

Strategic Financial Plan

 BOULDER VALLEY SCHOOL DISTRICT

DRAFT 2025-26



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Our work is focused by the [All Together For All Students Strategic Plan](#), which aims to Inspire a love of learning in every student, Equip them with the knowledge and skills that will help to make them successful and give them the opportunities and connections so that they can Soar after high school in the college or career pathway of their choice.

Launched in 2019, the effort has resulted in great success, including incredibly high student achievement and increased access for students.

We, however, will not be satisfied, until we reach our Long Term Student Outcomes:



INSPIRE

All students benefit from challenging and relevant educational opportunities



EQUIP

Reduce disparities in achievement



SOAR

Every student graduates empowered with the skills necessary for post-graduate success



This Strategic Financial Plan overview is a guide to understanding the components that make up BVSD's budget, how it is created, and some of the priorities and choices it reflects.

STRATEGIC OBJECTIVES

We are building on the success of the BVSD Strategic Plan through four Key Objectives



No Limits

All students experience grade-level, standards-based instruction.



Next Best Step

Educators and administrators implement & track tiered supports and instructional strategies to engage and grow all students, and monitor success in doing so.



Define the Destination

Throughout their PK-12 career, all students access career exploration opportunities and earn at least one of the following: College Credit, Industry Certification, Work-Based Learning Experience or Seal of Biliteracy.



Valued & Included

All students feel included and valued in their learning environments, schools engage in restorative practices with students when appropriate, and schools consistently apply recommended resolutions for specific disciplinary events (i.e., discipline framework).



BOULDER VALLEY SCHOOL DISTRICT



"We believe that Boulder Valley is uniquely positioned because of its resources and outstanding educators to overcome the challenges we face, including an achievement gap that educators across Colorado and the nation have struggled to address."

-Dr. Rob Anderson, BVSD Superintendent

UNDERSTANDING SCHOOL FINANCE IN COLORADO

Every homeowner and business owner in Colorado pays property taxes for schools, along with sales taxes for police, fire, and other local public services. The Colorado state government is responsible for funding other public services such as prisons and transportation, in addition to determining the funding for schools.

Each year the state budget is crafted by the governor and legislature to determine how much of the total budget will be allocated to K-12 education.

Constitutional Amendments that affect school funding:

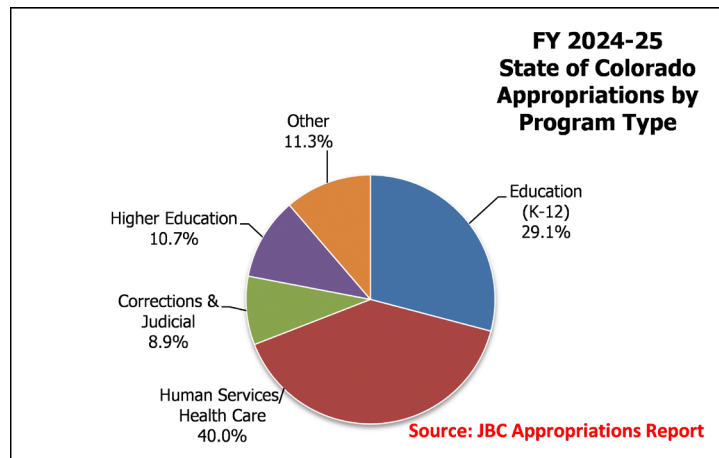
TABOR:

Colorado's "Taxpayer's Bill of Rights," also known as TABOR, sets taxing and spending limits on all levels of government in the state, from special districts such as fire protection and schools to county and state governments. TABOR's primary objective is to "restrain the growth of government" as stated in the Colorado Constitution. TABOR has many provisions that impact school funding from the state. The most significant limitations are:



- TABOR requires voter approval of tax increases.
- TABOR limits revenue collections.
- TABOR limits spending.

TABOR also impacts district spending as the law requires that a school district hold 3 percent of expenditures in reserve. This reserve can only be spent in an emergency, which excludes economic conditions, revenue shortfalls, or salary and fringe benefit increases.



Amendment 23:

In November of 2000, Colorado taxpayers approved Amendment 23 to the Colorado Constitution. This amendment identifies increases in funding to public elementary and secondary schools at a rate of inflation plus 1 percent for a total of 10 years, through the 2010-11 fiscal year, and then at the rate of inflation thereafter. The amendment's stated goal was to restore public education funding back to 1988 levels.

Referendum C:

In November 2005, Colorado voters passed Referendum C, which temporarily overrides the current TABOR revenue formula that limits annual growth in state revenues to the rate of change of inflation plus population. With no increase to current tax rates, Referendum C allows the state to keep and spend the revenue it collects under current rates for five years. The revenue retained by this change will be used to fund healthcare, K-12 and higher education, pension plans for firefighters and police officers, and specifically identified Department of Transportation projects. The referendum's stated goal was to restore state budget cuts since 2001 and reset the base funding level.

Budget Stabilization Factor (Negative Factor):

As a result of the Great Recession, the Budget Stabilization Factor was implemented. The legislature determined that Amendment 23 only applied to “base” per pupil funding. Under law, Colorado per pupil funding is made up of a base amount per student that is the same throughout the state. Added to this base are “factors” allocating additional per pupil funds by use of a state formula applied on a district-by-district basis. The factors include: poverty, cost of living, and size, and make up a large portion of Colorado’s per pupil funding.

Each year the legislature determines the amount of increased funding required under Amendment 23 and the School Finance Act. Then the Budget Stabilization Factor is applied against this total dollar amount, reducing overall funding.

In 2024, the governor and lawmakers eliminated the Budget Stabilization Factor with the Joint Budget Committee (JBC) voting to fully pay it down beginning with the FY25 budget.

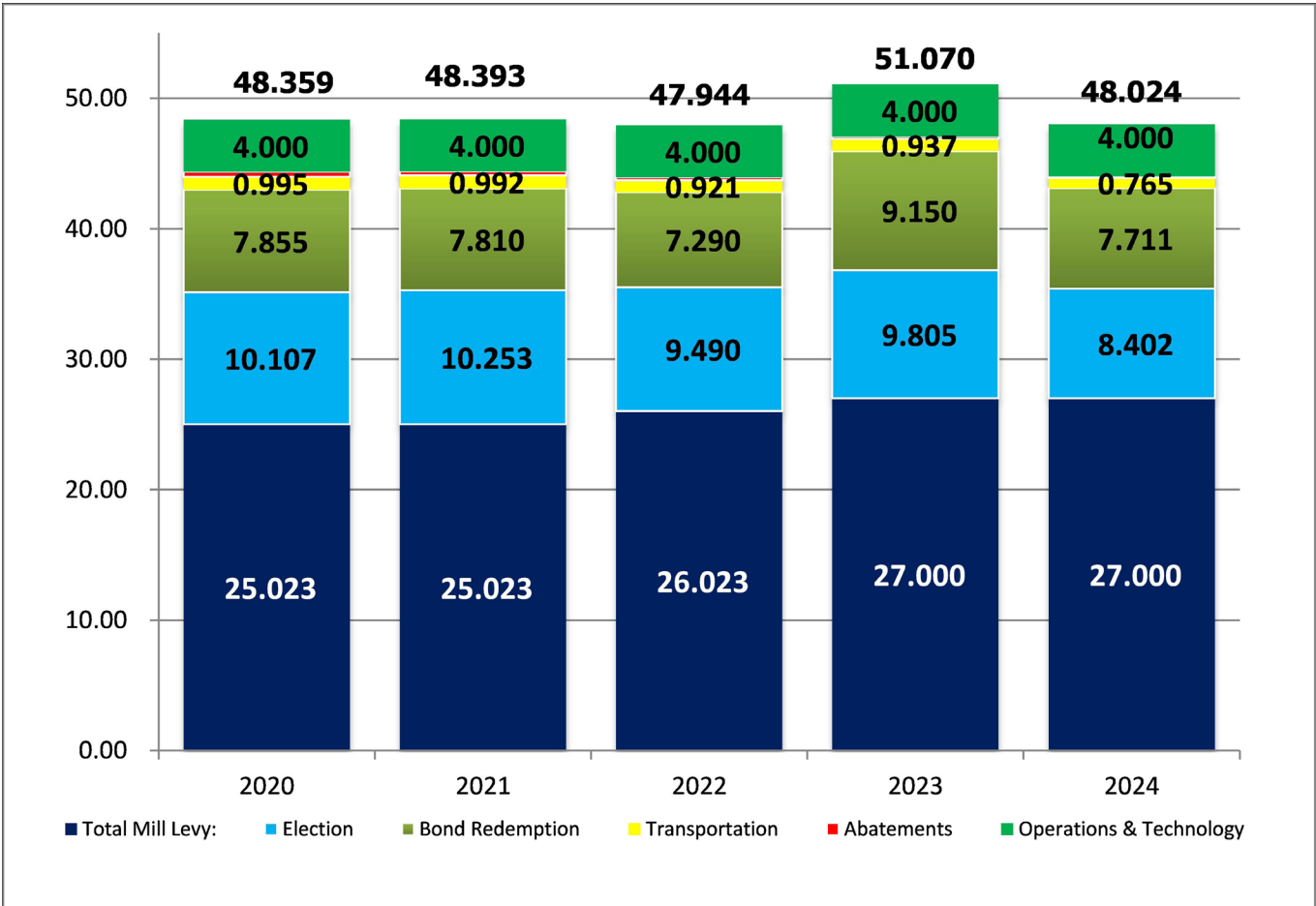
Fiscal Year	Total Program Funding	Negative Factor	Total Program Funding (after Negative Factor)	Per Pupil Revenue
2024-25 Governor's Budget	\$304,412,276	\$0	\$304,412,276	\$11,191
2023-24 Revised	298,594,506	(4,626,580)	293,967,926	10,481
2022-23	283,692,098	(10,445,414)	273,246,684	9,499
2021-22	278,834,729	(16,540,292)	262,294,437	8,910
2020-21	280,003,796	(35,756,693)	244,247,103	8,029
2019-20	274,566,209	(19,286,294)	255,279,915	8,421
2018-19	263,061,533	(22,897,544)	240,163,989	8,058
2017-18	254,158,879	(28,061,865)	226,097,014	7,578
2016-17	246,518,892	(28,390,853)	218,128,039	7,348
2015-16	243,705,017	(28,830,177)	214,874,840	7,232
2014-15	234,494,200	(30,407,094)	204,087,106	6,940
2013-14	224,570,307	(34,630,570)	189,939,737	6,556
2012-13	216,944,133	(34,912,306)	182,031,827	6,376
2011-12	207,466,753	(26,835,213)	180,631,540	6,377
2010-11	202,435,712	(13,352,337)	189,083,375	6,715
2009-10	197,694,395	(4,562,150)	193,132,245	6,979
TOTAL NEGATIVE FACTOR		\$(339,535,382)		

PROPERTY TAX RATES

The Colorado SFA was revised in 1994 creating Title 11, Article 50 of the Colorado Revised Statutes, which determines the base revenue of the General Operating Fund of the school district. This 1994 SFA set the standard mill levy at 40 mills for all districts. Due to dramatic increases in property values (assessed valuation) in some areas of Colorado (since 1994), the Act of 1994 was amended during the 2007 legislative session which froze the existing mill levy for most districts in the state, to reduce the pressure on state funding for local school districts.

