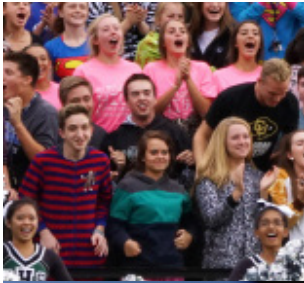



DOLLARS & SENSE



2019
2020

REVISED ADOPTED BUDGET

QUICK Facts

84,957

Student Membership 2018/2019*

*Students actively enrolled and attending in grades preschool-12 during the October count window, including district managed and charter schools.

\$8,288

State Total Program Per Pupil Funding for 2019/2020

156

Number of Schools:

Elementary (includes three grades K-8).....	93
Middle (grades 6-8).....	17
High Schools (includes two grades 7-12).....	17
Charter Schools.....	17
Option Schools (includes Jeffco Virtual Academy).....	9
Innovation Schools.....	1
Outdoor Laboratory Schools.....	2

Student Ethnic Distribution: **

American Indian/Alaska Native.....	1%
Asian & Pacific Islander.....	3%
Black.....	1%
Hispanic.....	23%
Multiple Races.....	4%
White.....	68%

**Jeffco Enrollment Statistics 2018/2019.

14,000 +

Staffing Overview:

The district employs more than 14,000 full and part-time (substitute and temporary) employees. Of those, 10,000 are regularly scheduled employees that are converted to approximately 9,522 full-time equivalents (FTEs). Below is a breakout of General Fund compensation dollars by employee type.

71% Licensed	7% School-Based Administration
18% Support	4% Central Administration

The district employs approximately 4,000 employees that are not converted to FTEs because they hold positions such as substitutes, athletic coaches, athletic game workers, temporary employees, and substitutes which have varying hours and no set schedules.

A MESSAGE from the Superintendent

We are pleased to present this community guide for understanding the 2019/2020 budget. Our guiding beacon in this effort was Jeffco Generations that focuses on keeping the main thing the main thing – learning. More specifically, transforming the student learning experience so that it is meaningful, engaging, and authentic.

School budgeting is an iterative process of making assumptions and estimations, closely observing signs and decisions from the Colorado Legislature to check those assumptions, and then making adjustments throughout the process. For Jeffco, budgeting begins in the fall and is not completed until the summer of the next year.

The district's ability to remain competitive with neighboring districts as far as compensation was identified early as a top priority. We were pleased to have reached a fair and mutually accepted agreement with our employee associations and made progress on that front. The topic of safety and security was elevated as a priority once again and we were able to make significant investments in mental health with the addition of funds from ballot question 5A. Funds available from ballot question 5B are making significant positive impacts on the quality of our facilities.

Despite Colorado's well-known school funding challenges at the state level, Jeffco Public Schools worked diligently to adopt a budget that successfully balanced the limited dollars with top priorities. While we are not able to meet all our funding needs, I am proud of what we were able to accomplish in this budget and feel strongly it will build upon and improve the great tradition of quality that Jeffco Public Schools is known for. We will make progress this year and with this budget, and we are grateful for the support provided from our community and taxpayers.

Thank you for your interest and support of our community schools and Jeffco's children and young people. We remain committed to assuring that we have the resources needed to provide our students with engaging, authentic learning experiences that genuinely prepare them for their future.



Dr. Jason Glass, Superintendent

JEFFCO BUDGET Highlights

State funding is calculated annually per the Colorado School Finance Act using a per-pupil funding formula that uses an annual October pupil count, known as membership, which is adjusted to determine the funded count. Charter, preschool and innovation schools are included in the official count; however, revenue flows directly from the state through the district to these individual schools reducing the amount that remains in the General Fund.

The final legislated **School Finance Act** funded inflation at 2.7 percent, an estimated state-wide growth in students, and a buy down to decrease the budget stabilization (BS) factor by \$100M statewide. The BS factor is a formulaic factor added to the School Finance Act funding formula by legislation in 2009 to allow the state to cut funding for all Colorado school districts to help the state balance its budget. **Jeffco lost \$52M this year** due to the BS factor bringing the total cumulative loss to the district since inception of the BS factor to \$755M.

