



# Making sense of Dollars and Cents



## WHAT HAS THE DISTRICT DONE TO ASSURE THEY ARE GOOD STEWARDS OF TAXPAYER MONEY

The district has refinanced the bonds that were passed in 2005 to refurbish and remodel school buildings. The lower interest rates, which took effect in December of 2016 will save taxpayers about \$106,500 per year, or a total of \$1,495,615 over the approximate 14 year remaining life of the bond issue. This refinancing indicates the concern the Valley RE-1 Schools Board of Education and Administration has in keeping our District's debt service mill levy as low as possible.

The mill levy passed in 2005 consists of about \$500,000 per year, or 2.9 percent of the district's program funding. The purchasing power of that funding decreases every year. The district continues to designate and use that mill levy only for the purchase of taxpayer approved items, which are:

- Technology
- Transportation
- Text Books
- Maintenance

These expenditures are audited every year. One textbook adoption for the entire district currently runs about \$300,000. Textbook adoptions are part of a rotation cycle, but with the rising prices of all items named in the mill levy override, some rotations are not funded in the intended year of the original rotation cycle.

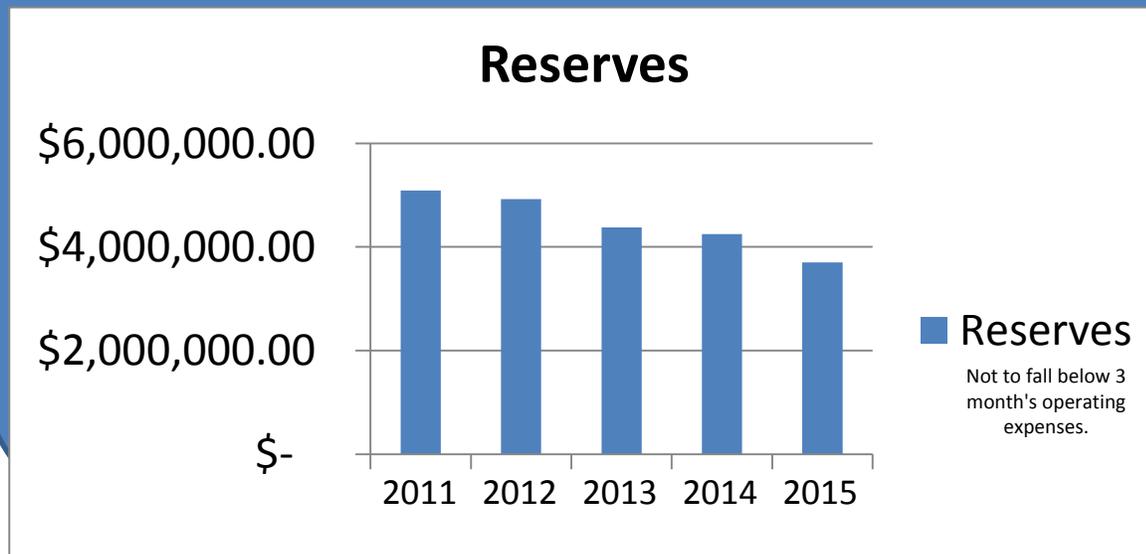
The food service director worked with the City of Sterling and the US Department of Agriculture to secure funding to offer all children under age 18 in our community a nutritious and free lunch, Tuesday through Thursday, for the entire summer of 2016.

A grant written by the assistant superintendent funded summer school for 130 students in grades K-4, for the 3<sup>rd</sup> year in a row. These students range in all reading abilities, and have increased achievement after the summer break. A grant written by the principal at Campbell Elementary enabled 77 gifted students a summer camp to explore enrichment topics of their choosing, for the 2<sup>nd</sup> consecutive summer.



## DO WE HAVE DISTRICT RESERVE FUNDS?

The district currently has a reserve that is recommended by auditors, over three million dollars which is equal to three months operating expenses. The reserve has been decreasing steadily since 2011, due to the increases in operating costs, decreasing enrollment, and an average of two million dollars annually that the state withholds from RE-1 Valley after the School Finance Formula is calculated, due to the “Negative Factor” that was established in 2010 by the state legislature during the recession. School districts who do not have a steadily declining reserve are districts that have passed mill levy overrides asking local voters to help make up for the millions of dollars lost every year due to the state’s lack of funding.



### ***Why are the reserves being depleted?***

- 1) RE-1 Valley School District still has the reserves needed for a top rating from Moody’s Investment Services. However, since 2010, as a result of the Great Recession, the state legislature decreased the formula for funding to RE-1 Valley and to all school districts. Since 2010, the state decreased funding for RE-1 Valley by a little over 2 million dollars each year. The total effect for our district is a net loss of over 13.5 million dollars over the course of six years.
- 2) At the same time of a funding shortfall from the state, school districts in Colorado must comply with ever changing unfunded requirements. One example is the replacement of every classroom door by January of 2018 to comply with state fire code requirements. Doors must now lock from inside the classroom. Currently, most schools in Colorado have doors that lock from the outside. This cost is roughly \$300.00 per door. There is no extra funding to meet this requirement.
- 3) RE-1 Valley has aging infrastructure requiring large cash outlays. Our district successfully competed for grants to help with the Caliche waste water and potable water plant replacements, but the matching funds requirements may well exceed a million dollars. Our basketball facilities at Sterling High School require replacement. Current facilities recommendations call for wood rather than poured materials on concrete slabs that we currently have. Caliche basketball floors are in better shape, but when replacement is needed, the district faces the same cost dilemma.

