

Kit Carson School District R-1

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Let's talk funding!

This time of year is not my favorite, just to be honest. The School Board and I finalize the 2016-17 budget with revisions and start processing the 2017-18 budget. The 17-18 budget has a lot of variables that the school district doesn't have control over. The following article explains one of those variables.

Reduction in property tax revenue prompts \$110 million request to aid schools

Because a constitutionally mandated reduction in the statewide assessment rate will reduce local property tax funding for public schools by \$135.1 million, Gov. John Hickenlooper proposed two budget amendments to support K-12 education. In a letter to the Joint Budget Committee on Tuesday, the governor's Office of State Planning and Budgeting (OSPB) proposes increasing the sales tax on recreational marijuana to 12 percent (raising an additional \$41.9 million) and cutting in half the Senior Homestead Exemption (freeing up \$68.1 million) to support school finance. Together, those total \$110 million. In November, the governor's budget request increased the negative factor to \$876.1 million for 2017-18. Now, with the reduction in local property taxes, and factoring in changes in enrollment and projected inflation, the state estimates it will fall \$106.2 million short of maintaining that figure. Put another way, without the amendments, the negative factor would increase to almost \$1 billion. Adding the Senior Homestead Exemption and marijuana sales taxes to the mix adds more layers of complexity to the 2017 school finance debate. OSPB said both amendments require legislative but not voter approval. The reduction in the statewide assessment rate is caused by the Gallagher Amendment. It says that revenue from residential property taxes cannot exceed 45 percent of total state revenue from property taxes. When home values rise faster than those for commercial properties, as has happened in recent years, it triggers a reduction in rate for residential tax assessments. Henry Sobanet, director of the OSPB, summarized the impact on school financing: "One part of the Constitution lowers property taxes for schools and shifts the burden to the State, and another part of the Constitution says the K-12 school budget has to grow. This is a prime example of why we call our budget rules a 'fiscal thicket.'" The school finance portion of the OSPB letter concludes: "While these proposals can help us in the short term, we believe that structural reforms to the rules that control school finance are imperative for the State and this work should begin during this legislative session. Members of the OSPB and I are available to meet with you and any members of the General Assembly who are interested in addressing this issue."

So what does this mean to the Kit Carson School District. If the \$135.1 million is not covered by some legislative measures the Kit Carson School district would lose approximately \$45,000 more to the negative factor. This would raise the Kit Carson negative factor to approximately \$260,000 for the 2017-18 school year. Imagine what the district could do with the \$260,000 that the state takes from us! The entire district budget for a year is approximately \$2.0 million. This will make the overall loss to negative factor approximately \$1.4 million over the last several years.

The estimated tax rate for residential housing will drop from 7.96% to 6.56% of the assessed value. This is due to state law. This is great for homeowners, but hurts the district due to less local revenue and more needed in equalization from the state. Something that will offset this a little bit down the road will be the 20+ wind turbines that are coming to our district. They will help the assessed value go up a little. These numbers are finalized but any new assessed value helps!

I am currently working with roughly 50 other superintendents on developing a new school finance formula to replace the 1994 version. As we have been processing and doing tons of research we have come to some startling conclusions. The state average funding per student is approx. \$7800, the national average is closer to \$11,000 per student. If Colorado wants to become "average" and not well below average in funding, the state needs to increase its revenue by roughly \$3.5 Billion, yes a Billion dollars. Again, this is just to get to the national average. This means roughly \$600 per person more in taxes/fees/revenue needed by the state to become average. While there are lots of options on how to raise this much money, all would need approved by the voters of Colorado. A better question would be, "Will Colorado voters actually approve some kind of tax or fee that would raise this much money?"

On a much brighter note, the school board will be selecting a master planner to guide the district in possible upgrades and renovations that are needed. The master planner will look at all areas of the school, especially HVAC, plumbing, roofing, electrical, mechanical, etc., to give the school board direction on next steps. The recent \$150,000 mill levy override was able to fix and upgrade many needed repairs to the building, but when the building is older than the superintendent there are always more issues. :)

If you have questions, concerns or comments please contact me at school. Robert.Framel@kcsdr1.org or 719-962-3219

Positive News:

The basketball teams are having a successful season thus far. Don't miss the Feb 4 match up in Fleming.

The school had 17 6th-12th grade students with a 4.0 GPA for the 2nd nine weeks. Thirty more were 3.0 or higher! The complete list is available on the website at [www.kcsdr1.org/school-information/honorroll/2016-17%20Honor%20Rolls%2012-16-16%20\(003\).pdf](http://www.kcsdr1.org/school-information/honorroll/2016-17%20Honor%20Rolls%2012-16-16%20(003).pdf)

The PAWS page on the website has Positive Accomplishments of Wildcat Students including FFA, Art, and Band honors winners.

Professional Development: The wonderful staff and I will be looking at several items in the next couple of months. On February 12th we will discuss district priorities, school calendar, school schedule, and Depth of Knowledge questioning techniques just to name a few. March 13th's in-service will be for teachers to collaborate with teachers from other schools by observing and dialogues.

Internet Info: www.Kcsdr1.org
Access daily bulletins, class schedules, activity calendar and more!

The next school board meeting will be February 21st at 7:00pm in the library.

1/24/2017

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