The net increase for Jeffco's 2019/2020 General Fund from state funding per the School Finance Act, including the additional funding for kindergarten and after the BS factor is \$39M; this is after the pass through to charter schools. With the increase from specific ownership tax, interest revenue, kindergarten funding, Tier B funding, increased fees related to 1:1 devices, and a revenue loss for the General Fund of \$2M due to the estimated loss of enrollment due to lower birth rates and student enrollment shifts from district-managed schools to charter schools, the **total net new revenue for Jeffco is \$43.3M**. Per the revised budget, the overall increase is 6 percent over prior year; however, the increase is still lower than the amount being withheld by the state through the BS factor.

Student Based Budgeting (SBB) is in year five. The SBB model empowers schools to prioritize their budgets to make the most impact in achieving the goals of the Jeffco Generations vision. Year-over-year funding was increased in total for schools; however, some schools may have experienced an enrollment decline that resulted in a decrease in funding.

Budgeting for Outcome (BFO) is in year three. This process identifies department activities, how the activities link to the strategic plan, and measurable goals for each. The Adopted Budget includes detailed BFO requests for all departments.

Compensation is 79 percent of Jeffco's annual budget. The Board approved compensation packages with both employee associations for 2019/2020. Negotiations with JCEA wrapped up in August necessitating that the district adopt a revised budget. The JCEA package includes a step increase to eligible employees, educational achievement level change to eligible employees, a 2.5 percent cost of living (COLA) increase plus a 2.67 percent COLA (from 5A MLO ongoing dollars) and \$3M in longevity pay. The final package for JESPA represents a 2.5 percent COLA, a 2.52 percent salary schedule adjustment (from 5A MLO ongoing dollars), minor structural changes to the salary schedule, and step increases for eligible employees.

Unassigned reserves for 2019/2020 are planned to be on target within the range for best practice at 10 percent. Jeffco remains financially-sound and strategic with regard to financial planning and management.

DISTRICT Fund Summary

As a governmental entity, the district must utilize fund accounting to track revenues and expenditures. Separate funds are created to track revenue that is received for a specific purpose and to assist with meeting special reporting requirements. Colorado Statute requires school districts to appropriate for all funds.

The General Fund is the district's main operating fund. However, adding appropriations for all funds together does not equal the total of district expenditures because some funds receive transfers from the General Fund. Thus, adding these funds together results in double counting because expenditures occur in both funds. Some funds represent revenue received for a specific purpose that is not available to transfer to the General Fund.

Following is a high-level summary of district funds:

	2019/2020 Budget	% of Total
General Fund	\$805,068,655	65%
Capital Project Funds	\$163,069,596	13%
Debt Service Fund	\$74,517,963	6%
Special Revenue Funds	\$125,422,924	10%
Enterprise Funds	\$23,777,013	2%
Internal Service Funds	\$54,197,885	4%
Total Budget	\$1,246,054,036	100%

General Fund

This fund is used for the routine operations funded by state share per the Colorado School Finance Act, property taxes and other general revenues. It is the most significant fund in relation to the district's overall operations. 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.

Capital Project Funds

As authorized by Colorado School Law, these funds include revenue and expenditures from the annual transfer from the General Fund, bond proceeds and any fees paid as cash-in-lieu of land dedication.

- The Capital Reserve Fund is funded via the transfer from the General Fund and used to fund ongoing capital needs such as site acquisition, building additions, maintenance and renewal projects.
- The Building Fund (or Bond Fund 18) is used when needed for voter-approved bond proceeds to fund identified projects outlined in ballot language. Within this fund is the 2018 5B voter approved bond.

Debt Service Fund

This fund accounts for the accumulation of property taxes for the payment of general obligation long-term debt—principal, interest and related costs.

Special Revenue Funds

These funds account for revenues that are legally and managerially restricted to expenditures for particular purposes. Grant dollars, the majority of school specific activity fees, and all transportation related activity are accounted for here in separate funds. The Food & Nutrition Services Fund is one such example.

Enterprise Funds

These funds are used to manage operations financed in a manner similar to a private business where the costs of providing goods or services on a continuing basis are recovered primarily by user charges and fees. Examples are the Child Care and Property Management Funds.

Internal Services Funds

These funds are used to manage the cost of goods or services provided by Internal Service Fund departments to other departments and schools on a cost-reimbursement or billable basis. Copier and printing services, employee benefits, and property insurance claims are examples.

District Charter Schools

District charter schools are required by Statute to appropriate their own budgets. The district budget does not include detail for these schools. Detailed information on each charter school can be located on the Jeffco Public Schools district website at www.jeffcopublicschools.org/schools.

