

Eagle County Schools

2019-20 Overview

UNDERSTANDING SCHOOL FINANCE



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eagleschools.net



A Message From

Sandra Mutchler, Chief Operating Officer

To our community:

As part of Eagle County Schools' commitment to financial transparency, Business Services has developed this document for our community.

Eagle County Schools is an innovative district of 900+ professionals engaging nearly 7,000 students. Our vision is to deliver global-ready graduates, who will be successful in their careers or college experience and contribute to their communities in positive and effective ways. Our mission is to teach the children of Eagle County to have creative and active minds, compassion for others, enthusiasm for lifelong learning, and the courage to act on their dreams. In simple terms, our key goal is to insure that every student graduates from high school with the skills to be college, career, and global-ready. In pursuit of our vision and mission, we relentlessly focus on our Strategic Plan, tactics, and associated goals.

Our budget is built on the foundation of our strategic plan with an intense focus on educators, learners, and standards, as well as school supporters. The responsibility to support students from every walk of life and remove as many barriers as possible is incredibly important to the success of our schools and students. This includes working together as a community to give every child an opportunity to learn and live a wonderful life. All aspects of the strategic plan are represented within our budget.

Addressing all student needs requires prudent fiscal management and can be challenging with limited funding. In an effort to effectively manage resources, the district is prioritizing needs and beginning to calculate the return on investment we get from various programs. We must also keep the district compliant with state and federal regulations. Our budget is built to meet these current requirements and needs while maintaining financial stability for the future.

I am pleased to share this information with our community. More detailed financial information is available on our website at www.eagleschools.net/district-info/financial-transparency.

Sandra Mutchler
Chief Operating Officer

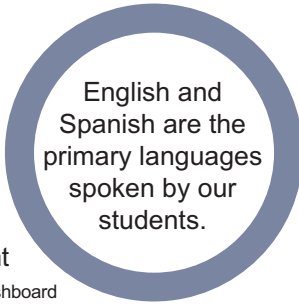


2018-19 BY THE NUMBERS

Students
6,882

actively enrolled (including ECCA) and attending preschool through 12th grade during the October count

Source: <http://www.cde.state.co.us/code/districtdashboard>



District
81 out of 178 districts

in per-pupil funding, including local mill levies (110/178 without local support)



Ethnicity/Race

| | |
|----------------------------------|-------|
| Hispanic | 51.3% |
| White | 44.8% |
| Two or more Races | 2.2% |
| Asian | 0.8% |
| Black | 0.4% |
| American Indian or Alaska Native | 0.5% |

18
schools



Over 1.3 million square feet of facilities

1 out of 3



36.4% of students' first/primary language is not English

| | |
|-----------------------------------|---|
| Elementary Schools | 8 |
| K-8 School | 1 |
| 5-12 School (VSSA) | 1 |
| Middle Schools | 3 |
| High Schools | 2 |
| Alternative High School (2 sites) | 1 |
| Online School | 1 |
| Charter School (ECCA) | 1 |

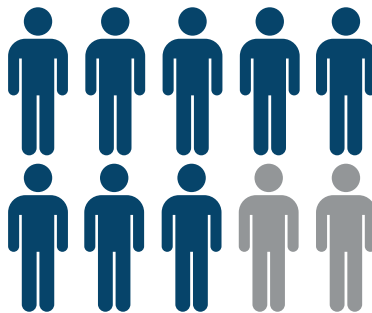
37%

Qualify for free or reduced-priced meals

905+
employees

Second largest employer in Eagle County

7 out of 10



of our students graduated *on time* (18-19)

| Full-Time Employee Type | | |
|-----------------------------|-----|--------|
| Certified Staff | 548 | 60.49% |
| Support Staff | 308 | 34.00% |
| School-based Administrators | 36 | 3.97% |
| Central Administrators | 14 | 1.55% |

