

WHY DID THE DISTRICT SPEND MONEY ON HONEYWELL HVAC AND SAFETY AND SECURITY PROJECT?

The Board utilized a Lease-Purchase agreement in 2014 as a funding strategy (Certificates of Participation) to finance some maintenance of HVAC systems and boilers that had been postponed for over 15 years. The District utilized an energy efficiency audit with Honeywell to gain some additional savings to the district on an annual basis, as part of the systematic improvements to building infrastructure. The public and the board had concerns with open access to buildings that had an urgent need for resolution. The board decided to combine the maintenance project with a systemic safety and security plan and use the Lease-Purchase, with the Certificates of Participation, creating a 20 year payment plan totaling a little over five million dollars. The \$4 million indicated on the district website paid for the project is part of the total project funded by the COPs.

WERE THE AYRES MODULAR CLASSROOMS OVER THE BUDGET THE BOARD APPROVED?

No, the Modulares were within budget. The District purchased two modulares, custom built for the district following a competitive bid. One member of the board assisted in the selection process for the winning bid. The board authorized the purchase amount to be paid to Eagle Creek Modulares not to exceed the amount in the motion. Electric hookups, sewer, fire alarms, intercom connections with the building are other aspects of construction, that were not included in the approved bid to Eagle Creek.

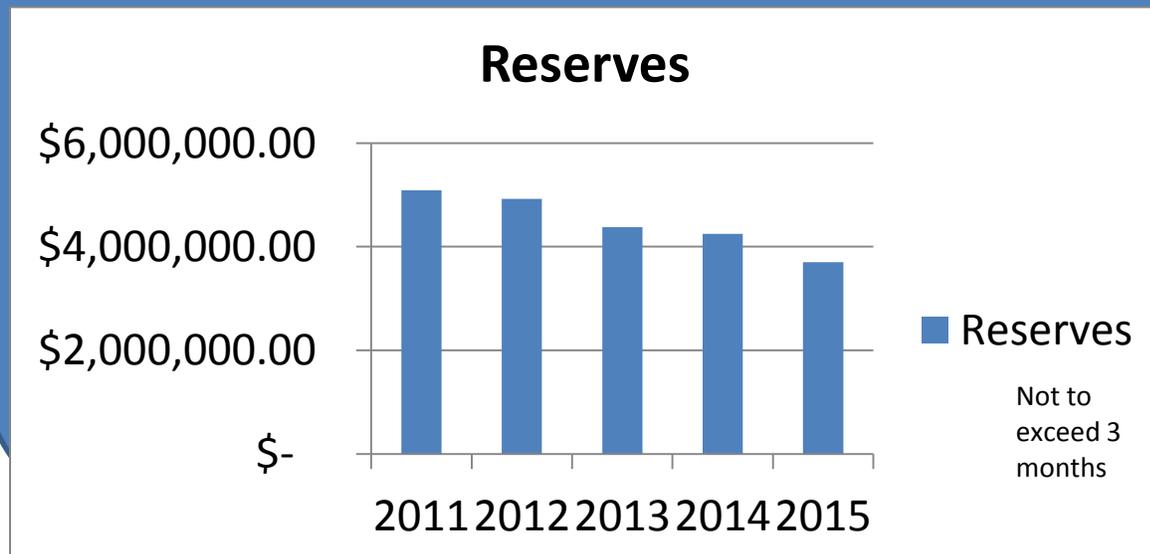
These additional costs were clearly named in the bid. The district utilized the TABOR (Taxpayer Bill of Rights) Reserve money for this one-time purchase, because no school district in the history of TABOR (1992) has had a qualifying event to use the TABOR reserve. The Board determined that using that money to benefit students and to strategically offer full day kindergarten was a more prudent use of the money that gained little interest sitting in the bank. The modular classrooms house four 2nd grade classes.

Ayres Modulares, Built to Provide Adequate Space in the Building for Full Day Kindergarten, an Investment in Improved Student Learning and Attracting Families of Kindergarten- Age Students



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, RE-1 Valley the state decreased funding 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 current example is the replacement of every classroom door by January of 2018 to comply with state fire code requirements to have doors that lock from the inside of 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 go well into a million dollars. Our basketball facilities at SHS require replacement, and current facilities recommendations call for wood rather than the current poured materials on concrete slabs. 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 with an extra expense to the district that equaled 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 evaluations 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 to complete

- Paperwork for 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 district office has four departments.

Two instructional support departments, and two business departments, and the office of the Superintendent and Board of Education.

