SEPT. 8: PUBLIC COMMENT • SEPT. 22: BOARD VOTE • THIS IS A BUDGET CHOICE — NOT A LAW OF NATURE

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IS TABOR REALLY STOPPING BVSD FROM FUNDING OUR SCHOOLS?

A primary-source review of BVSD's own budget, reserves, and taxing authority — checking the district's funding claims against its own numbers.

September 2026 | Based on BVSD's 2025 Annual Comprehensive Financial Report, 2026-27 Proposed Budget, CDE, and Colorado Legislative Council Staff materials

Policy and budget analysis, not legal or financial advice. Figures should be confirmed directly with BVSD's CFO before public use.

EXECUTIVE SUMMARY — THE SHORT ANSWER

THE CLAIM: BVSD faces an unavoidable ~$4M annual gap, and TABOR is a fixed constraint that leaves closure as the only option.

WHAT THE DISTRICT'S OWN BUDGET ACTUALLY SHOWS: The $4M is **projected savings the closure plan would generate starting in 2027-28** — not a hole in the current 2026-27 budget. BVSD's own recurring-budget calculation (its Policy DB method) nets out **slightly positive** once one-time items are stripped out. TABOR does not require school closures — that specific claim is false on its face. And the district has real, identifiable options to bridge a year without closing anything while better numbers are produced.

FINDING	VERDICT	WHAT WE FOUND
"There's a current $4M hole"	**False**	Affected schools are fully funded for 2026-27. The $4M is savings *projected* to begin in 2027-28 *if* consolidation happens — not a current-year shortfall.
"TABOR requires school closures"	**False**	No such legal requirement exists anywhere in TABOR, per Colorado Legislative Council Staff's own TABOR overview.
"BVSD's recurring budget is underwater"	**Not supported**	BVSD's own Policy DB calculation nets to roughly break-even (slightly positive) once one-time spending is excluded — no documented recurring $4M gap.
"Local override room is used up"	**Not supported**	An estimated **~$8M** of statutory headroom remains under BVSD's MLO cap — enough to more than cover a $4.4M ask.
"The state has no money either"	**False, at the state level**	The state is projected to hold a **$711.1M** TABOR surplus liability for FY2026-27 — money that must be refunded unless voters authorize the state to keep it for priorities like K-12.

PART I — TABOR 101: TWO VERY DIFFERENT TABORS

	LOCAL TABOR (BVSD'S OWN TAXING AUTHORITY)	STATE TABOR (THE STATE'S GENERAL FUND)
What it caps	How fast BVSD's *existing* mill levy revenue can grow year to year, absent voter approval	How much revenue the state government can keep and spend overall
Does it affect BVSD?	**Mostly already resolved** — see Part II	Indirectly — shapes what the legislature has for K-12, alongside its own choices
Who can fix it	BVSD's own Board and voters, via a local election	The state legislature and statewide voters
2026 headline number	~$8M estimated remaining override headroom (Part II.4)	$711.1M projected statewide TABOR surplus liability (Part V)

PART II — LOCAL TABOR: IS BVSD ACTUALLY BLOCKED?

1. BVSD IS ALREADY DE-BRUCED (1999)

174 of 178 Colorado districts, including BVSD, voted to exempt themselves from TABOR's automatic mill-levy-reduction rule. TABOR's revenue-reduction rule does not force BVSD's existing mills down.

2. THE MILL LEVY CORRECTION (HB21-1164)

A 20-year CDE administrative error under-collected BVSD's mills despite the 1999 de-Brucing vote; a 2021 law is correcting it by up to 1 mill/year. **Ask the CFO: is this fully phased into BVSD's current 27.000 general fund mills?**

3. OVERRIDE HISTORY

DISTRICT	ACTIVITY
BVSD	Three general-operating overrides (1988 fixed $155,854/yr; 1993 ad valorem 5.610 mills; 2013 fixed $900,000/yr) plus a 2016 Operations & Technology mill. **No new operating override ask since 2013.**
Denver (DPS)	Seven overrides since 1988, $369.6M/year combined; went back to voters again in 2026 for $44M more.

