

## TESTIMONY

Senate Finance Committee

SB-17-267

April 11, 2017

Dr. Grant Schmidt, Superintendent

Hanover School District #28

## District and Community Demographics

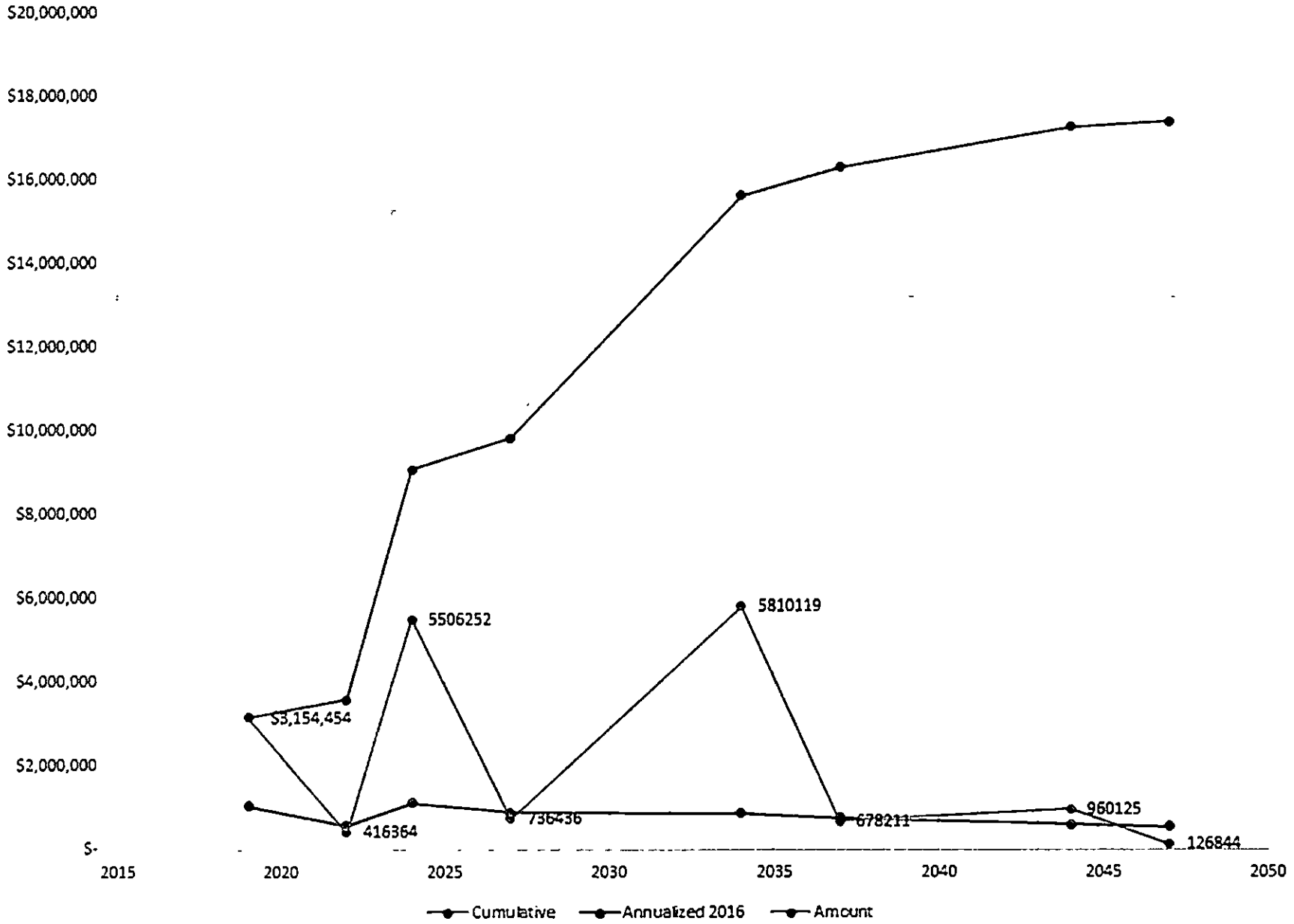
- 80% free and reduced lunch
  - To support our high poverty students we provide free preschool and full-day kindergarten to increase our students' readiness level for 1<sup>st</sup> grade
  - Approximately 1,000 residential properties
  - Average residential assessed valuation is \$7,500 and declining
  - Total assessed valuation is \$33M
    - 17 % residential
    - 8 % commercial
    - 6 % vacant
    - 3 % agriculture
    - 66 % state land (6<sup>th</sup> highest percent in the state)
- This break down shows we have little to gain from a mill levy increase and limited development growth to see an increase in Specific Ownership Tax**
- 280 warm body county in PK-12
  - Two schools which are 20 miles apart
  - 1 of 13 districts this fiscal year that, despite the state average of an increase in per pupil allocation, saw a drop in per pupil funding. The first district received a financial support from the State Board of Education. The remaining 12 of us only needed a total of \$1M to at least stay the same in per pupil allocation. This will most likely repeat again this year as a result of the demographics and factors in the funding formula.

