

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.



FUNDING FAILURES & FUTURE FIXES

Colorado is facing its worst economic crisis since the Great Depression. State lawmakers need to cut expenditures by more than \$900 million, about 15% of the State General Fund Budget, to create a balanced budget this year. They will also need to decide how to deal with an expected \$870 million shortfall next year.

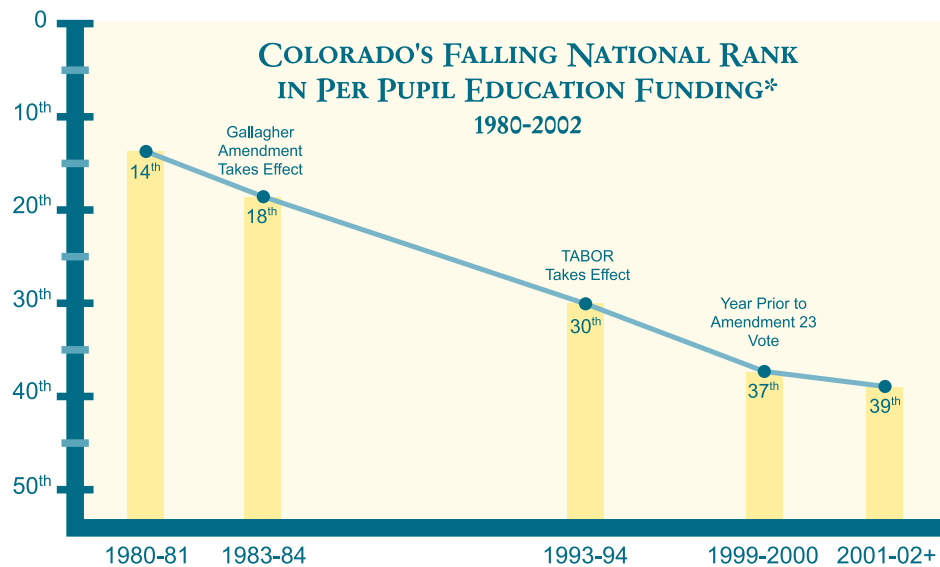
Proponents of a strong public educational system, including the State Board of Education, have helped legislators and the media under-

growth; the Gallagher Amendment, passed by voters in 1982, limits the growth of residential property taxes.

Recently, many of Colorado's educational leaders agreed to support a ballot issue to allow the people to change Amendment 23, which offers some protection to school funding, and in combination with major changes to TABOR and the Gallagher Amendment to help the State make it through this financial crisis.

ing fell throughout the 1980s and 1990s, which dropped the State from 18th nationally in 1983 to 39th in 2002, according to the Federal government (see chart above).

Some say the roots of the State fiscal problems are in the tax limitation amendments to the State Constitution; namely TABOR and the Gallagher Amendment. The mixture of these two provisions, plus permanent tax cuts approved during the 1990s, cut local funding to schools forcing the State to pay more, which was still not enough to stop the fall in state per pupil funding. This situation led voters to pass Amendment 23 in 2000.



* Dollars Adjusted for Inflation

+ Estimated

Source: National Center for Education Statistics: <http://nces.ed.gov/>

stand that the budget can not be fixed at the expense of education alone; and any major changes in school funding must be mixed with changes to the TABOR (the "Taxpayers Bill Of Rights") and the Gallagher Amendment. The TABOR amendment, passed by voters in 1992, limits State taxes and spending by the rate of inflation plus population

As a State Constitutional Amendment, Amendment 23 protects Kindergarten through 12th grade educational funding. The measure requires yearly State education spending increases at the rate of inflation plus one percent through 2011 and at the rate of inflation thereafter. Voters passed this initiative because Colorado's per pupil spend-

Both of the major Denver daily newspapers have supported this comprehensive approach involving the three amendments. This summer, several state working groups will look at possible changes to these three constitutional amendments which must be approved by voters. Citizens may participate in these meetings and offer their views. For more information contact 303-333-3580 or e-mail Jared Polis at jared@jaredpolis.com or his policy director Scott Groginsky at scott@jaredpolis.com



To request school accountability reports visit our website at www.jaredpolisfoundation.org

NOW STUDENTS IN COLORADO CAN TAKE COURSES ONLINE!

There is a new type of student in Colorado: the cyberstudent. Currently, over 3000 Colorado students are enrolled in online courses. These online classes can enhance learning for a wide range of students, especially students with the following characteristics:

- Students with social difficulties in physical classroom settings
- Students with disabilities or particular learning needs
- Teen parents or pregnant teens
- Dropouts or expelled students
- Students requiring long-term hospitalization or
- Students needing access to advanced or remedial courses unavailable in a physical school.

Some cyberstudents also take one or more classes in a traditional neighborhood school, such as physical education, music, art or other courses unavailable in cyberschools. Online teachers regularly communicate with students by e-mail and phone, and some classes have group discussions online or by conference call. To find out more about Colorado cyberschools, visit www.jaredpolisfoundation.org/cyberschools