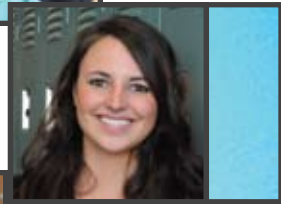
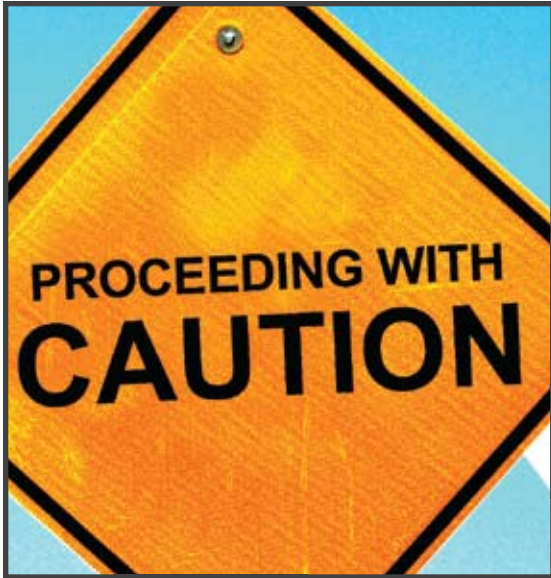


Dollars & Sense



2010/2011 Adopted Budget

September 2010

District Fund Summary

Thank you for your interest in the Jeffco Public School Budget. The 2010/2011 Budget engaged more than 3,000 participants, including citizens, parents, staff and community, incorporating their thinking and expectations regarding the allocation of district resources.

Due to significant challenges in balancing the state budget, Jeffco's funding remains uncertain. The adopted budget was developed to incorporate the School Finance Act, district reserves, reductions, Stimulus Funds, and compensation changes.

Quick Facts

Students served - 2010/2011: 84,933

Ethnic Distribution:

White73.51%
Spanish Origin.....19.33%
Asian or Pacific Islander3.93%
Black or African American1.97%
American Indian/Alaskan1.26%*

**From 2009/2010 School Year*

State funding per pupil—
2010/2011\$6,650*

**Includes anticipated state rescission.*

Number of Schools:

Elementary Schools94
Middle Schools.....19
High Schools17
Charter Schools14
Option Schools.....10

Staffing Overview:

The District employs more than 14,000 full and part-time employees.

Staff includes approximately 8,100 full time employees consisting of:

67.22%teacher & other licensed

26.18%support/other

6.60%administration/
professional &
technical

In addition, the District employs approximately 5,900 part-time employees.

District Fund Summary

	Adopted 2010/2011	% of Total
General Fund	\$661,771,200	68.3%
Capital Projects Fund	34,759,700	3.6%
Debt Service Fund	77,927,000	8.0%
Special Revenue Funds	71,794,600	7.4%
Enterprise Funds	42,512,200	4.4%
Internal Service Funds	40,829,300	4.2%
Charter Schools	40,000,000	4.1%
Total Adopted Budget	\$969,594,000	100%

As a governmental entity, the District must utilize fund accounting to track revenues and expenditures. Basically, dollars are put in separate funds, similar to buckets, to ensure monies are spent for their intended purpose. Following is a high level summary of the District Funds.

General Fund

This fund is used for the routine operations funded by property taxes and other general revenues. It is the most significant fund in relation to the district's overall operations. The General Fund is used to manage all resources that are not legally, or by sound financial management, required to be managed in another fund.

Capital Project Funds

This fund is authorized by Colorado School Law and is used to fund ongoing capital needs such as site acquisition, building construction, and equipment purchases.

Debt Service Fund

This fund manages the accumulation of resources for the payment of general long-term debt - principal, interest, and related costs.

Special Revenue Funds

Special Revenue Funds account for revenues that are legally restricted to expenditures for particular purposes.

Enterprise Funds

Enterprise Funds are used to manage operations financed in a manner similar to a private business, i.e., where the costs of providing goods or services on a continuing basis are recovered primarily by user charges and fees.

Internal Services Funds

These funds are used to manage the cost of goods or services provided by the Internal Service Fund departments to other departments and schools on a cost-reimbursement basis.