The total 2024-25 BVSD mill levy was certified at 48.024 mills which is a 6.34 percent decrease from the prior year. The mill levy is applied to assessed valuation which increased by 22.39 percent or approximately \$1.7B, from the prior year, net of tax incremental financing (TIF) agreements.

- General Operating Fund mills increased to 27.000
- The district's 1991, 1998, 2002, and 2010 budget override elections result in a levy of 8.402 mills.
- The mill levy for abatements, refunds, and omitted property is 0.146 mills.
- The Bond Redemption Fund is at 7.711 mills.
- The transportation mill levy is at 0.765 mills.
- The operations and technology mill levy is at 4.000



How Does Supporting Education Impact Your Taxes?

Local tax money goes to the county treasurer who in turn distributes it to each governmental entity in the county.

Doing the Math:

State law sets the property tax assessment rate. In the 2024 collection year, homeowners will pay an estimated assessment rate of 7.15 percent of the actual assessed value of their home, while businesses will pay a 29 percent assessment rate.

Here's how the math works for each \$100,000 in home value:

- The 7.15 percent of assessed value is calculated to be \$7,150. That's the amount on which taxes are based.
- One tax mill is equal to 1 cent on \$10. So, \$7,150 in value multiplied by 0.001 equals \$7.15 per mill.
- For example, in December 2023, the BVSD tax rate for 2024 was certified at 48.024 mills or \$343.37 in taxes per year for each \$100,000 of assessed home value.

You can use the same formula to calculate your property taxes for your schools if you know your home's assessed value. The same calculations based on a 29 percent business rate net \$1,392.70 in school taxes for each \$100,000 of taxable business property.

Overlapping Property Tax Rates

In addition to mills that affect the district, there may be overlapping rates that apply to some taxpayers.

Overlapping rates are those of governments that apply to property owners within the Boulder Valley School District RE-2 boundaries.

Not all overlapping rates apply to all district property owners (e. g. the rates for Special Districts apply only to the district's property owners whose property is located within the geographic boundaries of the Special District).

Direct and Overlapping Governments	Unaudited Property Tax Rates (FY23)
Boulder County	24.746
Cities and Towns	
Boulder	11.648
Broomfield	28.968
Lafayette	16.216
Louisville	7.934
Jamestown	23.500
Nederland	17.274
Superior	9.430
Ward	3.897
Special Districts (Ranges)	.500 to 45.020
Fire Districts (Ranges)	2.500 to 22.800
Water/Sanitation Districts (Ranges)	.900 to 20.414

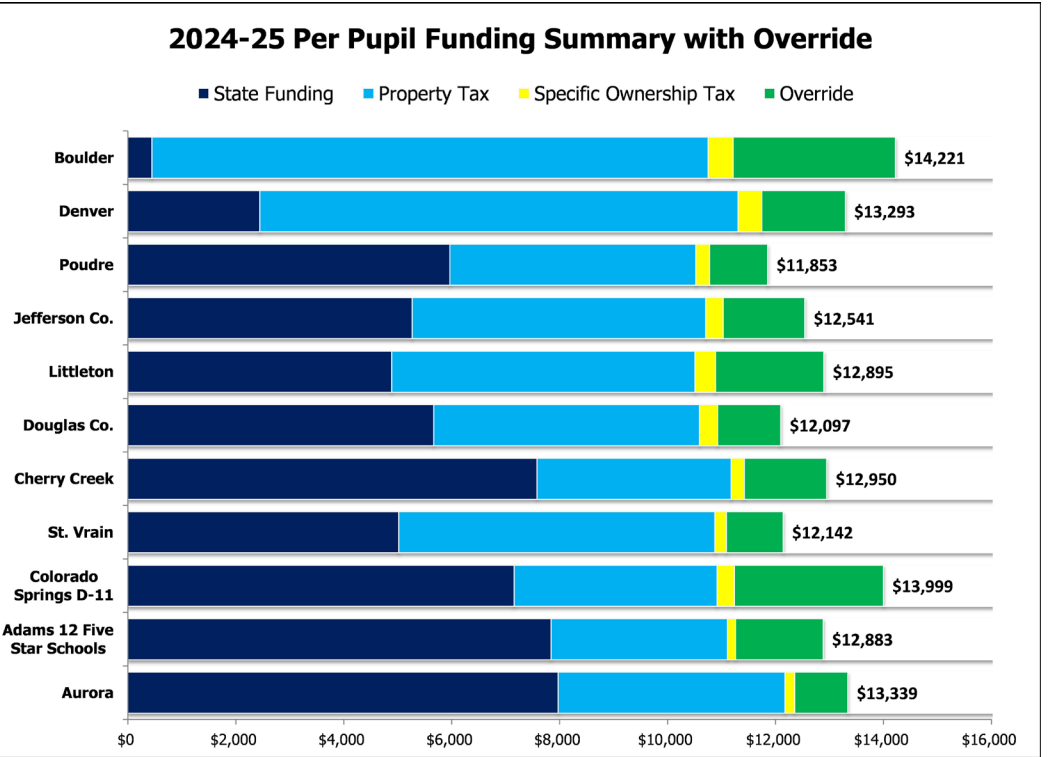
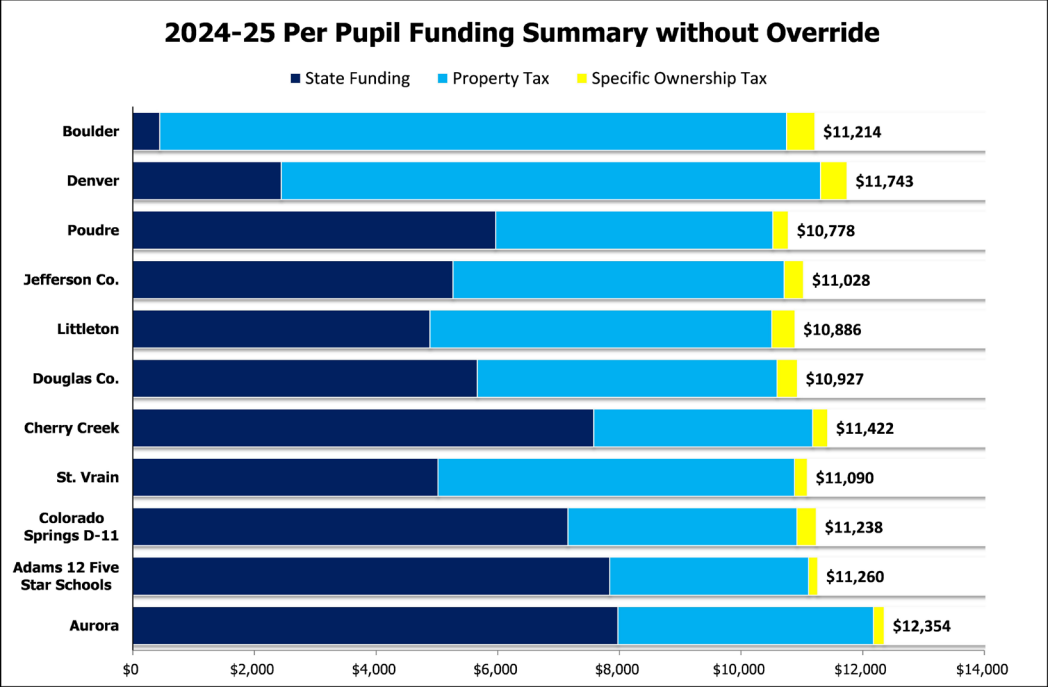
Source: Boulder County, Broomfield County and Gilpin County Assessor's Office

FUNDING SOURCES

Schools are funded from three sources: state funds, local property tax, and vehicle registration fees, known as Specific Ownership Tax (SOT). Although the state determines individual school district funding levels, the amount contributed from the three different sources varies according to local assessed property valuation.

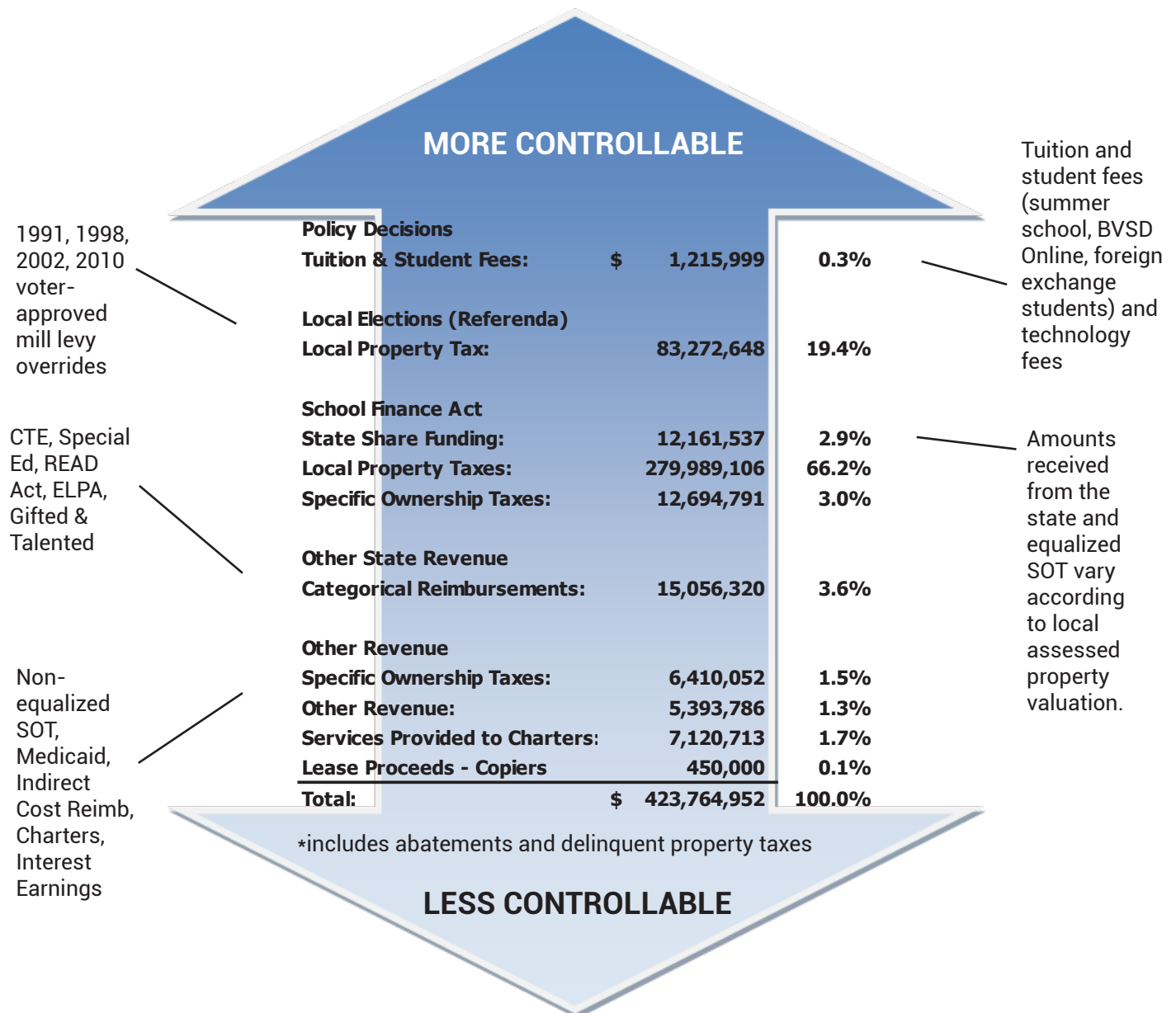
As evidenced in these graphs, because of higher assessed valuation, BVSD receives a larger portion of its revenue from local property taxes and therefore, the state contribution is less than peer districts. As a result, BVSD is projected to receive \$11,214 for each student FTE in 2024-25.

