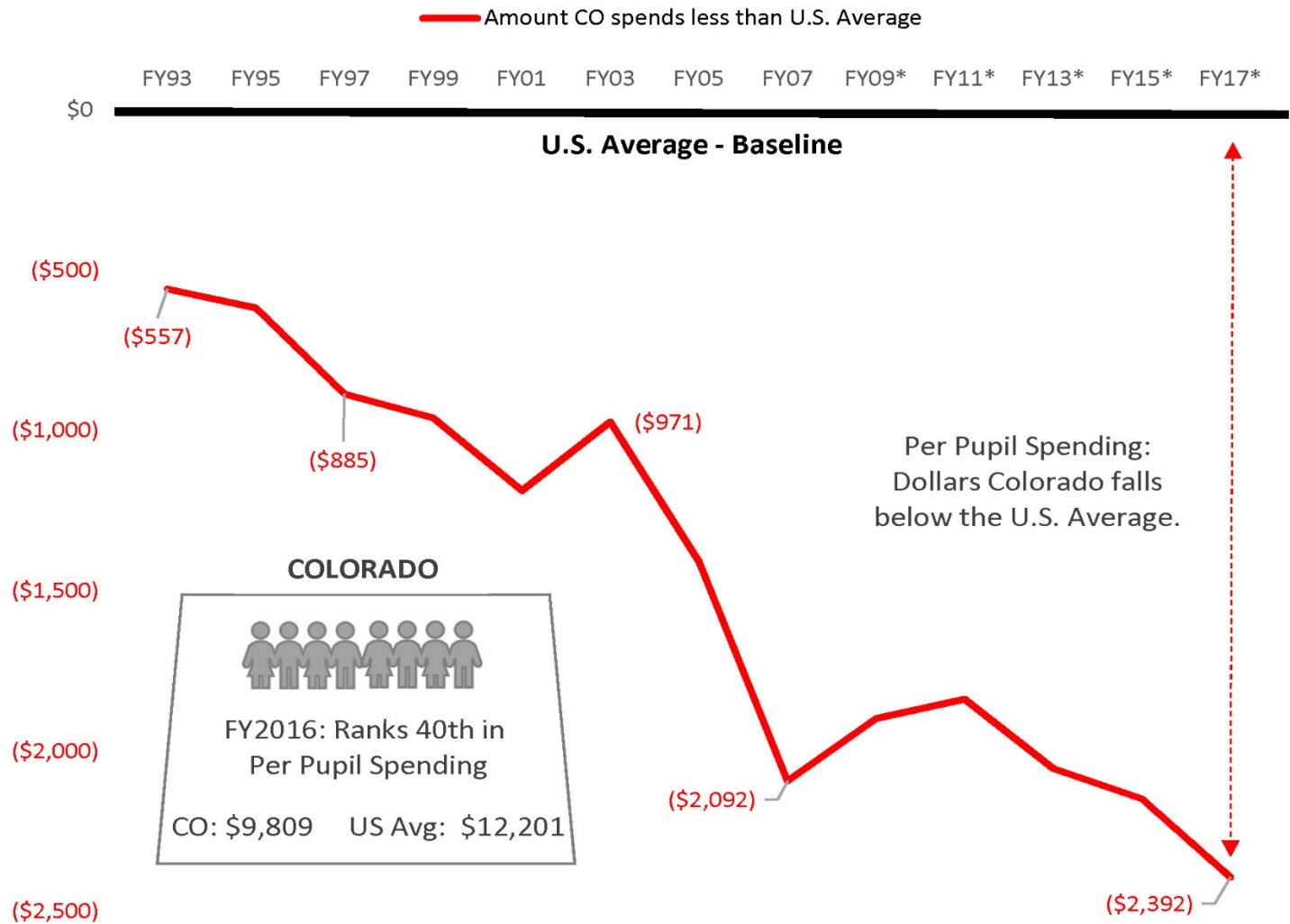




*FY 2019-20 totals are preliminary per the December forecast.

Source: Colorado Legislative Council, State of Colorado Jan. 2020

Colorado Per Pupil Spending Continues to Fall Further from the U.S. Average.



