

Colorado School Finance Project

School finance research since 1995.

DRAFT State of Colorado - Fiscal Health Analysis of School Districts DRAFT
 School Districts Missing Two or More Financial Benchmarks
 For the Three-Year Period ending June 30, 2013, 2012 and 2011

Source: Colorado Office of State Auditor, Colorado School Districts, Fiscal Health Analysis, July 2014 #1439S

"Although there are various explanations for the reasons these school districts are experiencing financial stress, they reported that they are rectifying the problems in similar ways. Most of the school districts have had to make cuts to their annual budgets through a combination of eliminating jobs and cutting back educational programs." pg. 33.

Chart 1	2013				2012 Indicators	2011 Indicators
	Reduction in State School Funding	Increases in cost of maintenance, repairs, construction	Reduction in Student Enrollment	2013 Indicators		
District (Bold = 2013 Indicators)						
Adams 12 Five Star				0	2	0
Agate 300	X		X	2	0	0
Akron R-1	X	X	X	2	1	0
Arickaree R-2		X		2	1	0
Arriba-Flagler C-20		X		2	0	0
Bethune R-5	X			2	2	0
Big Sandy	X	X		2	0	0
Campo RE-6	X			2	0	0
Elizabeth C-1	X			2	2	0
Hoehne Reorganized 3				1	1	2
Holyoke RE-1J	X	X		2	0	0
Jefferson County R-1				0	2	2
Karval RE-23	X		X	2	1	0
La Veta RE-2				0	0	2
Lamar RE-2	X	X		2	1	0
Liberty J-4	X	X		2	2	0
Lone Star 101	X	X		2	1	0
Monte Vista C-8	X		X	2	1	0
Montezuma-Cortez RE-1				0	2	0
Mountain Valley RE 1				0	0	2
North Park R-1				0	0	2
Park County RE-2				0	2	0
Pueblo County Rural 70	X			2	1	0
Silverton 1	X	X		3	1	0
Strasburg 31J	X	X		2	0	0
Trinidad 1				0	2	2
Valley RE-1				2	1	0
Walsh RE-1				1	2	0
Weldon Valley RE-20J	X	X		2	1	1
Wray RD-2		X		2	0	0
Districts with 2 or more Indicators				20	9	6

Chart 2 - Detail for District Cited Reasons for Financial Stress from Chart 1		
Item cited:	# Districts	District budget response:
Reduction in State School funding	16	Spending down of fund balance to maintain quality programming required by community and state, and to prevent drastic cuts which would have devastated student achievement.
Increase in cost of capital maintenance	12	Increasingly aging bus fleet (more maintenance costs), repair facilities needing immediate repairs. Responses: eliminate bus route, complete halt on facility repair, using fund balance for matching funds for BEST grants.
Reduction in Student Enrollment	4	Reductions in student enrollment along with the Negative Factor has compounded the fiscal stress on the districts.

Chart 3 - Number of School Districts Missing Benchmarks For the Three-Year Period Ending June 30, 2013, 2012, 2011			
Ratio	2013	2012	2011
Fiscal Health Ratio	0	0	0
Debt Burden Ratio	14	13	10
Operating Reserve Ratio	0	0	0
Operating Margin Ratio	64	34	10
Change in Fund Balance Ratio	19	10	5
Total Indicators	97	57	25
Total Districts with One or More Indicators	76	48	19

Some districts had indicators in more than one category.

"The **Operating Margin Ratio** is designed to identify growth or decline in school districts' operating margin or reserves. The trend identifies a decline over the three-year period, which could result from a reduction of the operating margin due to deliberate spending down of fund balance to supplement operations or planned capital project expenditures that used reserves established for that purpose. The operating margin ratio could also trigger when there is a reduction in state funding without a corresponding decrease in expenditures." pg 27.

[Link to Office of State Auditor Report:](#)

[http://www.leg.state.co.us/OSA/coauditor1.nsf/All/71EE2054CC0D4D6887257D1C0078EBFD/\\$FILE/1439S%20-%20School%20Fiscal%20Health%20-%20Informational%20Report.pdf](http://www.leg.state.co.us/OSA/coauditor1.nsf/All/71EE2054CC0D4D6887257D1C0078EBFD/$FILE/1439S%20-%20School%20Fiscal%20Health%20-%20Informational%20Report.pdf)