

Bethune School District R-5
Building Awareness of School Finance-Frequently Asked Questions

1. What is a Mill Levy Override?

A Mill Levy Override is a ballot measure that asks voters living within a school district boundary to approve the collection of additional “mills” on property taxes, above what is allowed by the state of Colorado. That additional tax collection is then directly distributed to the local school district. This is the **ONLY** way a school district can collect additional operational dollars.

2. How many school districts in Colorado receive funding through a Mill Levy Override?

In Colorado, **89 percent** of all students are in school districts that receive funding through a Mill Levy Override. Out of 178 school districts in Colorado, 119 receive additional funding through a Mill Levy Override. There are 18 districts in Colorado seeking Mill Levy Overrides in the current election.

3. Do other School Districts in the region receive additional funds?

Bethune School District is the only District in the region that does not currently receive additional funding from local voters. Below is a list of voter approved initiatives in surrounding communities.

Bond Elections					
District	Fail	Pass	Mills / Amount		
Idalia (Bond/BEST)		2011	18.2 mills / \$3,870,029		
Cheyenne County	2016		\$7,000,000		
Mill Levy Override Elections				2017-18 override mills (CDE)	
District	Fail	Pass	Mills / Amount	Mills	Amount
Liberty		2014	\$265,000	16.98	\$320,230
Burlington	2011 - 4th try in 4 years	2014	3.515 mills, approx. \$270,000	2.6	\$364,682
Stratton	2011	2012	7.5 mills, approx. \$119,200	5.02	\$178,071
Cheyenne County	2012	2013	6.1 mills, approx. \$613,415	9.5	\$726,897
Kit Carson		2015 for one year	\$150,000 - one year only 2016. Special Building & Technology Capital Project	7.95	\$393,410
Kit Carson		2010	\$45,000 (2011-2015)		
Kit Carson		1994	\$200,000		

4. What is the money going to be used for?

There are four basic areas where the additional funding will be used: safety and security; recruiting and retaining high-quality staff; technology; and student achievement, including college and career readiness. Here is how the money will be spent in those four areas:

- MAKING IMPROVEMENTS AND UPKEEP TO FACILITIES;
- IMPROVING SAFETY AND SECURITY OF STUDENTS AND STAFF AS REQUIRED BY LAW IN THE CLAIRE DAVIS SAFETY ACT;
- EXPANDING AND ENHANCING EDUCATIONAL EXPERIENCES OF STUDENTS THROUGH OPPORTUNITIES SUCH AS CAREER AND TECHNICAL EDUCATION;
- UPGRADING MATERIALS AND TECHNOLOGY TO ENHANCE STUDENT LEARNING; AND
- RECRUITING AND RETAINING HIGHLY QUALIFIED TEACHERS;

5. Why is Bethune School District asking for more funding?

The District has lost 1.8 million dollars in funding since the Recession in 2008. Prior to the Recession the District was able to function under a “Let’s Dream” approach to allocating the budget and when seeking additional funds from the community. Unfortunately, that mentality has now shifted to a “Let’s Survive and Thrive” in a climate with the State of Colorado underfunding schools.

Bethune is at a tipping point: It simply cannot continue to scrape by and provide for the educational needs of all students without additional local funding. This is an investment in children and an investment in the future of our community. A strong school district contributes to a strong community by helping shape the future workforce, essentially the development of citizens.

The current budget does not allow for improvements to help maintain a healthy learning community, the integrity of programs and to adequately provide for highly qualified staff.

6. How many years will it take for Bethune School to have to close?

The Bethune School will not close immediately without additional funding. Many steps for preserving the school will continue to happen. The first effects of continuing to operate on a lack of funding will include cutting programs. The community and school board will have to determine what programs and personnel are deemed desirable to be cut. These cuts would have to begin with extra-curricular as other content areas are required by law. This means the first programs cuts will include athletic, art and music programs.