Adopted Operating Budget with Mandatory Transfers

Revenue	
Property Tax	\$266,171,000
State Revenue.....	\$318,085,000
Specific Ownership Tax.....	\$25,000,000
Investment Earnings.....	\$2,000,000
Tuition, Fees, Other.....	\$13,666,000
Total Revenue.....	\$624,922,000
Expenditures	
Schools:	
Elementary Schools	\$184,167,500
Middle Schools	\$52,598,700
High Schools	\$118,790,300
Districtwide Schools	\$27,598,300
Diverse Learners	\$76,235,800
Student Transportation.....	\$21,703,600
Custodial Services.....	\$27,243,900
Telecom, Network and Utilities	\$21,095,000
Other School Programs.....	\$6,707,700
Total Schools	\$536,140,800
School Support.....	\$64,096,300
Administration & Support	\$24,522,500
Total General Fund Operating	\$624,759,600
Transfers to Other Funds.....	\$37,011,600*
Total Expenditures & Transfers...	\$661,771,200

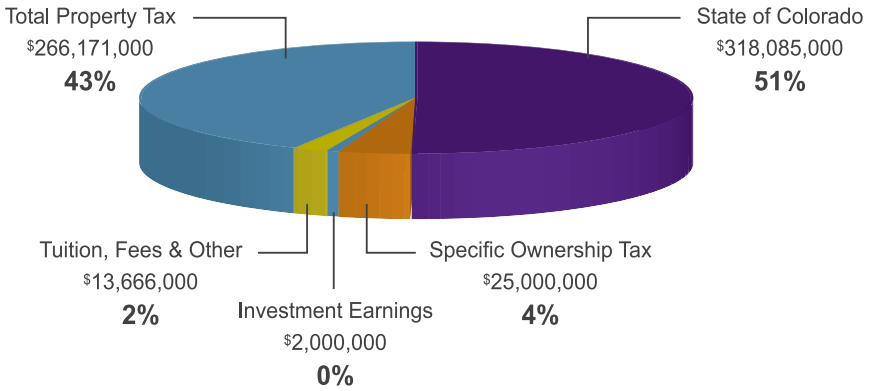
**Includes Capital, Preschool and Insurance/Risk Management*

General Fund

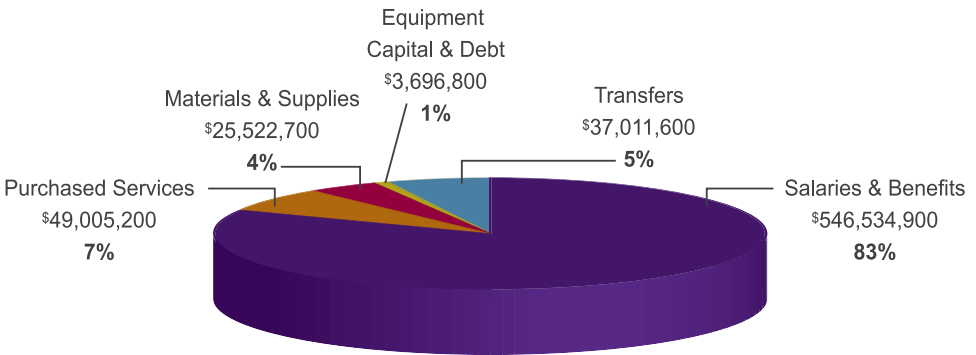
Revenues & Expenditures

The General Fund reflects general operations of the District. The majority of expenditures are spent on compensation for teachers in the classroom.