Teachers with a masters degree 309 34.0%

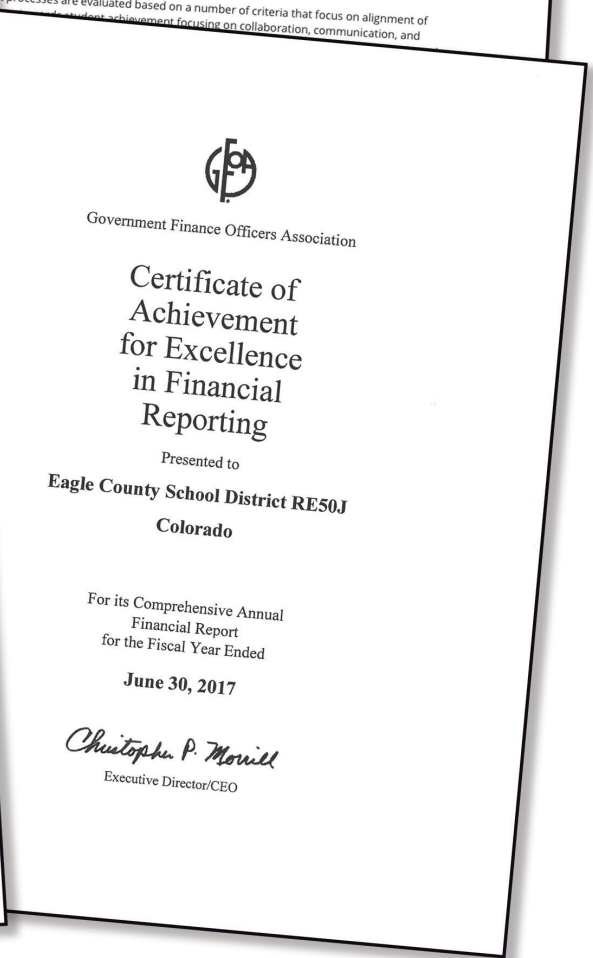
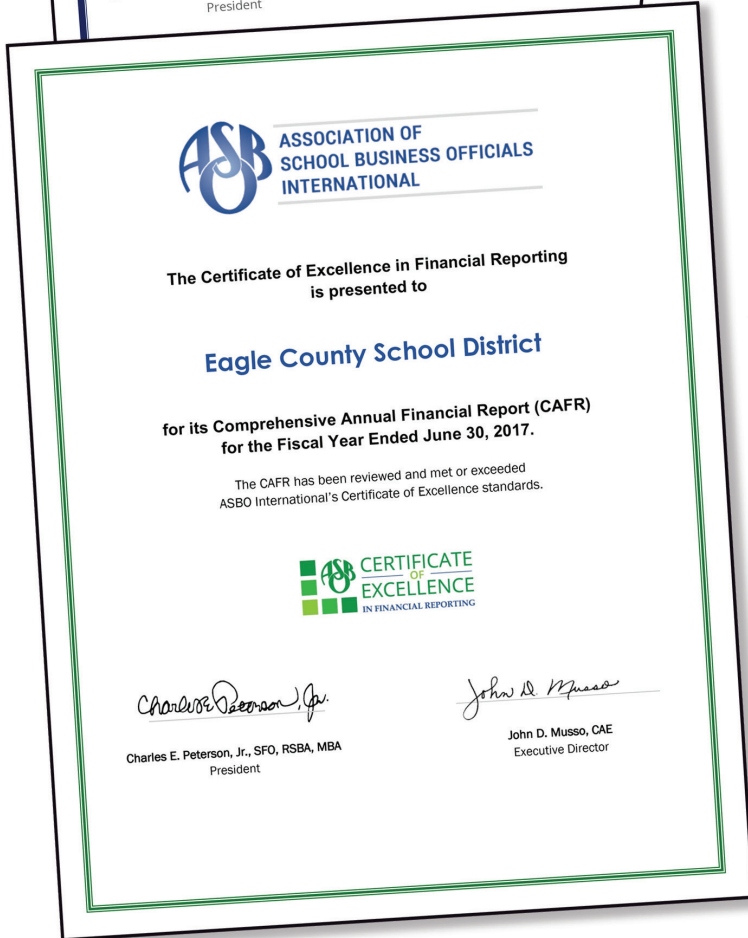
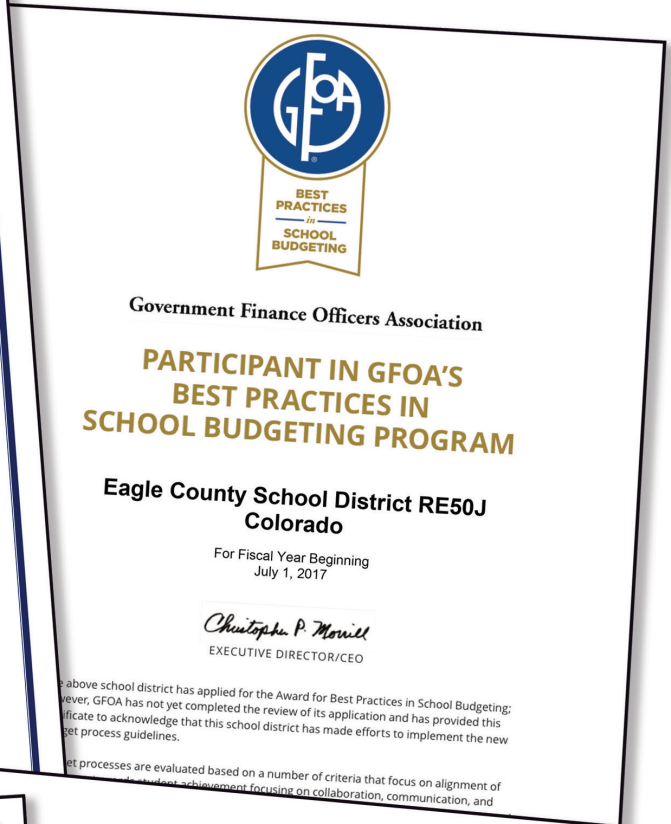
Part-time Employees: 190