JEFFCO GENERAL FUND Budget Highlights

Adopted Budget with Mandatory Transfers

REVENUE

Property Tax	\$406,839,862
State Revenue.....	\$335,243,150
Specific Ownership Tax	\$39,500,000
Investment Earnings.....	\$1,750,000
Tuition, Fees, Other	\$17,175,127
Total Revenue.....	\$800,508,139

EXPENDITURES

General Administration	\$34,132,432
School Administration.....	\$69,033,711
General Instruction	\$383,262,251
Special Ed Instruction.....	\$63,201,151
Instructional Support.....	\$113,282,220
Operations and Maintenance	\$79,077,240
TOTAL GENERAL FUND OPERATING	\$741,989,005
TRANSFERS TO OTHER FUNDS.....	*\$63,079,650
Total General Fund Operating.....	\$805,068,655

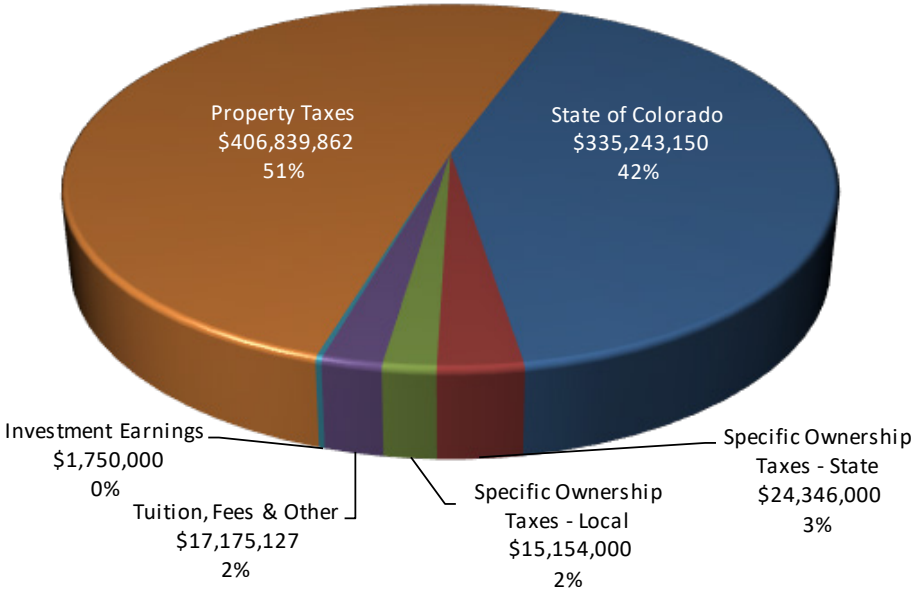
**Amount of transfers to Capital Reserve, Campus Activity, Child Care, Insurance Reserve, Property Management, Transportation and Technology.*

Jeffco Public Schools is a labor intensive organization with 79 percent of General Fund expenditures going to employee compensation.