The lack of programs will further perpetuate lower enrollment. In essence the school will slowly die. Agate School District is a living example of this process. A closure would not be immediate, but the District will be out of reserves in a maximum of four years without additional revenue. This includes continuing to make no repairs to the facility and limiting spending on educational needs.

7. Why doesn’t the school district cut the administrator to fund its classroom needs?

Each school in Colorado is required by law to employ an administrator. An administrator is the manager and the operational mechanism for a board of education to direct priorities, responsibilities, and accountability.

Mrs. Adolf currently serves in several roles as Superintendent, Principal, counselor, classroom teacher, Homeless Liaison, Gifted and Talented Coordinator, Title I Coordinator, etc. Several of these roles are required by law and therefore have been assumed into one position in an effort to save money.

Mrs. Adolf is the first administrator (including Mr. Poole) to be serving in this role without at a minimum part-time principal support. Mr. Poole employed a .5 FTE (½ part-time) principal who also taught, Mr. Robinson had a .5 FTE (½ part-time) principal that also was a teacher, Mr. Anderson employed a full-time principal and instructional coach and Ms. Thompson had a full-time employee that served as principal and instructional coach.

Administration has already been cut in both number of positions available and by adding these duties to the job description of the Superintendent. The Superintendent position at Bethune has a starting salary of \$70,000 which is at a minimum of \$15,000 less than any neighboring school district with the same demographics. This year, Mrs. Adolf suggested and voluntarily reduced her contract by one year and did not take a raise that all other employees received for the 2018/19 school year. Even if Mrs. Adolf was to leave the District, there is a legal requirement to rehire this position.

8. How much is this going to cost me as a residential property owner?

The school district is seeking 15.2 additional mills on all residential and commercial property. This will cost approximately \$75 per year on every \$5,000 of assessed valuation. That is \$6.25 a month. For a property valued at \$10,000, that would be \$12.50 a month.

9. Why can’t the school district ask for money from a sales tax instead of a property tax?

School districts are not funded through local sales tax, and cannot legally seek sales tax money for additional funding. The only funding a public-school district can seek is an increase in residential and commercial property tax through a Mill Levy Override.

10. What is the Gallagher Amendment?

Ten years prior to TABOR, Colorado voters approved the Gallagher Amendment, which requires an adjustment to the residential assessment rate to maintain a constant ratio between the statewide share of *residential* taxable value and *nonresidential* taxable value. Since the passage of the amendment in 1982, the increasing value of residential real estate has periodically forced a decrease in the residential assessment rate to maintain the ratio.

The table below shows the residential assessment rate since the passage of Gallagher.

Years	Residential Assessment Rate
Prior to 1983	30%
1983-86	21%
1987	18%
1988	16%
1989-90	15%
1991-92	14.34%
1993-94	12.86%
1995-96	10.36%
1997-2000	9.74%
2001-02	9.15%
2003-16	7.96%
2017-18	7.20%
2019	Anticipated 6.1%

11. What is the anticipated 2019 residential rate?

The residential assessment rate will drop, the projection is 6.1%, this will change during the first part of the year, but ultimately will impact school funding. The state will be required to add more dollars as local dollars will decrease. The Mill Levy Override will bring additional dollars to our district that will not be cut from the state. This means less funding coming directly to the school through property taxes.

12. I thought schools were getting money from marijuana taxes. Why can't you just use that money to make up for what a Mill Levy Override would generate?

In 2013, voters approved Proposition AA, which allowed the state to levy up to a 15 percent excise tax on unprocessed marijuana and up to 15 percent tax on retail marijuana. The first \$40 million collected annually goes into the Building Excellent Schools Today grants. All 178 school districts in Colorado compete for these grant dollars.

