From "Bill Sutter <bill.sutter@bvsd.org>" <bill.sutter@bvsd.org>
Subject **Property Taxes and School Finance**
To Jeffrey Anderson <jla@ucar.edu>
Cc Rob Price <rob.price@bvsd.org>
Date March 24, 2026 10:00:26 AM MDT

This is an updated document that I created back in 2023 when home values spiked and folks were asking similar questions about "all the money the district was receiving from propety taxes".

It does contain a bit of additional detail and definitions on the types of mills and whether they are voter-approved or not.

Randy and his communications team are working on a brief video, similar to the declining enrollment one (https://youtu.be/_Ex9AGop31o), to help explain how the funding works, but it won't be ready for 4-6 weeks.

I would really appreciate your feedback on the attached document.

Bill Sutter, SFO
Chief Financial Officer
Boulder Valley School District
720-561-5019

On Thu, Mar 12, 2026 at 8:14 PM Jeffrey Anderson <jla@ucar.edu> wrote:

> Bill,
> Just wanted to touch bases as the community engagement meetings are getting closer. Issues related to understanding the school finance act and its limits on how much funding the district can raise came up when Rob spoke to both the Louisville and Superior town councils. This issue also briefly arose at this week's LRAC meeting. It sounds like you may already have a document ready to go to try to stave off questions on this topic. I'd be happy to take a look if you'd like any feedback. Best regards, Jeff
>
> On Tue, Feb 10, 2026 at 9:17 PM Jeffrey Anderson <jla@ucar.edu> wrote:
>
> > Bill,
> > Thanks. The information I wanted is in this document although it is not as clear and succinct as it could be. I agree that a BVSD 1-pager could be a useful companion to the proposed budget and might prove helpful when public meetings on declining enrollment responses begin. As always, I appreciate your expertise. Jeff
> >
> > On Tue, Feb 10, 2026 at 6:27 PM Bill Sutter <bill.sutter@bvsd.org> wrote:
> >
> > > Here's one document from the Colorado School Finance Project:
> > > https://cosfp.org/wp-content/uploads/HomeFiles/PropertyTax/CSFP_PropertyTax_MillLevyOverride2012.pdf
> > >
> > > Does this start to get the point across? It's very state-wide in nature.
> > >
> > > I appreciate the context and need for a concise explanation as we move through our declining enrollment discussions. I'll get something put together and run it by you. I think it would be a great addition to the proposed budget document. We can have a "1-pager" developed prior to including it in the 2026-27 proposed budget doc that won't be published until late May.
> > >
> > > Bill Sutter, SFO
> > > Chief Financial Officer
> > > Boulder Valley School District
> > > 720-561-5019

Attachments:

- BVSD AV and Mill Impacts - FY26.pdf

Assessed Value Adjustments, Property Taxes, and School District Finances

The Boulder Valley School District Board of Education and area municipalities have been receiving inquiries about how property tax increases impact overall school district revenues.

To maintain equity across school districts, Colorado employs a state share component in its public school finance system. The state provides equalization funding to districts that have limited property tax resources. The state's contribution helps bridge the gap between districts with higher property values and those with a lower property tax base, so that every student has access to an adequate education regardless of their district's property tax base. Property values can be a proxy for income wealth, but across the state, the volatile prices of mineral resources can fluctuate significantly from year to year. The state share is determined through a formula that takes into account Total Program Funding, the local resources generated via local property taxes and local specific ownership taxes, and what is required to make up the difference. This approach is intended to promote fairness and equal educational opportunities for students across the state.

To clarify, this interconnected nature of local and state funding sources for school finance, the local portion of school funding is balanced by state share to produce the amount due a school district as calculated within the School Finance Act. In a simplistic explanation, all things being equal, as local sources increase, state sources decrease. Increasing property taxes due to increasing assessed values do not generate additional resources for a school district within the School Finance Act. This is specific to the General Fund mills identified below.

The other mills identified below are defined or authorized by voters in specific amounts (fixed mill or fixed dollar) and/or for specific purposes as defined in state statute (backfill for a specific amount of uncollected dollars due via Credits and Abatements mills). With rising total assessed values, only the Capital Construction, Technology and Maintenance mill levy will generate net additional resources, but within the authorized limits.

Estimates will be provided in August for the impacts assessed value changes may have on the district budget. When certified in December, the mill rates will be adjusted as authorized in statute, or by the voters. Additional resources will be limited as noted below.