In order to ease the burden caused by the state's Budget Stabilization Factor, BVSD asked voters to approve override funding through additional mill levies. These override revenues increase the district's projected pupil revenue to \$14,221 2024-25.



GENERAL OPERATING FUND REVENUE

There are a variety of factors that impact the amount of money the district receives in its General Operating Fund from its different funding sources. The district and/or its constituents have more control over some factors than others. As you can see from the diagram below, the smaller funding sources are typically the ones over which the district has more control. For example, the district or the schools can control what kind of fundraising projects to have and how that money is to be used. However, at the other end of the spectrum, there is virtually no control over how many children live in the district and attend our schools.



Override Elections

The BVSD electorate has control over passing local property tax increases for school funding which represents 19.4 percent of the district's 2024-25 General Operating Fund budgeted revenue.

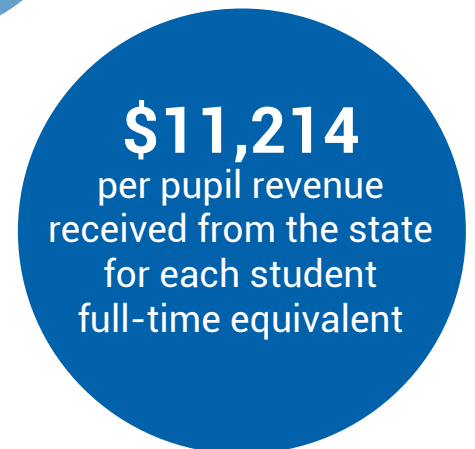
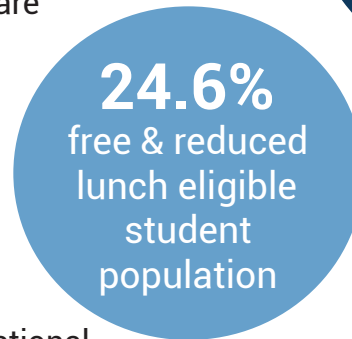


Socio-Economic Status

The per pupil revenue is calculated taking into consideration the percentage of students in the district who are eligible for free and reduced lunch status.

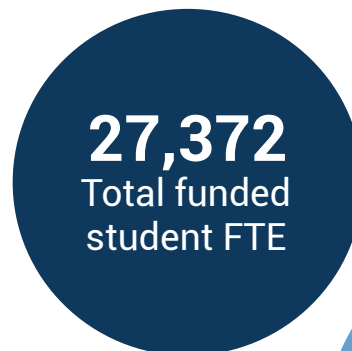
Equity in School Funding

While tax dollars are collected locally for education, the state legislature determines how much funding each school district will receive. The SFA is aimed at ensuring that all children in the state receive an equitable educational experience and has devised a formula that evaluates various factors and determines the funding needed to provide an equitable educational experience in each school district. For the 2024-25 school year, it is estimated BVSD will receive \$11,214 for each student full-time equivalent (FTE). The legislature has not determined an adequate level of funding to meet the expectations for educating all public school students.



School Finance Act

The SFA is a combined total of the state's funding of BVSD's student FTE, local property taxes as determined by property assessed valuation, and equalized specific ownership taxes.



Categorical Reimbursements

Other State Revenues are provided in the School Finance Act to support programs for specific groups of students or particular student needs. These programs are often referred to as "categorical" programs and include Special Education, Career and Technical Education, English Language Proficiency programs, and the READ Act.



WHAT THIS MEANS FOR BVSD

Total program funding, as calculated in the School Finance Act, was projected to be \$307.0M for BVSD in 2024-25.

Since 2009, the Legislature decreased total funding by applying a Budget Stabilization Factor (negative factor) to reduce total program funding. However, beginning in 2024-25, Governor Polis and lawmakers eliminated the Budget Stabilization Factor, returning public education funding to 1989 levels. At the same time, we know that the elimination of it in no way fully funds K-12 education, and that Colorado still ranks at the bottom in per-pupil funding as compared to other states.

District administrators are committed to the course our learning community is taking in 2024-25 as we work toward the vision, mission, and goals throughout all levels of the organization.

School Finance Total Program Funding	\$	306,958,579
Minus: State Finance Act Funding		(12,161,537)
Equalized Specific Ownership Tax		<u>(12,694,791)</u>
School Finance Act Local Property Tax Amount	\$	282,102,251
Plus: Override Elections:		
1991	\$	7,062,468
1998		10,600,000
2002		15,000,000
2010		<u>49,648,966</u>
Total Override Elections	\$	82,311,434
TOTAL ADOPTED 2024-25 GENERAL OPERATING FUND TAX LEVY (JUNE)	\$	364,413,685

TRANSPORTATION FUND

The Transportation Fund was created to capture the expenses of transporting students to/from school and after-school events. Funding is provided by the mill levy passed in 2005 (starting in 2005-06, the district began collecting the maximum amount authorized of \$7.2 million), the CDE transportation reimbursement, paid usage by outside organizations, and chargebacks to other departments for BVSD activities.

2024-25 ADOPTED BUDGET (JUNE)	AMOUNT
Beginning Fund Balance	\$ 1.4M
Property Taxes - Election	7.3M
Other Sources	0.1M
Lease Proceeds - Software	0.5M
State Categorical Reimbursement	3.5M
Transfer from General Fund	9.6M
Total Resources	\$22.4M
Total Expenditures and Reserves	\$ 22.4M
Ending Fund Balance	\$ 0



BVSD Education Center

OPERATIONS & TECHNOLOGY FUND

The 2016 Ballot Measure 3A approved by voters established an operational mill levy which funds a portion of the \$34.0 million in present ongoing maintenance, custodial, security, and technology expenditures. Resources from the levy allows investment for ongoing preventative maintenance and repairs to extend facility life.

General fund resources freed up by the operational levy will be available to support the following areas:

- Maintain present level of educational services.
- Invest in preventative maintenance for buildings and equipment.
- Replace out-of-date textbooks and learning materials.
- Fund compensation and benefits for all employees.
- Provide training for staff.
- Employ educators to meet student needs.

According to state statute, the district Board of Education has authority to increase the levy to 4 mills, which would provide more than \$25 million dollars a year for district investment in services. In fiscal year 2019-20, the board voted and approved the increase of these mills up to the 4 mills maximum.

2024-25 ADOPTED BUDGET (JUNE)	AMOUNT
Beginning Fund Balance	\$ 16.8M
Property Taxes - Election	37.9M
Interest Revenue	0.3M
Total Resources	\$ 55.0M
Personnel	\$.2M
Purchased Services	3.5M
Property and Equipment	.9M
Allocation to Charters	3.3M
Other - ERP Implementation	3.7M
Other - Information Technology	4.1M
Other - Maint and Operations	25.3M
Reserves	1.3M
Total Expenditures and Reserves	\$ 42.3M
Ending Fund Balance	\$ 12.7M



GENERAL FUND - FUND BALANCE

In order to meet the challenges of school funding in Colorado and BVSD, the Board of Education adopted Policy DB in the spring of 2005, which dictated a minimum level of year-end fund balance in order to ensure the district's ongoing financial health. To further bolster the district's financial position and address the current economic challenges, the Board of Education updated this policy in January 2009, strengthening the requirements of the policy. The policy restricts the district from using one-time money for ongoing expenditures. This ensures programs are sustained with ongoing revenue. In addition, current policy specifies the amount to be held as a contingency reserve.

Per policy, the district reserves a percentage of General Operating Fund expenditures equal to required reserves: 3.0% for state-required TABOR, and 3.0% for contingency reserves.

(As permitted per Policy DB, beginning in 2019-20 the district reserved an additional 1.0% in contingency reserves beyond the 3.0% requirement, increasing it to a total of 4.0%.) The use of TABOR reserves excludes factors related to economic conditions, revenue shortfalls, and district salary or fringe benefit increases.

Following the requirements of this policy means BVSD will have to make annual budget adjustments so that new expenditures do not exceed new revenues and a moderate level of

reserves is maintained. Because the district has in the past funded necessary programs with fixed revenue provided by override funds, the cost of these programs will eventually exceed the fixed revenue stream. Application of the policy means the district can make smaller adjustments over time rather than making dramatic cuts when the cost of programs has outgrown revenue sources.

2024-25 ADOPTED BUDGET (JUNE)	AMOUNT
Beginning Balance	\$ 61.3M
Revenue	423.7M
Total Resources	\$ 485.0M
Expenditures	\$ 372.1M
Transfers	70.4M
Reserves	42.0M
Total Uses	\$ 484.5M
Ending Fund Balance	\$ 0.5M

2024-25 Adopted Budget (June) - Numbers - Policy DB Calculation		
\$ 423,764,952	Total Revenues	
(441,339,384)	Less Total Expenditures & Transfers	
(123,000)	Less one-time Revenue	
2,766,237	Plus one-time Transfers	
14,974,990	Plus one-time Expenditures & Carryover	
43,795	Total Policy DB Ongoing Available	
\$ 40,930	Net available ongoing funds after 7% reserves	

DRIVING RESOURCES TO SCHOOLS

In fiscal year 2021-22, BVSD developed a weighted and differentiated formula to drive resources to all schools, with an emphasis on allocating dollars based on student characteristics and school needs to provide schools and educators with responsive and customized support to best serve students as part of the district's Strategic Plan. Through a tiered system of school supports, requirements, and accountability metrics which drive the allocation of resources, the goal is to close the opportunity and achievement gaps in the district. This weighted and differentiated funding model was implemented to distribute resources to schools identified with levels of Flexible, Targeted, and High support needs. The resources for this comprehensive plan in years one through three came from a combination of one-time general fund resources and the allocation of American Rescue Plan ESSER III as a strategic investment of those one-time resources. However, one-time General Fund resources have been allocated for an additional three years, beginning with fiscal year 2024-25.

Schools were required to submit a detailed plan aligning with school Unified Improvement Plans and/or Strategic Plan metrics to ensure the resources are driving that desired change to eliminate the opportunity and achievement gaps for students.

The total allocation formula includes a per-pupil weighted allocation base formula and has been updated to reflect years four, five, and six of the program implementation. The weighted student characteristics are those most directly tied to the district's strategic plan.

- All Students - \$60
- Special Education - \$50
- Free and Reduced Lunch - \$75
- English Language Development - \$50

In addition, the formula includes a differentiation of resources based on the School Performance Framework and tied to the base allocations.