**AS A RESULT**

- 1-teacher per grade level from PK-8 plus each content area in high school. But we had to cut the middle school science teacher and have one secondary science teacher teach grades 6-12
- \$3M general fund budget
- Over the previous 7-years since the negative factor our district has lost more than 1-year budget in funding.
- 2-years ago our Board of Education passed a resolution to restore the negative factor before providing TABOR refunds due to the enormous financial impact on our budget. The resolution was sent to our senator and representative, state treasurer and governor.
- CDE facilities audit from approximately 6-years ago that is used by the BEST grant process shows our facilities maintenance and replacement costs over the next 30-years exceeds \$40M
- We have had to finance \$80,000 for the purchase of two buses because we cannot afford out of general fund or fund balance

- We have had to finance \$60,000 for the purchase of energy efficient items with a return on investment of 1-7 years depending on the item purchased. Financed because we cannot afford out of general fund or fund balance.
- With the Rural Flexibility bill two years ago we used those funds to install surveillance system but did not have enough to put cameras on our school buses.
- In a rural setting most of our students depend on our transportation services. We only have three main roads paved with all other roads dirt and are supposedly maintained, which does not happen due to a lack of county funds. The main east-west road through the district is wavy, always has potholes, and a couple years ago part of a bridge washed out causing us to cancel school.
- Our bus repair line item is nearly 40% of the transportation budget.
- Last year our Board of Education passed a Transportation Resolution which was sent to the county, county commissioners, our senator and representative and the governor urging financial help to improve the roads our buses travel.
- The recently passed increase in minimum wage will cost us \$53,000
- The change in federally identified exempt status for employees was raised from \$23,000 to \$47,000 costing us \$30,000
- With the financial cliff projected for schools for the 2020-2021 school year SB-267 will allow Hanover School District and other rurals to survive over the next 3-years as the legislature finds a solution.

## Asset Replacement Schedule and Cost Hanover SD 28



**RESOLUTION OF THE BOARD OF EDUCATION OF THE HANOVER SCHOOL DISTRICT**

**Restoring the Negative Factor before Providing TABOR Refunds as a Statewide Priority**

**Resolution 15-01**

WHEREAS, since 1994 Colorado's school finance formula has included both a base amount of per pupil funding and an additional amount based on "factors" to account for unique local conditions and equalize total per pupil funding across school districts; and

WHEREAS, in November 2000 Colorado's voters approved Amendment 23, which requires funding the base and factors at growth plus inflation on a yearly basis; and

WHEREAS, starting in fiscal year 2010-11, the legislature added a new "negative factor" to the public school finance formula to make across-the-board cuts to education spending which have reduced funding to school districts by over \$1billion annually; and

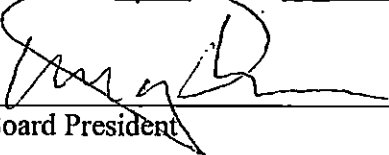
WHEREAS, the "negative factor" clearly violates the voter intent of Amendment 23; and

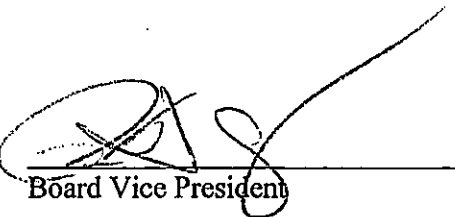
WHEREAS, with the improved economic condition of the state is now leading to increased tax revenues causing there to be much discussion at the state level that Colorado's state government will soon be in violation of the TABOR Amendment and will thereby be required to refund tax payments to taxpayers; and

