NAVIGATING THE BUDGET

Fiscal Year 2022-2023
We Are Harrison!

Harrison School District Two (HSD2) has been committed to its students' success since its establishment over a century ago. We pride ourselves in being the second oldest district in El Paso County.

The mission of HSD2 is to graduate college and career-ready students with the knowledge, skills, attitudes and behaviors to personally succeed and contribute to the common good.

We will be successful as a district by ensuring our core beliefs are at the center of everything we do. Our core beliefs include:

- All Students are Capable of Excellence
- Our Purpose is to Maximize Student Success
- The Well-Being of our Students, Staff, Families and Community is Worthy of our Investment
Harrison School District Two is a diverse community which provides strength and direction for the future. Acknowledging this, HSD2 has developed a three year strategic plan to move the District forward.
Harrison School District Two created a plan to ensure all students have access to high-quality schools and learning experiences preparing them for their futures. To meet this goal, the focus was put on three District priorities: the 3 Cs - classroom, culture and community. HSD2 will ensure academic and social excellence for all students with a well-trained staff equipped with resources and supported through collaboration. These priorities will maintain a collaborative and transparent culture that values all stakeholders while developing leaders and demonstrating pride in Harrison School District Two.

**Priority 1: Classroom**

We are committed to meeting the academic and social-emotional needs of all students while providing equitable opportunities through:

- Ensuring our Pre-K through post-secondary curriculums focus on standards-based instruction
- Engaging students using research-based instructional strategies
- Addressing individual academic and social-emotional needs of all students

**Priority 2: Culture**

We are committed to a collaborative environment of trust, integrity and transparency through:

- Creating systems of accountability
- Establishing high expectations
- Ensuring equity for all

**Priority 3: Community**

We are committed to developing and sustaining a community through:

- Communicating transparently and frequently
- Nurturing and sustaining school and District partnerships
- Facilitating community outreach and advocacy
Navigating the Budget

To help provide a better understanding of the Harrison School District Two budget and what is required to educate a diverse student population, we have developed this Navigating the Budget guide to provide an overview of Colorado school finance and financial information specific to our District in a clear and concise manner.

This guide is broken down into four sections: where the money comes from, where the money goes, what money is left over and a funds overview. While the process is complex, we hope after reading this guide you will have a better understanding of where our funding comes from and how Harrison utilizes its resources to educate students.
Harrison District Two Schools:

- Nine Elementary Schools
- Four K-8 Schools
- One K-8 On-line School
- Two Middle Schools
- Two High Schools
- One Career Readiness Academy
- Nine Charter Schools
- One Homeschool Academy

QUICK FACTS

STUDENT DEMOGRAPHICS

50.95%
Hispanic

26.12%
White

11.38%
Black

7.99%
Two or more races

2.27%
Asian

0.65%
Native Hawaiian/Pacific Islander

0.65%
American Indian/Alaskan National

PROGRAMS

Advanced Placement
AFJROTC
Athletics and Activities
AVID
Career Readiness Academy
Concurrent Enrollment
Dakota Promise
English Language Learners
Gifted Education
International Baccalaureate
Preschool and Childcare
Special Education
BUDGET PROCESS CALENDAR

**July**
- Beginning of fiscal year

**September**
- Finance Department begins discussion on budget for upcoming fiscal year
- Third quarter state economic update

**November**
- Pupil count due to Colorado Department of Education
- Preliminary work on upcoming fiscal year

**January**
- Update multi-year projections based on new assumptions, including enrollment and Capital Projects
- Revised budget presented to Board of Education

**February and March**
- Pupil count projections and school allocations released
- First quarter state economic update
- Inflation rate for K-12 School Total Program Funding
- School and Department budgets complete

**April**
- Operations to determine allocation resources for schools
- Budget update to Board of Education

**May**
- Proposed budget for upcoming fiscal year presented to Board of Education

**August**
- Receive preliminary county property assessment certification

**October**
- Official pupil membership count commences

**December**
- Mill levy certification for property tax
- Fourth quarter state economic update

**June**
- Public budget hearing (at Board of Education meeting)
- Adoption of the financial plan and budget
- Second quarter state economic update
Guiding Principles

