AGENDA

- Colorado School Finance
- Individual District Finance
- Two-Part Budgeting Process: Student Based Budgeting (SBB) Budgeting for Outcomes (BFO)
- Transparency and Accountability
<table>
<thead>
<tr>
<th>CO School Finance</th>
<th>TOTAL PROGRAM Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The amount each school district receives through the funding formula prescribed in the <em>School Finance Act</em>.</td>
</tr>
<tr>
<td></td>
<td>Based on pupil counts and other “factors” outlined in the formula plus funding for at-risk and on-line students.</td>
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<tr>
<td></td>
<td>Funded with a <em>mix of state (income and sales) and local (property) tax</em>. Each district’s mix can be different.</td>
</tr>
</tbody>
</table>
Current school finance is legislated by the state and was last revised in 1994.

**COLORADO SCHOOL FINANCE ACT**

- **Legislated each year with a new bill.**
- **Required to fund inflation and growth.**
- **Kindergarten funded at .58 of an 1.0 FTE.**
**Base Funding** is adjusted annually for inflation and adjusted by factors:

- Cost of living
- Negative factor
- Personnel & non-personnel costs
- Size of district
TOTAL PROGRAM Funding Factors

BUDGET STABILIZATION FACTOR

Tool used to balance state budget.

Reduces what would otherwise be funded if School Finance Act was applied as intended.


For 2018/2019, the total statewide loss is $672M of that Jeffco’s share is $61M
Colorado Per Pupil Spending Continues to Fall Further From the U.S. Average

Per Pupil Spending: Dollars Colorado falls below the U.S. Average.

FY2015: Ranks 39th in Per Pupil Spending
CO: $9,575  US Avg: $11,762

Source: www.cosfp.org
CO School Finance

TOTAL PROGRAM Funding

- Funded Pupil Count (Oct 1) × Per Pupil Funding Amount + At-Risk Pupil Funding + Online Pupil Funding
The two sources of revenue that combine to equal **Total Program Funding**.
LOCAL SHARE is:

Received through property tax collections at the county level and a portion of specific ownership tax.

Property valuations are set by the county assessor
- Assessed value for residential property equals 7.2% of the actual value of the property (commercial property is 29%)

A set (or frozen) mill is levied by districts
- A mill is one-tenth of one percent (.001)
STATE SHARE is the difference between the amount of local share revenue that districts generate (property tax & specific ownership tax) and the amount of the Total Program Funding.

- State funding is necessary if local share does not fully fund Total Program.
- The state share amount is funded via state income tax and sales and use tax.
CO School Finance

Formula – State and Local Share

Revenue per Pupil

Mill Levy Overrides per Pupil

Funding Level per pupil

Local Taxes

State Aid

Assessed Value (AV) per Pupil

AV min

AV max
WHAT IS Jeffco’s split?

- Jeffco PPR
  - 42% Local
  - 58% State

- Revenue per Pupil
  - Local Taxes
  - State Aid
  - Mill Levy Overrides per Pupil

- Assessed Value (AV) per Pupil
  - AV min
  - AV max

- Funding Level per pupil
Relative State and Local Shares of School Finance, 1983 to FY 2018-2019

Note: Prior to 1993, K-12 funding was done on a calendar year basis.
## COMPARISONS TO OTHER STATES

<table>
<thead>
<tr>
<th>State</th>
<th>Per Pupil Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>NY</td>
<td>$22,366</td>
</tr>
<tr>
<td>DC</td>
<td>$19,159</td>
</tr>
<tr>
<td>CT</td>
<td>$18,958</td>
</tr>
<tr>
<td>NJ</td>
<td>$18,402</td>
</tr>
<tr>
<td>VT</td>
<td>$17,873</td>
</tr>
<tr>
<td>AK</td>
<td>$17,510</td>
</tr>
<tr>
<td>WY</td>
<td>$16,442</td>
</tr>
<tr>
<td>MA</td>
<td>$15,593</td>
</tr>
<tr>
<td>RI</td>
<td>$15,532</td>
</tr>
<tr>
<td>PA</td>
<td>$15,418</td>
</tr>
<tr>
<td><strong>US Avg.</strong></td>
<td><strong>$11,762</strong></td>
</tr>
<tr>
<td><strong>CO</strong></td>
<td><strong>$9,575</strong></td>
</tr>
</tbody>
</table>

Source: US Census Bureau 2016 Public Elementary-Secondary Education Finance Data
But where's the pot money?

Bottomline: Jeffco Public Schools has received $2M 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

TOTAL  –  $113.3 Million (set amount)

Note: Mill levies continue unless changed by election.
Bond Levy

1998 - $265 Million
2004 - $323.8 Million
2008 - Defeated
2012 - $99 Million
2016 - Defeated

