

Ridgway School District R-2

Factual Summary Regarding Issues 4A and 4B

How are school districts funded in Colorado?

The State sets a per-pupil funding amount each year. This amount is then modified for each school district based on the number of students, cost of living in the district, number of students receiving free and reduced lunch, and the negative factor. This district-specific, per-pupil amount is then multiplied by the number of students. The resulting number is referred to as a district's "program funding." Funds received by a school district from property taxes are subtracted from the program funding amount. The State then backfills or "equalizes" the difference between the District's total program amount and the amount received from local property taxes.

What is the negative factor?

The negative factor, also referred to as the "budget stabilization" factor, was first imposed in 2007. At that time, State revenues were insufficient to fund all state obligations with a balanced budget, as required by law. The State decided to set each school district's "program funding" and then reduce the funding by a certain percent. Application of this "budget stabilization" has continued since 2007 with the percent of reduction determined by the State on an annual basis. Ridgway R-2's total reduction over the past 12 years has been in excess of \$5 million

Why is Ridgway School District R-2 placing two funding proposals on this fall's ballot?

Ridgway School District (RSD) seeks to address its highest priority operating and capital facility needs by placing both a mill levy override (MLO) and bond measure on the November 2021 ballot.

What is the difference between an MLO and a bond issue?

A voter-approved MLO provides additional operating monies above and beyond State program funding, typically for instructional programs as well as attracting, training and retaining teachers and staff. Voter-approved bond measures, on the other hand, are often used to fund capital facility improvements.

What would Issue 4A (the mill levy override) fund?

Issue 4A would address the following operating needs:

- Attracting, training and retaining quality teachers and staff
- Preserving small class sizes and quality programming
- Expanding college and career readiness programming, including courses that provide college credit
- Improving access to mental health services
- Maintaining school facilities to extend their useful life and provide a healthy and safe learning environment

Are there numerous unfilled teaching position statewide?

Yes. A recent survey conducted by the Colorado School Finance Project revealed that school districts statewide are struggling to attract and retain teachers and paraprofessionals. In fact, of the 104 school districts that participated in the survey, there were 473 unfilled teacher and paraprofessional positions identified. In fact, some districts had as many as 30 unfilled positions.

Do other school districts fund their operating needs with an MLO?

More than 100 of Colorado's 177 school districts have voter-approved MLOs in place.

What is the estimated tax impact of the proposed MLO?

The MLO would provide a fixed amount of \$594,000 annually, with an estimated tax impact of approximately \$2.75 per month, or about \$33 per year, per \$100,000 of a home's actual (market) value as determined by the County Assessor. This is based on an increase of 4.67 mills.

How long would taxpayers pay for the MLO?

The MLO has a 10-year sunset. If voters did not renew the mill levy it would end in 2031.

Will the proposed MLO extend an existing mill levy to address ongoing maintenance?

Yes. Besides providing additional funding to protect and enhance instruction, programming and student support services, the proposed MLO would also extend an existing mill levy that provides \$165,000 annually for ongoing maintenance of both the elementary and secondary school facilities.

What would Issue 4B (the bond measure) fund?

RSD seeks to address capital facility improvements in large part at the Ridgway Elementary School—in particular, renovations to the 1972 portion of the building—and to a lesser degree at Ridgway Secondary School.

Would the current tax rate increase with the passage of Issue 4B?

No. The current tax rate will not need to be increased in order to meet the bond repayment obligations if Issue 4B passes, because the District has outstanding debt that will be paid off at the end of this year. The ballot question mentions debt being increased. However, given that debt is being retired the current tax rate will not change.

Has the District been awarded a state grant to help fund building improvements?

Yes. RSD has been awarded a state-sponsored Building Excellent Schools Today (BEST) grant. The BEST grant would fund about 43% of the cost of the proposed renovations to Ridgway Elementary School, or about \$7.66 million. The BEST grant would not need to be repaid.

Does the BEST grant require that RSD provide matching funds?

Yes. A \$10.16 million match is required. The match represents a majority of the proposed bond measure.

What improvements to Ridgway Elementary School would Issue 4B fund?

The voter-approved bond measure and BEST grant would fund the following improvements to RES:

- Asbestos abatement where present in the building
- Replacing outdated roof, boiler, air distribution, electrical and other mechanical systems
- Improving accessibility by addressing Americans with Disabilities Act (ADA) code issues
- Addressing energy efficiency through window replacement and other improvements
- Enhancing safety and security by constructing a new bus drop off, installing a new fire alarm and sprinkler system, and creating a more secure front entry
- Instructional space improvements

Is the older portion of the Elementary School building where most of the facility needs have been identified?

Yes. Most of the facility needs are tied to the portion of the building constructed almost 50 years ago.

Has the District properly maintained the Elementary School building?