Where the \$'s come from



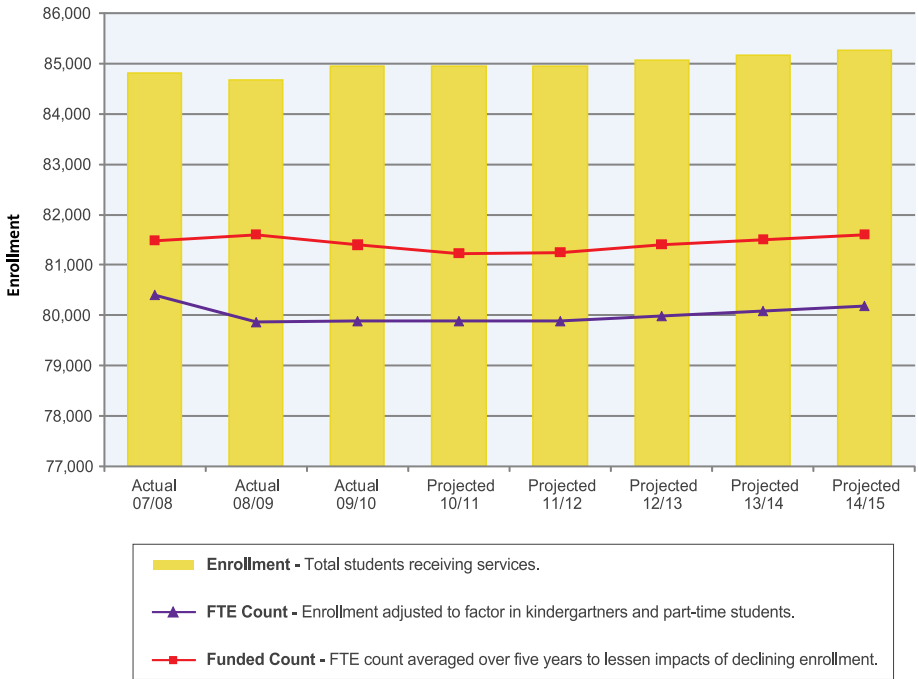
Where the \$'s go



Budget Driver - Enrollment

School districts receive funding based on a per pupil structure. There are many factors that affect funding from the State such as inflation and state budget concerns, but student enrollment is the largest funding factor that is used as an input from the District. Our official October student count is the basis for our annual funding calculation. Jeffco has been challenged by declining enrollment for the past ten years. Fewer students means less funding. While some of the operating costs go down with fewer students, the fixed costs remain the same. Schools still need a principal, transportation, utilities, maintenance, and insurance.

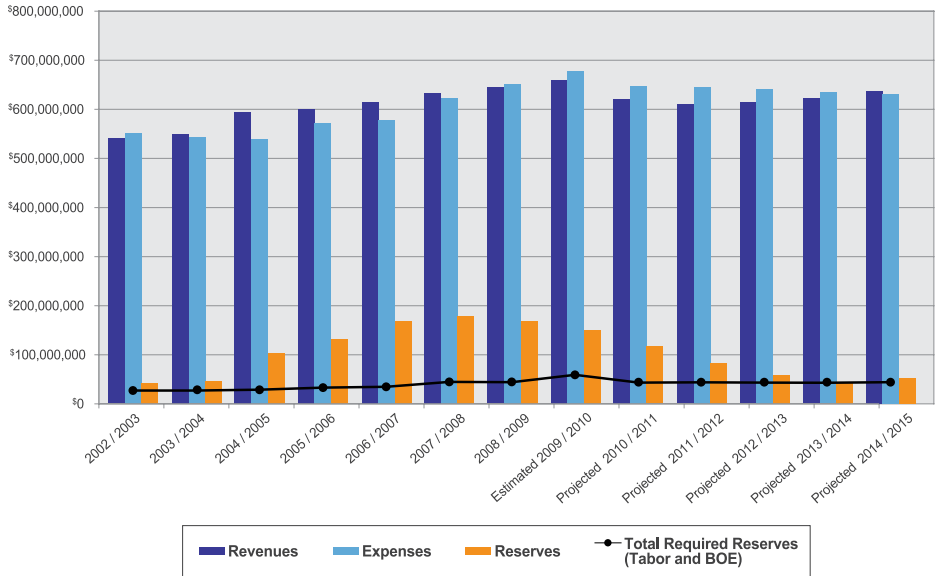
Projected Student Enrollment One-Day Count



“The District’s student enrollment has been declining since the 2000/2001 school year.”

Jeffco Public Schools Revenue, Expenditures, and Reserves Without Future Budget Restrictions

Jeffco Public Schools has intentionally built up reserves and there is a plan for strategically spending down reserves over the next three years. Reserves are one-time funds that should not be committed for (spent on) on-going costs. Without reserves, the district would likely be implementing more than \$50.0 M of reductions in 2010/2011.