Note: Bond levies end with repayment of the debt.
## District Finance

### COMPARISONS to Other Districts

#### Comparisons Per Pupil Revenue, Mill Levy and Bond

<table>
<thead>
<tr>
<th>District</th>
<th># of Students</th>
<th>State Per Pupil Funding 17/18</th>
<th>Mill Levy Override Per Pupil 17/18</th>
<th>Outstanding Bonds Per Pupil 16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>91,794</td>
<td>$7,925</td>
<td>$2,266</td>
<td>$20,585</td>
</tr>
<tr>
<td>Jeffco</td>
<td>86,112 (2nd)</td>
<td>$7,478 (4th)</td>
<td>$1,316 (5th)</td>
<td>$4,485 (6th)</td>
</tr>
<tr>
<td>Douglas</td>
<td>67,597</td>
<td>$7,396</td>
<td>$499</td>
<td>$4,513</td>
</tr>
<tr>
<td>Cherry Creek</td>
<td>55,657</td>
<td>$7,630</td>
<td>$2,048</td>
<td>$10,299</td>
</tr>
<tr>
<td>Boulder</td>
<td>31,282</td>
<td>$7,582</td>
<td>$2,217</td>
<td>$23,203</td>
</tr>
<tr>
<td>Littleton</td>
<td>15,643</td>
<td>$7,373</td>
<td>$1,842</td>
<td>$8,695</td>
</tr>
<tr>
<td>District</td>
<td>Total Budget</td>
<td>Enrollment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
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<td></td>
<td></td>
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<tr>
<td>Lee County, FL</td>
<td>$1,484,709,538</td>
<td>91,309</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albuquerque, NM</td>
<td>$1,349,158,362</td>
<td>90,566</td>
<td></td>
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<tr>
<td>Denver, CO</td>
<td>$1,896,125,256</td>
<td>90,235</td>
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<td></td>
</tr>
<tr>
<td>Prince William, VA</td>
<td>$1,504,365,187</td>
<td>87,793</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Worth, TX</td>
<td>$1,079,468,276</td>
<td>87,080</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jeffco Public Schools</td>
<td>$1,004,844,315</td>
<td>86,731</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Davidson County, TN</td>
<td>$1,019,952,830</td>
<td>85,598</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baltimore City, MD</td>
<td>$1,455,496,000</td>
<td>83,666</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austin, TX</td>
<td>$1,614,305,259</td>
<td>83,648</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anne Arundel, MD</td>
<td>$1,183,671,500</td>
<td>80,387</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Beach, CA</td>
<td>$1,182,020,011</td>
<td>77,812</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: 2014 Data on national ranking by size from National Center for Education Statistics; total budget figures from each district’s respective website.
District Budget
TWO-PART Budgeting Process

- **For Schools**
  Student Based Budgeting (SBB)

- **For Departments**
  Budgeting for Outcomes (BFO)

These processes work in unison to better align the budget with the district’s strategic and long term financial plans.
Student Based Budgeting
The Student Based Budgeting (SBB) model was implemented for the majority of schools for the 2015/2016 school year.

STUDENT BASED BUDGETING Background

- Allocated resources to schools based on their student counts and factors such as at-risk.
- Directed funds to schools in support of school-based decision-making.
- Provided equity as funds were allocated in a uniform and consistent process based on the population each individual school serves.
- Provided flexibility for site-based decisions for staffing and spending within limited parameters known as defined autonomy.
STUDENT BASED BUDGETING
Allocates $$ to Schools

**BASE FACTORS**
(per pupil for each student)
- K-5: $5,130
- 6-8: $4,900
- 9-12: $4,510

**EQUITY/AT RISK FACTORS**
(per pupil for qualifying students)
- At Risk Factor
  (Paid per pupil for students qualifying for F&R lunch; all levels $650)
- Equity Factor
  (Paid per pupil on sliding scale based on school enrollment thresholds)

**BUILDING FACTORS**
(per building)
- Elementary Impact Factor
  (Enrollment ≥ 400 and 60% F&R $64,000)
- Alternative Pathways Factor
  (HS Only $115,000)
- IB Factor
  (ES $40,000 MS $45,000)
The Board approved $2.2M for a School Improvement Fund—equity funding for schools that are struggling.

Funds are allocated based on a combination of these factors:

1. School Performance Framework (SPF) of 55% or Less; 
2. Free & Reduced Lunch (FRL) Higher Than 35%

Focus funding toward highest leverage strategies to impact and improve SPF.

Schools with SPF above 55% drop off list. Funds redirected to schools for other uses.

As SPF increases, list of struggling schools [ES 18; MS 4; HS 3] decreases.

$2.2M allocated
Budgeting for Outcomes
Manageable with existing staff and resources

BUDGETING FOR OUTCOMES (BFO)

aligns with

STUDENT BASED BUDGETING

aligns

OUR PROCESSES

with

BOARD ENDS

STRATEGIC PLANNING GOALS

LONG TERM FINANCIAL PLAN
The key objective of BFO is to identify the best uses of our district’s limited resources and to create a budget to maximize those resources.

Other objectives of BFO:

- Budgeting priorities change with changes in the strategic plan.
- Focuses on programs that directly contribute to the success of the strategic plan.
- Takes into consideration future needs of the district.
Negotiations with two groups
- Jefferson County Education Association (JCEA)
- Jeffco Education Support Professionals Association (JESPA)
- Compensation negotiated every year
- Administrators – not a bargaining unit

COMPENSATION: 80 percent of the Budget
Oversight & Accountability
Oversight and Accountability

Annual Budget

Awards for Financial Reporting and Budget

Annual External Audit

Community Oversight Committees

Transparency

Best Practice Audit Committee

Ratings Agencies - Moody’s and S&P

Demonstrated Financial Excellence
FUTURE FUNDING
- Learn more re: school funding initiatives
  www.jeffcopublicschools.org/futurefunding

ON THE ISSUES
- Superintendent messages on Jeffco’s Budget
  - $1 billion budget
  - Administrative spending
  - Per pupil spending
  - Marijuana money
  www.jeffcopublicschools.org/about/publications/newsletters/on_the_issues/

JEFFCO GENERATIONS
- A Learning-Centered Vision for our Community Schools
  www.jeffcopublicschools.org/about/generations