Data: U.S. Census, audited data | Chart: Colorado School Finance Project
May 2019

*Budget Stabilization Factor (formerly Negative Factor)

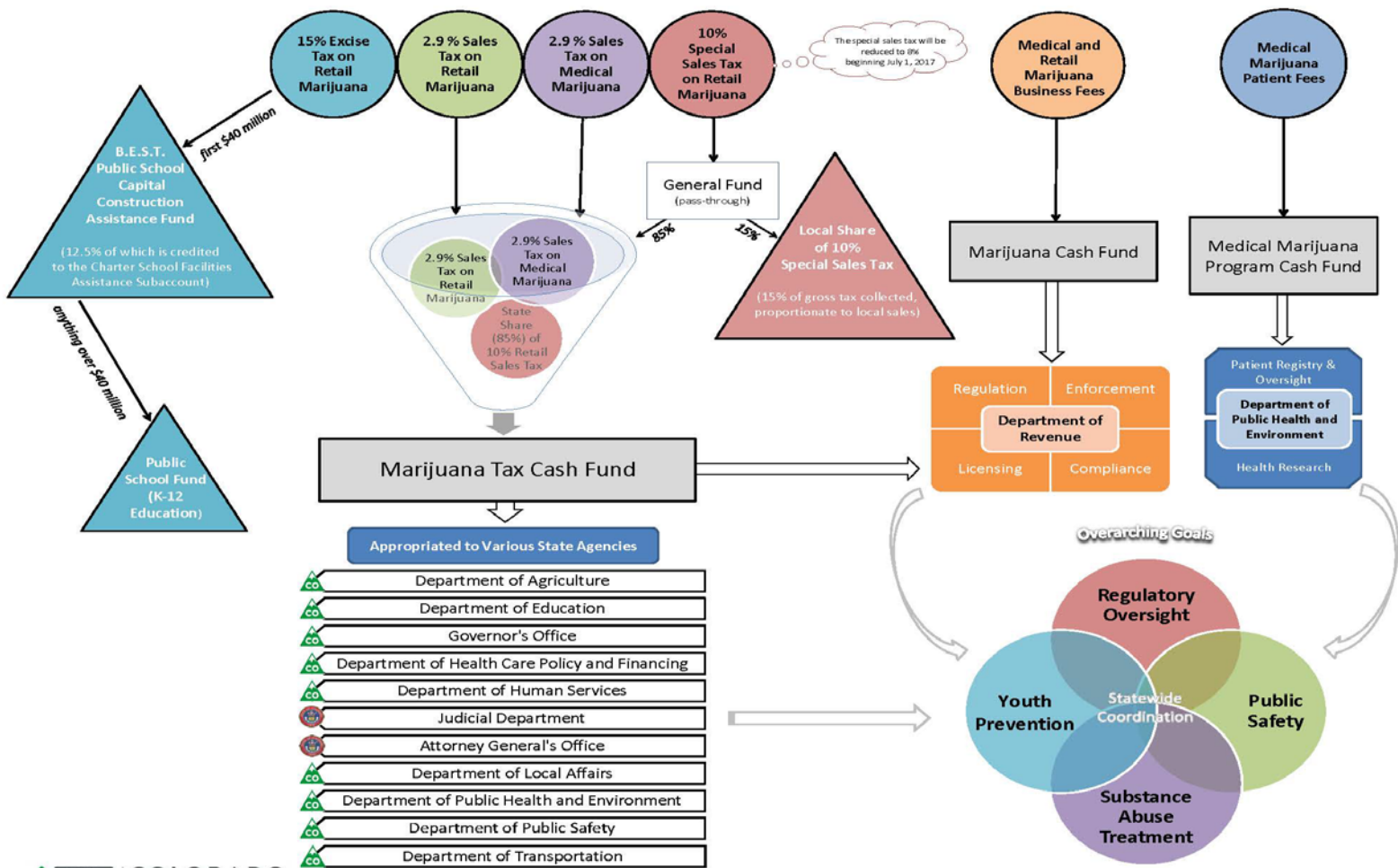


State	Per Pupil Spending
NY	\$23,091
DC	\$21,974
CT	\$19,322
NJ	\$18,920
VT	\$18,290
AK	\$17,838
WY	\$16,537
MA	\$16,197
RI	\$15,943
PA	\$15,798
US Avg.	\$12,201
CO	\$9,809

CO School Finance

But where's the pot money?

How is Marijuana Revenue Collected and Spent in the State of Colorado?