Reserve levels are mandated by Board of Education policies and state statute (TABOR), but the reality is, we all need to maintain some level of reserves. It is the financially responsible thing to do.



Budgeting for Results

Budgeting for Results is a unique budgeting process that ties the goals of the district's Strategic Plan to available resources through the approval of submitted proposals.

The 2010/2011 budget development process was focused on the balancing of resources and the prioritization of necessary reductions. There were no funds or resources utilized to engage in the Budgeting for Results process for the 2010/2011 Budget. Any new initiative and/or ongoing implementation of new programs were managed with appropriated funds and savings within existing programs. As programs are reviewed in the development of future budgets, the principles of Budgeting for Results will be incorporated.

American Recovery & Reinvestment Act (ARRA)

The American Recovery and Reinvestment Act of 2009, ARRA, is an economic stimulus package enacted by the 111th United States Congress in February 2009. The Act of Congress was intended to provide a stimulus to the U.S. economy in the wake of the economic downturn. Jeffco Schools received \$26.0M in grant money from ARRA at the beginning of the 2009/2010 school year. These grants are to be spent over two years – 2009/2010 through 2010/2011.

Jeffco Schools received these funds in school year 2009/2010. The funds are one-time money that will not continue after the 2010/2011 school year. By the end of 2009/2010, Jeffco Schools had spent almost 46 percent of the two-year grant award amounts. The stimulus funds are earmarked and most of the money must be spent on services for individuals with disabilities (IDEA Part B & Preschool) and services to improve the academic achievement of the disadvantaged (Title I-A). As legislated, Jeffco Schools will use these funds to save jobs, improve student achievement, improve teacher effectiveness, and to provide intensive support and interventions to our lowest performing schools.

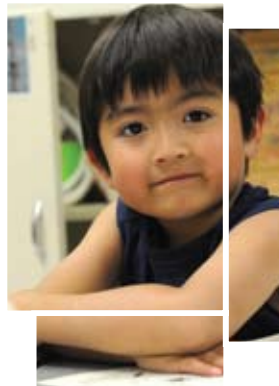


ARRA Stimulus Grant Name	2010/2011 Budget
IDEA - Part B & Preschool	\$9,220,000
Title I - A Improving the Academic Achievement of the Disadvantaged	\$4,260,000
Title I - D Delinquent Institutions	\$40,000
Title II - D Technology	\$180,000
McKinney-Vento - Services to Homeless	\$50,000
Alternative Compensation Design for Teachers	\$390,000
Total	\$14,140,000

EduJobs

On August 10, 2010, the federal government passed the Edujobs Bill which should result in approximately \$15.7M in additional funding for Jeffco over the 2010/2011 and 2011/2012 school years. Funding is to specifically save school based staffing. At the time of publication, decisions around this funding were not final and funds had not been appropriated. Edujobs funding is not reflected in this document.

“These funds are one-time money that will not continue after the 2010/2011 school year.”