To date, Bethune School District has never requested nor received a BEST grant due to the requirement for the community to provide matching funds for these grants. If the Mill Levy Override passes, then there is potential to seek a grant to help repair the facilities. While beneficial, the dollars received through the BEST grants can only be used for facilities, not for operational needs. Simply put, marijuana tax dollars do not raise enough revenue to meet all the needs of public schools in Colorado and the money from the tax comes with strings attached. Visit <https://www.cde.state.co.us/communications/20160902marijuanarevenue> for more information.

13. Why can't the Bethune Bobcat Booster Club assume the budget deficit?

The Bethune Bobcat Booster Club functions on a general fund of approximately \$50,000 with this including the amount of resources invested in the annual fundraiser purchase of Safeway Cards. There simply is not enough money from boosters and fundraisers to cover the \$200,000 annual loss of revenue. The BBBC has worked hard to help students survive the funding deficit by supporting "extras" such as sports, class and club field trips and assemblies. These ladies are working hard to ensure that even though money is tight, they are determined to give students positive experiences beyond what the school can provide. The BBBC funding is completely separate from the General Fund of Bethune School.

14. I don't have kids in school. Why should I pay more taxes for Bethune School District?

Many Bethune residents (many former students) stay or return to this community becoming our workforce, business owners, teachers, parents, citizens, etc. If you do not have children in Bethune Schools, maybe you did earlier in your life and relied on other taxpayers to support his or her education. Education is a necessity for ensuring the future health and wellness of this area and this is the responsibility of the entire community. **Strong schools strengthen local economies, communities deteriorate when these investments aren't made.** This ballot measure is a direct investment in the students of our community.

15. What is the overall budget shortfall of the District?

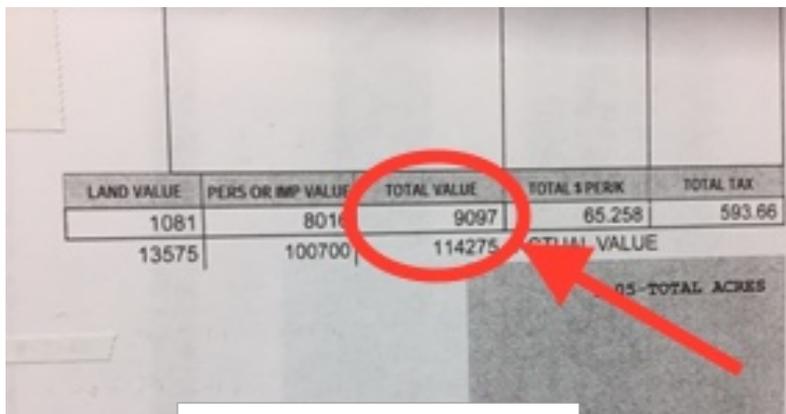
Monthly Budget Overview 2018-19 Budget Year	
State Share REV MONTHLY VALUE	\$90,512
PROJ. AVG MONTHLY PROPERTY TAX	\$42,063
MONTHLY REV TOTALS	\$132,575
DEDUCT EST. MONTHLY SALARY COSTS	\$115,393
DEDUCT EST. MONTHLY EXPENSES	\$32,343
TOTAL MONTHLY BUDGET SHORTFALL	<u>\$15,161</u>
TOTAL ANNUAL BUDGET SHORTFALL	<u>\$181,932</u>
Current Reserves Balance	\$473,230

16. How can I be sure the money will be used for what the school district has promised to fund?

Bethune School District is committed to complete transparency in budgeting and finance. Financial records are available on the website. The Board of Directors approves the monthly warrants and financials at each board meeting to ensure continued compliance with State Law regarding financial transparency.

17. How can I figure the increase to my own taxes?

HERE'S AN EXAMPLE



Here's How to Figure Your Increase

TOTAL VALUE X .0152 = Tax Increase

Example Using Total Value from Illustration: 9097 (Total Value) X .0152 = \$138.27 Annual Tax Increase
 A 15.2 mill increase would cost this landowner \$11.52 a month.

Each property owner's tax bill is set to go down with the residential rate dropping to 6.1%. Please consider putting that savings directly into Bethune Schools.