Bottomline: Jeffco Public Schools has received \$4.6M from marijuana funding since inception.



Individual District Finance

Mill Levy Overrides (MLO)

- ▶ MLO is additional revenue outside of the Total Program Formula
- ▶ Limited to 25% of Total Program
- ▶ Is not included in the total for the local share and, therefore, does not affect the amount of state share funding

Capital Projects – Bond Mill levies

- ▶ Proceeds and expenditures from debt authorization in separate capital fund
- ▶ Bond mill revenue flows to debt service fund for repayment of debt

Mill Levy Overrides

- 1998 – Defeated
 - 1999 – \$35.8 Million (\$45 Million authorized)
 - 2004 – \$38.5 Million
 - 2008 – Defeated
 - 2012 – \$39 Million
 - 2016 – Defeated
 - 2018 – \$33 Million w/inflationary factor
-

TOTAL – \$146.3 Million

Note: Mill levies continue unless changed by election.

Bond Levy

1998	–	\$265 Million
2004	–	\$323.8 Million
2008	–	Defeated
2012	–	\$99 Million
2016	–	Defeated
2018	–	\$567 Million

Note: Bond levies end with repayment of the debt.

Per Pupil and Mill Levy

District	# of Students 18/19	State Per Pupil Funding 18/19	Mill Levy Override and Other Mills Per Pupil 18/19	Additional Funding for Jeffco (if same as noted district)
Denver	91,998	\$8,416	\$2,808	\$132M
Jeffco	84,623 (2nd)	\$7,935 (4th)	\$1,729 (5th)	-
Douglas	67,591	\$7,861	\$1,090	\$(60)M
Cherry Creek	55,791	\$8,092	\$2,117	\$46M
Boulder	31,169	\$8,062	\$3,077	\$125M
Littleton	15,436	\$7,822	\$1,867	\$2M

Source: CDE

District	Total Appropriated Budget	Enrollment
Lee County, FL	\$1,456,048,981	92,686
Denver, CO	\$1,508,574,193	91,138
Albuquerque, NM	\$1,346,491,635	90,651
Prince William, VA	\$1,435,906,641	89,345
Fort Worth, TX	\$1,128,602,071	87,428
Jeffco Public Schools	\$1,008,008,698	86,731
Davidson County, TN	\$1,175,000,400	85,163
Austin, TX	\$1,573,930,628	83,067
Baltimore, MD	\$1,349,032,409	82,354
Anne Arundel, MD	\$1,121,630,500	81,379
Alpine, UT	\$878,054,103	78,957

Sources: Source: US Census Bureau 2017 Public Elementary-Secondary Education Finance Data;
total budget figures from each district's respective website 2016/2017



District Budget Update

2020/2021 ASSUMPTIONS GOVERNOR'S PROPOSAL

Proposed statewide assumptions per the revised Governor's Budget Request released in November.

2.5% inflation – including categorical funding

(1,069) student enrollment growth

\$601M decrease to budget stabilization factor (*decrease is an increase in funding to schools*)



CURRENT CONCERNS with GOVERNORS PROPOSAL

Items not addressed in proposal:

- ▶ **October 2020 enrollment loss**
 - **Impact to the School Finance Act formula**
 - **Districts' proportion of Budget Stabilization Factor may shift**
- ▶ **Potential impacts of Proposition 116**

December and March forecasts will be critical

2021/2022 BUDGET SCENARIOS

<i>Amounts in Millions</i>	* Flat Funding	**33% Enrollment	Governor's Proposal
State Funding Increase	-		65.2
Enrollment Gain/(Loss)	-	3.1	
Specific Ownership Tax	(1.5)	(1.5)	(1.5)
Net Revenue	(1.5)	1.6	63.7
FY 2021 Unbalanced	(42.2)	(42.2)	(42.2)
Other Funds – Placeholder (revenue loss)	(13.0)	(13.0)	(13.0)
Net Expenditures	(55.2)	(55.2)	(55.2)
Revenue Over (Under) Expenditures	(56.7)	(53.6)	8.5