Multi-Step Process Informs Budget Decisions

The District follows a multi-step budget development process that involves receiving input on values and priorities from staff, parents and community members. District leadership then prepares a budget plan that balances the priorities of the community with federal, state and local regulations; desired academic outcomes; student safety and fiscal responsibility. There are many guiding principles considered throughout the budget process:

**Academic Outcomes**

- Allocate resources in a manner that best positions the District to achieve desired outcomes which include improving the graduation rate and student performance on state assessments and decreasing the achievement and graduation rate gap between student populations.
- Focus dollars on funding classroom instruction, including professional development and ensuring central administration is well-positioned to support and serve schools.
- Invest in promising opportunities that increase educational opportunities for students and advance the District’s desired outcomes.
- Remain committed to the District’s strategic plan and provide funding for strategies, programs and functions that meet or exceed the goals of the plan.
- Maintain a competitive salary and benefit level in order to attract and retain highly qualified staff.

**Safety**

- Protect students from undue harm by investing in vehicle maintenance and repairs, equipment and facility maintenance and repairs to provide student supervision and school campus oversight.

**Federal, State and Local Mandates**

- Protect education service levels by containing the costs of programs mandated but underfunded by the federal and state governments, such as programs for students in special education and services to students that qualify for free and reduced lunch.
- Ensure revenues generated from local mill levy overrides are spent for the purposes described in the respective ballot questions.
- Ensure budget decisions are consistent with Board of Education policies and procedures.
- Maintain General Fund fund balance requirements as determined by The Taxpayer’s Bill of Rights (TABOR) and by the Board of Education.

**Fiscal Responsibility**

- Identify and prioritize opportunities to improve operational efficiency.
- Develop a current year budget that is based on a multi-year plan which includes projecting for the cost of programs to be incurred in future years.

**Community Values/Priorities**

- Seek input and guidance from the District community on priorities and opportunities for investment.
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Sources: Where the Money Comes From
Compared to surrounding school districts, Harrison School District Two ranks fourth highest in regards to the assessed value of residential and commercial properties for Fiscal Year 2022-2023.

To estimate the portion of your property tax bill that goes towards the school district, use the following formula:

\[
\text{School Property Tax} = \frac{\text{Residential Assessed Value} \times \text{Assessment Rate}}{1,000}
\]
Harrison School District Two’s Adopted Budget consists of State, Local and Federal revenues totaling $198,333,826 for Fiscal Year 2022-2023

**Federal**

The federal government contributes a limited amount of funding to local school districts. Most federal revenue is distributed through the Every Student Succeeds Act (ESSA) to provide extra support for low-income children and through the Individuals with Disabilities Education Act (IDEA) that provides support so children with disabilities have the opportunity to receive a Free Appropriate Public Education (FAPE). This funding can only be used for specific purposes and districts have limited flexibility with how it can be spent. Most of the funds are used for salaries and benefits for additional reading and math instruction and teacher professional development targeted to support the needs of disadvantaged children.

**State**

The funding the District receives is based on the Total Program Funding formula outlined in the Colorado School Finance Act of 1994. The formula is used to determine the funding level for providing an equitable educational experience in each of Colorado’s 178 school districts. Funding for the District Total Program is provided first by local sources of revenue (property and specific ownership taxes).

In addition to the Total Program Funding, and in accordance with state and federal laws, the state of Colorado partially reimburses school districts for a portion of expenses paid for specific programs designed to serve particular groups of students or particular student needs. These “categorical” programs include funding for vocational education, special education, English learners, reading intervention, transportation and gifted education.

**Local**

The majority of local funding comes from property and specific ownership (vehicle registration) taxes. Every homeowner and business owner (except for government, charitable and religious institutions) in Colorado pays property taxes for schools, along with taxes for other public services. Colorado law also allows local school districts to ask voters to approve additional funding through local tax increases called mill levy overrides.
General Fund

The General Fund is comprised mostly from state and local tax revenue and a little from federal and other sources.

Funding formula outlines allocation for providing equitable education

The Colorado School Finance Act of 1994 aims to ensure all children in the state receive an equitable educational experience. This Act outlines the Total Program Funding formula used to determine a per-pupil funding level for each school district.