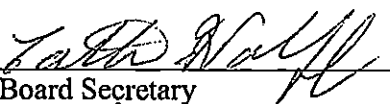
WHEREAS, Amendment 23 was passed by voters in Colorado just like the TABOR Amendment was, and so must be complied with;

NOW, THEREFORE BE IT RESOLVED that the Board of Education of the Hanover School District hereby urges the State Legislature, Governor, and Treasurer to honor the intent and language of Amendment 23 by prioritizing the reduction of the Negative Factor ahead of any TABOR refunds and to leave decisions regarding how those funds returned to school districts are spent to locally elected school boards.

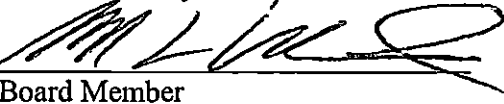
Dated this 18<sup>th</sup> day of Feb, 2015.

  
Board President

  
Board Vice President

  
Board Secretary

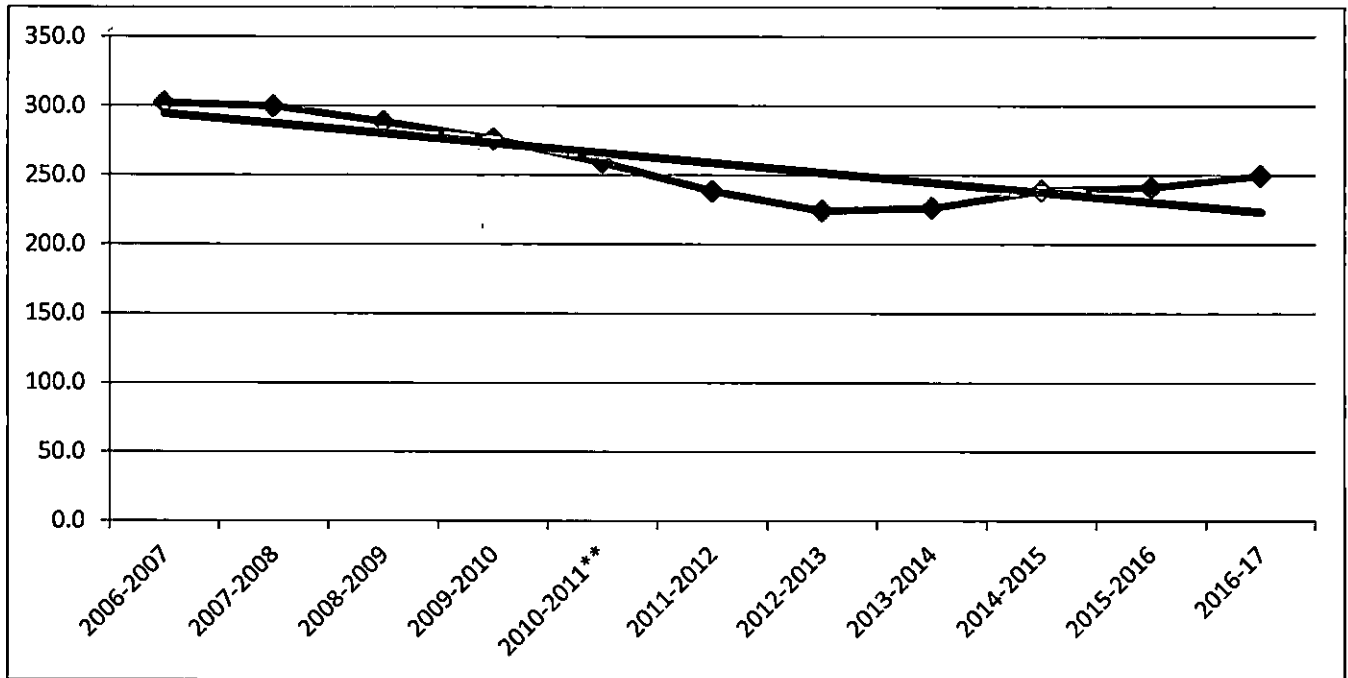
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Board Treasurer