4. OVERRIDE CAPACITY — UPDATED, MORE PRECISE FIGURES

METRIC	AMOUNT
Current override revenue	$83.52M
Current + a $4.4M gross ask	$87.91M
Estimated statutory cap	$91.51M
Estimated remaining headroom	**~$8.0M**
Net new revenue after ~9% charter-school sharing	~$4.0M (from a $4.4M gross ask)
Cost to a $1M market-value home	0.43 mills ≈ $30/year

Correction from our earlier draft: we previously could not determine whether BVSD was near or at its override cap, and flagged conflicting secondary sources. Per CDE's HB24-1448 MLO cap workbook (as reflected in the source analysis merged here), BVSD has roughly **$8M of real headroom** — enough to cover a meaningful ask. This still requires **formal CDE certification** before being relied on publicly.

5. BONDS: CAPITAL-ONLY, UNUSED FOR THE PLAN'S OWN $10M ASK

Bonds require a vote and fund capital only — but the plan's own up-to-$10M facility-modification cost is exactly a capital expense. A bond question could fund it without touching the operating budget.

PART III — THE RECURRING BUDGET MATH (IS THERE REALLY A $4M HOLE?)

KEY DISTINCTION: the closure plan compares 2026-27 spending to a *future* 2027-28 savings estimate. It is not describing a hole in the budget the Board is voting on right now.

BVSD'S OWN POLICY DB CALCULATION

LINE	AMOUNT	MEANING
Total operating revenue	$440.115M	Recurring + one-time revenue
Direct expenditures + transfers	($456.136M)	Creates an apparent $16.021M draw
Remove one-time revenue/transfer effects	($2.009M)	Normalizes recurring resources
Add back one-time spending + carryover	+$18.463M	Not part of the recurring cost base
Ongoing funds available	**$432,914**	BVSD's own Policy DB result
Ongoing funds after 7% reserves	**$404,593**	**No documented recurring $4M gap**

Source: BVSD 2026-27 Proposed Budget, Summary of One-Time Uses of Funds and Policy DB Calculation. The apparent $16.0M fund-balance draw is mainly intentional one-time spending, not a structural deficit.

WHERE BVSD'S OPERATING REVENUE ACTUALLY COMES FROM

SOURCE	SHARE
Local sources (taxes, fees, interest, services)	**89.5%**
Direct state equalization	6.1%
All state sources (incl. categorical reimbursements)	9.9%

Source: BVSD 2026-27 Proposed Budget, General Operating Fund revenue schedule.

WHAT'S ACTUALLY GENERATING THE PRESSURE, IF NOT A REVENUE HOLE

#	FACTOR	DETAIL
1	Enrollment falls 539.1 funded pupils (-1.99%)	Creates roughly $6.4M of gross per-pupil pressure
2	Per-pupil funding still rises 2.9%	Total program funding rises 0.9%, ~$312.9M → $315.5M
3	Buildings have fixed minimum costs	A principal, custodian, front office, and safe operating structure don't shrink one student at a time
4	Staffing cliffs amplify small enrollment changes	Formula thresholds can turn a 1-student change into a 0.5-1.0 FTE reduction (see our companion staffing-cliffs report)
5	Cost growth continues	Compensation, insurance, and contracted obligations can rise faster than formula revenue

THE REAL STORY: per-pupil funding is *rising*. The pressure comes from fixed building costs and enrollment-triggered staffing cliffs, not a shrinking revenue base — which means the fix is redesigning formulas and building flexibility, not necessarily closing buildings. This is the same conclusion our companion contract/staffing-cliffs report reaches from the labor-contract side.