There are several individual mill rates related to the Boulder Valley School District. They are not typically broken out on property tax bills, but rather shown in the aggregate. These numbers are from the December 2025 mill certification and will be adjusted as appropriate or allowed with new assessed values:

- General Fund - 27.000 mills - This mill rate is set by state statute, not the school district. It cannot be modified by the district and is a component of the School Finance Act. House Bill 20-1418 (https://leg.colorado.gov/sites/default/files/2020a_1418_signed.pdf) is the associated legislation directing the 27 mill rate.
- Credits and Abatements - 0.672 mills - This rate is set to collect the amount identified by the county treasurers as due to the school district for uncollected funds since the last mill certification. This floats based on the identified dollar amount. This is not “new money” but rather a backfill for dollars not received under prior mill certifications.
- General Mill Levy Override - 8.162 mills - This mill rate floats based on the approved dollar amount (25% of Total Program Funding) as authorized by voters. The mill rate will be adjusted to collect the calculated amount.
- Transportation Mill Levy Override - 0.712 mills - This mill rate is set by the district to collect the amount authorized by voters in 2005 for funding excess costs associated with student transportation services. The amount authorized is a fixed $7.2M dollar amount, so the mill rate will adjust to collect that specific dollar amount.

- Capital Construction, Technology and Maintenance - 4.000 mills - This mill rate is set at 4.000 mills as the maximum authorized by voters in 2016.
- Debt Service - 7.498 mills - This mill rate is set by the district to collect the amount needed for voter approved principal and interest debt service payments. This floats up or down to generate the amount needed to meet the authorized payment schedule.

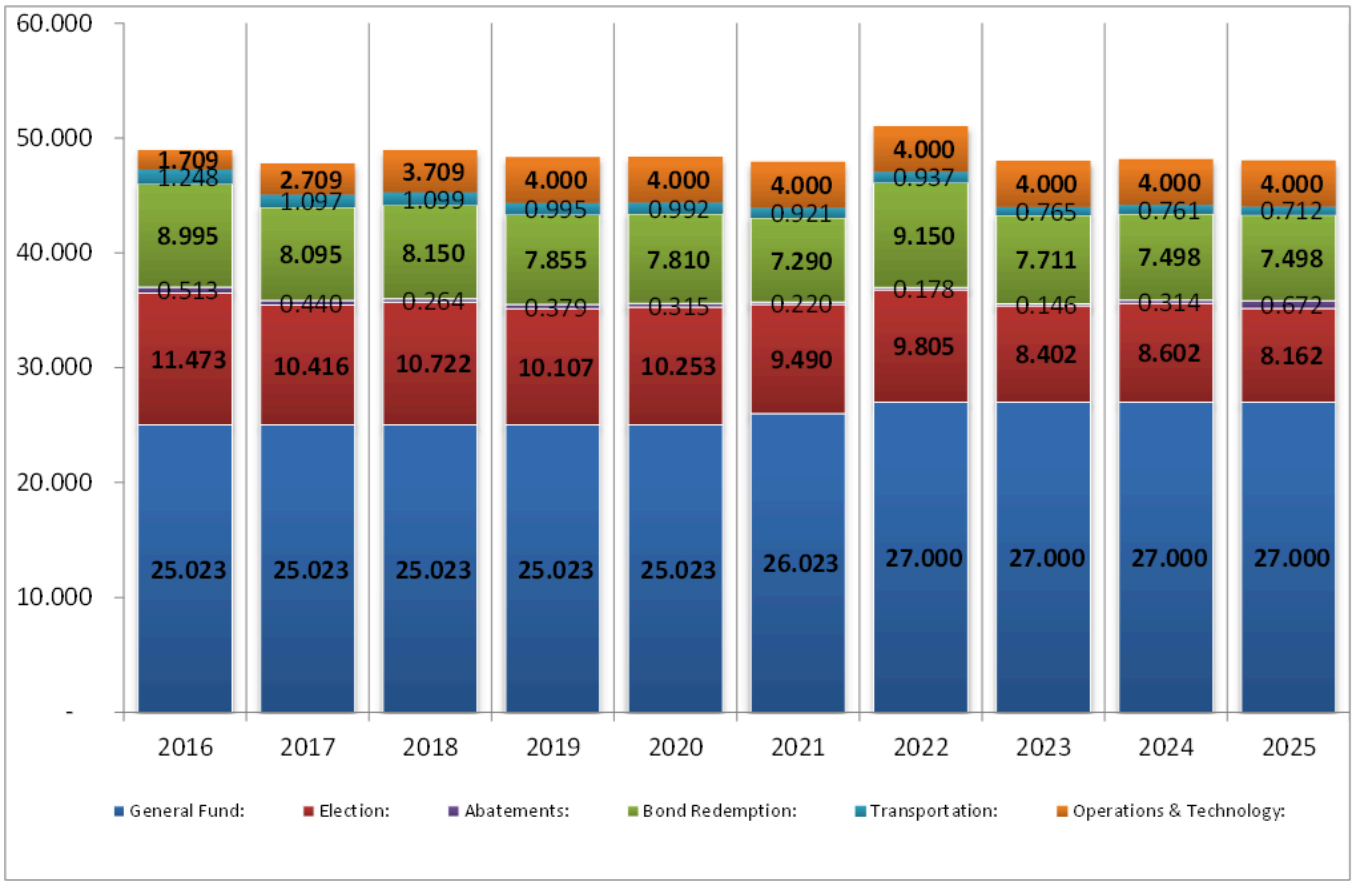
The table below from the 2025-26 Revised Budget Document shows a history of mill rates for each of the district's mills listed above, as well as total assessed value for the district. The changes in individual and overall mills from year to year as AV changes and new levies are authorized is clear.