Total Program Funding includes a base amount, which is the same for all school districts, plus additional amounts called factors. Factors vary by district and compensate for financial differences among districts, such as cost-of-living, size of the district, at-risk student population and personnel costs. Starting in 2009, in order to make across-the-board cuts from all districts, the legislature added a “Budget Stabilization” or “Negative Factor” to the School Finance Act formula. The statewide base can change from year to year based on the state’s economic condition, obligations and other factors. The statewide base is determined for each upcoming school year by the Colorado General Assembly before the conclusion of the legislative session each May. For Fiscal Year 2022-2023, the statewide base per-pupil funding amount is $7,478.

Total Program Funding is comprised of three funding sources: local property taxes, local share of specific ownership (vehicle registration) taxes and state equalization (the state’s portion of the Total Program Funding). Districts with higher assessed valuations receive the majority of their revenue from local property taxes and the state therefore, contributes less. Conversely, districts whose property valuations are lower receive more funding from the state.

For Harrison School District Two, state equalization comprises more than 77 percent of Total Program Funding. Total Program Funding after the Budget Stabilization Factor is estimated to be $128 million for Fiscal Year 2022-2023.
The following chart illustrates the funding sources for Harrison School District Two compared with other districts in the Colorado Springs area.
**1994 School Finance Act**
Determines how most of the funding from state and local tax collections are distributed across all Colorado districts through a school funding formula based on district characteristics, demographics and “factors” of each district for equitable distribution.

**2000 Amendment 23**
Requires State to increase yearly funding for education by establishing a minimum increase in the amount of per-pupil funding given to districts by at least the rate of inflation. Also created the State Education Fund with the goal of catching K-12 funding up to where we were in the ’80s.

**2009 Budget Stabilization Factor (formerly Negative Factor)** Since the State has struggled to keep up with the education funding formula and promises made in Amendment 23, legislators decided that only certain parts of the School Finance Act needed to grow by inflation. This allowed legislators to balance the state budget by adding a “negative” factor to the other factors built into the School Finance Act. This subtracted money intended for education reduced revenue for all Colorado districts. Each year the size of the negative factor changes depending on the state budget.

**Total Program Funding Per Pupil: Harrison District 2**

- **$8,186** (2004-2005)
- **$7,391** (2005-2006)
- **$8,581** (2006-2007)
- **$8,768** (2007-2008)
- **$9,063** (2008-2009)
- **$9,420** (2009-2010)
- **$9,625** (2010-2011)
- **$9,833** (2011-2012)
- **$9,987** (2012-2013)

**Per Pupil Funding After Budget Stabilization**

**Total Program Per Pupil Funding**
Although the School Finance Act determines how much funding Colorado school districts receive, the funded pupil count is the real driver of school funding. Since the School Finance Act distributes funds on a per-pupil basis, the number of students enrolled in a district as of October 1 of each school year determines the amount of annual funding a district receives.

The funded pupil count refers to the number of full-time students enrolled in the district. The funded pupil count can be different from the total number of students enrolled in the district (headcount) because not all students attend school on a full-time basis.

In the spring of 2019, the State passed a bill for students enrolled in a full-day kindergarten educational program to be funded at the same amount as students enrolled fulltime in other grades. Prior to the passage of this bill, full-day kindergarten students were funded as a .58 full-time equivalent (FTE).

Districts receiving this funding are not allowed to collect tuition for full-day kindergarten classes. High school students may also be funded at less than a FTE depending on the number of credit hours a student takes.

Harrison School District Two charter school students make up approximately 34 percent of enrollment. The per-pupil funding for charter school students is “passed through” the District to the individual charter schools. Per state law, the District is permitted to withhold up to 5 percent of a charter school’s per-pupil funding to cover the cost of administrative services, such as payroll, information technology support, etc., provided to the charter school, which is specified in the contract between the district and a charter school.

Funded Pupil Count: Harrison School District 2

![Funded Pupil Count: Harrison School District 2](image-url)
Mill levy overrides provide additional funding for operating expenditures

A district’s authorization to raise and expend mill levy override revenues does not affect the amount of state funding a district receives. Mill levy overrides do not adjust each year for inflation and enrollment growth, therefore purchasing power diminishes over time.