GENERAL FUND Revenue & Expenditures

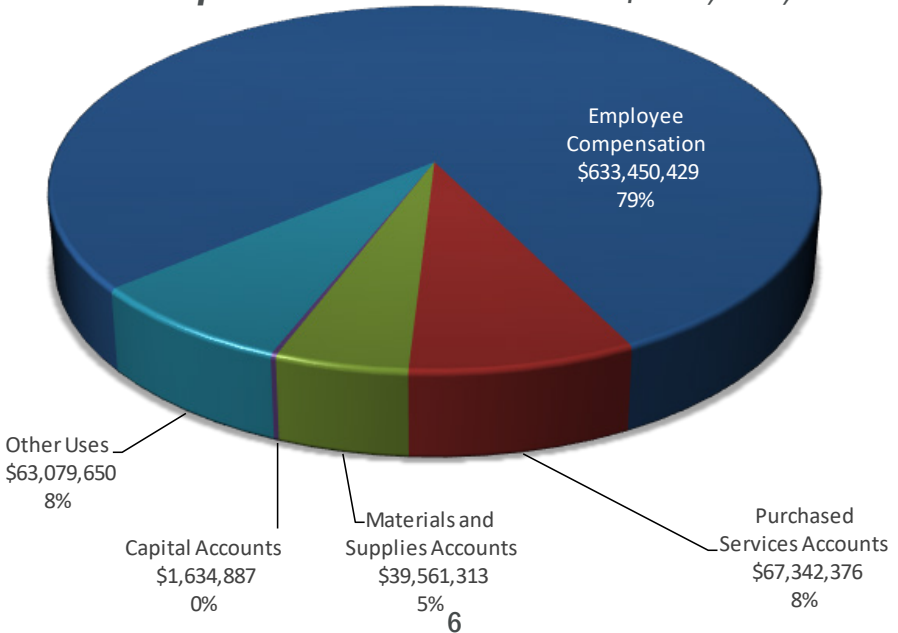
Where the \$'s come from

Total Revenues: \$800,508,139



Where the \$'s go

Total Expenditures and Transfers: \$805,068,655



BUDGET DRIVER - Enrollment

Enrollment is a key factor in the per pupil total program funding formula for the School Finance Act as determined by legislation. The funding formula is based on the number of pupils enrolled in the current school year as determined by an October count with an adjustment based on a five-year average to account for fluctuations and to minimize impacts for districts with one-year declines in enrollment.

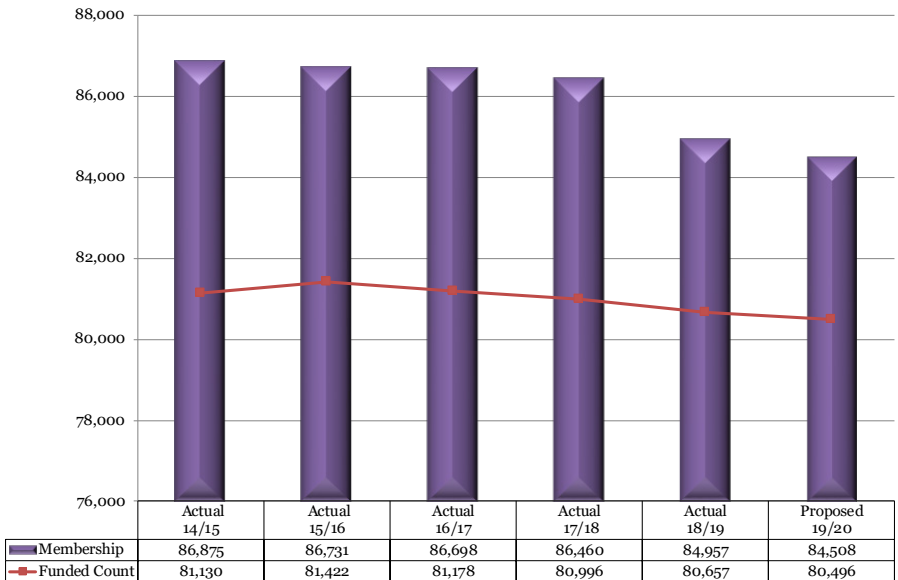
Student enrollment at Jeffco is projected to show a slight decrease into 2019/2020; however, while enrollment in some areas of Jeffco remains flat or is declining, other areas show significant growth.

The shift in enrollment from district-managed schools to in-district charter schools continues. Because Jeffco acts as a pass through for state funding to in-district charter schools, when enrollment shifts from neighborhood to those charter schools, the amount of state funding that passes through to in-district charter schools increases and the amount that remains in the district's General Fund decreases.

The graph below illustrates the total student membership which is the total number of students attending preschool through 12th grade for all Jeffco schools, including district-managed neighborhood and option schools and in-district charter schools, during the October count period.

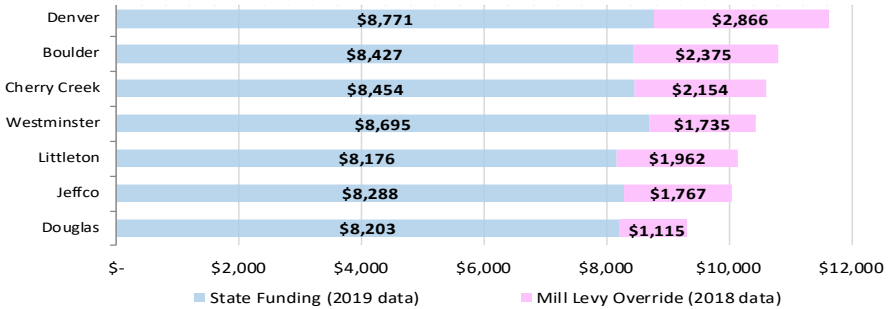
The **funded student count** is the final number of students for which Jeffco receives funding through the School Finance Act. Student numbers progress through several layers of adjustment to get from membership to funded count, e.g. adjustments for students ineligible for funding and those who may be attending part-time.