  
Board Member

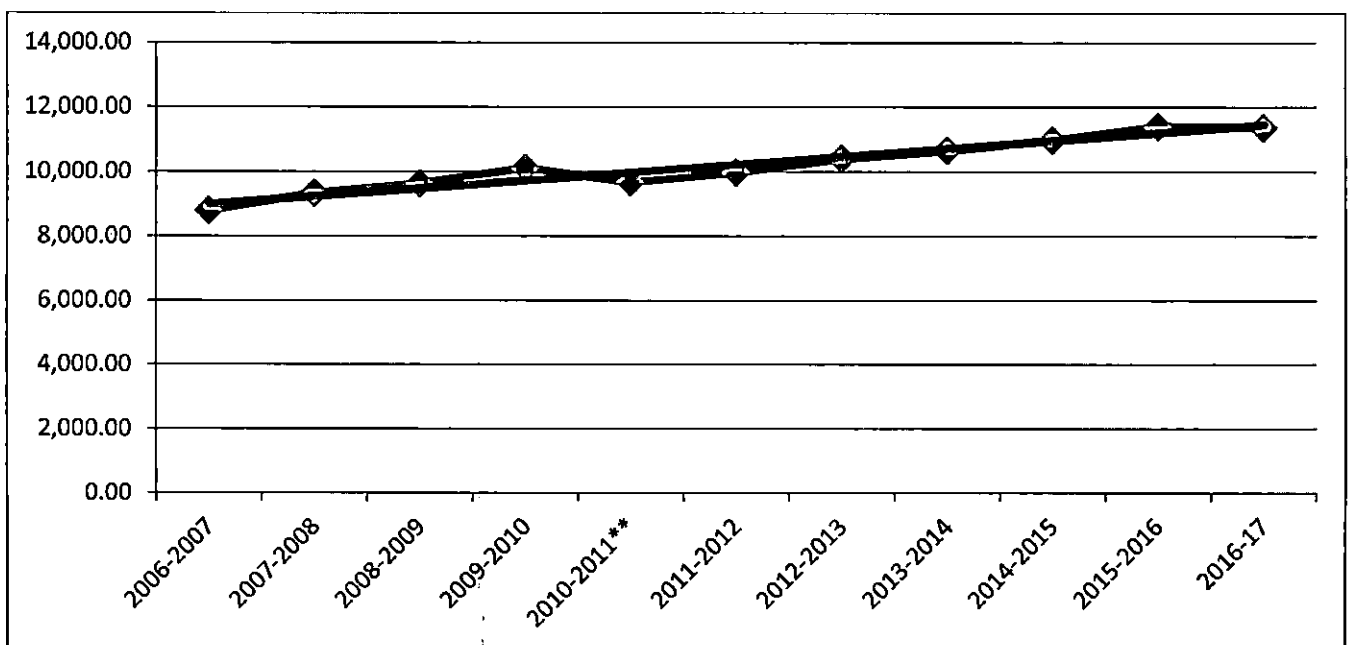
# Budget Data Trends

## HANOVER SCHOOL DISTRICT

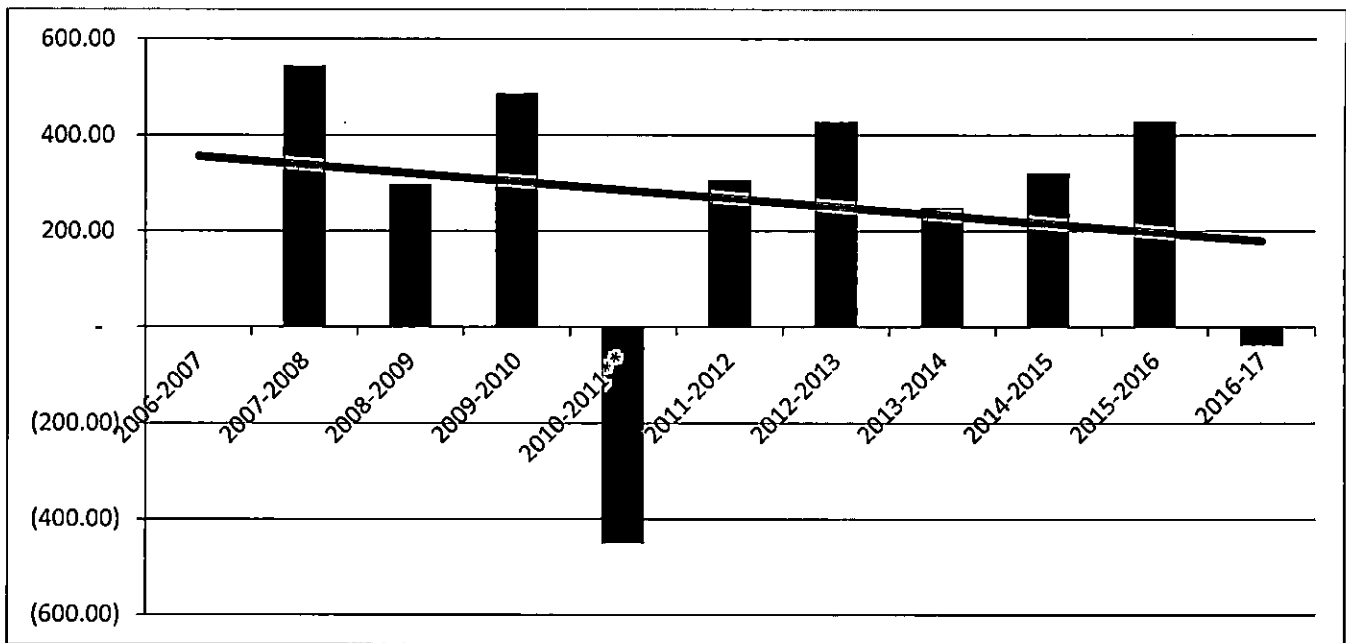
