



6500 East Arapahoe Road, P.O. Box 9011
Boulder, Colorado 80301
720-561-5062

Surplus Funds Allocation Process

Background

Cash basis budget projections for the Bond Program at this time show \$6.7 million in unallocated funds (attached). These funds are the result of interest earned on investments and premiums earned on the sale of the bonds. The district is approximately half way through the implementation of the program, and it is an appropriate time to develop a process for distributing excess funds. Some of this money has been or will be allocated as follows:

Projected unallocated funds as of 7/09	\$6,765,945
Replenish program reserve – ph. 3	<\$2,500,000>
<u>Augment Columbine budget</u>	<u><\$2,000,000></u> (approved by CBOC 4/22/09, pending BOE approval)
Projected unallocated funds	\$2,265,945

Research

To help inform the development of this process, staff investigated what other school districts do in this situation. Information was gathered from Adams 12 Five Star Schools, Douglas County Schools, Brighton School District and Jeffco Public Schools. This information is attached. In general, the processes used by these districts are based on a combination of previously identified needs and staff discretion. In past Bonds, BVSD has used excess funds to address safety and security needs.

The Citizens' Bond Oversight Committee discussed the proposed process at three different meetings. The proposed process presented to the Board reflects ideas and input from the committee. The committee approved the proposed process at a special meeting with a 12-1 vote.

If the process is approved by the Board, the CBOC governing guidelines will be amended with the following additional responsibility:

- Review and recommend to the Superintendent and the Board of Education proposed expenditures for surplus bond funds.

Proposed Process

Since the emphasis of the Educational Facilities Master Plan was to help schools meet programmatic needs, staff feels it is appropriate to prioritize the allocation of surplus funds in the same way. Staff recommends the following criteria in order of priority for allocating surplus funds:

- Changes in scope (and budget) that are necessitated by changes in enrollment and/or school programmatic needs
- Apply funds toward the community values as referenced in the original (\$459 M) Educational Facilities Master Plan (health/environment, life-safety, code issues), utilizing the following criteria:

- Was the need identified in the original (\$459 M) Educational Facility Master Plan?
 - If yes, what caused the priority to escalate?
 - If no, if it had been identified, what priority would have been assessed?
- Is it a life safety issue?
- Is it a code issue?
- Will the condition last until the next bond?
- Is the work requested to mitigate maintenance costs?

Potential projects may be identified by Bond/District staff. Bond staff will apply the criteria, prioritize and will bring candidates to CBOC and the Board. A minimum of \$500,000 will be held in reserve until January 2011. All schools, even those whose projects already have been completed, will be eligible to receive funding.