2025-26 Fiscal Year Revised Budget

Certification Year

Property taxes collected in the following calendar year

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Bond Redemption:	8.995	8.095	8.150	7.855	7.810	7.290	9.150	7.711	7.498	7.498
Transportation:	1.248	1.097	1.099	0.995	0.992	0.921	0.937	0.765	0.761	0.712
Abatements:	0.513	0.440	0.264	0.379	0.315	0.220	0.178	0.146	0.314	0.672
Election:	11.473	10.416	10.722	10.107	10.253	9.490	9.805	8.402	8.602	8.162
General Fund:	25.023	25.023	25.023	25.023	25.023	26.023	27.000	27.000	27.000	27.000
Operations & Technology:	1.709	2.709	3.709	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Total Mill Levy:	**48.961**	**47.780**	**48.967**	**48.359**	**48.393**	**47.944**	**51.070**	**48.024**	**48.175**	**48.044**



For Collection in Year	Assessed Valuation	Percentage Valuation Change From Prior Year	Mill Levy	Estimated Actual Market Value
2016	5,852,367,168	18.78%	45.814	49,246,579,486
2017	5,849,778,120	-0.04%	48.961	49,607,874,852
2018	6,657,108,440	13.80%	47.780	60,525,069,082
2019	6,654,820,368	-0.03%	48.967	60,852,706,558
2020	7,334,630,164	10.22%	48.359	67,882,694,919
2021	7,362,282,619	0.38%	48.393	69,240,348,817
2022	7,923,145,450	7.62%	47.944	70,625,155,794
2023	7,792,428,585	-1.65%	51.070	72,037,658,910
2024	9,537,501,983	22.39%	48.024	79,241,424,801
2025	9,594,871,164	0.60%	48.175	80,826,253,297
2026	10,254,793,645	6.88%	48.044	88,908,878,626

DETERMINING LOCAL SHARE (C.R.S. 22-54-106)

Two local sources of revenues are incorporated into the Public School Finance Act of 1994 (as amended): property taxes and specific ownership (vehicle registration) taxes. Funding for a school district's Total Program is provided first by local sources of revenues (the Local Share); if these local sources are insufficient to fully fund Total Program, state moneys fund any shortfall.

A) Property Taxes

Each school district is required to impose a property tax levy to finance its Local Share of Total Program. The ability to raise money from property taxes varies widely among districts. Differences in tax bases (assessed property values) result in differences in revenues collected, using a given mill levy. Nonetheless, no district's property tax revenues are transferred to any other district; instead, moneys raised remain in the district which imposes the tax.

The county assessor determines the valuation of all property located within a district's boundaries (e.g. residential, commercial, agricultural, mineral). The state is responsible for determining the valuation of public utilities within district boundaries. Regardless of property type, assessed valuation is based on a percentage of the property's actual value. For example, in the budget year 2025-26, residential property is expected to have an assessed valuation equal to 7.05% of its actual value.

One mill of tax is the same as one-tenth of one percent (0.001). Therefore, on residential property with an actual value of $100,000 and, thus, an assessed valuation of $7,050, each mill of tax raises $7.05.

Beginning in FY 2007-08, legislation was passed to stabilize school district mill levies. The legislation caps mill levies at 27 mills and freezes mill levies for districts with mill levies of 27 mills or less. This legislation applies to the Total Program mill levy only. It does not affect override, bond, special building and technology, or transportation mill levies. Legislation was added in 2020 to require all districts who have successfully passed a local election to retain local revenues in excess of the TABOR limit (known as “De-Brucing) and levy 27 mills by increasing the mill rate by 1 mill per year until fully funded or the uniform mill rate of 27 mills is reached. In 2025-26, statewide across all school districts, property taxes are projected to provide 43.6% of Total Program funding.

