

# Funding FAQ

*Throughout Adams 12 Five Star Schools, we strive to engage and inspire students at every level. From teachers to nurses and accountants to bus drivers, we work together to prepare students to thrive in our rapidly changing world. But limited funding challenges our potential and hinders our mission. It doesn't have to be this way. With your support, we can make K-12 education — and our children — a priority in Colorado and continue to provide high-quality instruction in every classroom, every day.*

## How do schools receive money?

Public school districts receive the majority of funding from the State and from local property taxes, with a small amount from federal sources. Funding for districts is provided first by local sources of revenue (property and ownership taxes). The State covers the rest based on a per-pupil equation called the School Finance Formula. The formula starts with a base amount for each district and adds factors that reflect district characteristics and demographics, attempting to make adjustments for equity. Recent legislation has added a new factor called the Negative Factor, which allows legislators to reduce education funding to stabilize the state budget. The Negative Factor has severely reduced education funding for every district in Colorado.

## Isn't our economy growing?

Even though the economy is growing, several factors limit the amount of spending growth for education, the "Negative Factor" being one of them. The Governor's proposed budget for 2016-17 provides K-12 a one percent increase, which does not cover cost increases to health insurance, PERA contributions, competitive salaries, instructional upgrades and other expenses. While the state is not cutting K-12, we are getting a lower increase than normal which will not cover our normal rising costs.

## Doesn't the district have reserves?

Over the past six years, we have intentionally spent down one-time funds in our discretionary reserves to cover some of the pain from the Great Recession and the state's reduced funding. Like a personal savings account, those funds are now all used up.

## How has a lack of funding affected my school?

Since 2009, the Negative Factor has cut over \$250 million from our district. This year alone, the total is \$40 million, equaling \$959 per student. The lack of funding from the State will likely force the district to make \$10-15 million in operational cuts for 2016-17. Due to cuts, schools have not had the capital needed for building repairs, facility upgrades or innovative programming.

## Can't we cut administrative costs?

While 91 percent of the Five Star Schools' General Fund budget is spent on employee salaries and benefits, including teachers and principals, just 6.1 percent of salaries and benefits are assigned to administration positions. When compared to other districts along the Front Range, our administration costs rank among the lowest.

## What happens if we do nothing?

If state and local funding continues to decline for K-12 education in Colorado, the Five Star District may have to make further sacrifices by considering split schedules or boundary changes to address overcrowding; minimizing instructional time due to aging buildings and facility repairs; and decreasing educational innovation and programming through curriculum funding cuts or salary freezes for teachers, staff and administration.

**School funding is a challenge.  
We need your help.**



- Talk with your friends at soccer games and BBQs.
- Talk with your principal or PTO/PTA about these issues.
- Write the Board of Education or your state legislator.
- Confirm your voter registration address is up-to-date.