How Many Students Does Jeffco Serve?



Per Pupil FUNDING

2019/2020 State and Local Per Pupil Funding by District Comparison



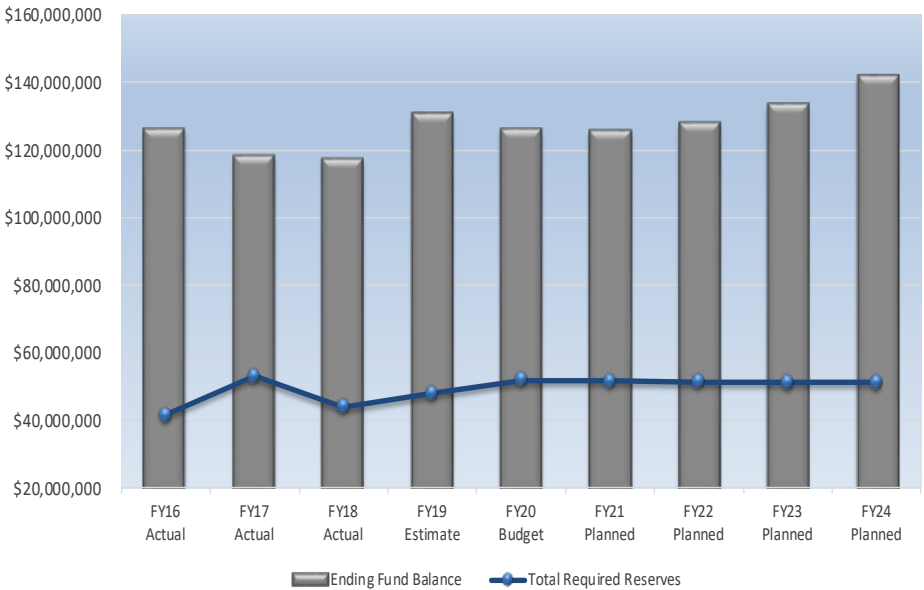
Funding for Colorado schools is determined by legislation that is referred to as the **School Finance Act**. The Act prescribes how much funding each school district receives using a per pupil funding formula. The state, in order to balance its budget, continues to apply a budget stabilization (BS) factor that reduces funding otherwise due to schools. Because of this, the funding shortfall continues to grow. This year, the final school finance bill adopted by the state provided \$100M to decrease, or buy down, the BS factor.

- Even after the buy down, the amount due to Jeffco as determined by the School Finance Act was reduced by \$52M (or approximately \$629 per student).
- The Colorado Department of Education calculated that Jeffco's share of state funding for 2019/2020 increased \$41M or \$355 per pupil. This increase includes \$4.1M that flows directly through to charter schools, preschool and innovation schools. After the pass through, Jeffco's General Fund net increase from state funding is \$39M.
- With the increase from specific ownership tax and an estimated \$2M revenue loss for the General Fund due to a slight enrollment decline of 250 students due to lower birth rates and shifts to charter schools, the total net new revenue for Jeffco is \$43.3M.
- Following is the per pupil funding from the state since 2009/2010:

2009/2010..... \$7,070
 2010/2011 \$6,637
 2011/2012 \$6,310
 2012/2013..... \$6,317
 2013/2014..... \$6,482
 2014/2015..... \$6,850
 2015/2016..... \$7,126
 2016/2017..... \$7,245
 2017/2018..... \$7,483
 2018/2019..... \$7,945
2019/2020 \$8,288

The budget stabilization factor reduces funding to Jeffco for 2019/2020 by approx. \$52M (or \$629 per student); the cumulative shortfall is at \$755M.

GENERAL FUND Reserves



The chart above shows reserve balances in the General Fund over time compared to the required reserve balance as directed by the Taxpayer Bill of Rights (TABOR) and the Board of Education. Per Colorado law, a minimum reserve balance of 3 percent is required under TABOR, and per Jeffco’s Board of Education policy an additional 4 percent reserve is required on top of TABOR.

Reserves play a critical role in the district’s ability to weather unforeseen events or changes in state funding and provide the flexibility and means to withstand these fluctuations without immediate impact to classrooms, programs or staffing. Unassigned reserves provide an important benchmark for fiscal health used by the Colorado Department of Education, Colorado State Auditor, Government Finance Officers Association (GFOA) and rating agencies.