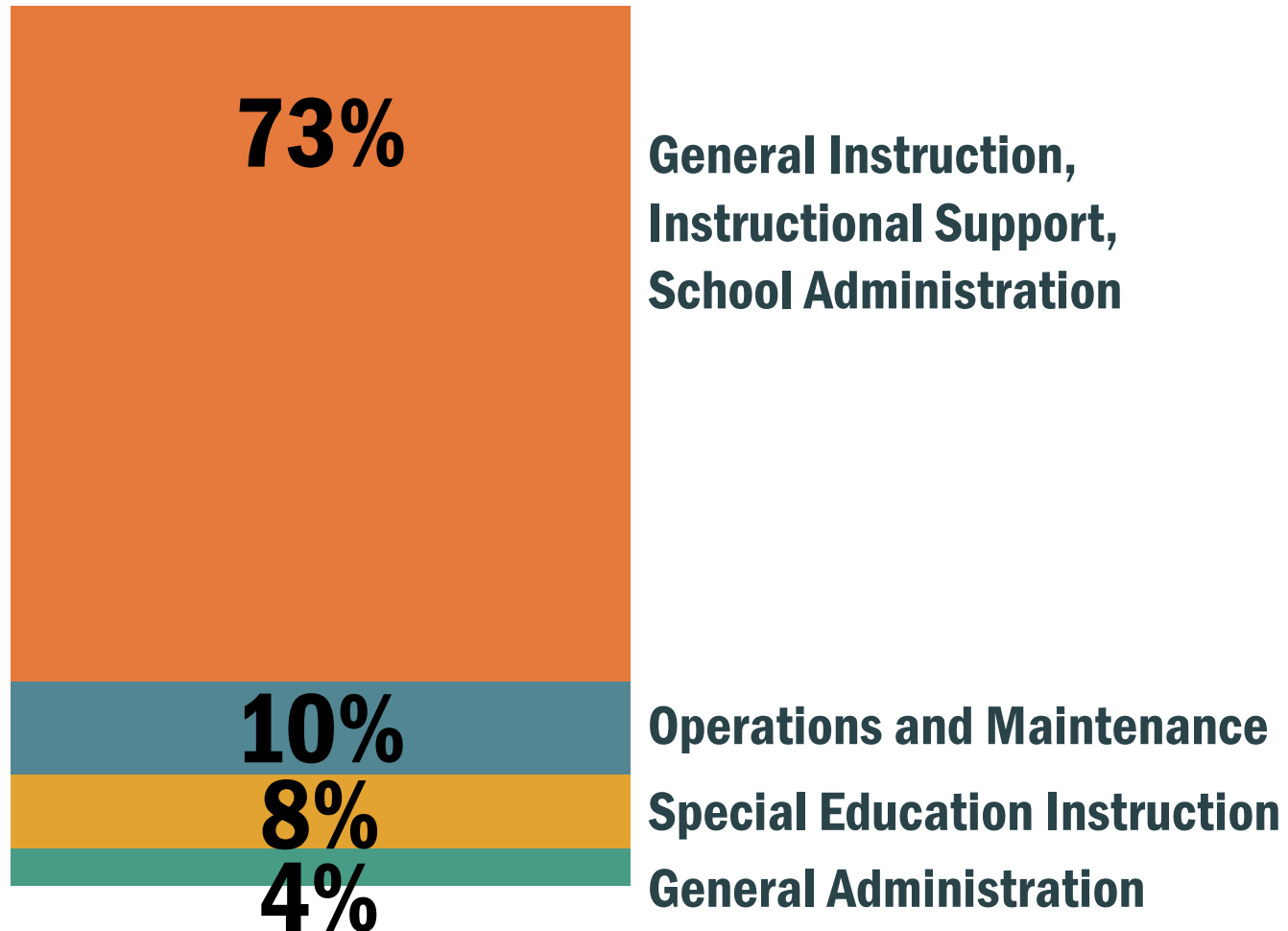
The district
recommendation
at this time.