As per state law, a district cannot collect more than 25 percent of its Total Program Funding through mill levy overrides. Harrison School District Two estimates it will collect 6.0 percent of its Total Program Funding through mill levy overrides.

Monies from mill levy overrides are used for operating expenses such as instructional programs, class size management, in-classroom technology and other high-priority operating expenses. Mill levy override funds are restricted by use as outlined in ballot language and generally are not used to pay for major repairs and renovations to existing school buildings, additions to schools or new school buildings.

Harrison School District Two’s voters approved the following annual override:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount of Override</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$5,750,000</td>
</tr>
</tbody>
</table>
**Bonds provide funding for repairs, renovations, new buildings and technology**

Unlike mill levy override dollars, bond funding is restricted by law and can only be used for major repairs and renovations to existing school buildings, additions to schools, new school buildings and technology. The state does not provide funding for these projects.

A bond question goes before voters as a ballot measure asking for approval (or denial) for additional proposed spending. If approved by voters, the District sells bonds to investors, uses the bond proceeds for building improvements or new construction, then repays investors over a specific period of time.

Harrison School District Two’s last bond was approved by voters in 2018. This $180 million bond provides improvements and renovations to all existing schools and facilities such as roof replacement; HVAC system upgrades; and ADA compliance of restrooms and fixtures. Other items within the bond project are technology upgrades throughout the District and building security and fire alarm systems to be upgraded and brought up to current codes.

In the fall of 2017, the District refunded the 2007 Bonds to save taxpayers $2.49 million in total dollar savings and 13.4% present value savings with an average annual savings of $276,809.

In the fall of 2021, the District refunded the 2010 Bonds to be used for improving, repairing and making additions to school buildings, equipping or furnishing school buildings, improving school grounds or acquiring, constructing or improving any capital asset for District purposes.

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**Bond Debt History**

<table>
<thead>
<tr>
<th>Year</th>
<th>Original Principal</th>
<th>Outstanding Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$23,025,000</td>
<td>$8,415,000</td>
</tr>
<tr>
<td>2019</td>
<td>$100,000,000</td>
<td>$82,500,000</td>
</tr>
<tr>
<td>2021</td>
<td>$80,000,000</td>
<td>$90,630,000</td>
</tr>
</tbody>
</table>
Expenditures: Where the Money Goes
Funds are established for specific activities and objectives

Harrison School District Two has ten different funds. The General Fund is the main operating fund and accounts for the majority, or about 50 percent, of expenditures.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The operating objectives of governmental entities, such as school districts, are different from those of commercial enterprises and therefore accounting requirements are different. Governmental entities use fund accounting to track revenues and expenditures. This is particularly important because some funds have very specific restrictions on how dollars can be spent.

**Adopted Budgeted Expenditures by Fund**

**Fiscal Year 2022-2023**

- **General Fund**: $108,763,197
- **Governmental Designated Purpose Grant Fund**: $487,556
- **Health Insurance Fund**: $4,836,134
- **Nutrition Services Fund**: $42,359,844
- **Bond Redemption Fund**: $14,476,200
- **Capital Reserve Fund**: $1,482,635
- **Pupil Activity Fund**: $45,000
- **Land Trust Fund**: $45,000
- **Building Fund**: $2,124,872
- **Insurance Reserve Fund**: $716,500
- **Capital Reserve Fund**: $42,359,844
- **Governmental Designated Purpose Grant Fund**: $487,556
- **Health Insurance Fund**: $4,836,134
- **Bond Redemption Fund**: $14,476,200
Harrison School District Two’s annual budget serves as the foundation for the District’s financial plan and reflects the cost of educating approximately 13,000 students including programs developed in support of students. The costs cover day-to-day expenses of running the District’s school system which includes salaries, benefits, purchased services, supplies, transportation, maintenance and utilities.