- Flexible Support - Weight on Student Demographics Only and Access to VIP Program
- Targeted Support - 2X base allocation amounts
- High Support - 5X base allocation amounts

Flexible Support	Targeted Support	High Support	District Support	Total
18 schools	26 schools	7 schools		51 schools
\$0.2M / year	\$2.8M / year	\$1.6M / year	\$0.5M / year	\$5.0M / year

DISTRICT SPENDING PATTERNS

Major functional areas are reported annually in the district's financial documents. The financial reports document expenditures for the Combined General Fund which includes: General Operating Fund, Differentiated School Funding, PERA On-Behalf, Risk Management, Athletics, Community Schools Program, and Preschool Funds.

(millions)	2020-21 Audited	2021-22 Audited	2022-23 Audited	2023-24 Budget	2024-25 Adopted (June)
Instruction - Regular Programs	\$175.2	\$204.1	\$226.3	\$253.8	\$213.7
Instruction - Special Programs*	57.1	57.4	61.3	68.9	77.8
Student Support Services**	17.9	18.8	22.9	25.7	26.4
Instructional Staff Services***	13.6	14.1	15.1	15.8	17.6
General Administration	4.4	4.8	5.1	5.0	4.8
School Administration	26.3	28.7	29.2	31.2	33.5
Business Services	4.4	4.6	5.1	5.7	5.7
Operations and Maintenance	7.3	8.6	11.0	11.1	14.1
Central Support Services	12.9	15.6	15.4	21.8	19.1
Community Services	4.2	6.1	7.6	8.9	6.3
Debt Service-P&I	0.0	0.3	1.7	0.0	00
Total (Rounded)	\$323.3	\$363.1	\$400.7	\$447.9	\$419.0

*Special Programs: CTE, CoCurricular Activities, Gifted and Talented, Special Education, English Language Development.

**Student Support Services: Counselors, Nurses, and Health Services.

***Instructional Staff Services: Librarians and Staff Development.

DISTRICT SPENDING PATTERNS (continued)

(percentages)	2020-21 Audited	2021-22 Audited	2022-23 Audited	2023-24 Budget	2024-25 Adopted (June)
Instruction - Regular Programs	54.2%	56.2%	56.5%	56.7%	51.0%
Instruction - Special Programs*	17.7%	15.8%	15.3%	15.4%	18.6%
Student Support Services**	5.6%	5.2%	5.7%	5.7%	6.3%
Instructional Staff Services***	4.2%	3.9%	3.8%	3.5%	4.2%
General Administration	1.3%	1.3%	1.3%	1.1%	1.1%
School Administration	8.1%	7.9%	7.3%	7.0%	8.0%
Business Services	1.4%	1.3%	1.3%	1.3%	1.4%
Operations and Maintenance	2.3%	2.4%	2.7%	2.5%	3.4%
Central Support Services	4.0%	4.3%	3.9%	4.9%	4.6%
Community Services	1.3%	1.7%	1.9%	2.0%	1.5%
Debt Service - P&I	0.0%	0.1%	0.4%	0.0%	0.0%

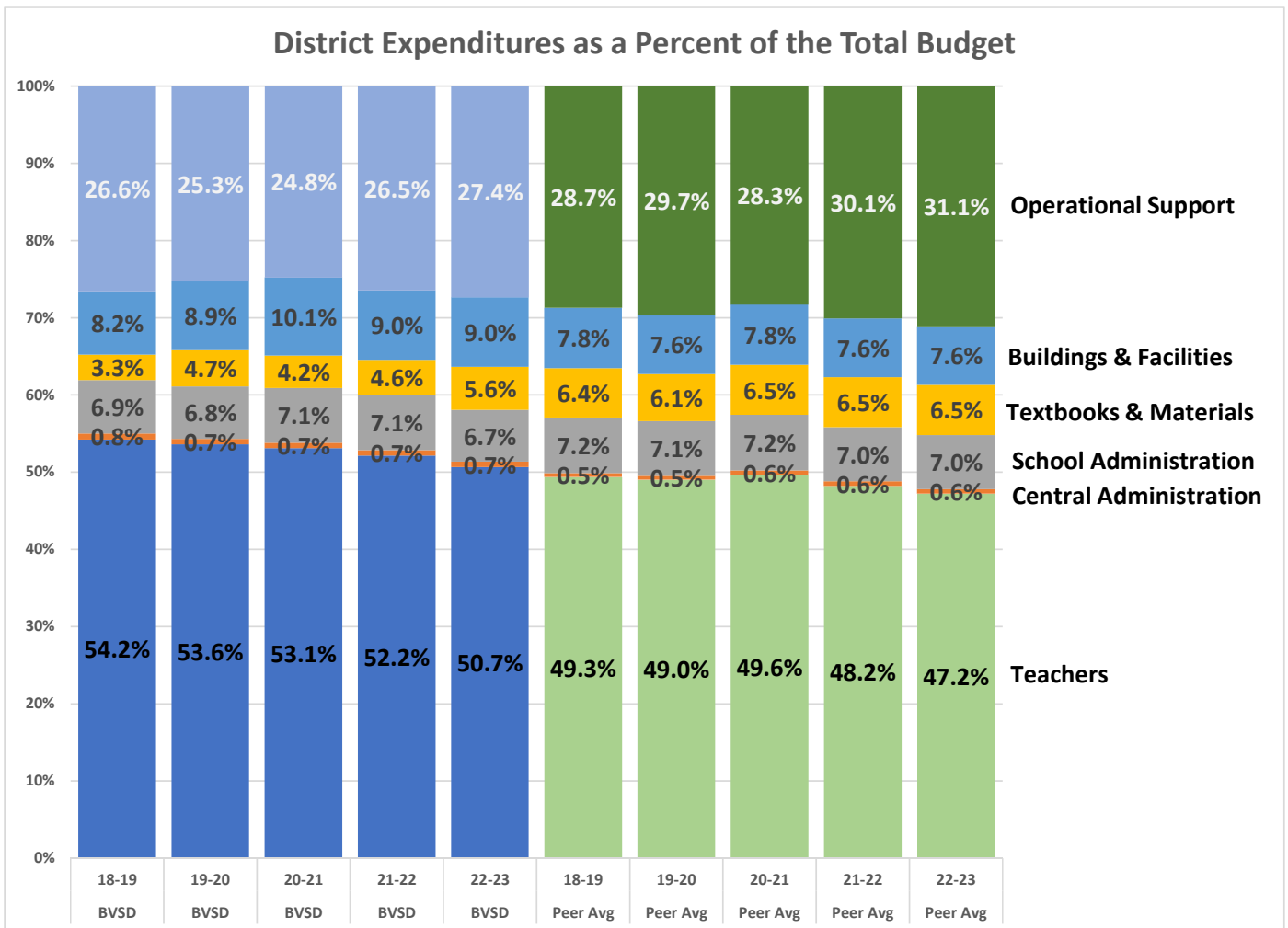
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PEER DISTRICT FINANCIAL COMPARISONS

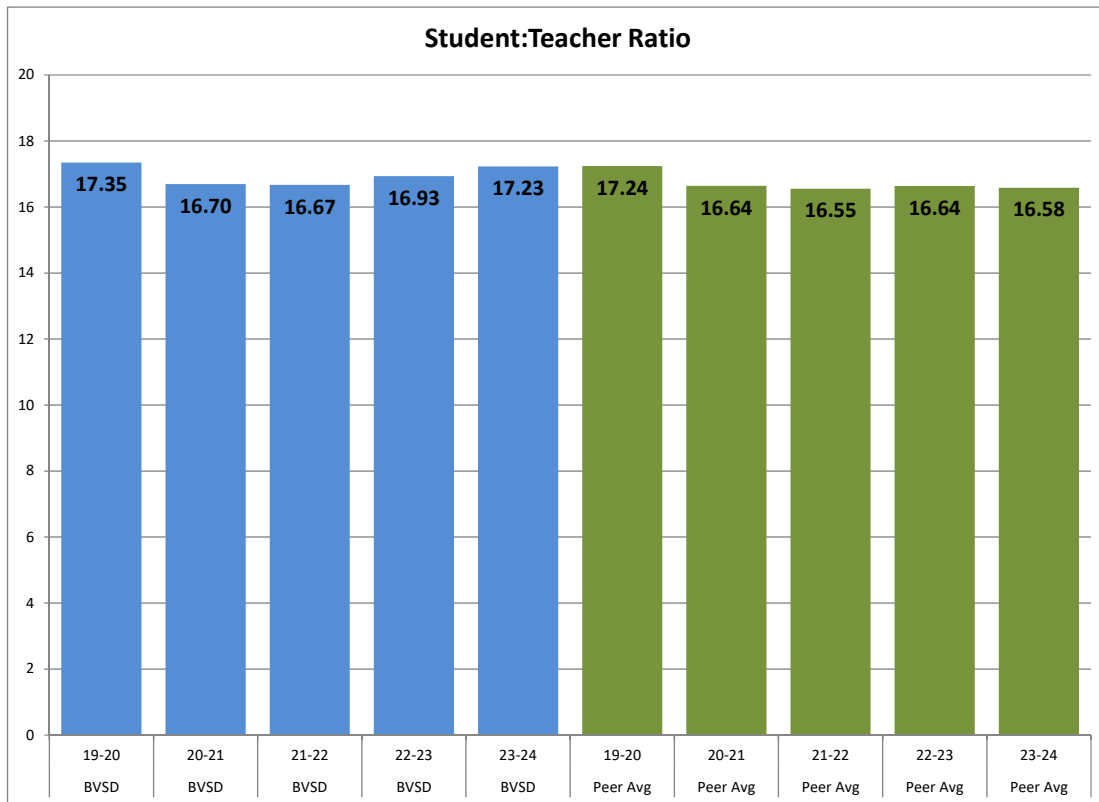
The district has a long history of providing financial comparisons to other Colorado school districts. The districts selected for comparison have been the top ten largest districts plus Littleton Public Schools. Littleton was included for its proximity, demographics, mill levy support and high student achievement. The following tables compare spending patterns and other fiscal data points related to district operations.



CDE data include:

- Preschool-12 student membership;
- All district schools, inclusive of charter schools;
- The CDE category of "Teachers" captures all Regular Education Teachers, Special Education Teachers and Title I Teachers.