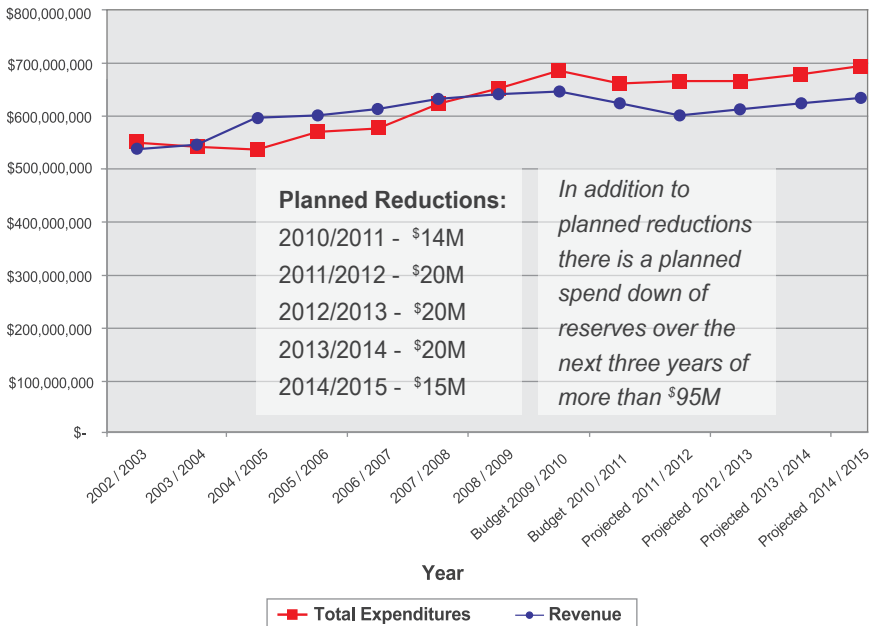
Budget Reductions

The 2010/2011 Adopted Budget includes \$13.8M in reductions which incorporates 136.1 fewer FTEs. Fortunately, the majority of the reductions in FTEs can be managed via attrition, including 67.6 teachers. To accommodate the necessary reductions, the District has chosen to eliminate the \$10K that had been distributed to each school to be used for Workload Relief, reduce one secretary at each high school, reduce assistant principals at all levels by 11.5 FTE, and reduce paraprofessional hours at the secondary level. Transportation will be eliminating bus routes and adjusting school start times to contribute to its share of required reductions. Other cutbacks in central departments will be accommodated through service level reductions, departmental restructuring, and redistribution of workloads.

Revenue Projections vs Expenditure Projections

Jeffco Public Schools

Total Expenditures and Revenue Without Future Budget Reductions



Even with planned reductions, Jeffco will be spending down reserves by more than \$95M over the next three years. Legislated funding changes could further negatively impact the budget.

Salary, Benefits & Compensation

Jeffco is a labor intensive organization. Compensation accounts for more than 86% (all funds) of Jeffco expenditures.

A few facts about salary, benefits and compensation . . .

- Salary and benefit approximate costs for the 2010/2011 School Year = \$546.5M
- A 1% COLA (Cost of Living Adjustment) costs approximately \$5.0M Districtwide
- A 1% COLA equates to the salary and benefits of approximately 76 teachers.
- Because of anticipated budget reductions, no annual increases or COLA are planned for the next several years.

Budget Development Process & Budget Outlook

Note: The 2011/2012 budget development process will begin in October. There will be many challenges which include uncertainties at the state level and legislative actions which won't be finalized until May 2011.

The District is planning for at least \$20M in reductions next year and over \$75M in reductions over the next 4 years.



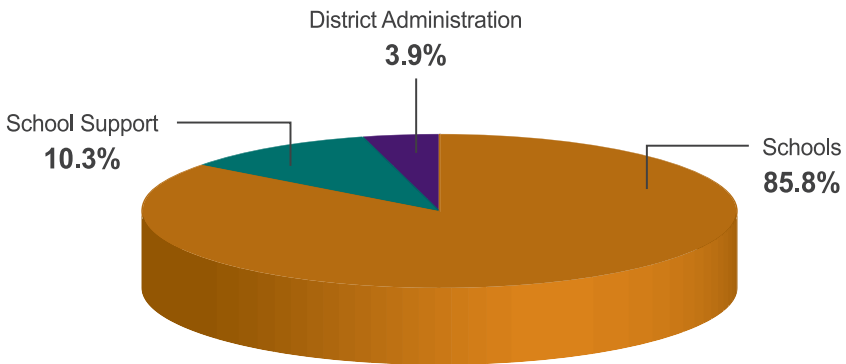
What Does the Budget Buy?

Over the 175 day school year, it costs Jeffco Public Schools about \$44 per day to educate each of the 84,933 students and operate the District with the \$661.7 million General Fund budget – less than taking a family to the movies.

For the \$44 a day, Jeffco Public Schools provides each student:

- ✓ Highly skilled and trained teachers that make a difference in students' lives
- ✓ Specialized learning services for students with special needs
- ✓ Access to library resources and technology
- ✓ Guidance, counseling and other support services
- ✓ Materials such as textbooks and equipment
- ✓ Transportation to and from school
- ✓ Extracurricular activities
- ✓ Choices for learning environments
- ✓ Clean and well maintained facilities

Operating Funds - 2010/2011 Budget



For every \$1 the District spends:

- 86¢ is spent at schools
- 10¢ is spent in direct support of schools
- 4¢ is spent on districtwide administration and support