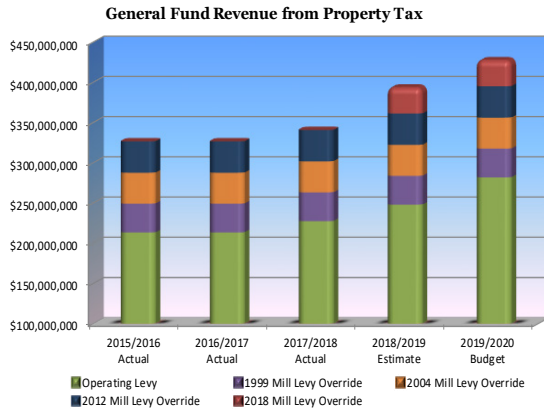
As a testament to the management of the district’s reserves, following a ratings review last year by both Standard & Poors Global Ratings (S&P) and Moody’s, S&P notched up the district’s rating to AA from AA- and Moody’s maintained the district’s Aa2 rating citing the district’s strong financial profile.

The district targets reserve levels based on recommended best practices between 8 and 16 percent of expenditures. Unassigned reserves for 2019/2020 are within the targeted range at 10 percent.

The chart represents the current level of directed spending included in the budget; any additional on-going spending will result in the cumulative decrease in fund balance through future years.

MILL LEVY OVERRIDES and BONDS

School districts are required by state statute to impose a property tax mill levy to finance the local share of total program revenue as defined by the School Finance Act. A mill is one tenth of one cent (or \$1 per each \$1,000 of property valuation); the millage rate varies from year to year depending on numerous factors. In addition to the state formula base mill levy, districts can also ask voters to authorize additional property tax **mill levy overrides** (MLOs) to provide additional funding for general operating expenses. Taxpayer approval of MLOs and bonds can create large variances in funding between neighboring districts. A district's authorization by voters to levy and collect MLO revenues does not affect the amount of state funding the district receives.



In November 2018, voters approved 5A, a \$33M MLO. Approximately, \$3M flowed through to charter schools based on the district's Board of Education authorized Mill Levy Sharing Plan. The ballot language for 5A specified uses for the funds into five categories and the Board assigned dollar amounts for each category as follows: compensation (\$15M), career tech-ed/STEM (\$3M), classroom technology (\$3M), safety and mental health support (\$6M), and early childhood education (\$3M). The ballot language also requires review and oversight by the district's citizen Financial Oversight Committee to ensure funds are spent per the ballot language.

Unlike MLOs, **bond money** is restricted by law and can only provide funding for repair and renovation of existing buildings, new construction and technology. In November 2018, voters also approved the 5B bond measure for \$567M. Together with the annual capital transfer from the district's General Fund, the total of available funds to be spent on projects spanning over 6 years will be over \$700M. This investment in our schools is intended to focus on school safety, student learning environments and building efficiency. A building fund was created to track the budget and expenditures over the life cycle of the bond. Further information can be found on page 223 of the Adopted Budget.

Thanks to the support of our Jeffco community, the passage of the 2018 MLO and bond will allow the district to begin to narrow the overall funding gap that exists between neighboring districts. The bond was monumental in allowing the district to prioritize funding to address capital needs that will make a huge dent in much needed improvements to the district's aging facilities to ensure that the environment for students and staff is conducive to learning and in support of the Jeffco Generations Vision.

What does the **GENERAL FUND BUDGET** buy?

Money Spent in the Right Places Impacts Student Learning

For every dollar spent in the General Fund



\$.48.....	General Instruction
\$.14.....	Instructional Support
\$.10.....	Operations and Maintenance
\$.08.....	Special Education Instruction
\$.08.....	Transfers to Other Funds
\$.08.....	School Administration
\$.04.....	General Administration

In 2019/2020 for approximately \$54 a day, Jeffco Public Schools provides each student:

- ✓ Highly skilled and trained teachers that make a difference in students' lives
- ✓ Specialized learning services for students with special needs
- ✓ Access to library resources and technology
- ✓ Guidance, counseling and other support services
- ✓ Materials such as textbooks and equipment
- ✓ Transportation to and from school (subsidized by fees)
- ✓ Extracurricular activities (subsidized by fees)
- ✓ Choices for learning environments
- ✓ Clean and well-maintained facilities