PEER DISTRICT FINANCIAL COMPARISONS (continued)



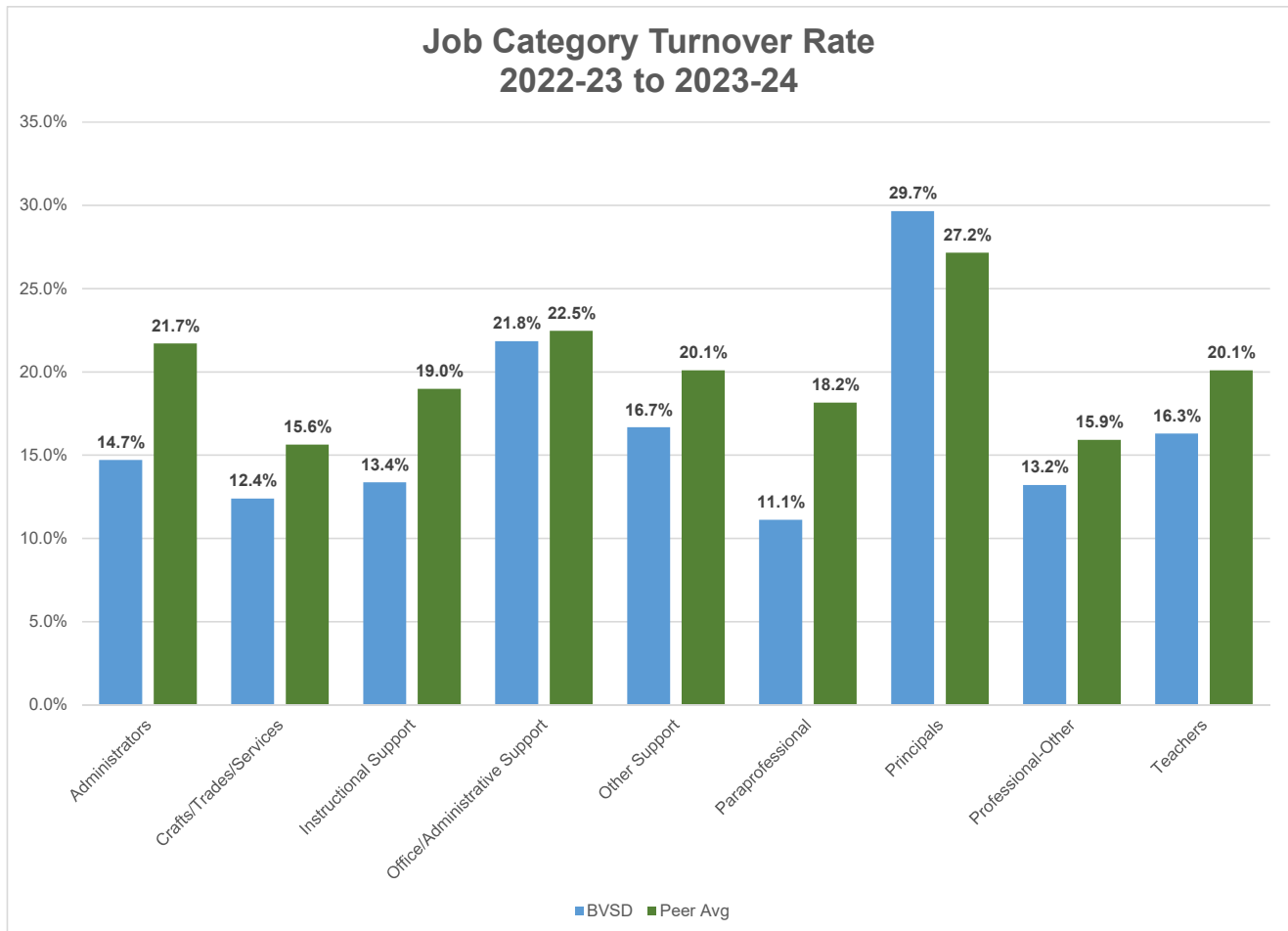
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Preschool-12 Student Membership					
Peer Districts	2018-19	2023-24	Net Change	% Change	% Annual Change
Denver Public Schools	91,998	88,235	(3,763)	-4.1%	-0.8%
Jeffco Public Schools	84,623	76,172	(8,451)	-10.0%	-2.0%
Douglas County School District	67,591	61,964	(5,627)	-8.3%	-1.7%
Cherry Creek School District	55,791	52,419	(3,372)	-6.0%	-1.2%
Aurora Public Schools	39,892	39,148	(744)	-1.9%	-0.4%
Adams 12 Five Star Schools	39,282	34,998	(4,284)	-10.9%	-2.2%
St. Vrain Valley School District	32,639	32,506	(133)	-0.4%	-0.1%
Boulder Valley School District	31,169	28,362	(2,807)	-9.0%	-1.8%
Poudre School District	30,463	29,914	(549)	-1.8%	-0.4%
Colorado Springs School District 11	26,395	22,744	(3,651)	-13.8%	-2.8%
Littleton Public Schools	15,436	13,251	(2,185)	-14.2%	-2.8%
Total	515,279	479,713	(35,566)	-6.9%	-1.7%

JOB TURNOVER

Staff turnover, as measured by the Colorado Department of Education, is an indicator of the desirability of the district as an employer. Benefits of low turnover include reduced professional development and training costs, and consistency of instruction, whereas research shows that high teacher turnover rates in schools negatively impact student achievement for all the students in a school. BVSD turnover is below our peer district average in all job categories as defined by the Colorado Department of Education.



BVSD STUDENT POPULATIONS

The district's student population is a diverse group made up of special education students, English language learners, gifted and talented students, and students eligible for free and reduced lunch.

Student Enrollment Category	2020-21	2021-22	2022-23	2023-24	2024-25
CDE Preschool-12 Student Membership	29,240	29,011	28,487	28,362	27,999
Funded Membership*	29,096	28,776	28,425	28,203	27,913
Student Membership Not Funded*	144	235	62	159	86
English Language Learners	2,302	2,034	2,001	2,140	2,301
ELL % of Funded Membership	7.9%	7.1%	7.1%	7.8%	8.5%
Free/Reduced Lunch Status	5,715	5,828	5,939	6,811	7,286
FRL Status % of Funded Membership	19.6%	20.3%	21.0%	25.0%	26.9%
Gifted & Talented	4,280	4,182	4,322	4,542	4,860
TAG % of Funded Membership	14.7%	14.5%	15.3%	16.6%	17.9%
Out of District	2,359	2,316	2,362	2,526	2,583
OOD Students % of Funded Membership	8.1%	8.0%	8.4%	9.3%	9.5%
Special Education	3,623	3,417	3,613	3,507	3,687
SpEd Students % of Funded Membership	12.5%	11.9%	12.8%	12.9%	13.6%

*With the implementation of the Universal Preschool Program in 2023-24, all pre-kindergarten students were moved to an "unfunded" status as they were no longer reported in the district's School Finance Act funded pupil count.

STUDENT OUTCOMES

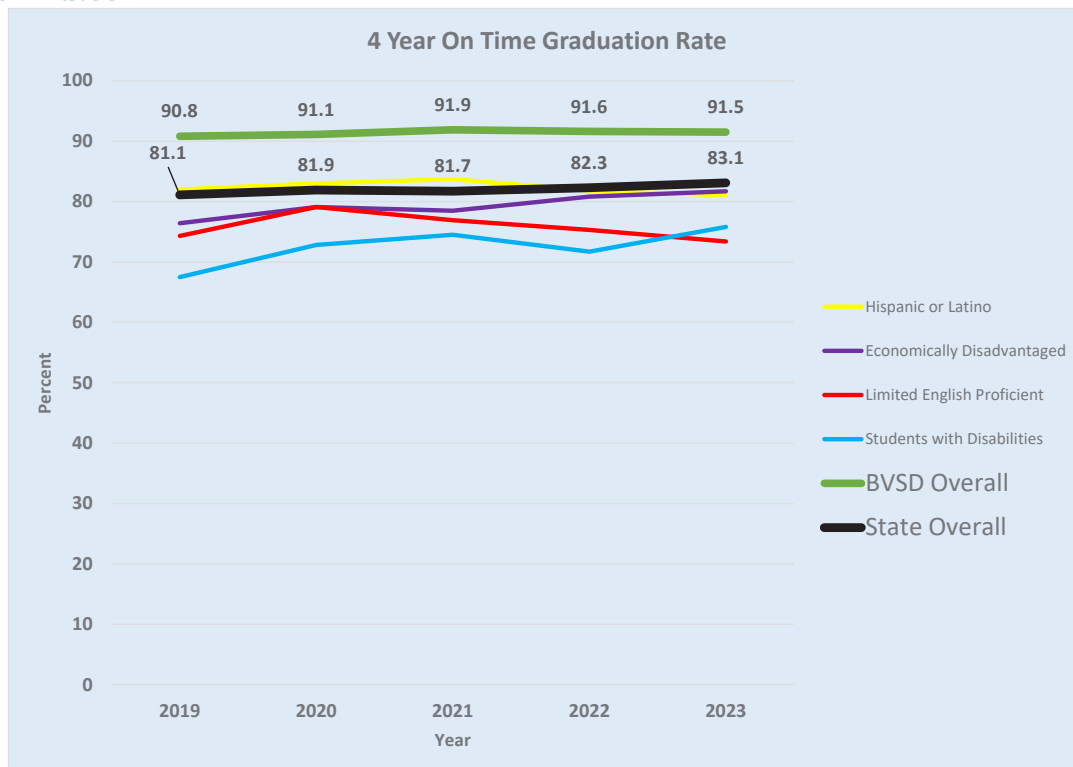
2022-2023 Graduation and Dropout Rate Specifics:

In January 2023, CDE released graduation and dropout data. BVSD's results are largely unchanged, with the 4 year on-time graduation rate declining slightly, from 91.6% to 91.5%, and the dropout rate falling from 0.9% to 0.8%. These compare favorably with overall state rates of 83.1% and 2.1% respectively. Comparisons are also favorable for large groups and nearly every small N group of BVSD students, including but not limited to:

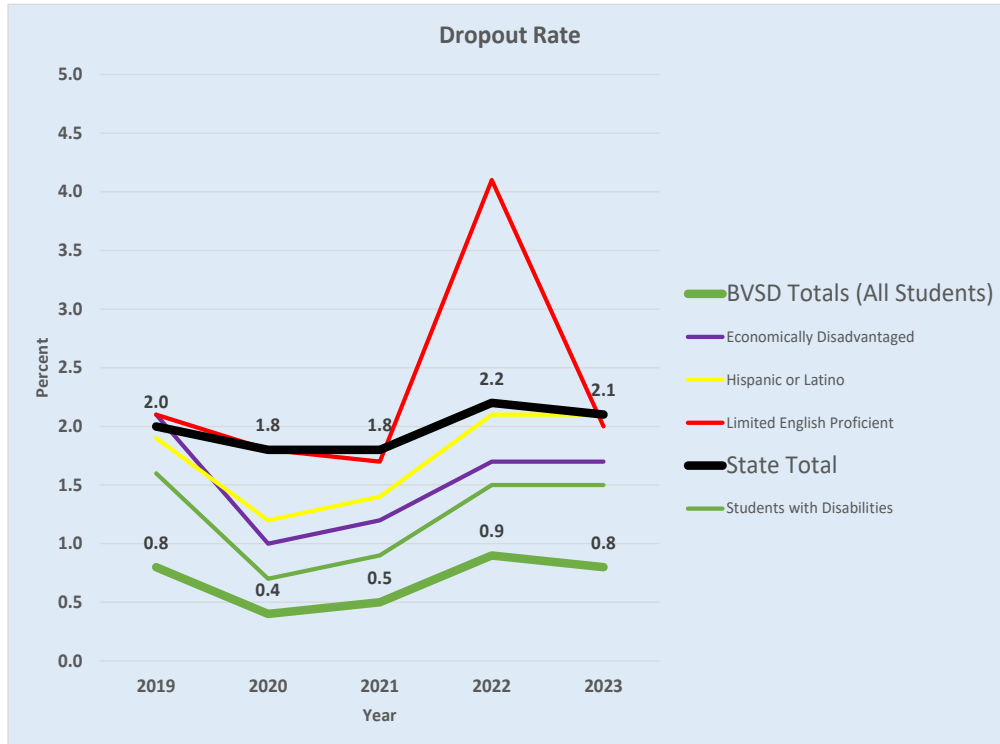
- Latinx students (2.1% dropout rate and 81.0% graduation rate in BVSD, compared to a 3.2% dropout rate and 76.1% graduation rate statewide);
- Black students ($\leq 0.5\%$ drop and 90.9% grad rate in BVSD, compared to 2.8% and 78.6% statewide);
- Economically disadvantaged students (1.7% drop and 81.7% grad rate in BVSD, compared to 2.9% and 73.3% statewide); and,
- Students with Disabilities (1.5% drop and 75.8% grad rate in BVSD, compared to 2.6% and 69.3% statewide)

**BVSD's Black, American Indian and Native Hawaiian/Other Pacific Islander groups are quite small so use caution in comparing percentages from one year to the next.*

Graduation Rates



Dropout Rates



Please see the following websites for more information.