Instructional Programs Membership

| | |
|---------------------------|------|
| English Language Learners | 2164 |
| Special Education | 807 |
| Gifted and Talented | 589 |
| Section 504 Handicapped | 196 |
| Immigrant | 139 |
| Online | 30 |



FINANCIAL BUDGETING AND REPORTING AWARDS



UNDERSTANDING SCHOOL FINANCE IN COLORADO

Every home and business owner in Colorado pays property and sales taxes for schools, police, fire, and other local public services. The Colorado state government is also responsible for funding other public services such as prisons and transportation. Each year, the budget, created by the legislature and approved by the governor, determines how much of the total state budget is allocated to K-12 education.

This allocation, comprised of local property taxes, specific ownership taxes, and state-equalization funds, enters into the Colorado School Finance Act formula to determine how much money each district will receive per pupil.

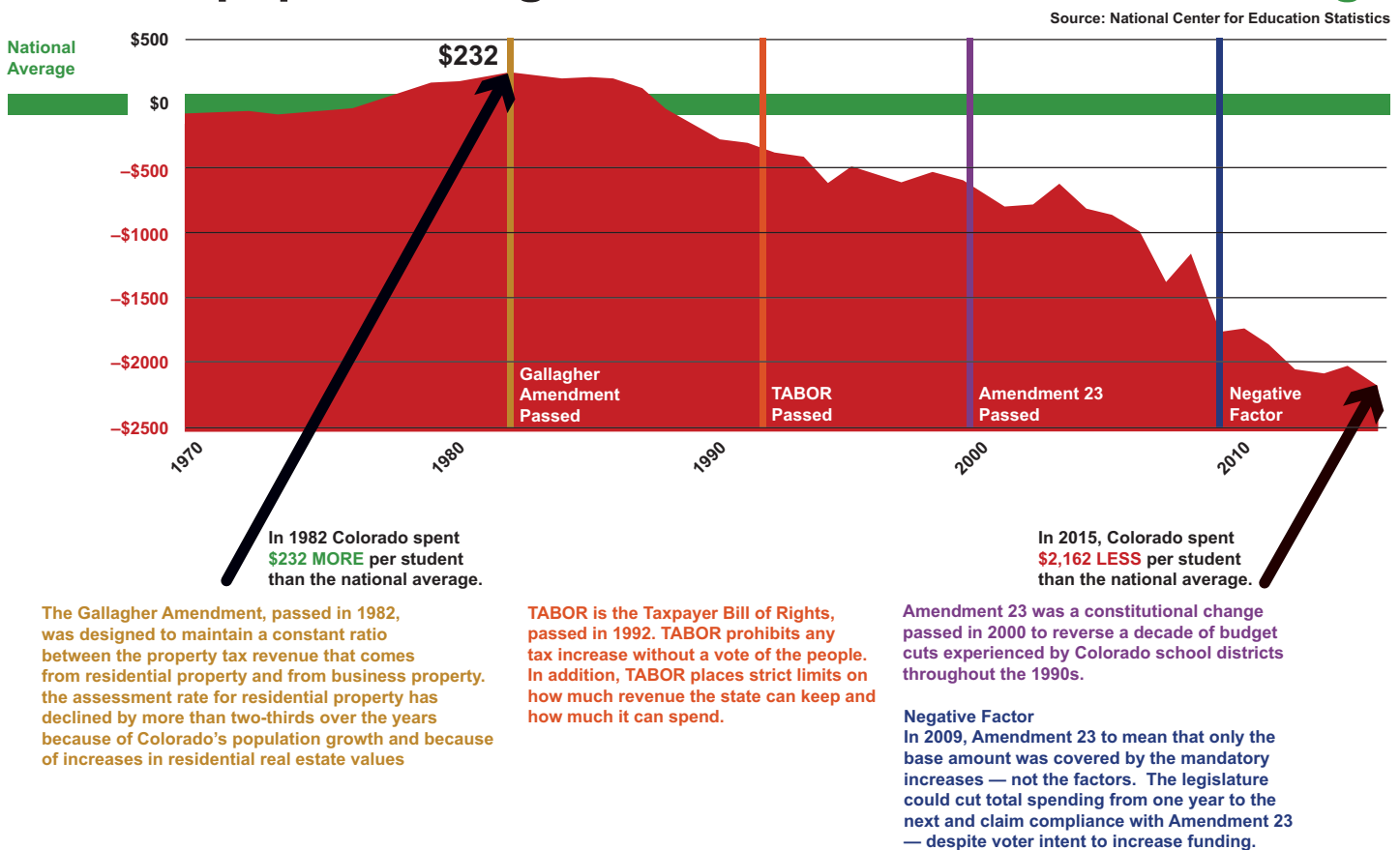
Our per-pupil funding allocation for 2018-19 is \$8,814.