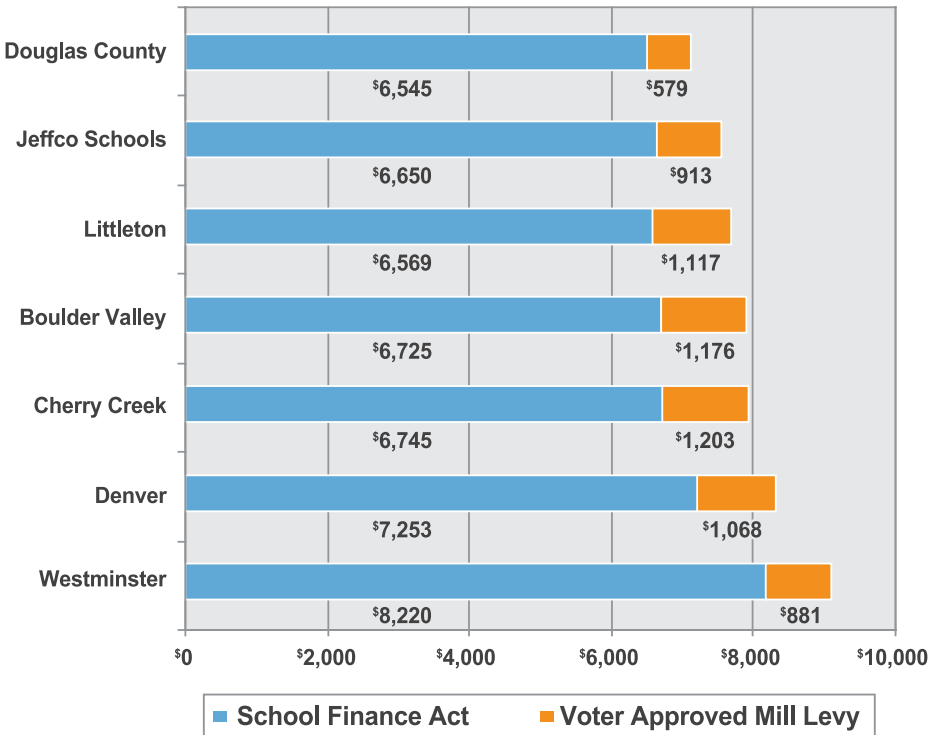
What Does the Budget Buy?

Kids & Classrooms, Maintenance and Operations and Administration

	Schools	School Support	Districtwide Administration & Support
Kids & Classrooms	<p>Teachers</p> <p>Class Size Relief</p> <p>Diverse Learners: Gifted & Talented, Health Services, Special Education, Native American, ESL</p> <p>Supplies and Materials</p>	<p>Athletics & Activities</p> <p>Department of Learning & Educational Achievement</p> <p>Special Student Services: Summer School Post Secondary Outreach</p>	
Maintenance & Operations	<p>Student Transportation</p> <p>Custodial Services</p> <p>Telecom, Network & Utilities</p>	<p>Field Services & Property Management</p>	
Administration	<p>Principals</p> <p>Assistant Principals</p>	<p>Community Superintendents</p>	<p>Board of Education</p> <p>Districtwide Leadership: Superintendent, Communications, Chief Academic & Operating Officers</p> <p>Business Services</p> <p>Human Resources</p>
Percentage	86%	10%	4%

2010/2011 Per Pupil Funding by District Comparison - July 2010

Jeffco receives \$758 per pupil less than Denver Public Schools to educate the students of Jeffco. At the national level, Colorado invests almost \$1400 less in K-12 per pupil funding than the national average.



This comparison includes School Finance Act and voter approved additional funding.





Keeping A Watchful Eye . . .

Board of Education

Dave Thomas President

Jane Barnes First Vice President

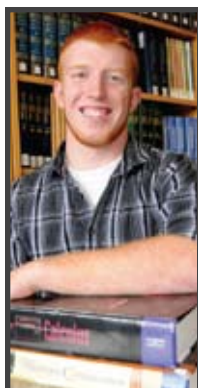
Laura Boggs Second Vice President

Paula Noonan Treasurer

Robin Johnson Secretary

Cynthia Stevenson Superintendent

**More detailed budget information is available by calling
303-982-6843**



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