Graduation Statistics: <https://www.cde.state.co.us/cdereval/gradratecurrent>

Dropout Statistics: <https://www.cde.state.co.us/cdereval/dropoutcurrent>

Mobility/Stability Statistics: <https://www.cde.state.co.us/cdereval/mobility-stabilitycurrent>

CONSTRUCTION AND MAJOR MAINTENANCE OF CAPITAL ASSETS | BUILDING FUND

2022 Building Fund

In November 2022, BVSD voters supported measure 5A which allows the district to increase its debt through the sale of bonds to raise funds for the work described in the 2022 Critical Needs Plan. The plan was developed, in part, from a 2021 third-party assessment of BVSD's 4.8 million square feet of facility space and associated sites. Working with BVSD staff, the consultant evaluated major architectural, mechanical, electrical, and site infrastructure system components, estimating their "in-kind" replacement values and where each is within its expected lifecycle. The assessment prioritized identified requirements by urgency related to due date. This data was evaluated by district staff and reviewed with the 23-member Capital Improvement Plan Review Committee to develop the 2022 Critical Needs Plan.

More than half of the plan is directed to critical, major maintenance such as roofing and building system repairs that are needed within two years to keep facilities safe, operational, code compliant, and in good condition. The plan also includes funding to complete construction of the New Vista replacement building (in addition to \$11.2M from the 2014 Bond program); a new school for enrollment growth in Erie; creation and expansion of spaces to support career and technical education (CTE) programing; asbestos abatement to reduce the risks associated with hazardous materials; and replacement of equipment and surfacing on some playgrounds to expand accessibility for students of varying physical abilities.

A Community Bond Oversight Committee was appointed in May 2023 to provide accountability and transparency of the fulfillment of the program through independent monitoring and review of the implementation of the projects. In addition, the group will

review and take action on recommendations from staff for any significant changes in the scope and/or budget of existing or new projects and advise the Board of its actions on these recommendations.

Status

The first series of bonds in the amount of \$187,335,000 were issued in April 2023. The program is structured to be implemented in four phases over six years. The first issuance will provide funding for the completion of the first two phases and design work for the third phase.

Phase 1 projects began design in 2023 and most of them completed construction in the third and fourth quarters of 2024. Three larger projects (Broomfield High, Centaurus High, New Vista High) will continue construction into 2025.

The New Vista rebuild project began construction in 2023. The building received a temporary certificate of occupancy in December 2024 and students and staff began the second semester of the 2024-25 school year in the new building. The final phases of the project will occur in 2025, including asbestos abatement, demolition, and site work.

Design for Phase 2 projects began in the first quarter of 2024 and construction contracts were approved by the Board in the 4th quarter of 2024. Construction planned for 2025. For some larger projects, construction will continue over two summers into 2026.

Project teams for Phase 3 projects were hired in the fourth quarter of 2024. Design will begin in early 2025, with construction planned for 2026.

2025-26 BUDGET DEVELOPMENT PROCESS AND MILESTONES

The annual budget development timeline follows a path through pre-determined milestones that are established by legislative actions, board of education decisions, district policies, contractual deadlines, information availability and state statute. In conjunction with the roadmap provided by the district's strategic plan, these milestones guide the development of the district's annual budget. Changes to programmatic offerings, either through redesign, reallocation or new implementation must fit within these decision points and data inputs to insure an accurate, thorough and thoughtful budget development process.

2025-26 Budget Development Process Milestones



GOVERNOR'S BUDGET

Governor Polis' November 1 proposed budget for 2025-26 included funding for Pre-K12 enrollment decline, inflation at 2.5%, and a major restructuring of the school finance act adopted during the 2025 Colorado legislative session after nearly two years of negotiation and compromise. While the net projected PPR increase for BVSD is \$295, or 3.2%, and is over 30% less than the statewide average increase of \$429 and 3.6%, total program funding is essentially flat year over year. This is due to the significant change included in the Governor's 2025-26 budget proposal to eliminate averaging as a component of school finance while at the same time extending the implementation of the new finance act and cutting the increase in funding from 18% to 10% of the new formula. This is a statewide K-12 funding cut estimated at \$140M. The dramatic drop in enrollment experienced in Colorado in the fall of 2020 is projected to continue in 2025-26 based on the state demographer's population projection for school-aged children. Updated projections will be included in budget planning when they become available. Historically, the Governor's budget has been considered a "floor" for K-12 funding, with additional resources being allocated during the legislative session. There is some concern for the sustainability of the funding increase proposed for 2025-26 and whether the continued impacts of TABOR restrictions on funding public services during continued economic growth can sustain the allocation to Pre-K12 beyond the 2025-26 fiscal year.

ECONOMIC OUTLOOK

Economic conditions in Colorado provide a leading indicator of potential fiscal impacts for school districts to manage over time. Fluctuations in state income tax collection, property value and population are not within the control of a local school district, so the budget development and fiscal management processes need to take into account projected changes that can positively or negatively impact district financial conditions. Annual and quarterly

economic updates are key to informing the school board and community about those changing fiscal conditions.

Colorado

For 60 years, the Colorado Business Economic Outlook has been compiled by industry leaders in the state, and



presented by the Business Research Division of the Leeds School of Business at the University of Colorado Boulder. The information below was selected directly from the Colorado Economic Forecast for 2025, presented on December 10, 2024. The full report can be found at:

<https://www.colorado.edu/business/media/18196>

Colorado has demonstrated one of the strongest economies over the medium-term horizon. Comparing growth from 2008-2023, Colorado has the 5th-fastest real GDP and employment growth rates, 6th-fastest population and labor force growth rates, 3rd-fastest personal income and per capital personal income growth rates, and the highest home-price appreciation in the country.

Over the short term, though, Colorado's performance has slipped in the rankings, demonstrating the difficulty in maintaining growth for a sustained period of time. In 2024, Colorado's growth rates appeared more average in the rankings. Second-quarter real GDP growth and home-price growth ranked Colorado among the bottom 10 states; personal income, per capita personal income, and the unemployment rate ranked Colorado among the bottom 20 states. The state remains in the top half for growth in jobs, population, and pay.

For many of these metrics, slower growth is not slow growth. For instance, 5.1% growth in personal income ranks

39th, and the FHFA home-price growth of 2.9% ranks 49th. Slower growth, though, may be the new reality for Colorado as population growth, especially through net migration, remains slow, creating headwinds for labor force and job growth.

For more than half a century, the Colorado Business Economic Outlook has been compiled by industry leaders in the state and presented by the Business Research Division (BRD) of the Leeds School of Business at the University of Colorado Boulder. For 60 years, this book has served as a chronicle of the changing issues and opportunities facing people and industry in Colorado. Presenting historical data and forward-looking estimates on employment for each sector of the economy, the book also offers discussion on other relevant economic metrics, ranging from sales and cash receipts to building permits and airport enplanements. This section lays the foundation for each of the North American Industry Classification System (NAICS) supersectors by providing an overview of labor force and wage and salary employment totals. The industry narrative is a collaboration with 140 individuals across industries, government, and nonprofits. What they share are insights and expertise from their vantage point, while many of the economic and employment estimates are model-driven results.

On August 21, 2024, the Bureau of Labor Statistics (BLS) published 2024 Preliminary Benchmark Revisions to

Current Establishment Survey Data for States and Select Metropolitan Areas. In this publication, the BLS indicated national employment estimates may be overstated by 818,000 and would be revised downward when benchmark revisions are applied in March 2025. Colorado was identified as a state that would undergo the greatest downward revision, totaling 72,700 jobs. This would suggest not only slower growth, but a significant decline in Colorado employment. On November 20, 2024, the Colorado Department of Labor and Employment provided information on the suspension of the Quarterly Census of Employment and Wages data, stating, "The irregularities in data show inconsistencies in employer reporting, which the CO Unemployment Insurance (UI) division is currently investigating. Despite these irregularities, we are starting to see improvement in employer reporting. Historically the QCEW program has garnered a 90% response rate among Colorado employers on establishments. In Q3 2023, that rate dropped to 28%, which has subsequently recovered to 85.9% in Q1 2024."

Thus, the Business Research Division believes that if a sharp downward revision occurs, it will be driven by data collection issues, not real economic trends, as the state has continued to record growth in population, net migration, labor force, GDP, and income. The unrevised monthly employment estimates were used as the baseline for the 2025 estimates.

Employment

Colorado employment stood at a record of more than 3 million in October 2024. Annual jobs added in 2023 totaled 72,300, growth of 2.5%. Growth in 2024 is estimated at 46,800 (1.6%), and the forecast for 2025 is for an additional 36,700 jobs (1.2%). In 2024, eight of the 11 industries in the state are estimated to



have posted job growth—with Government, Education and Health Services, and Professional and Business Services posting the most jobs—and Natural Resources and Mining, Government, and Education and Health Services recording the fastest job growth. Three industries posted job loss for the year—Information, Construction, and Manufacturing.

Looking ahead to 2025, all industries except Information are projected to add employment in 2025, led by Education and Health Services, Government, and Construction.

Preliminary year-over-year employment growth was recorded in all but one of Colorado's seven metropolitan areas in October 2024—Colorado Springs (1.9%), Boulder (1.4%), Greeley (1%), Denver-Aurora-Lakewood (0.8%), Fort Collins-Loveland (0.6%), and Grand Junction (0.4%). The Pueblo MSA was the only one to record a decline in the official statistics (-0.5%).

Most businesses in the economy are small businesses— 97% of wage and salary establishments have fewer than 50 employees. These small businesses represent just under half (49%) of jobs in Colorado.

Population

Colorado's population increased by 36,100, or 0.6%, from July 2022 to July 2023, ranking it 9th in total change and 18th in percentage change. This growth is slightly higher than in 2022 and significantly slower than the 76,000 annual average during the previous decade. Births in Colorado were 62,200, flat compared to the previous year and lower than the peak of 70,800 in 2007. Births are the largest component of population change in Colorado. There were 45,300 deaths between July 2022 and July 2023, a slowdown from the 49,700 in 2022. Deaths have been increasing due to aging



in Colorado, but they also temporarily increased due to COVID. Natural change (births Colorado Economic, Employment, and Population Outlook continued from page 15 2025 Colorado Business Economic Outlook 16 minus deaths) was 16,900. Despite the lower levels of natural change, Colorado had the 7th-largest natural change in the country due to the state's younger average age. There are 19 states in a phase of natural decline with more deaths than births.