The Colorado School Finance Act also determines how much of this funding allocation is paid by the state-equalization funds and how much is paid by local taxes. State-equalization funds are a combination of income and sales taxes used to supplement local taxes as needed to meet the per-pupil funded requirement.

The estimated general fund revenue in the 2019-20 budget is \$86,433,689. The majority of this revenue, \$60,816,730 is allocated through the Colorado School Finance Act. The balance comes from federal- and grant-based funds.

Unfortunately, Colorado funding for education still trails the National Average by approximately \$2,000 per pupil.

K12 Per-pupil Funding: Colorado versus National Average



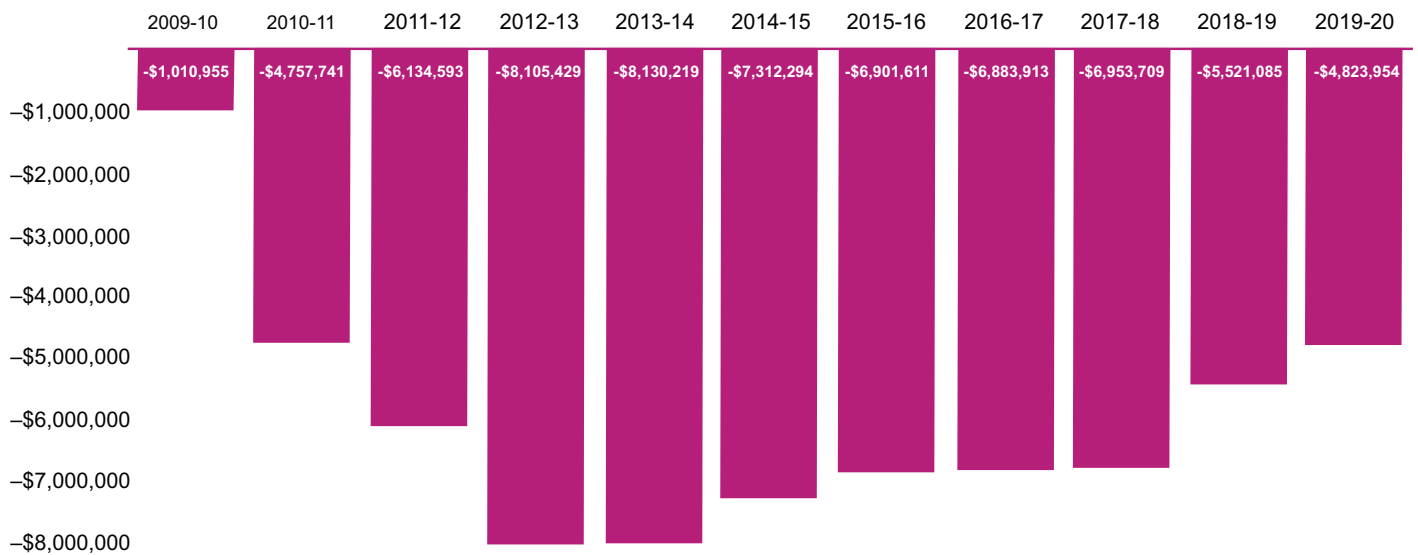
BUDGET STABILIZATION FACTOR (BS)

To accommodate state revenue challenges, the state has incorporated the budget stabilization factor into the Colorado School Finance Act formula. The budget stabilization factor proportionately reduces prescribed funding levels for each school district. The state implemented the budget stabilization factor to reduce the level of K-12 funding while remaining within the legal limits of the Colorado School Finance Act formula.



The budget stabilization factor has created a deficit funding gap of more than \$572M statewide for 2019-20.

ECS has lost \$66.5M in funding since 2010-11 due to the budget stabilization factor.