For 2019/2020

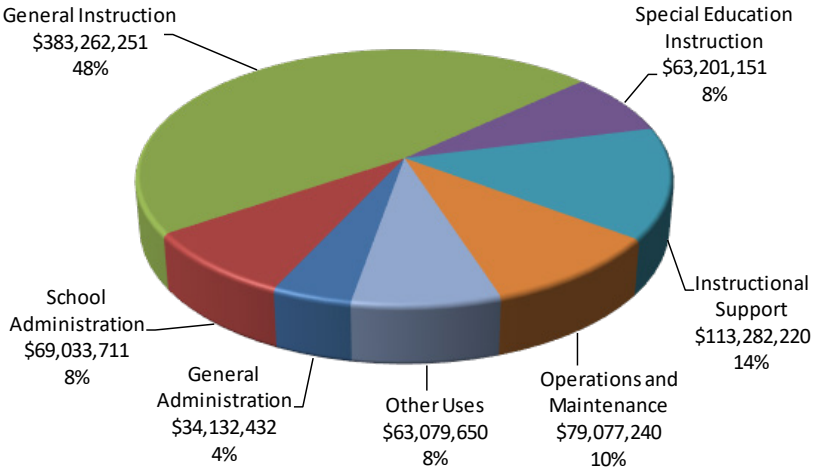
**84,508
students**

175 days

\$54/day

More than 70 percent of all General Fund dollars goes toward instruction and instructional support ... only 4 percent goes to general administration.

GENERAL FUND BUDGET by category ...



Kids, Schools & Classrooms, & Central Support

	Kids, Schools & Classrooms	Central Support
General Instruction	Teachers/Substitute Teachers Teacher Librarians, ESL, Dual Language Instructional Coaches Paraprofessionals Materials & Supplies Teacher Librarians	
Special Ed Instruction	Special Ed Teachers Intervention Services Special Ed Preschool Center Programs Transition Services	
Instructional Support	Psychologists, Therapists & Social Workers Counselors, Clinic Aides Gifted/Talented Program Guidance/Counseling Health Services, Grants Management Career & TechEd	Grants Management Department for Learning & Educational Achievement Assessment & Research Educational Technology
School Administration	Principals, Asst. Principals School Secretaries	
Operations & Maintenance	Campus Supervisors Custodial Services, Utilities	Field Services Property Management
General Administration	Technology Services	Board of Education, Superintendent Achievement Directors, Financial Services, Human Resources, Communications, Employee Relations, Legal and Audit Fees

BOARD Goals and Budgetary Direction

Board of Education Ends Policies and Goals

The Jeffco Public Schools Board of Education (BOE) has a long tradition of quality education that provides the foundation with which to carry out strategic work for all students from pre-K through 12th grade in order to ensure a fully prepared high school graduate. The Board's Ends policies are an essential component of the Board's governance structure and direct the work of the superintendent and district by setting priorities to make progress toward the Jeffco Generations Vision. Jeffco Generations is a learning-centered vision that focuses on three core directions—Learning, Conditions for Learning and Readiness for Learning. It calls on Jeffco to profoundly change and customize the student experience. More on Jeffco Generations and the Strategic Plan is available on the district's website at www.jeffcopublicschools.org under the "About Jeffco" tab.

Budgetary Revenue and Savings

Revenue projections and assumptions are based on information from the state, anticipated enrollment changes and other forecasted fluctuations. The final School Finance Act for 2019/2020 increases inflation by 2.7 percent, assumes statewide enrollment will remain relatively flat, decreases the budget stabilization factor by \$100M statewide, adds funding for Tier B special education students, and funds full day kindergarten. The Colorado Department of Education calculates that Jeffco will receive an increase in state funding of \$41M (\$355 per pupil). After the \$4.1M pass through to charter, preschool and innovation schools, an additional \$2M for state categorical Tier B funding, \$15.2M to fund full day kindergarten, the net increase for the General Fund from state funding will be \$39M for 2019/2020.