More U.S. counties experienced population gains than losses in 2023, as counties in the South saw faster growth, and more Northeast and Midwest counties had population losses turn to gains. Approximately 60% (1,876) of U.S. counties gained population from 2022 to 2023. Areas that experienced high levels of domestic outmigration during the pandemic, such as in the Midwest and Northeast, are now seeing more counties with population growth. Meanwhile, county population growth is slowing in the West.

In Colorado, population in 23 of the state's 64 counties, or 36%, declined. Twenty-four counties experienced net out-migration led by Arapahoe, Eagle, and Boulder. Thirty-five of the 64 counties are in a phase of natural decline—meaning there were more deaths than births. Most of the counties in a phase of natural decline were in the nonmetro parts of

the state and ranged from -500 to -2. However, the metro counties of Pueblo and Mesa led the list of counties in natural decline. The three counties with the largest natural increase were El Paso, Adams, and Denver.

Births continued to be lower than historical trends in 2023 but were holding steady. The slowing in births will continue to have long-run impacts on K-12 and higher education, as well as the labor force. Every county is different. Most counties reached their peak births in 2007 but some counties, like Jefferson, reached their peak births in 2000. Weld is the only



Front Range county that is continuing to see an increase in births. Births in the state are forecast to increase slightly in 2023 and 2024 as the number of women of childbearing age increases. Additionally, the largest group of millennials are entering their 30s, an age group where Colorado has experienced increased birth rates.

From 2022 to 2023, 90% of the population growth was along the Front Range but varied by county. Boulder and Arapahoe declined, but there were increases in the rest of the Front Range counties, ranging from 9,000 in Weld to 300 in Jefferson. The Front Range still increased by the most population but a few non-Front Range counties, like Bent County (due to growth in the prison population), Custer County, and Dolores County, experienced faster growth.

Population growth by age group continues to be a defining factor for Colorado due to two primary reasons. First, births have been declining since 2007 in both the United States and Colorado. The second significant impact is the growth in the 65+ population, which increased by almost 33,000 between 2022 and 2023. The growth in this group is primarily due to more people aging into the cohort rather than net migration. It is estimated that 68,300 Coloradans turned 65 in 2023. The growth in the 65+ age group is impacting the labor force, with a growing number of retirements even as workers are staying in the labor force longer. It is estimated that 40,000 workers will retire annually this decade. Additionally, the 65+ population is driving the economy with demand for health services and leisure and hospitality, and is impacting housing due to lower rates of mobility and smaller household sizes.

Housing-unit growth did not keep up with household formation during the last decade due to the Great Recession, creating a tight housing market and escalating home prices. Since 2018, Colorado has built more housing units than new household growth, making a dent in the housing undersupply. In 2023, housing growth increased by 45,500, and in 2024, housing is expected to increase by 40,000 units. Population growth was 36,000 in 2023, primarily driven by births. Deaths were 26,000 more than net migration, meaning that there was a decline in the adult population. The increased supply in housing units and slowing demand by new population growth will help alleviate the supply/demand mismatch and allow those who have had to “double up” on housing the potential opportunity to find independent housing. New households were estimated to have increased by 27,000 in 2023 and are forecast to increase by 25,000 in 2024. The ratio of household

population to housing units reached a low of 2.18 in 2023 after hitting a high of 2.31 in 2016. The 35-year average is 2.25, indicating that currently the housing supply is slightly looser than the historical average.

**COLORADO POPULATION BY AGE
2022-2023**

Age	2022	2023	Change	Pct Ch.
0 to 17	1,253,611	1,246,217	-7,394	-0.6%
18 to 24	536,159	540,236	5,077	0.9%
25 to 44	1,725,756	1,731,833	6,077	0.4%
45 to 64	1,396,409	1,395,860	-549	0.0%
65+	929,308	962,147	32,839	3.2%
Total	5,840,243	5,876,293	36,050	0.6%

Source: Colorado State Demography Office

Household formation is forecast to grow annually by an estimated 32,000 over the next 10 years—as long as job employment and labor force growth holds as forecast. The largest cohort of the millennials are in their 30s, the primary age for first-time home buyers. The leading edge of the millennials are in their early 40s, entering the highest-earning and the prime second-home buying age cohort. The largest and fastest household growth will be in the 65+ population, but most of these households already have housing. The 65+ population has the lowest moving rate, and Colorado does not attract retirees. The growth is due to birthdays (people aging into the 65+ age group). Future job growth, as well as future expected retirements from the baby boomers, will support demand for workers and the need for housing. The aging of the baby boomers into their 70s and 80s may create more turnover in larger, single-family homes as they look to downsize or need more assistance. Of course, several factors, including location, availability, cost, and health needs, will also factor into these decisions.

Forecasts

Colorado's population growth has slowed in the short run, with continued slowing births, increased deaths due to both aging and COVID, and slowing migration. Death levels and international migration are returning to pre-COVID levels. Colorado's domestic migration has significantly slowed in recent years to an average of 6,500 since 2020 compared to 38,000 during the 2010s. Since 2022, international migration returned to prepandemic levels and is expected to remain at levels around 10,000 through this decade. Universities and the demand for labor should draw more individuals from abroad depending on U.S. immigration policies and staffing in visa offices. Population growth in 2024 is projected to be 43,000, or a 0.7% growth rate, and 51,000 in 2025. Most of the growth continues to be driven by births, at around 62,000 per year. Deaths are forecast to return to prepandemic levels in the mid- to low-40,000s. Net migration is forecast to increase to 25,000 in 2024 and 33,000 in 2025. Net migration is forecast to increase due to both job growth, as well as retirements of baby boomers and the need for their replacements. Over 40,000 retirements are forecast annually this decade, and job growth is forecast at an average of 43,000 per year from 2023-2030, creating a demand for approximately 83,000 new workers combined annually.

After 2030, population growth is expected to slow more significantly due to a slowing economy, continued slowing births nationally, an aging population, slowing labor force growth, and increased national competition for labor. Although Colorado's population growth is forecast to slow in the long run, it is projected to continue to outpace the nation, growing at roughly twice the national rate. Colorado is forecast to increase from 1.7% of the U.S. population in 2020 to 2% by 2050. Geographically,

the largest population growth is forecast to be along the Front Range. Between 2020 and 2030, the state's population is projected to increase by 540,000, with 90% of this increase projected for the Front Range and of that, 260,000 for the Denver Metro area. The north Front Range is expected to observe the fastest growth, at an annual average growth rate of 1.8%, or 135,000 people. The 2050 forecast for the state is 7.4 million, with 6.3 million along the Front Range, or 85% of the total population.

Education

Colorado public school districts educate nearly 881,500 students in kindergarten through 12th grade. Funding for public schools comes from three main sources of revenue: local property tax, state funding, and federal dollars. The state share is primarily from income and sales tax revenues flowing through the state and then to districts. While federal education law is well established and sets strong requirements for public education, federal dollars are typically a relatively small overall component of the annual funding of public schools. Since March 2020, K-12 public education, like many sectors of the economy, has experienced dramatic changes in the delivery of services, labor force availability, and revenue fluctuations.

Many school districts have turned to increasing local property taxes to support education, but due to the wildly disparate property values within Colorado school districts, the ability to generate revenue is a function of property values, as well as the local voters' willingness to support public education. These disparities are a result of residential development, nonresidential development, oil and gas resources, property valuations, and the number of students in a district.

2025 Outlook

The outlook for 2025-26 is becoming unstable, with lingering fiscal and operational headwinds. Statewide enrollment in 2025-26 is projected to have a net decrease by over 3,800 students, or 0.5%, from 2024-25. This decrease continues a downward trend after the significant 3.3% enrollment drop recorded in October 2020. The student enrollment trend across the state has dropped from growth of 2% in 2008 to 0.1% and 0.2% in 2018 and 2019. This trend of declining enrollment is a result of declining birth rates and rising housing costs. This decline is projected to continue within Colorado in the coming years and is consistent with national trends that indicate a 1% annual decline in the K-12 student population. Within Colorado, enrollment projections vary by specific school district and region, with varying degrees of growth and decline. Among the 10 largest districts, the projected maximum decline is 2% and growth of 0.4%, representing 55% of the state's enrollment.

While enrollment is projected to decrease, funding will be partially supported by the inflationary increase in the School Finance Act. The new School Finance Act passed in the 2024 legislative session is unable to be implemented due to limited funding availability. The six-year implementation plan is proposed to be modified by extending the rollout an additional year and reducing the new funds in any one year. The new dollars are distributed to districts with higher concentrations of disadvantaged students. Since the new finance act cannot be implemented, concerns exist that a slight or moderate economic downturn could cause the return of the Budget Stabilization Factor, a mechanism used to reduce the state's obligation to PK-12 public education funding when other budget choices are made by the state legislature. Additional concerns exist for annual changes, increasing the

uncertainty and variability in funding, a significant challenge for operating public schools.

Governor Polis's 2025-26 budget proposal, released on November 1, 2024, contains a base per pupil funding inflationary increase of 2.5% based on the Office of State Planning and Budgeting (OSPB) September 2024 Economic Forecast, or \$115 million for Total Program funding. This totals an average of \$299 per pupil more than 2024-25 funding, with those new dollars heavily weighted in districts with higher concentrations of disadvantaged students. This budget also proposes a shift in the methodology for calculating public school funding, moving from the four-year average enrollment to current-year enrollment. This could result in funding cuts for districts experiencing declining enrollment, eliminating the financial buffer that allows them to make strategic adjustments. This may put additional pressure on districts to close schools or change enrollment boundaries, causing major disruptions to local school communities.

The required inflation adjustment to the School Finance Act will soften but not eliminate the impact of rising costs and enrollment declines; however, proposed changes negatively impact funding in the near term. The upcoming FY 2025 state revenue forecasts in December 2024 and March 2025 will indicate where the Legislature is able to set the budget for K-12 education in 2025-26 and signal the ability of the state to continue providing the expected funding levels into the future. The uncertainty regarding funding will continue to be a challenge for school districts in the near term. The modified new finance act and the political pressure to implement the new formula will add to that unpredictability. Within the confines of the resources allocated by the Legislature, districts across the state will be contending

with labor shortages, wage pressures, and inflationary costs outstripping the funding increases. However, within these fiscal constraints, an environment of high expectations remains for educators to prepare students for the 21st century economy. With an uncertain near-term future, districts will bolster reserves and fund balance to the extent possible as state funding for K-12 tends to lag an economic downturn.

The National and Colorado summary forecast for 2024, found on page 21 of the document states:

- National real GDP grew an estimated 2.7% in 2024. U.S. real GDP is projected to grow 2.3% in 2025, with consumption, investment, and government spending all adding to overall growth.
- Consumers appear to have worked through headwinds that risked a disruption in consumption. Personal consumption grew an estimated 2.7% in 2024, and moderate growth is projected to continue in 2025, at 2.6%.
- Rising interest rate policies were deployed to manage high inflation. The higher interest rates had a cooling effect on investment. Fed policy reversed in the second half of 2024 with two initial rate cuts summing to 0.75%. The lower cost of borrowing could boost residential and nonresidential fixed investment if the longer end of the yield curve responds accordingly.
- Employment growth in Colorado is projected at 36,700 in 2025, with jobs added in 10 of the 11 major industries.
- In 2025, Colorado is projected to add 49,800 people, according to the State Demography Office. Growth will come from net migration (33,000) and from the natural increase (19,000).

