

THE JARED POLIS EDUCATION REPORT

SPRING 2003



DEAR COLORADOANS,

It is with great pleasure that I bring you this Education Report filled with useful information on cyberschools, St. Vrain, and school finance. While the state is mired in a recession, it is particularly important to stay informed on education issues so that our children are not the victims of our budget crisis. Thanks for staying informed and involved!

Jared Polis

Vice Chair - Colorado State Board of Education

For specific information about
your local school district,
please visit www.cde.state.co.us

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WHAT HAPPENED IN ST. VRAIN?

The St. Vrain School District- located in Boulder, Broomfield, Larimer, and Weld counties- is facing what is perhaps the worst school budget crisis in State history. This article will explain what happened and what is being done to prevent this disaster from occurring anywhere else.

The District's deficit resulted from using inflated numbers to cover expense overruns for three years. St. Vrain also overestimated reserves and underestimated salary costs; including failing to consider the previous year's summer salaries, undercounting 150 full-time employees, and neglecting to add salary increases to the budget. Disturbingly, the District's accounting firm actually signed off on its audited financials. Accordingly, State policy makers are exploring ways to tighten auditing procedures for school districts in Colorado.

To keep serving the students of St. Vrain, the State provided a \$15 million interest-free loan to help keep the District afloat. This loan is in addition to the nearly \$44 million that the District has borrowed from the State since 1999. St. Vrain agreed to meet several criteria to ensure that it could make the District solvent and repay the loan:

Loan Agreement Facts:

- 7.1% pay cut for teachers and classified staff
- 15% decrease in non-salary items
- Average of 13% pay cut for all administrators
- 35% cut in administrative costs next year
- Freeze filling vacancies

The District is also planning to eliminate 21 administrative positions. With these measures, the District expects to have a \$3-5 million shortfall at year's end but a balanced budget by June 2004.

Last November voters approved a \$212.9 million bond to build 10 new schools - six of them immediately. The District is proceeding with only four of the six new schools at this time with the other two likely delayed by one year. The new facilities are to relieve overcrowding, as district schools are at 97% of capacity, which includes a record-breaking increase of 2,466 students for the last three years. In the fastest growing areas of the district, 14 schools are 100% over capacity.

The State Board of Education is looking at the financial status of districts through its accreditation process. Legislators are considering several proposals to aid districts and prevent a similar situation in the future, including:

- Allowing land sales
- Increasing school board oversight
- Accounting for certain budgeting techniques
- Requiring accurate public information in bond elections

For more information, visit our website at www.jaredpolisfoundation.org.