Student Services, which serves the special education programs, mental health, instructional technology, information technology, 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 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 must be spent to administer the federal programs.

The district has a **business office** that employs a chief accountant, three staff accountants and an accounting clerk. Duties are as assigned, but not limited to: district wide accounts payable, accounts

receivable, and payroll. The district generates and mails roughly 500 W2s annually. The business office is also 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 due to claims of negligence.

The district has a **human resource department** with one person who creates hiring packets, submits timely Workers Compensation claims, processes unemployment claims, and posts all vacancies, with advertisements in several areas. 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 paper work and identity badges for new employees. The receptionist is also the state assessment proctor for processing all completed state requires student assessments.

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 the businesses and local government 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 also helps with state and federal data collection and reporting as needed.

Lastly, the food service office housed in the Hagen Administration wing of the Hagen 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.

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

The district is refinancing the bonds that were passed in 2005 to refurbish and remodel school buildings. The lower interest rates, which will take 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, and 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 in our community under age 18 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 3rd 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 2nd summer in a row.

IF THE BOARD OF EDUCATION PUTS A MILL LEVY OVERRIDE ON THE BALLOT, HOW CAN TAXPAYERS HAVE A SAY ABOUT HOW THAT INCREASE IS USED?

Taxpayers should come to board and community meetings set up after the decision to place the question on the ballot. The Board of Education wants to hear from taxpayers about the use of the money. The board is tentatively thinking that the categories could be the same or similar to the items identified by the community in 2005. The board is seeing a need to retain and attract high quality teachers. In the 2016 summer season, at least five teachers left for other school districts or NJC, and stated better opportunities as the reason. RE-1 Valley has a highly rated induction program for new teachers, and other districts love to hire RE-1 Valley teachers because of our excellent induction and professional development programs.

HOW IS THE AMOUNT OF THE MILL LEVY DETERMINED?

The board of education wants only to ask voters for what the school district needs to become stabilized. The amount is slightly less than the amount the state of Colorado has held back in the “Negative Factor” since 2010, or 2,000,000 per year.

HOW MUCH WILL MY TAXES GO UP IF THE TAXPAYERS MADE UP FOR MUCH OF THE NEGATIVE FACTOR FUNDING?

Estimated Yearly Tax Impact

Mill	Residential	Business	Agricultural			
	Per \$100,00 home	Per \$100,000 business	1/4 Sec (Sprnklr)	1/4 Sec (Flood)	1/4 Sec (Dry)	1/4 Sec (Grz)
\$2 Million	\$72.00	\$264.00	\$340.00	\$335.00	\$52.00	\$10.00

Source for calculations: May release of Colorado Division of Property Taxation (DPT) Annual Report for Logan County

Estimated Monthly Tax Impact

Mill	Residential	Business	Agricultural			
	Per \$100,00 home	Per \$100,000 business	1/4 Sec (Sprnklr)	1/4 Sec (Flood)	1/4 Sec (Dry)	1/4 Sec (Grz)
\$2 Million	\$6.00	\$22.00	\$28.33	\$27.91	\$4.33	.83

Source for calculations: May release of Colorado Division of Property Taxation (DPT) Annual Report for Logan County

WHY WOULD I SUPPORT A MILL LEVY OVERRIDE IF I DON'T HAVE KIDS IN SCHOOL?

Research shows a strong connection between quality public schools and vibrant economies, as well as increased property values. An investment in students' education ensures a qualified workforce and reduces social costs, such as prisons. Communities with strong schools experience lower crime rates.



Parents, community and students join in the Bike to School Day at Ayres Elementary, May, 2016. Strong schools and community in partnerships make a strong economy that attracts professionals and businesses.

WHAT ABOUT THE QUALITY AND EFFECTIVENESS OF THE DISTRICT MATH PROGRAM?

The 2015 state assessment data for students in secondary math indicates the district is in the 73rd percentile. Our college remediation rates for our graduates are well below the state average as well, thus saving our graduates and their parents money for taking remediation courses at the college level that do not count as a degree. Our secondary math programs follow the Colorado Academic Standards. The College Preparatory Math materials or CPM, were purchased with mill levy funds in July of 2012. The High Schools and the Middle Schools have parent information nights regarding mathematics instruction every year, and the parents who attend have been very pleased with the materials and the instructional approaches. RE-1 Middle School and High School students competing in the regional math and science competition with 15 other school districts at Northeastern Jr. College in the Spring of 2016 won the majority of the competitions.



6th grade students finding the mean and the median