## WHY DON'T WE SEE MORE DISTRICT ADMINISTRATION BUDGET CUTS?

District administration cut positions in 2011. Due to central office administration cuts in 2011 the reporting for Workers Compensation fell behind, resulting in a decline from a preferred rating with Workers Compensation insurance to a more costly rating. This cut resulted in an extra expense to the district equivalent to the cost of two full time teachers.

In November of 2014, the district created a Human Resource position to help with completing the reports of Workers Compensation and other state and federal requirements. The staff worked as a team to improve the reporting and within one year regained the preferred rating, thus saving the district the equivalent of one and a half full time teaching positions.

### **Why didn't RE-1 decrease administration this year?**

The district replaced an assistant principal position with a Teacher on Special Assignment position, which saves about \$5,000 per year. The district is required by state law to evaluate each teacher every year with specific procedures and processes detailed in the law of Senate Bill 191, or Colorado Educator Effectiveness Act. These evaluation requirements include information on student academic growth. Both the evaluations and the preparations for the evaluations require administrators with a principal license and training in the required procedures. Each Principal in RE-1 Valley has between 35 and 40 required evaluations to complete each year.

### **What about all the administration at the district office?**

All administrative staff at the district office in all departments share responsibility for submitting required state reports on a monthly and sometimes weekly basis to a state official site referred to as the **Colorado Data Pipeline**. If these reports are not submitted in a timely manner, the district will have state funding withheld, and any cost savings in staff will be cancelled out, or worse, by fines and audit findings.

The following are a sample of the requirements of the district staff and administration with the hours required to complete them:

- Paperwork for annual employee notifications and compliance with The Affordable Health Care Act: 200- 300 hours
- Bi Annual District Office of Civil Rights report: 400 hours
- Data entry for state reporting requirements: 600-900 hours
- Training for reporting requirements (virtual "town hall" meetings): 2 hour meetings, 1x per week, x 3-4 staff members
- State Audits in 2015-16: pupil count; transportation; Federal Programs; Office of Civil Rights; Public Employees Retirement Association; Annual Finance single audit

**The Hagen Administration Center houses two instructional support departments, the Business Office, Human Resources, the office of the Superintendent and Board of Education, and Food Service. The following page provides a break down of those departments and their duties.**

**Student Services**, which serves the special education programs, mental health, instructional technology, information technology, and health (nursing). This department has one administrator, an administrative assistant, and a part time records clerk. The administrator is responsible for all Federal and State requirements for Special Education and shares the Office of Civil Rights requirement assurances with the Assistant Superintendent. The administrator directly supervises all Instructional Technology and Information Technology services. The district currently has a data specialist and a technology assistant. The network coordinator was not replaced this summer, and the district is partnering with KCI to administer the technology network.

The second instructional support department is the **Assistant Superintendent of Curriculum and Assessment**. This office is responsible for all Career and Technical Education requirements and grants; all Federal Grants and requirements under the Elementary and Secondary Education Act; the state READ Act, and the state Educator Effectiveness Act, as well as all state assessment protocols, preparations and submissions to the Colorado Department of Education. This office also prepares the state required Teacher Effectiveness electronic materials for principals and teachers, and serves as the district officer for assuring proper teacher licensure. The Assistant Superintendent delivers the required teacher induction program for first and second year teachers, and teachers new to the district. The Assistant Superintendent has one administrative assistant and supervises one part time Teacher on Special Assignment (TOSA) who maintains the federal grant reporting. The TOSA position is funded from federal dollars that can only be spent to administer the federal programs.

The district has a **business office** that employs a chief accountant, three staff accountants and a part time accounting clerk. Duties include, but are not limited to: district wide accounts payable, accounts receivable, and payroll. The district generates and mails roughly 500 W2s annually. The business office is in charge of creating and submitting the district's e-rate application to the federal government in order to receive reimbursement for allowable technology expenditures. The business office also acts as the district Risk Management authority and works closely with the Colorado School District Self Insurance Pool to prevent liability risks to the district.

The district has a **human resources department** with one person who posts all vacancies, creates and processes hiring packets, submits timely Workers Compensation claims, responds to unemployment claims, and manages benefits. This position provides information to the Board of Education with recommended changes in salary schedules due to minimum wage increases, Department of Labor rules, or other reasons. This administrator must also maintain a current knowledge and assure district compliance with the Fair Labor Standards Act, the Colorado Educator Effectiveness Act, and the Federal Elementary and Secondary Education Act.

The district receptionist assists with initial employment paper work and identity badges for new employees. The receptionist is the state assessment proctor for processing all completed state required student assessments, and provides registration materials to buildings.

The **Superintendent** monitors and guides the instructional and curriculum direction of the district based on student and employee data. The Superintendent also supervises the maintenance and transportation departments to ensure the district is following strategies to address the safety, security, and maintenance of all district facilities to preserve assets set forth by the Board of Education. The Superintendent engages with businesses and local and state government to enhance mutually beneficial partnerships between the school system and the communities served. The superintendent and the **Board of Education** share one administrative assistant, who is the designated election clerk for the district and helps with state and federal data collection and reporting as needed.

Lastly, **food service** employs the District Food Service Director. Food service currently sustains itself, with reimbursement from the US Department of Agriculture, and is designated as a Special Revenue Fund. Our school district is one of only a few districts in the region that does not supplement the School Meal program with the general fund.