PART IV — WHAT'S IN BVSD'S RESERVES, RIGHT NOW

TWO SNAPSHOTS, RECONCILED: our original draft cited BVSD's **audited FY2025** year-end figures ($290.5M total General Fund balance / $67.7M unassigned, 15.3% of expenditures — as of June 30, 2025). The table below reflects BVSD's own **2026-27 proposed-budget** reserve schedule, a different, forward-looking snapshot. The Board should be asked directly to reconcile why the proposed-year unrestricted figure ($10.7M) is so much smaller than the last audited unassigned balance ($67.7M) — likely reflects planned one-time drawdowns, but that should be confirmed, not assumed.

2026-27 PROPOSED BUDGET: RESERVE BREAKDOWN

RESERVE	AMOUNT	NATURE
TABOR reserve (3%)	$11.59M	Constitutionally required
Board contingency (4%)	$15.45M	BVSD Board policy — not TABOR
Unrestricted district reserve	**$10.7M**	**Created to support future needs — BVSD's own label**
Other reserves	$6.45M	—
Total	**$44.2M**	Only $11.59M of this is TABOR-protected/required

TABOR MYTHS VS. FACTS

CLAIM	VERDICT	WHAT THE LAW/BUDGET ACTUALLY SAYS
BVSD must reserve 3%	**TRUE**	TABOR emergency reserve requirement
The 3% can cover an ordinary budget shortfall	**FALSE**	Revenue shortfalls and general economic conditions are explicitly excluded from what the emergency reserve may be used for
BVSD must also hold a 4% contingency	**FALSE**	That is BVSD Board policy, not a TABOR or state requirement
TABOR blocks use of the $10.7M district reserve	**FALSE**	BVSD itself labels this reserve unrestricted
A local tax increase requires voter approval	**TRUE**	Standard TABOR requirement, true statewide
TABOR requires school closures	**FALSE**	**No such legal requirement exists anywhere in TABOR**

PART V — COLORADO HAS THE MONEY; CURRENT LAW RESTRICTS DIRECT ACCESS

METRIC	AMOUNT
Projected FY2026-27 statewide TABOR surplus liability (March 2026 forecast)	**$711.1M**
BVSD's $4M ask as a share of that surplus	**0.56%**

WHAT THIS PROVES — AND DOESN'T: it proves the state has aggregate fiscal capacity, not that BVSD can legally claim any of it directly. Under current law, revenue above the state's TABOR cap must be refunded to taxpayers *unless voters authorize the state to retain it* — something only a statewide ballot measure can do (e.g., a future Proposition CC-style measure specifically for K-12). This is real money in the system; it is not money BVSD's Board can access unilaterally.

Source: Colorado General Assembly, HB26-1364 Joint Budget Committee fiscal analysis, April 2026; Colorado Legislative Council Staff TABOR overview.

PART VI — A ONE-YEAR NO-CLOSURE BRIDGE IS FUNDABLE

SOURCE	AMOUNT
One-time Long Range Planning appropriation	$5.0M
Unrestricted district reserve	$10.7M
General and special-education staffing reserves	$3.7M

RECOMMENDED: carry forward $4M of the $5M Long Range Planning appropriation as a 2027-28 school-stabilization fund. This earmarks the exact amount the closure plan claims to need, without touching either the 3% TABOR reserve or the 4% Board contingency.

FACILITY-COST PAYBACK, PUT IN PLAIN TERMS

At $3.5-4M/year in projected savings against up to $10M in facility-modification costs, the plan's own numbers imply a **simple payback of roughly 2.5-2.9 years** — before adding transportation, receiving-school staffing, and transition costs on top.