B) Specific Ownership Taxes

Vehicle registration taxes are collected by counties and are shared with school districts. Each district's Local Share includes an amount of specific ownership tax revenue equal to the prior budget year's actual amount received.

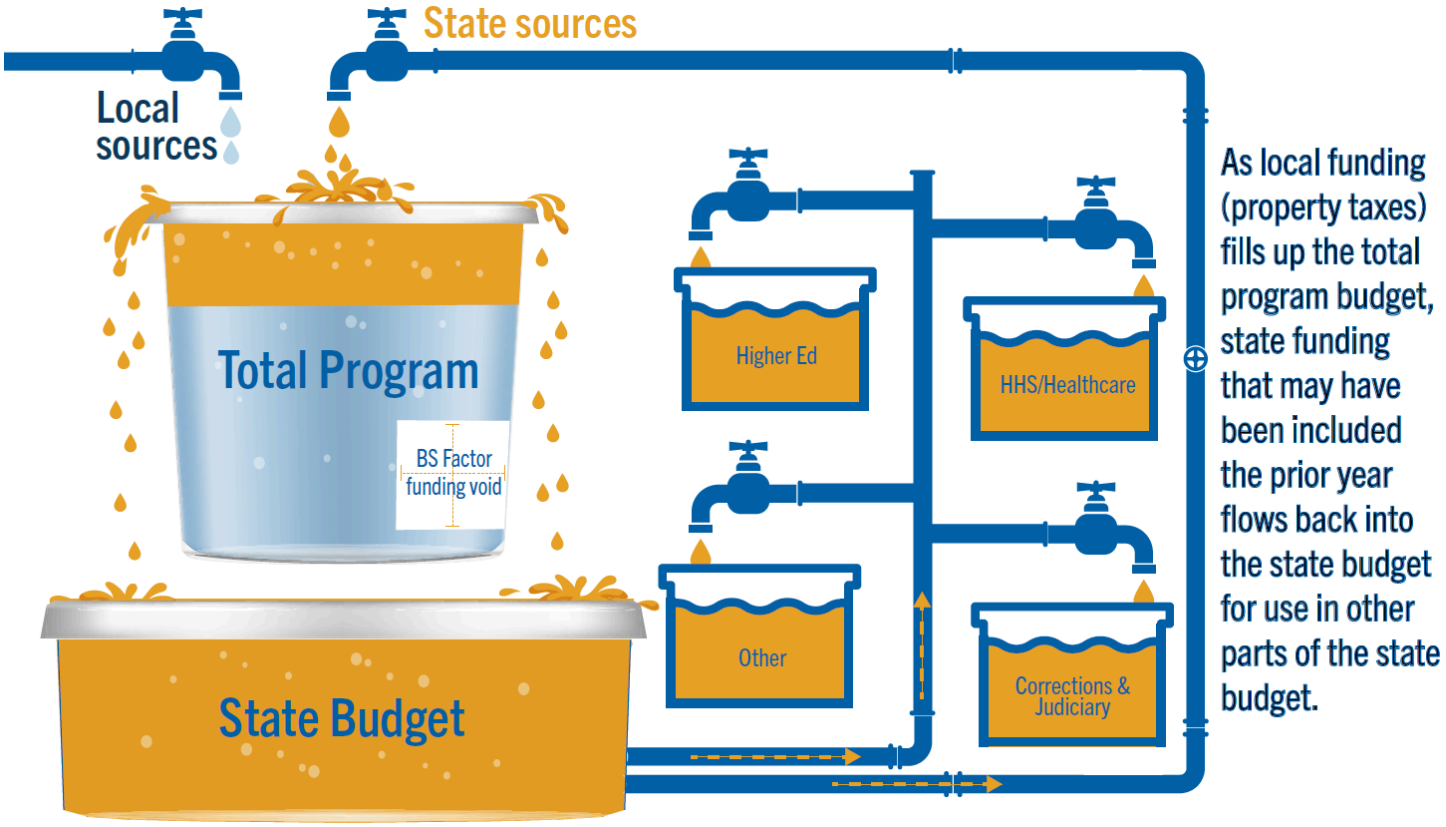
In 2025-26, statewide across all school districts, specific ownership taxes are projected to provide 2.7% of Total Program funding.