*2006/07 to 2016/17 Budget Years*



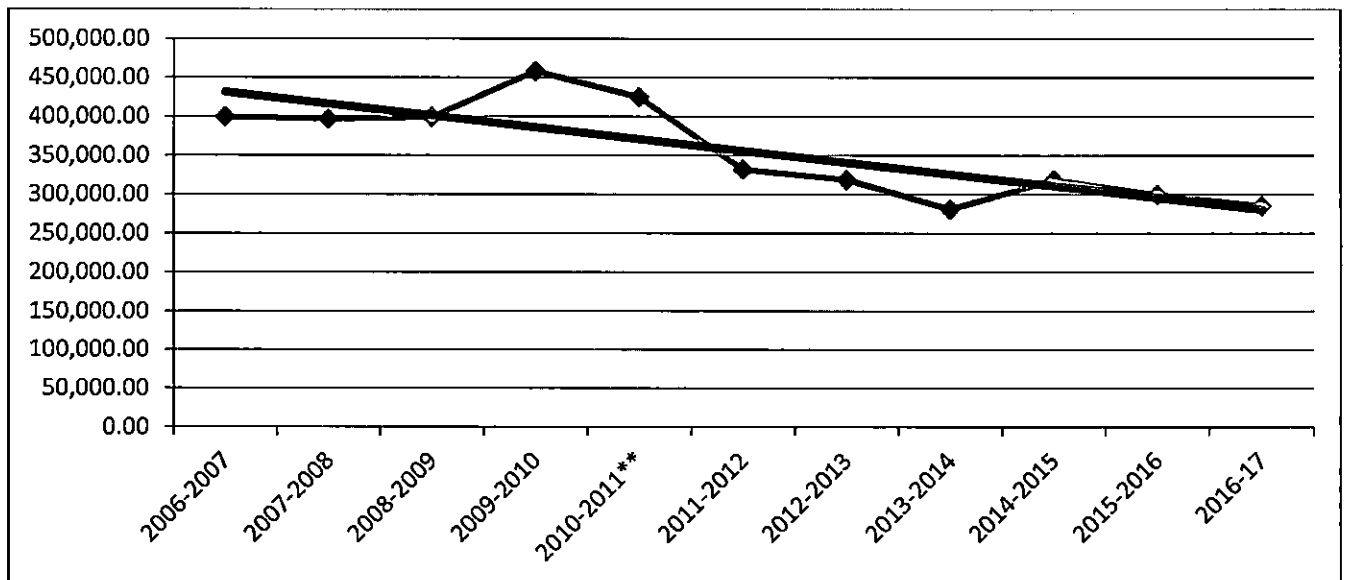
Funded Pupil Count



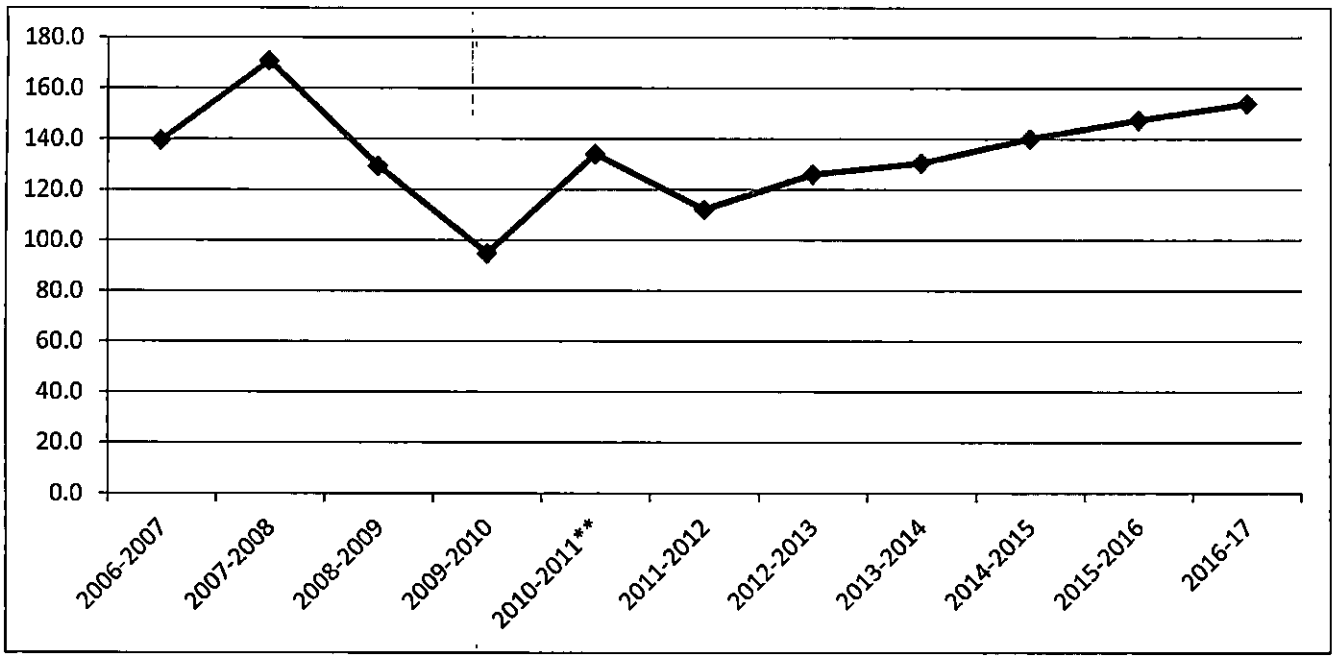