*State funding remains flat

**Reflects funding if 1/3 of current enrollment loss from COVID is regained.

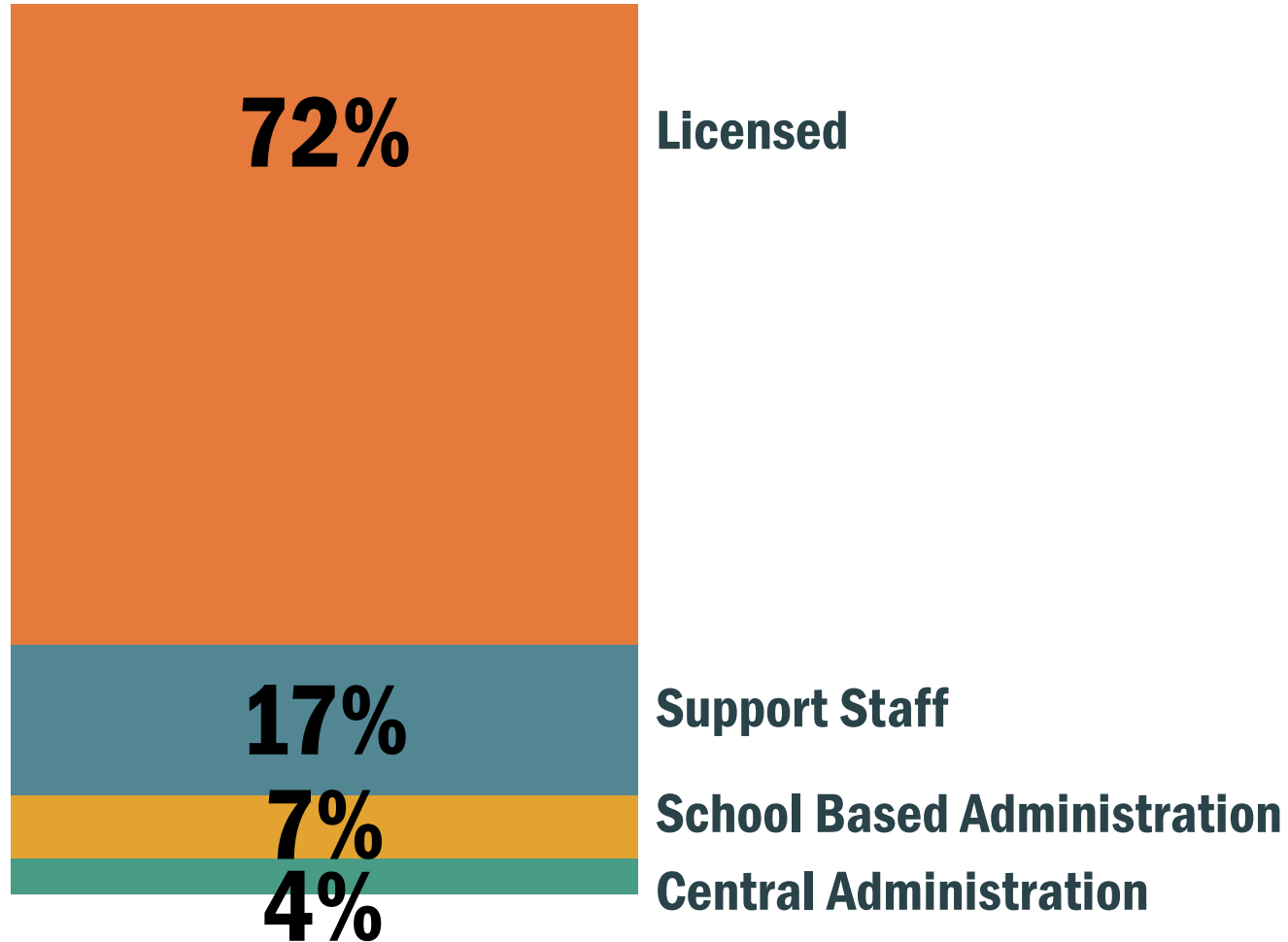
BUDGET REDUCTIONS – Expenditures by Category

Budgeting for Outcomes – Reductions process underway



BUDGET REDUCTIONS – Staffing by Classification

Staffing components of the budget



NEXT STEPS – Budget Development Process

► January

- Principals receive Student Based Budgets (SBB)
 - Budgets will reflect student enrollment loss
 - At this time, do not recommend reducing SBB to balance the budget cuts
 - However, a “restrictions on hiring” process is in development
 - Delay hiring, roll out in stages (March to May)
- Legislative Session Begins
- Community Budget Workgroup

NEXT STEPS – Board of Education

► February

- 2nd quarter results
- District central reduction recommendations
- District reserve spend down recommendation
- Board budget forums

► March

- Board direction for 2021/2022 budget development

QUESTIONS