The largest share of the planned General Fund expenditures, approximately 76 cents of every dollar, is spent on student instruction. This includes salaries and benefits paid to teachers, teaching assistants, school office staff, librarians, nurses, counselors and other professionals. The remaining 24 cents is used to support students and schools with services such as transportation, maintenance, security, information technology systems, utilities, custodial, warehouse and other administrative services.
Expenditures: Where the Money Goes / General Fund

Educating students requires many people

Educating children is the District’s priority and providing a rigorous educational experience is a people-intensive endeavor. The largest component of General Fund operating expenditures pays for salaries and benefits for more than 1,378 full-time employees - about 80 percent of whom serve students in 20 schools. This includes teachers, principals, teacher aides, office managers counselors, nurses, custodians and many more. The District also employs temporary or seasonal employees, such as substitute teachers and paraprofessionals and staff for summer school, summer programs, summer maintenance and tutors.

Collaborative Decision-Making Team (CDMT)

For the District’s Teachers (certified employees) and support staff (classified employees) compensation is discussed and reviewed annually by the Collaborative Decision-Making Team (CDMT) in accordance with the Agreement of Trust and Understanding (ATU). The committee consists of 17 members as follows: 3 elementary licensed staff, 3 secondary licensed staff, 2 Educational Support Personnel (ESP) from the schools, 2 ESP from District departments, 1 elementary principal, 1 middle school principal, 1 high school principal, 2 Cabinet members, 1 Superintendent and 1 Board member. The goal of the CDMT is to help achieve District goals, especially raising student academic achievement and building a culture of excellence, including the attraction and retention of highly effective employees.

Employee Groups

Administrator - performs managerial activities and is responsible for developing or interpreting policies or regulations and executing those policies or regulations through the direction of individuals.

Professional - Instructional - provides learning experiences and care to students.

Professional - Other - performs assignments requiring a high degree of knowledge and skills usually acquired through at least a baccalaureate degree (or its equivalent obtained through special study and/or experience) but not requiring skills in the field of education.

Paraprofessional - supports professional individuals or functions. This category also includes student monitors.

Office Administrative Support - performs the activities of preparing, transferring, transcribing, systematizing or preserving communications, records and transactions.

Crafts, Trades and Services - performs tasks that require skill levels which can be acquired through on-the-job training and experience or through apprenticeship or other formal training programs.

Harrison School District
Two is the fourth-largest school district in El Paso County

Sources: Expenditures: Where the Money Goes
SALARIES AND BENEFITS MAKE UP 81 PERCENT OF THE GENERAL FUND BUDGET FOR FISCAL YEAR 2022-2023

**Salaries**

Salaries are the largest component of Harrison School District Two’s expenditures. For Fiscal Year 2022-2023, General Fund salaries make up 60% of the budget. Salary increases have been provided for most employees. Increases are based on the specific groups of employees and may also be affected by years of service to the District, with salary increases ranging from 2 to 5 percent.

**Benefits**

Benefits make up 21 percent of the General Fund operating expenditures. The District provides pension, health, dental, vision, life and disability insurance and unemployment compensation.

The largest employee benefit provided is the District PERA retirement contribution. The rate for Fiscal Year 2022-2023 is 21.4 percent, an increase of .5 percent from the prior year rate of 20.9 percent. The Medicare rate will remain at 1.45 percent.

Medical and dental insurance options are provided for most employees of the District. The benefit amount is based on the type of coverage and plan chosen. The benefit rate for medical insurance for employee only ranges from $537.35 to $539.67 per month. This is an increase of $17.35 to $19.67 from the prior year benefit contribution of $520. The average medical insurance benefit will be $883, an increase of $45 from the prior year average of $838. The dental insurance benefit rates will remain the same as the prior year ranging from $27.27 to $64.88 per month.
Schools distribute money to areas of priority

Two factors determine how much money each school receives: the number of students at the school and the unique needs of students, such as poverty, disability and limited English proficiency.

Student enrollment include both the number of and the type of students expected. Harrison School District Two must know how many students will be enrolled before there can be any meaningful planning. Enrollment projections determine the functions of the District’s educational programs. The types of individuals that comprise the student population are important in planning educational programs.