Per Pupil Funding



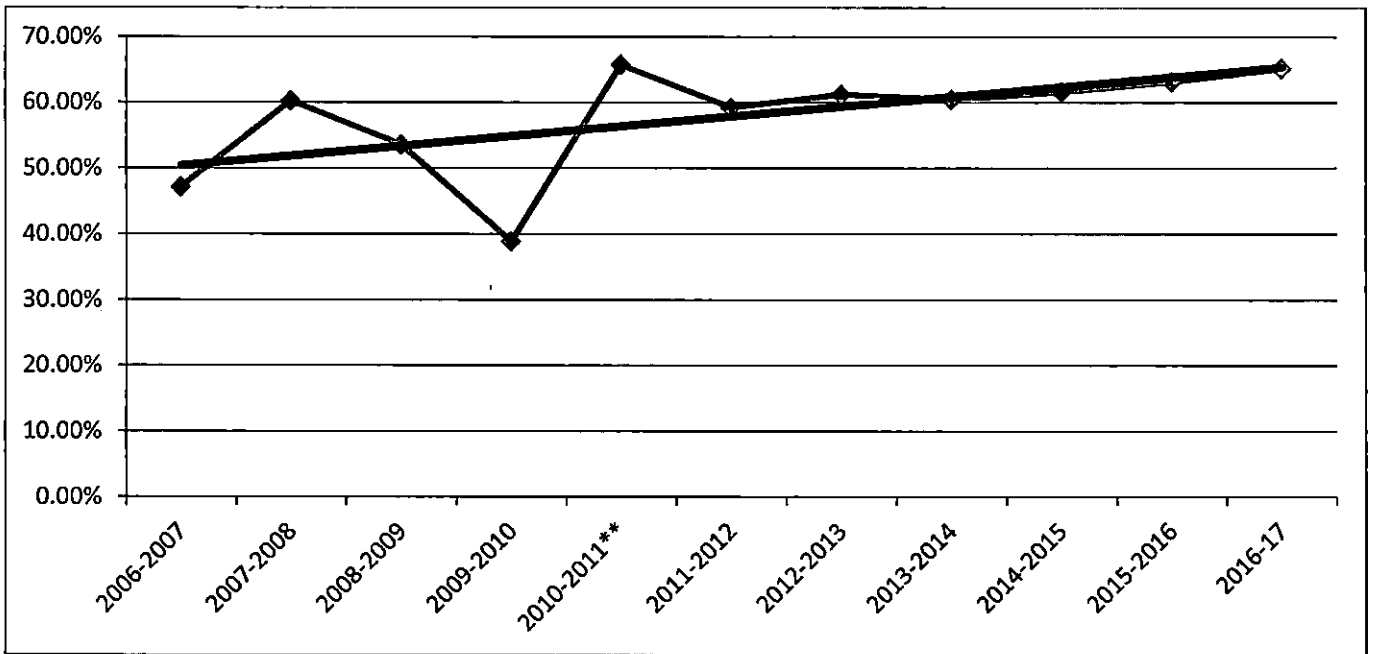
Annual Change from Prior Year in Per Pupil Funding