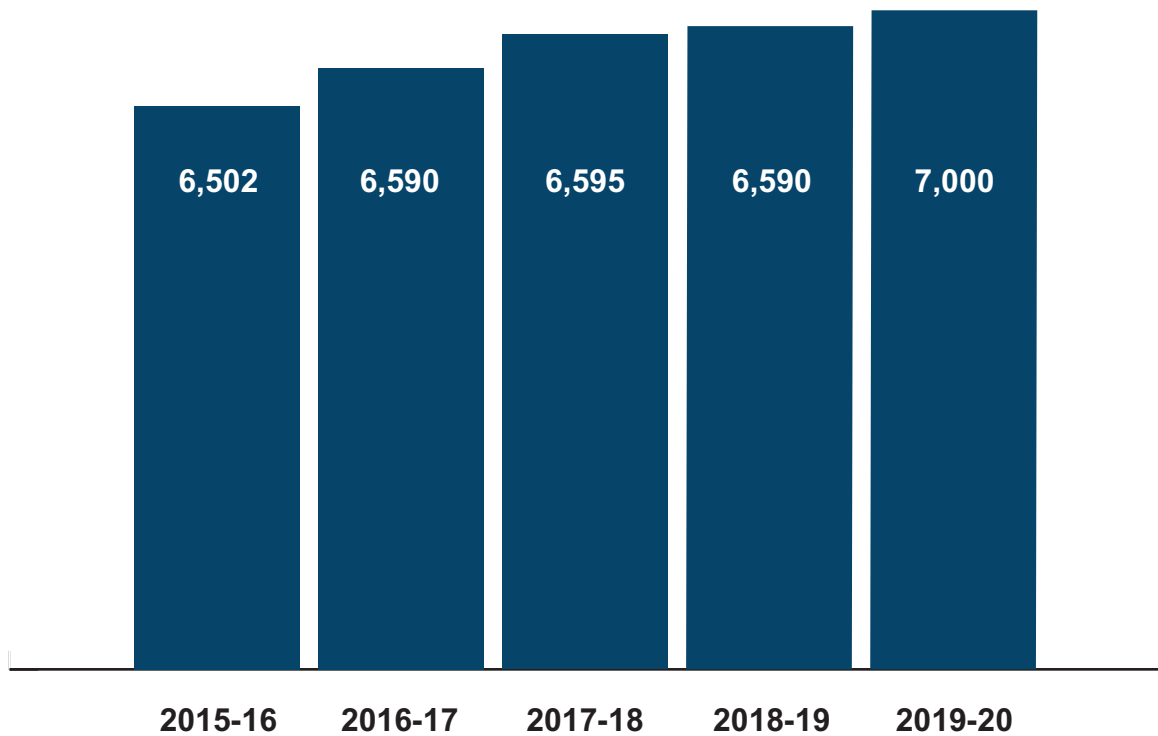


STUDENT ENROLLMENT DRIVES FUNDING

The Colorado School Finance Act is based on the pupil count taken on October 1st of each year. Because some students attend part-time (like preschool or kindergarten), their enrollment is counted as proportional to their attendance.

This creates two categories: actual enrollment and funded enrollment. Because of this distinction, it's not possible to simply multiply actual enrollment (6,980) by the per-pupil funding amount (\$8,814) to arrive at our budgeted revenue. **The funded count is based on the higher number between the current-year funded enrollment count or up to a five-year average of the funded enrollment count.** Based on this, the projected funded enrollment count for the 2019-20 school year is 7,000.

■ Funded Enrollment



| Year | Funded Enrollment Count |
|----------------|-------------------------|
| 2015-16 actual | 6,501.9 |
| 2016-17 actual | 6,589.7 |
| 2017-18 actual | 6,595.4 |
| 2018-19 actual | 6,590.0 |
| 2019-20 budget | 7,000.0 |

Average funded pupil count

DISTRICT FUND SUMMARY

2019-20 Budget

| Fund | Appropriation | % of Total |
|-------------------------------|----------------------|----------------|
| General Fund | \$87,358,706 | 67.41% |
| Nutrition Services Fund | \$2,505,068 | 1.93% |
| Designated Purpose Grant Fund | \$4,200,000 | 3.24% |
| Transportation Fund | \$3,505,747 | 2.71% |
| Bond Fund | \$20,680,425 | 15.96% |
| Building Fund | \$1,009,012 | 0.78% |
| Capital Reserve Fund | \$2,156,354 | 1.66% |
| District Housing Fund | \$96,657 | 0.07% |
| Student Activity Fund | \$2,114,872 | 1.63% |
| Charter School Fund | \$5,963,927 | 4.61% |
| Total Appropriation | \$129,590,768 | 100.00% |

Did You Know?

As a governmental organization, the District must utilize "fund accounting" to track revenues and expenditures.

Dollars are put into separate funds to ensure they are spent for their intended purpose.

General Fund

The General Fund is used to manage all resources that are not legally, or by sound financial management, required to be managed in another fund. This fund accounts for the largest portion of the total district budget and covers day-to-day operating expenditures including salaries and benefits for employees, textbooks, and business services. Funding comes from local property taxes and the state of Colorado. Funds are transferred from the General Fund to the Capital Reserve Fund and Transportation Fund.

Nutrition Services Fund

This fund accounts for all financial activities associated with the district's school lunch program to provide the children of Eagle County healthy, nutritious, and sustainable meals.

Designated-Purpose Grants Fund

The Designated-Purpose Grants Fund is provided to maintain separate accounting for grant programs, which are restricted as to the type of expenditures for which they may be used, and which may have a different fiscal period than that of the district. The district seeks grants from other sources to provide additional and/or alternative funding for school district programs.

Transportation Fund

This fund accounts for all the transportation services for the Eagle County Schools. It was developed after voters approved the transportation mill levy in November 1998. Expenditures for this fund are the current operating expenditures for providing student transportation to and from school, exclusive of the purchase or lease of student transportation vehicles or other capital outlays. Expenditures include salary and benefits of bus drivers, maintenance and repair of vehicles, motor fuel and oil, and supervision of the transportation department.