Because the district acts as a pass through for state funding to charter schools, when enrollment shifts from neighborhood schools to district charter schools, the pass through amount to charter schools increases and the amount that remains in the General Fund decreases. For 2019/2020, the shift is estimated to be 250 students—a \$2M decrease to the General Fund. Other revenue changes include an estimated increase in Specific Ownership tax and interest, inflation for the 5A, and 1:1 device fees less a reduction of revenue from kindergarten fees that will no longer be charged. See the summary below:

2019/2020 Increases to Revenue	
Revenue	On-Going
School Finance Act less Pass-through to Charter Schools	\$ 21,700,000
Loss of Student Enrollment (250)	(2,000,000)
State Categorical Tier B	2,000,000
Full Day Kindergarten (FDK) Funding	15,200,000
Reduction of Fees (FDK)	(6,000,000)
Inflation 5A	810,000
1:1 Device Fees	1,100,000
Interest Revenue	1,500,000
Specific Ownership Tax (local)	9,000,000
Other Revenue	\$ 43,310,000

Budgetary Direction

The Board of Education (BOE) received information on top spending priorities for schools from the District Accountability Committee and the community. These priorities included increases for compensation, District Unified Improvement Plan support, mental health/behavioral support, bell study support, individual division needs and Student Based Budgeting. Overall, the largest increase in expenditures for 2019/2020 is for employee compensation.

The BOE ratified an agreement with the Jefferson County Education Association (JCEA) that included step increases to eligible employees, an educational achievement level change to eligible employees, a 2.5 percent cost of living (COLA) increase (in addition to the 2.67 percent COLA from 5A MLO ongoing dollars) and implementation of longevity compensation to honor the past pay freezes incurred by JCEA staff. The Board also ratified an agreement with the Jeffco Education Support Professionals Association (JESPA) that includes a 2.52 percent salary schedule adjustment (from 5A MLO ongoing dollars), minor structural changes to the salary schedule, step increases for eligible employees, and a 2.5 percent COLA increase (using new state funding as well as 2.67 percent from ongoing 5A MLO dollars).

Because negotiations with JCEA were not completed until after adoption of the budget in June, the BOE approved and the district adopted a Revised Budget on October 10 to account for the additional 1 percent COLA (bringing it to 2.5 percent) and the \$3M in longevity pay (0.68 percent) for JCEA.

Following is a summary of the Board-approved new expenditures for 2019/2020:

2019/2020 Expenditure Changes			
Compensation		On-going	One-time
District Wide Compensation Increase - Steps, Lanes, Quartiles, 2.5% COLA (Average Comp Increase 4.4%)		35,200,000	
PERA Changes (mandated)		1,300,000	-
	\$	36,500,000	\$ -
Other Employer Costs / Adjustments			
Retirement & Turnover Savings	\$	(6,000,000)	
5A Mill Levy Expenditures		14,882,963	
Board Directed New Expenditures (Detail Below)		3,988,203	70,000
Student Success (Tier B) Support		2,000,000	
1:1 Device Support from fees		1,100,000	
SBB Full Day Kindergarten		9,200,000	
Subtotal Other Employer Costs/Adjustments	\$	25,171,166	\$ 70,000
Net Proposed Increases	\$	61,671,166	\$ 70,000
2019/2020 Board Directed New Expenditures (Detail)			
Expenditures	FTE	On-going	One-time
Athletics and Activities - Mandated Increases		97,000	
Communications Family Engagement		\$ 30,000	
Custodial - Staffing and Supplies	1.5	\$ 77,465	
Employee Relations Two Part-time Employees		30,000	
ERD - Translation Services	1.0	150,000	
ERD-Educator Pathways to Transform the Task	4.0	309,232	
Human Resources - Boettcher Residency Program Expansion		135,000	
Insurance Reserve - Premiums/Claim Increases and Training Software		1,638,500	
Options - At Risk Transition Coordinators	1.5	75,000	
Safety and Security - Campus Supervisor FTE	6.0	236,626	
Student Success - Dropout Safety Nets	6.0	659,380	
Transportation - Bell time Study			70,000
Utilities - Natural Gas		300,000	
Utilities - Refuse & Dump fees		100,000	
Utilities - Storm Water		150,000	
Grand Total - Board Directed New Expenditures	\$ 20	\$ 3,988,203	\$ 70,000



JEFFCO PUBLIC SCHOOLS

BOARD OF EDUCATION

Ron Mitchell.....	President
Ali Lasell	First Vice President
Susan Harmon.....	Second Vice President
Amanda Stevens	Secretary
Brad Rupert	Treasurer
Dr. Jason Glass	Superintendent

Detailed budget information is available in the Revised Adopted Budget Book on Jeffco's website at www.jeffcopublicschools.org/finance

Jefferson County Public Schools
Financial Services/Budget and Treasury
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Golden, CO 80401

303.982.6843

www.jeffcopublicschools.org