RES has received excellent care and maintenance. However, most of the building systems are well beyond their expected service life and need to be repaired or replaced.

What improvements to Ridgway Secondary School would Issue 4B fund?

The voter-approved bond measure would fund the following improvements to RSS:

- Replacing outdated roofing
- Auditorium improvements
- Renewable energy upgrades

Would marijuana tax revenues help fund any of the proposed improvements?

A portion of the excise tax revenue collected from marijuana sales goes to the BEST grant program. The state marijuana tax does not fund district operational expenses such as teacher salaries or student programs.

Is federal funding helping address any of the District's needs?

The District has received \$390,000 in Elementary & Secondary Education Emergency Relief (ESSER) since spring 2019. These federal grant funds helped fund the district nurse salary, part-time mental health support, a paraprofessional and summer school. Some funds were used for safety fences and supplies to improve outdoor learning capacity as well as for addressing health and safety ventilation needs with both MERV 13 and HEPA air filters. ESSER I, II & III are one-time federal grants and not renewable funding

sources. With the exception of these funds, the District receives less funding than federal mandates cost.

To what extent does the recent increase in home values benefit the District’s funding?

Even though property values are increasing, the state funding formula would not increase the District’s “program funding.”

What oversight would be in place?

All spending from a voter-approved bond measure would be publicly disclosed and project updates would be presented at community informational meetings as well as on the District’s website. By law, voter-approved increases in tax revenues can only be used for items listed in the ballot question.

Has Ridgway R-2 properly used the funds that it currently receives?

Ridgway R-2 has worked hard to deliver a quality education for all Ridgway R-2 students despite significant funding challenges. As a result of its fiscal responsibility, the District’s credit rating from Moody’s Investors Service, Inc. was recently upgraded three notches from A2 to Aa2.

Following is a sampling of some of the District’s successes:

- Recognized by the State as a district of “Distinction” for the past decade
- Each RSD school is a recipient of the John Irwin Award for exceptional academic achievement
- The District exceeds expectations for postsecondary and workforce readiness
- Strong commitment to project-based, hands-on experiential learning
- Student leaders on Town Council, School Board and Community That Cares
- Many extracurricular successes in robotics, Mad Lab science, Battle of Books and other programs
- Two decades of state and national speech finalists
- 2019 Boys High School Soccer State Champions
- Strong internship program in partnership with our community
- K-12 Integrated Field Trip Programs
- RSD successfully maintained in-person learning throughout the 2020-21 school year

Who gets to vote on Issues 4A and 4B?

All registered voters who reside within Ridgway School District R-2 get to vote on the two ballot measures.

When is the election and will voters receive a mail ballot?

Election Day is Tuesday, November 2, 2021. All registered voters within the District will receive a mail ballot, which could be mailed as soon as October 8, 2021.

See Table on Page 4 regarding arguments in favor of and against Issue 4A and 4B.

What are some of the arguments in favor of and against Issue 4A and 4B?

Arguments in Favor of Issue 4A	Arguments Against Issue 4A
<p>With the rising costs of living, especially housing, attracting and retaining quality teachers and staff is increasingly difficult. Passage of Issue 4A helps address this challenge.</p>	<p>Issue 4A will result in a tax increase during a period when Ridgway is experiencing an increase in the cost of living.</p>
<p>Maintaining small class sizes allows students to receive more tailored instruction. It's an important reason why Ridgway students continue to excel.</p>	<p>The District is trying to do too much. It should focus strictly on the elementary school building improvements.</p>
<p>Issue 4A expands college and career readiness programming, including opportunities to earn college credit and technical training. This is an important financial benefit for many students and families.</p>	<p>Ridgway R-2 needs to manage its operational expenses within current state funding.</p>

What are some of the arguments in favor of and against issue 4B?

Arguments in Favor of Issue 4B	Arguments Against Issue 4B
<p>Issue 4B must pass in order for the District to contribute the matching funds needed to secure a \$7.6 million state BEST grant that will fund 43% of the improvements to the Ridgway Elementary School and it does NOT need to be repaid.</p>	<p>While the \$7.6 million BEST grant does not need to be repaid, it does require the District to provide matching funds of \$10.16 million, which will have to be repaid through property taxes.</p>
<p>Passage of Issue 4B will NOT require increasing the current tax rate.</p>	<p>The District should focus solely on operating needs rather than trying to address building improvements at this time.</p>
<p>The improvements, such as abating asbestos and replacing outdated mechanical systems, are reasonable and will reduce costly emergency repairs, extend the useful life of existing facilities, create a safer and healthier learning environment, reduce energy costs and save taxpayer dollars.</p>	<p>The proposed improvements to Ridgway Elementary School should have been done in phases rather than trying to address everything at once.</p>