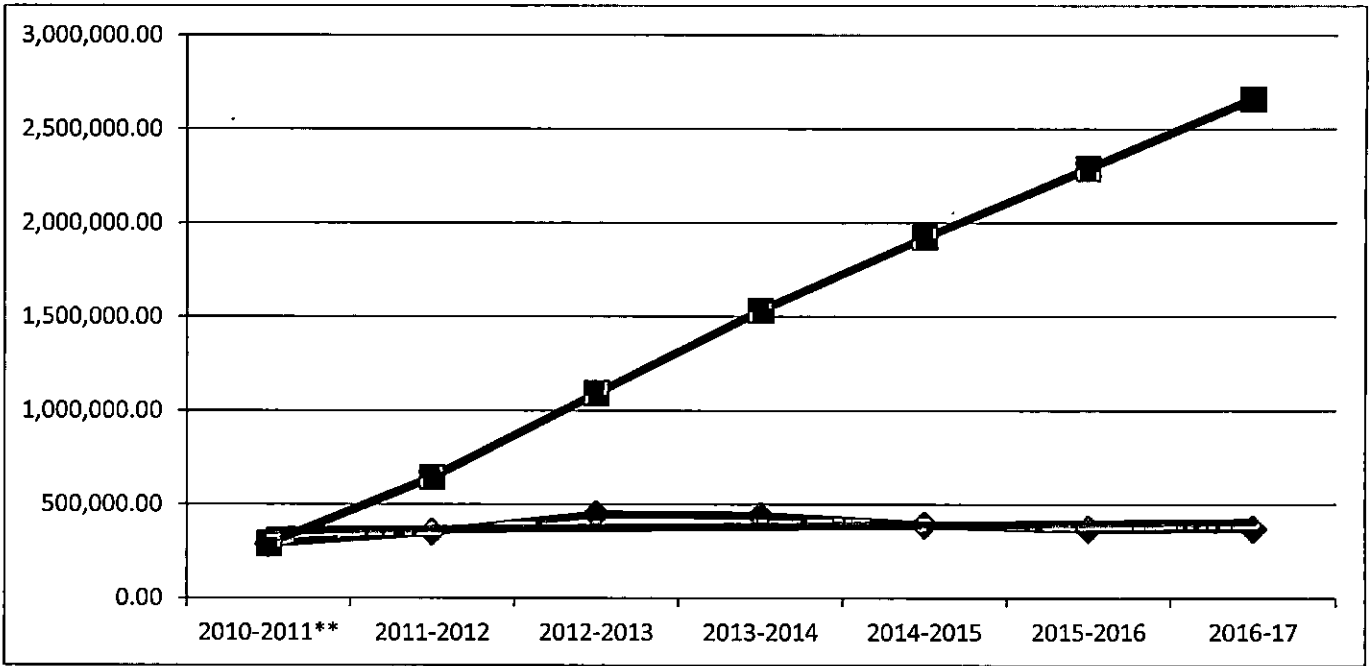
Annual Revenue from Local Property Tax



Number of At-Risk Students



Percent of Funded Pupil Count Identified as At-Risk



Annual Negative Factor and Cumulative Negative Factor Over Time

The Hanover School  
  
Excellence in Education

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**TRANSPORTATION RESOLUTION**