Priority budgeting for schools - Student-Based Budgeting (SBB)

For the fourth year, Harrison School District Two has utilized Student-Based Budgeting (SBB) as the District’s budgeting process for schools. SBB is a process that moves authority and resources closest to where teaching and learning take place, the local school. At full implementation, SBB allows a higher level of per pupil revenue to be allocated at the site level on a per pupil basis making a direct link between a school’s actual enrollment and funding. Student Based Budgeting responds proactively to political initiatives directed at dictating school district financial practices. Financial transparency is heightened by accountability at the local/school community level and empowers sites with greater discretion and flexibility.

An average size elementary school in our District with 360 students starts with the following Full-Time Equivalent (FTE) staff:

<table>
<thead>
<tr>
<th>1 Principal</th>
<th>1 Principal Secretary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Assistant Principal</td>
<td>1 Office Secretary</td>
</tr>
<tr>
<td>1 Counselor</td>
<td>1 Health Para</td>
</tr>
<tr>
<td>1 Building Engineer</td>
<td>1 Library Tech</td>
</tr>
<tr>
<td>1 Custodian</td>
<td></td>
</tr>
<tr>
<td>21 Certified Teachers</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Expenditures: Where the Money Goes
Expenditures: Where the Money Goes / Costs Related to District Priorities

District Priorities

- **Classroom** - *We are committed to meeting the academic and social-emotional needs of all students while providing equitable opportunities*
- **Culture** - *We are committed to a collaborative environment of trust, integrity and transparency*
- **Community** - *We are committed to developing and sustaining a community*

Fiscal Year 2022-2023 Costs Related to District Priorities

**ACTION STEPS:**

**Classroom - Fiscal Impact: $4,630,680** The District and schools expect to spend:

$2,128,112 on development of a cohesive K-12 writing plan, $866,553 on expansion of individualized student supports, $1,140,174 to develop a K-12 scope and sequence and resources for social-emotional learning, $495,841 to expand career technical education offerings.

**Culture - Fiscal Impact: $1,287,012** The District and schools expect to spend:

$362,295 to evaluate effectiveness of department systems, $128,314 on enhancement of leadership development and mentoring opportunities, $294,017 to launch the rebranding of the district, effectively tell our story, $502,386 on development of a system to review curriculum, resources and facilities regularly for equity.

**Community - Fiscal Impact: $444,667** The District and schools expect to spend:

$148,899 for establishment of GED options for students and family members, $33,000 to create a stakeholder fiscal advisory committee, $244,185 on development of additional strategic partnerships for student job/internship, $18,583 to generate opportunities for student voice and input in school and district planning.
In November, 2018, the voters of the Harrison School District community approved $180 million in General Obligation bonds. These funds will provide the resources for renovations and additions throughout the District.