Bond Fund

This fund is authorized by Colorado law. It provides revenues based upon a property tax mill levy set by the school board to satisfy the district's bonded indebtedness on an annualized basis. The expenditures for this fund are principal, interest, and service fees for the voter approved bonds.

Building Fund

This fund is used to account for all resources available for acquiring capital sites, buildings and equipment. ECS uses this fund to account for all projects financed through bond sale proceeds and related financial resources.

Capital Reserve Fund

The Capital Reserve Fund is used to account for the acquisition of land, construction of new facilities, alterations and improvements to existing structures, and the acquisition of school buses and/or other equipment.

District Housing Fund

The District Housing Fund is used to account for the rental and maintenance of housing provided to district employees. Currently the district rents sixteen trailer spaces at Maloit Park, two trailer spaces in Gypsum, two apartments at the East Bus Barn, five houses in Gypsum and one house at Maloit Park.

Student Activity Fund

The Student Activity Fund provides extracurricular activities at the elementary, middle, and high school levels, which are completely self-supporting. This fund receives revenue from pupil participation fees and other fund-raising activities.

Charter School Fund

This fund is used to account for the financial activities associated with charter schools, which are treated as component units of the district.

GENERAL FUND

2019-20 Budget

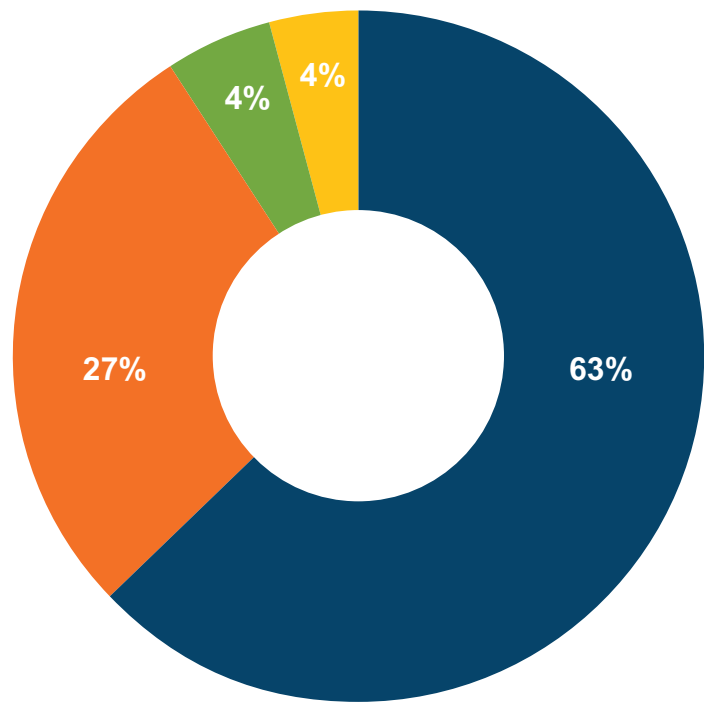
Revenue:

| | |
|--------------------------|---------------------|
| Property taxes | \$54,460,425 |
| State revenue | 23,745,334 |
| Other revenue | 3,733,260 |
| Specific ownership taxes | 3,819,670 |
| Interest income | 675,000 |
| Total revenue | \$86,433,689 |

Expenditures & Transfers:

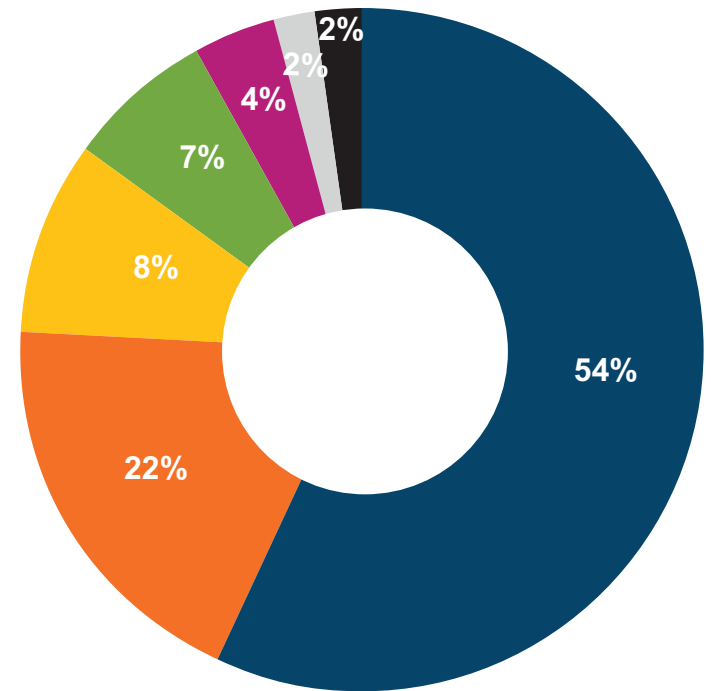
| | |
|---|---------------------|
| Salaries | \$47,545,172 |
| Benefits | 18,889,167 |
| Purchased Services | 6,982,343 |
| Supplies & Equipment | 6,509,416 |
| Charter Schools | 3,396,721 |
| Charter Schools- 3A | 429,237 |
| Transfers Out | 2,140,000 |
| Transfer Out - 3A | 1,466,650 |
| Total Expenditures & Transfers | \$87,358,706 |

Where the money comes from...