DETERMINING STATE SHARE

Funding from the state (State Share) is provided to each school district whose Local Share is insufficient to fully fund its Total Program. Payments of State Share moneys are made monthly to districts and are funded primarily from state income (personal and corporate) and sales and use tax revenues collected.

In 2025-26, statewide across all school districts, State Share is projected to provide 53.7% of Total Program funding.

The graphic below illustrates how the flow of funding works for school district total program funding in conjunction with the state budget. Total Program funding is determined by the School Finance Act. Local sources of funding (property tax and specific ownership tax) are accounted for first. Then State Share is utilized to “top off” the Total Program funding. From year to year, as assessed values increase, the local portion of Total Program funding grows, resulting in less state sources required to “fill the bucket”. If the legislature makes a funding change, increasing or decreasing funding in the formula, local sources are first accounted for in that change against the fixed mills in state statute. Enrollment changes and inflation also factor into the equation.



OTHER FUNDING

Mill Levy Override Revenues (C.R.S. 22-54-108)

A school district may desire to spend more property tax revenues than authorized/required to fund its Total Program. In this event, a district must seek approval from its voters to raise and expend "override" property tax revenues via an additional mill levy.

Beginning in FY 2009-10, a district's override revenues cannot exceed 25% (30% for small rural districts) of its Total Program or $200,000, whichever is greater, plus an amount equal to the maximum dollar amount of property tax revenue that the district could have generated for FY 2001-02 in a Cost of Living Adjustment election. All override revenues come from increased property taxes; no additional state funding occurs. A district's voter approval to raise and expend "override" revenues does not affect the amount of State Share funding which the district is eligible to receive.

In Fiscal Year 2025-26, 109 districts levied a general override mill.

Capital/Building Needs

Five distinct avenues through which a school district may meet its capital/building needs are discussed below.

1. **Bonded Indebtedness** (C.R.S. 22-42-102) -- A district may hold an election to authorize it to issue bonds to meet its capital needs. Principal and interest payments on bonds are paid from increased property tax revenues generated by a separate, additional mill that the district must be authorized to levy. Generally, a district may not have outstanding bond debt in excess of 20% (25% for rapidly growing districts as defined pursuant to C.R.S. 22-42-104) of its assessed property valuation or 6% of its actual property value, whichever is greater.

   School districts considering submitting a ballot question for bonded indebtedness to the electors of the district shall invite each charter school to participate in discussions regarding the possible submission of a ballot question.

2. **Special Building and Technology Fund** (C.R.S. 22-45-103(1)(d)) -- A district may hold an election to authorize it to levy up to 10 mills for not longer than three years. Moneys generated by this levy are available to fund the purchase of land; the construction, purchase, and maintenance of facilities; and the purchase and installation of building security, instructional, and informational technologies.

3. **Building Excellent Schools Today** (B.E.S.T.) (Article 43.7 of Title 22) -- Provides a funding structure for school capital construction projects, allowing school districts to enter into certificates of participation for lease-purchase agreements through the State Treasury for construction projects. B.E.S.T. maintains a grant program for school capital construction projects that do not meet the requirements of the lease-purchase program. The B.E.S.T. program brings all capital construction funding under one umbrella for administration and distribution of funds, and is intended to replace the remaining obligations of the "Giardino Settlement"

4. **Loan Program for Capital Improvements in "Growth Districts"** (C.R.S. 22-2-125) -- A district which is identified as a "growth district" pursuant to C.R.S. 22-2-125, is eligible to apply for a loan from the State Treasurer. This debt must be voter approved and if a property tax mill levy is the method of repayment, such levy must also be approved at the same time. At the time of the loan application, the district must specify the method of repayment and the terms of repayment may not exceed 10 years. The district must also have voter approval for a repayment period of longer than one year.

If a property tax mill levy will be used to repay the loan, the mill must be no more than 5 mills or a number of mills determined by dividing the latest statewide average per pupil assessed valuation (PPAV) by the latest PPAV of the growth district, whichever is less. If the district's PPAV is greater than the statewide average PPAV, the growth district may impose an additional property tax levy of no more than 1 mill.

5. **Supplemental Capital Construction, Technology and Maintenance Fund** (C.R.S. 22- 54-108.7) Effective FY 2016-17, a district may request voter approval to raise and expend additional local property tax revenue to provide ongoing cash funding for the capital construction, new technology, existing technology upgrade, and maintenance needs of the district.

   School districts considering submitting a ballot question for the supplemental capital construction, technology and maintenance fund to the electors of the district shall invite each charter school to participate in discussions regarding the possible submission of a ballot question.