**RESOLUTION EXPRESSING THE IMMEDIATE NEED TO REPAIR ROADS AND TRANSPORTATION SYSTEMS TO HELP MAINTAIN SAFE ROADS TO ENSURE VEHICLES AND STUDENTS ARE SAFE WHILE BEING TRANSPORTED ON DISTRICT TRANSPORTATION VEHICLES**

**WHEREAS** District 28 vehicles are in poor condition due to increased wear and tear on our roads and bridges;

**WHEREAS** District 28's roads are consistently ranked among the county's worst;

**WHEREAS** there have been serious traffic accidents in District 28 that are linked, in part, to poor road conditions;

**WHEREAS** developing effective public transit options in District 28 is a necessary tool for attracting and retaining residents, workers, and businesses;

**WHEREAS** research shows that people across the nation are choosing communities that offer various modes of transportation, easy access to the places they live, work and play, and allow them to travel without having to expend high costs on vehicle maintenance; and

**WHEREAS** the District Budget for Maintenance and repair of vehicles is 37.2 percent of the total transportation budget and we risk a future fiscal crisis if we do not increase our investment in transportation by decreasing maintenance costs;

**WHEREAS** currently there are several main thoroughfares of District 28's roads that are ranked as being in extremely poor condition to include Milne Road, Indian Village Heights, and Boca Raton Heights;

**WHEREAS** these poor roads directly impact the safety, health and welfare of the majority of District 28 Students;

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Hanover School District #28  
17050 Peyton Highway  
Colorado Springs, CO 80928-9418  
(719) 683-2247 Fax (719) 683-3805

# The Hanover School

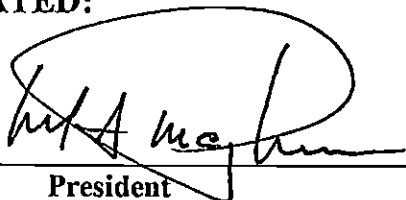
Excellence in Education

WHEREAS if properly funded the percentage of roadways in poor condition would greatly improve; and

WHEREAS bringing a road from poor to good pavement condition costs six times more than it does to bring a road from fair to good condition;

Now, therefore, be it resolved by the board of Education of Hanover School District no. 28, in the county of El Paso and State of Colorado that this Board urges Gov. Hickenlooper, The El Paso County Board of Commissioners, and District 28 legislators to make the necessary investments to District 28's transportation network to save taxpayer dollars, save lives and improve our economy.

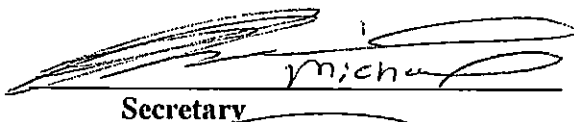
DATED:



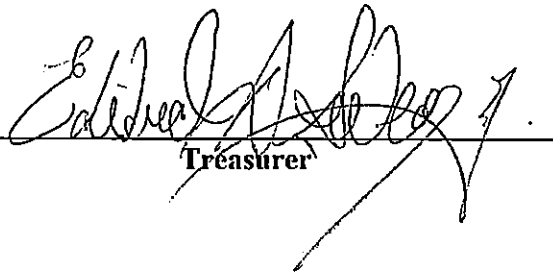
President



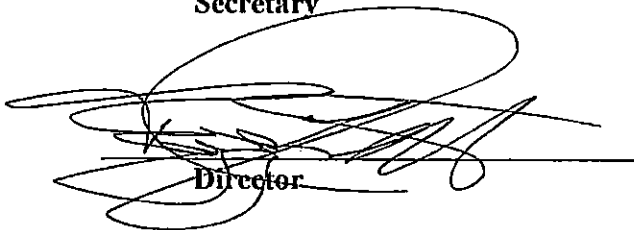
Vice President



Secretary



Treasurer



Director

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