- Property Taxes
- State Revenue
- Other Revenue
- Specific Ownership

Where the money goes...



- Salaries
- Benefits
- Purchased Services
- Supplies/Equipment
- Charter Schools
- Transfers Out
- Transfers - 3A

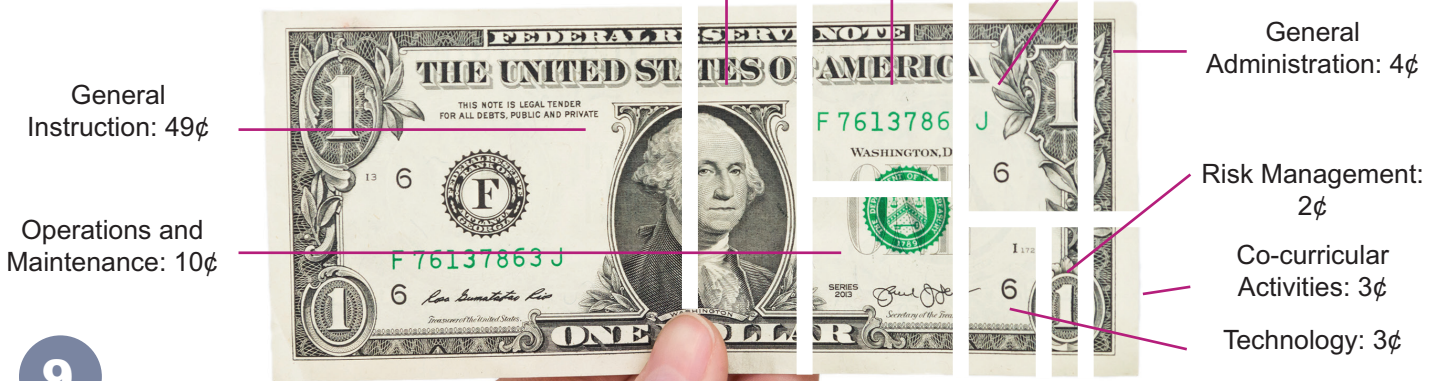
GENERAL FUND EXPENDITURE BY PROGRAM

Budget 2019-20

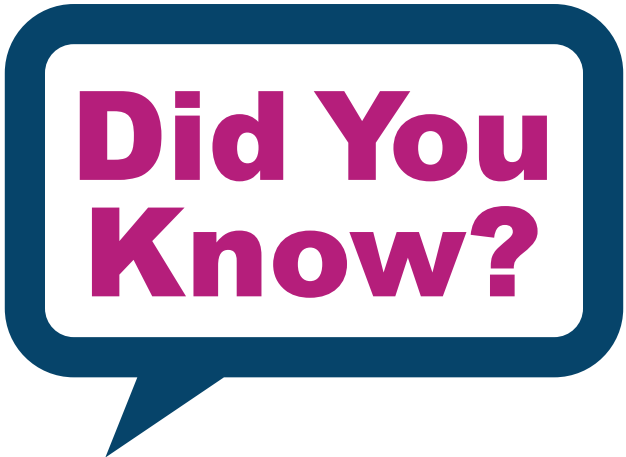
| Expenditures | Amount | % of Total |
|---|----------------------|----------------|
| General Instruction Fund | \$ 39,531,251 | 49.46% |
| Instructional Support | \$ 9,795,893 | 12.26% |
| Special Education Instruction | \$ 7,577,488 | 9.48% |
| Operations and Maintenance | \$ 7,785,852 | 9.74% |
| School Administration | \$ 6,142,906 | 7.69% |
| General Administration | \$ 3,322,422 | 4.16% |
| Technology | \$ 2,392,730 | 2.99% |
| Co-curricular Activities | \$ 2,111,556 | 2.64% |
| Risk Management | \$ 1,266,000 | 1.58% |
| Total Expenditures | \$ 79,926,098 | 100.00% |
| Transfers | | |
| Charter Schools | \$ 3,396,721 | |
| Charter Schools – 3A | \$ 429,237 | |
| Transfers Out | \$ 2,140,000 | |
| Transfers Out – 3A | \$ 1,466,650 | |
| Total Transfers | \$ 7,432,608 | |
| Total Expenditures and Transfers | \$ 87,358,706 | |

For every dollar spent:

Instructional Support: 12¢
 Special Ed Instruction: 9¢
 School Administration: 8¢