### BUILDING FUND

**SCHEDULE OF BOND SPENDING PLAN**

<table>
<thead>
<tr>
<th>2018 Bond Projects</th>
<th>Elementary Schools</th>
<th>Middle Schools</th>
<th>High Schools</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Spending Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interior</td>
<td>$24,955,000</td>
<td>$1,500,000</td>
<td>$11,900,000</td>
<td>$2,795,000</td>
<td>$41,150,000</td>
</tr>
<tr>
<td>Mechanical/HVAC</td>
<td>19,800,000</td>
<td>600,000</td>
<td>8,075,000</td>
<td>920,000</td>
<td>29,395,000</td>
</tr>
<tr>
<td>Electrical/Lighting</td>
<td>5,150,000</td>
<td>2,120,000</td>
<td>2,800,000</td>
<td>915,000</td>
<td>10,985,000</td>
</tr>
<tr>
<td>Exterior</td>
<td>1,445,000</td>
<td>320,000</td>
<td>750,000</td>
<td>2,705,000</td>
<td>5,220,000</td>
</tr>
<tr>
<td>Technology</td>
<td>325,000</td>
<td>100,000</td>
<td>150,000</td>
<td>45,000</td>
<td>620,000</td>
</tr>
<tr>
<td>Roofing</td>
<td>1,950,000</td>
<td>150,000</td>
<td>-</td>
<td>480,000</td>
<td>2,580,000</td>
</tr>
<tr>
<td>Restroom/Plumbing</td>
<td>1,014,000</td>
<td>180,000</td>
<td>350,000</td>
<td>5,000</td>
<td>1,549,000</td>
</tr>
<tr>
<td>Kitchen</td>
<td>1,025,000</td>
<td>160,000</td>
<td>400,000</td>
<td>155,000</td>
<td>1,740,000</td>
</tr>
<tr>
<td>Health/Safety</td>
<td>220,000</td>
<td>40,000</td>
<td>300,000</td>
<td>40,000</td>
<td>600,000</td>
</tr>
<tr>
<td>ADA</td>
<td>1,200,000</td>
<td>-</td>
<td>700,000</td>
<td>100,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Fire/Security</td>
<td>885,000</td>
<td>280,000</td>
<td>300,000</td>
<td>125,000</td>
<td>1,590,000</td>
</tr>
<tr>
<td>Architectural/Engineering</td>
<td>14,593,000</td>
<td>6,590,000</td>
<td>5,155,000</td>
<td>788,000</td>
<td>27,126,000</td>
</tr>
<tr>
<td>Program/Space</td>
<td>15,000,000</td>
<td>27,500,000</td>
<td>-</td>
<td>12,945,000</td>
<td>55,445,000</td>
</tr>
<tr>
<td><strong>Total Projects</strong></td>
<td><strong>$87,562,000</strong></td>
<td><strong>$39,540,000</strong></td>
<td><strong>$30,880,000</strong></td>
<td><strong>$22,018,000</strong></td>
<td><strong>$180,000,000</strong></td>
</tr>
</tbody>
</table>

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**Bond Projects**

*in millions*

- **Interior**: $41.15
- **Mechanical/HVAC**: $29.39
- **Architectural/Engineering**: $27.13
- **Electrical/Lighting**: $10.98
- **Other Projects**: $15.90
- **Program/Space**: $55.45

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23  Sources: Expenditures: Where the Money Goes
Fund Balance:
What's Left
Legal reserves have been established to meet the requirements of Article X, Section 20 of the Colorado Constitution Taxpayers Bill of Rights (TABOR). The required TABOR reserve is estimated to be $3.26 million at June 30, 2023. Harrison School District Two also maintains reserves with no less than the sum of the required TABOR reserve, long-term compensated absences, encumbered funds reserve, Board of Education fund balance requirements and any multiple year financial commitment reserves.

Assigned reserves can be used in the next fiscal year for planned expenditures, while encumbrance reserves include an estimated amount required to fulfill purchase orders and contracts that are still in process at year end.

Per the Governmental Accounting Standards Board (GASB), fund balance is reported in the following categories:

- **Non-spendable fund balance** - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)

- **Restricted fund balance** - amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation

- **Committed fund balance** - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint

- **Assigned fund balance** - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority

- **Unassigned fund balance** - amounts that are available for any purpose; these amounts are reported only in the General Fund.

**Fund Balance: What’s Left**

Fund balance equals assets minus liabilities. The purpose of fund balance is to ensure fiscal stability to guard against any unforeseen circumstances, reduce susceptibility to emergency expenditures, meet state and federal requirements and protect the District’s credit rating.
Adequate levels of fund balance must be retained in each fund in order to provide financial stability. It is fiscally responsible to set aside funds to ensure the District can meet multi-year financial obligations, guard against unexpected revenue shortfalls and one-time expenditures, and to pay for items such as textbooks that have been ordered but not paid for at the end of the fiscal year. Fund balance also protects the District against revenue shortfalls caused by economic slowdowns and/or changes in state and federal legislation that affect District funding.

Historically, due to revenue shortfalls, the District’s budget plan has included the use of fund balance to aid in balancing the General Fund budget. The intentional spend down of fund balance is to offset the reduction of revenue from the state.

The total fund balance, both reserved and available, for appropriation in Fiscal Year 2022-2023 is estimated to be $23.90 million.
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Fund Overview:
Other Funds
Fund Overview: Other Funds

Harrison School District Two maintains ten different funds

General Fund
The General Fund includes revenue from local property taxes, specific ownership taxes, state equalization monies, state categorical funding and other sources. It is used to account for all financial resources, except those required to be accounted for in another fund.