A NO-NEW-TAX SAVINGS PACKAGE, IF THE BOARD WANTS TO AVOID A VOTE ENTIRELY

RECURRING ACTION	TARGET	VALIDATION REQUIRED
5% districtwide support efficiency (excl. software)	$1.07M	Vacancies, procurement, contracts
10% software/vendor rationalization	$0.49M	Vendor-level contract review
3% utility reduction	$0.29M	Energy and operating plan
Athletics external revenue / transfer reduction	$0.29M	Maintain equity waivers
Increase Community Schools net contribution	$0.21M	Rental and fee capacity
Staffing-cliff reform through bargaining and attrition	$1.65M	Negotiated rolling-average formula
Total	**$4.00M**	$2.35M tied directly to published budget categories

CONNECTS DIRECTLY TO OUR COMPANION REPORT: the $1.65M "staffing-cliff reform" line is the same fix our BVEA/BVCEA/BVEOP/BVPA contract-cliffs report proposes in detail — rolling enrollment averages, smoothed FTE formulas, and reorganization-specific placement terms. The two reports point to the same solution from two different directions.

PART VII — NO CLOSURE VOTE BEFORE THESE NUMBERS ARE PUBLIC

School-by-school calculation of the $3.5-4M savings
Positions eliminated versus positions merely transferred to a receiving school
Added busing and receiving-school operating costs
Complete facility-modification schedule
Five- and ten-year forecasts, with and without closures
Formal CDE certification of MLO capacity (confirming the ~$8M headroom estimate)
Central-office vacancies, consultants, and software contracts
A staffing model that removes one-student FTE cliffs
Traffic, cafeteria, and safe-operating-capacity analysis at receiving schools
A one-year bridge model using existing appropriations and reserves

RECOMMENDED BOARD ACTION

1. **Earmark $4M for 2027-28** from the Long Range Planning appropriation as a school-stabilization bridge.
2. **Complete an independent cost audit** and open staffing-cliff negotiations with all four bargaining units.
3. **Refer a Mill Levy Override** to voters, or adopt a fully verified no-new-tax savings package, instead of proceeding straight to closures.

BOTTOM LINE: Schools are a public good. Utilization is a planning metric — not a closure mandate.

SOURCES & CAVEATS

BVSD 2025 Annual Comprehensive Financial Report (audited, FY ended June 30, 2025) — fund balance figures cited in Part IV's reconciliation note
BVSD 2026-27 Proposed Budget — Policy DB calculation, revenue schedule, reserve schedule, one-time expenditure schedule
Colorado Legislative Council Staff — TABOR overview
Colorado Department of Education — Mill Levy Correction (HB21-1164) implementation pages; HB24-1448 MLO cap workbook
Colorado General Assembly — HB26-1364 Joint Budget Committee fiscal analysis, April 2026; HB17-1375
Boulder Reporting Lab and Axios Boulder, Aug. 25-26, 2026 — closure plan cost/savings estimates

WHAT CHANGED IN THIS MERGE, AND WHAT STILL NEEDS VERIFICATION:

Override capacity: replaced our earlier, rougher 20-21%-of-cap estimate with the more precise $83.52M current / $91.51M cap / ~$8.0M headroom figures. Still flagged in the source material itself as requiring **formal CDE certification** before public reliance.

Reserves: the $44.2M 2026-27 proposed-budget reserve breakdown (Part IV) is a *different, smaller, forward-looking figure* than the $290.5M/$67.7M FY2025 *audited actual* figures from our original draft. Both are presented, with an explicit note that the Board should reconcile why unrestricted reserves are proposed to be so much lower in 2026-27 than what was actually on hand at the last audit — this is not necessarily a problem, but it hasn't been explained publicly and shouldn't be asserted either way without asking.

The Policy DB recurring-budget calculation, the 89.5%/6.1%/9.9% revenue mix, the $711.1M state TABOR surplus figure, the $44.2M reserve breakdown, and the no-new-tax savings package are all sourced to the uploaded analysis's citations (BVSD's own proposed budget, CDE, and Legislative Council Staff) and were not independently re-fetched from primary sources by us in this pass — treat them as sourced-but-not-independently-re-verified, same standard as our earlier caveats.

STANDING CAVEAT: this report tests the district's "no money, no choice" framing against the district's own numbers. It is not a claim of bad faith by BVSD staff, and the real state-level funding constraint (Part V) deserves to be said plainly alongside every finding here.