GENERAL FUND BALANCES (RESERVES)



TABOR Reserves are required by State Law.
Board Reserves are mandated by Board of Education Policy

| | 2017-18 Actual | 2018-19 Estimated | 2019-20 Budget |
|------------------------------------|---------------------|---------------------|---------------------|
| Restricted for Mill Levy | \$1,572,198 | \$1,395,833 | \$1,100,536 |
| Restricted for Emergencies (Tabor) | \$2,534,700 | \$2,436,014 | \$2,593,011 |
| Assigned for Future Projects | \$852,382 | \$785,000 | \$172,369 |
| Unassigned | \$11,985,539 | \$10,814,861 | \$10,640,776 |
| Total | \$16,944,819 | \$15,431,708 | \$14,506,691 |

Year-End Fund Balance (Reserves)

To meet the challenges of school funding in Colorado, Eagle County Schools adopted Board of Education Governance Policy EL-8, which dictates a minimum level of year-end fund balance to ensure the district's ongoing financial stability. It explicitly states: Do not allow General Fund balance to fall below 10% of actual General Fund expenditures or \$10,000,000, whichever is greater at fiscal year-end. This amount will include the emergency reserve required by Article X, Section 20 of the Colorado Constitution (TABOR). The 10% year-end fund balance will be used only for an unexpected loss of revenue or an emergency expenditure.



MORE DETAILED BUDGET INFORMATION IS AVAILABLE ON EAGLESCHOOLS.NET

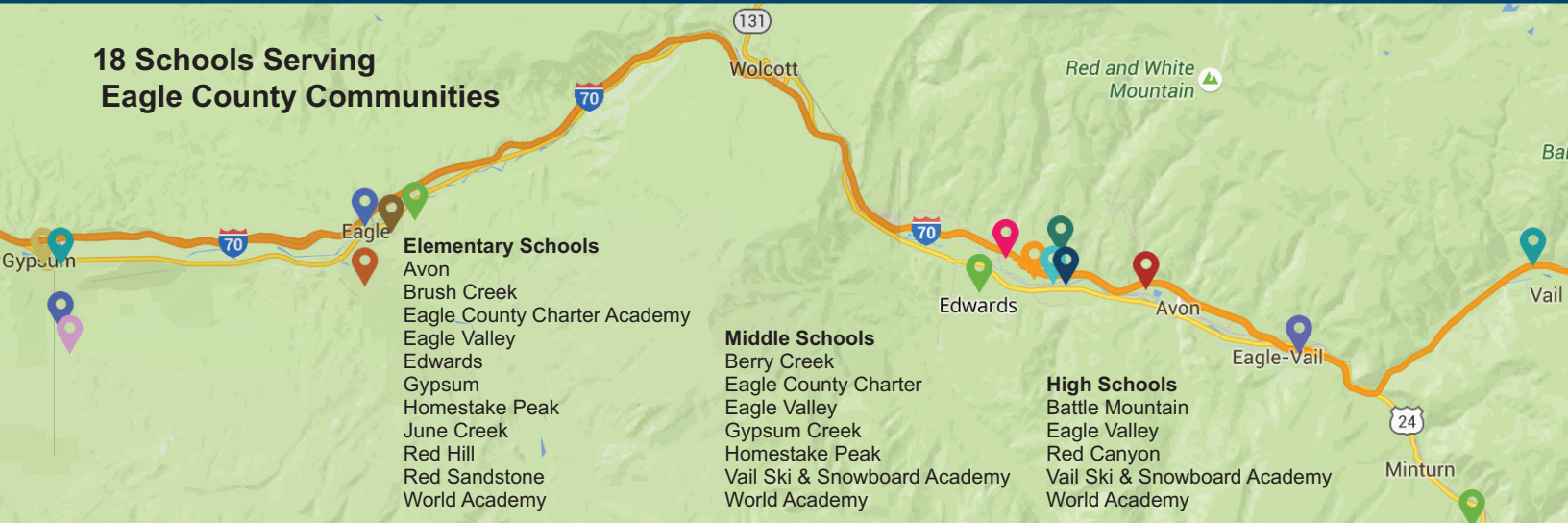
Board of Education

Kate Cocchiarella, President
Tessa Kirchner, Vice President
Shelly Jarnot, Secretary/Treasurer
Felicia Battle
Michelle Stecher
Rebecca Cotton
Fernando Almanza

Administration

Philip Qualman, Superintendent
Melissa Gerard, Executive Assistant to the Superintendent and BOE
Dr. Katie Jarnot, Assistant Superintendent of Curriculum & Instruction
Melisa Rewold-Thuon, Assistant Superintendent of Support Services
Dan Dougherty, Chief Communications Officer
Sandra Mutchler, Chief Operating Officer
Todd Shahan, Chief Technology Officer
Adele Wilson, Director of Human Resources

18 Schools Serving Eagle County Communities



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