Insurance Reserve Fund
The Insurance Reserve Fund is a sub-fund of the General Fund and is used to account for the resources to self-insure the District’s liability, property and workers’ compensation insurance needs and provide overall risk management activities for the District.

Nutrition Services Fund
The Nutrition Services Fund is self supporting and accounts for all activities related to the preparation of school meals. The mission of the school nutrition program is to support education every day by teaching children how to make nutritious food choices. As a self-sustaining fund, all revenues within the Nutrition Services Fund are utilized to ensure high quality and nutritious programs for all students.

Designated Purpose Grants Fund
This special revenue fund is a governmental fund used to track revenue sources that are restricted to specific expenditures. This fund accounts for the various federal, state and local grants awarded to the District to accomplish specific activities. These programs are restricted as to the type of expenditures for which they may be used and normally have a different fiscal period than that of the District.

Bond Redemption / Debt Service Fund
The purpose of the Bond Redemption Fund is to record the revenues from a tax levy for the purpose of satisfying voter-approved bonded indebtedness obligations, including principal, interest and related expenditures.

Capital Reserve Fund
The Capital Reserve Fund accounts for transfers from the General Fund and associated expenditures for the ongoing capital needs of the District. Expenditures such as technology capital projects, deferred maintenance, heating, ventilation and air conditioning (HVAC) projects, vehicles and roofing projects are accounted through this fund.

Building Fund
The Building Fund is required to be used to account for all resources available for acquiring capital sites, buildings and equipment as specified by the related bond issue. Expenditures include remodeling, renovations, mechanical work, parking lot repairs and playground updates at several schools.

Land Trust Fund
The Land Trust Fund is classified as a capital projects fund which is used to record permit fees and the authorization of capital expenditures. This fund is used to account for any revenues and expenditures in accordance with new residential building growth within District boundaries.

Health Insurance Fund
This fund accounts for the partially self-funded dental insurance program of the District. The District has nearly 1,400 employees that are eligible for dental insurance and 65 percent participate in the plan. Prior to Fiscal Year 2021-2022, the District also provided a partially self-funded health insurance program.

Pupil Activity Special Revenue Fund
Used to record financial transactions related to school sponsored pupil organizations and activities that are obtained from parent organizations and booster club activities. These activities are self-supporting and do not receive any direct or indirect district support.
Fund Overview: **Other Funds**

Some funds are restricted by state or federal law, such as funds associated with the National School Lunch Program in our Nutrition Services Fund.

Other funds are restricted by the funding source, such as grants and donations intended for a specific purpose in the Governmental Designated Purpose Grants Fund or the Pupil Activity Special Revenue Fund.
GET INVOLVED

Harrison School District Two's (HSD2) Communications Department exists to increase awareness, understanding, involvement and support for schools through effective communication and community engagement.

HSD2 shares information and involves the community in major programs and activities in the District. These programs and activities often involve committees comprised of a broad cross-section of representatives, including parents, staff and community members. District staff also serve as resources and content-area experts on committees.

HSD2's Communications team uses a variety of methods to provide parents, staff and the community with ongoing, timely, accurate information regarding District programs and activities, including:

- Parent and staff e-newsletters
- Mass notifications to parents via text, phone and email
- Website updates and in-depth information
- Public information/input meetings and a variety of community engagement activities
- Media news releases and announcements
- Let's Talk! Two Way Stakeholder Engagement Tool
- Social Media posts
- Information shared via the mobile District app
ATTEND BOARD MEETINGS

Know your Board of Education Members: Left to right:

Michelle Wills-Hill, Secretary; Janice “JJ” Frazier, Vice President; Corey Williams, President; Joyce Salazar, Director; Regina English, Treasurer.

Please see the Board of Education page of the District website for information about Meetings and Work Sessions, District Policies, Recorded Board Meetings, and the Meeting Calendar.

https://www.hsd2.org
OUR COMMITMENT

Graduate college & career-ready students with the knowledge, skills, attitudes and behaviors to personally succeed and contribute to the common good.

From its humble beginnings in 1874 to the present, Harrison School District Two has been committed to its enduring partnership with the community to educate its student population of more than 13,000 students.

We Are Harrison!