Boulder County

As of 2024, Boulder County's economy has experienced a blend of growth and challenges. Key sectors, such as life sciences, technology, and outdoor recreation, are driving economic activity, while remote work and office vacancies reduce much-needed foot traffic in areas of commerce. The presence of major research institutions, the University of Colorado Boulder, and a strong startup culture continues to draw companies seeking to headquarter their burgeoning businesses near top-tier talent and resources. Boulder County's economy is thriving with robust growth in key sectors. This dynamic blend of industries not only fuels current success but also sets the stage for sustained innovation and long-term prosperity, ensuring Boulder County remains a vibrant and forward thinking economic hub.

Since reaching a high of 10.1% in June 2020 during the COVID pandemic, the unemployment rate in Boulder County decreased to 2.1% in September 2022. In 2023, unemployment began the year at 2.5% and fluctuated throughout the year before beginning to climb in April 2024; the August number read 4.1%. This compares to the August state unemployment rate of 4% and the September national rate of 4.1% (both not seasonally adjusted).

Employment in the Boulder Metropolitan Statistical Area (MSA) increased 3.2% in August 2022 year-over-year. Continuing that trend, employment in August 2023 was up 1.3% year-over-year, representing a gain of 2,700 jobs, according to the Bureau of Labor Statistics CES data. Census Bureau data show the 2023 median household income for Boulder County residents was \$95,363, compared to \$92,911 for Colorado residents and \$80,610 for U.S. residents.

Boulder County's low unemployment rate and steady employment growth

reflect a resilient economy, with median household incomes well above state and national averages, reinforcing its position as a strong and desirable place to live and work.

The Boulder County economy continues to benefit from a diverse mix of businesses, with high concentrations of employment in the Professional and Technical Services and Information industries, and in growing sectors, including quantum computing. The top three industries of 2023 were education and hospitals, restaurants and other eating places, and computer systems design and related services. Collaborations between academia, government, and private-sector companies has led to increased emphasis on attracting small- to mid-size quantum companies from across the nation and the globe.

Boulder County continues to flourish with a diverse economy, fueled by strong collaboration across academia, government, and the private sector, all driving the growth of emerging sectors like quantum technology.



New Vista High School

ASSUMPTIONS AND ESTIMATES

The development of the BVSD comprehensive budget is guided by the Strategic Plan, applying resources strategically, while supporting operational activities to ensure basic business functions, operations, compliance, risk-mitigation, health and safety as appropriate. Within these strategic areas, resources are applied as determined by a set of priorities, assumptions and estimates that change from year to year. For the 2025-26 fiscal year, the following data and preliminary estimates are being utilized during the initial planning phase of budget development. As always, the board's adoption of a balanced budget will be guided by available funding, policy requirements and student needs.

- Inflation - Denver-Aurora-Lakewood Core Consumer Price Index (CPI)
 - Governor's 2025-26 budget proposal: 2.5%
 - December Legislative Council Staff projection: 2.4%
 - 2024 US Bureau of Labor Statistics final: 2.3%
- Employee compensation and contract adjustments
 - Longevity and salary schedule movement
 - 2.4% employee salary cost of living adjustment (COLA) at CPI
 - Health/Dental Benefits:
 - * Maximum 4.8% rate increase
 - * Kaiser initial renewal increase - TBD
 - * UMR initial increase - TBD
 - Salary schedule Market Adjustments as appropriate
- Student population
 - 2021-22 - 229 decline - 29,011
 - 2022-23 - 524 decline
 - 2023-24 - 125 decline
 - 2024-25 - 363 decline
 - 2025-26 Projected - 252

- decline/1,493 5-year decline
- Staffing adjustments
 - * Declining enrollment changes
 - reset staffing ratios
 - * 1X staffing to address enrollment uncertainty
- Potential Budget Stabilization Factor reintroduction (funding cut)
 - December State Revenue Forecast
 - State budget gap of \$1B based on inflation, caseload growth, and current law spending promises. Other pressures include spending in previous sessions and stimulus funded programs now being supported by the State's General Fund.
- Implementation of a modified School Finance Act from what passed in the 2024 legislative session
 - Governor support for moving forward despite inadequate funding of the adopted plan
- Contractual and operational price escalations
- Continued implementation of strategic initiatives
- Reserves for continued fiscal stability

Projected School Finance Act Funding for 2025-26

The funding projection on the next page shows the dramatic change in funding facing the Boulder Valley School District. Over the last few years, as the state legislature paid down the current balance of the Budget Stabilization Factor, combined with high inflation, the District saw fairly large incremental increases in School Finance Act funding from year to year. However, enrollment continues to decline and at the same time Governor Polis is pushing to cut funding to K-12 education. These two factors, combined with state budget shortfalls as well as the new School Finance Act that favors districts with demographics different from BVSD, means new funding for BVSD will likely be very limited. Expectations for new and/or additional expenditures will likely far outweigh new resources coming into the district.

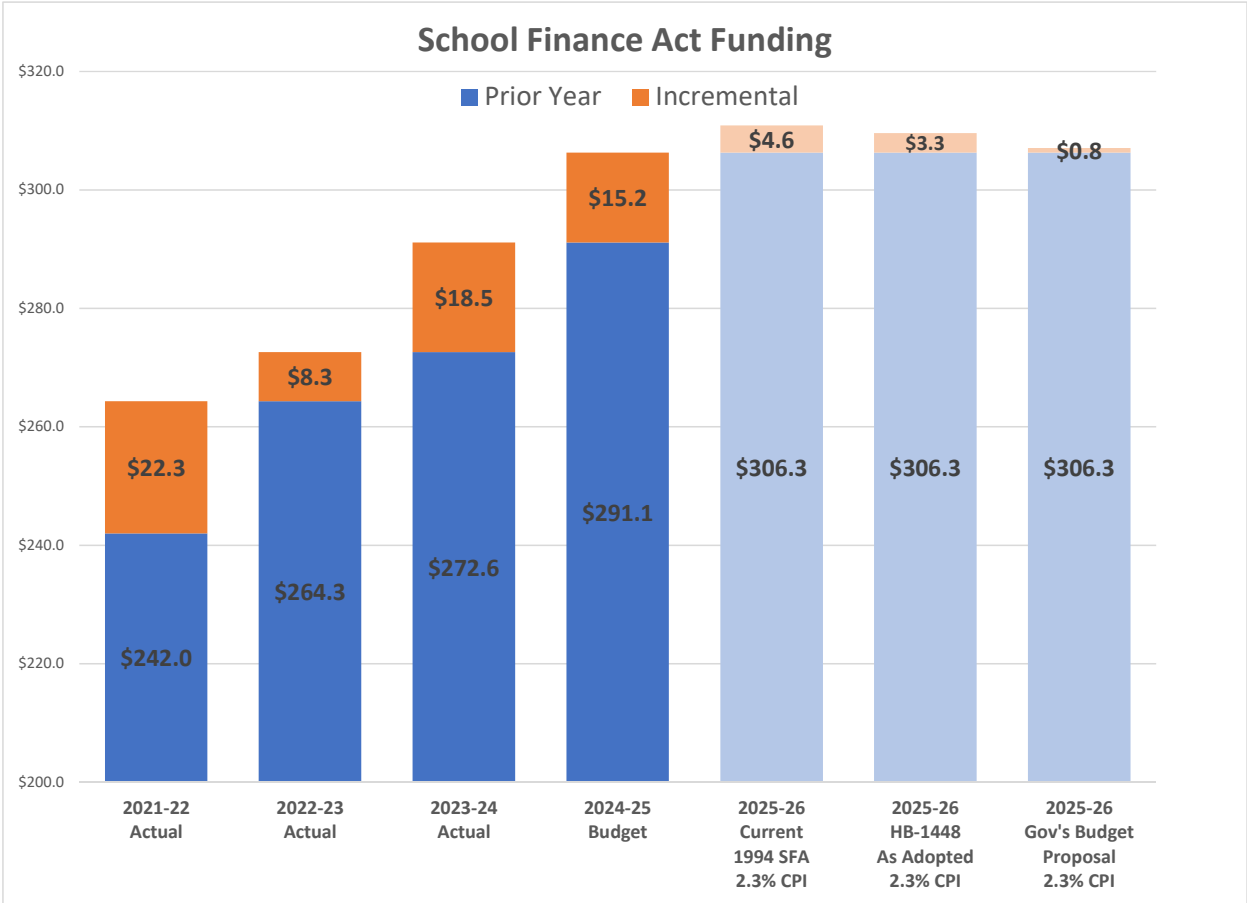
In the graph below, each fiscal year shows the prior year total School Finance Act funding in blue and the incremental growth from the prior fiscal year in orange. For the 2025-26 projected fiscal year, the three columns represent three scenarios:

- Funding under the current School Finance Act of 1994: This includes the practice of averaging student counts over five years to allow the highly complex school systems to adjust to those declines in a thoughtful and methodical manner, preventing wild swings in funding from year to year. The status quo system would provide BVSD an estimated 1.5% year over year increase in funding.
- Funding under the new School Finance Act, HB 24-1448, as adopted in the spring of 2024, after nearly two years of negotiation and compromise: This includes reducing averaging to four years, a 0.5% “hold harmless” provision,

and a dramatically different pupil funding methodology targeting students with certain demographic indicators - poverty, special education, and second language acquisition. The new finance act as adopted would provide BVSD an estimated 1.1% year over year increase in funding, despite including additional funding infused into the formula over the 2024-25 fiscal year.

- Funding under the Governor's Budget Proposal: This dramatic reduction in K-12 funding eliminates the enrollment averaging provision as well as the 0.5% hold harmless funding. This proposal is only an estimated 0.26% year over year increase in funding for BVSD.

All scenarios are based on a 2.3% increase in the Denver-Aurora-Lakewood Metropolitan Statistical Area (MSA) Consumer Price Index (CPI) as determined by the Bureau of Labor Statistics and a BVSD one year decline in enrollment of 270 students.



ADDITIONAL RESOURCES

For more detailed information on areas that guide the budget process, click on the related links noted on this page.

Colorado Department of Education	http://www.cde.state.co.us
CDE-Critical Dates	https://www.cde.state.co.us/cdefinance/fppcdfy2025
BVSD Bond Program	https://www.bvsd.org/departments/operational-services
BVSD Budget Documents	https://www.bvsd.org/about/financial-transparency/budget
BVSD Audit Documents	https://www.bvsd.org/about/financial-transparency/annual-comprehensive-financila-reports
BVSD Quarterly Financial Statements	https://www.bvsd.org/about/financial-transparency/other-bvsd-financial-information/financial-statements
Student Enrollment Data	https://www.bvsd.org/parents-students/enrollment/pupil-count
District Parent Council	https://www.bvsd.org/parents-students/get-involved/district-committees/district-parent-council
BVSD Financial Transparency	https://www.bvsd.org/about/financial-transparency

Strategic Financial Plan

 BOULDER VALLEY SCHOOL DISTRICT **DRAFT** 2025-26

 **BVSD Education Center**

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