



Shaping Their Future

Staff Recommendations for
New Funding

Learn Today, Lead Tomorrow

Agenda

- Overall Staff Recommendation
- Staff Recommendation for a Mill Levy Override (MLO)
- Staff Recommendation for a Bond
- Next Steps
- Questions

Appendix

- DCSD's Funding Challenges

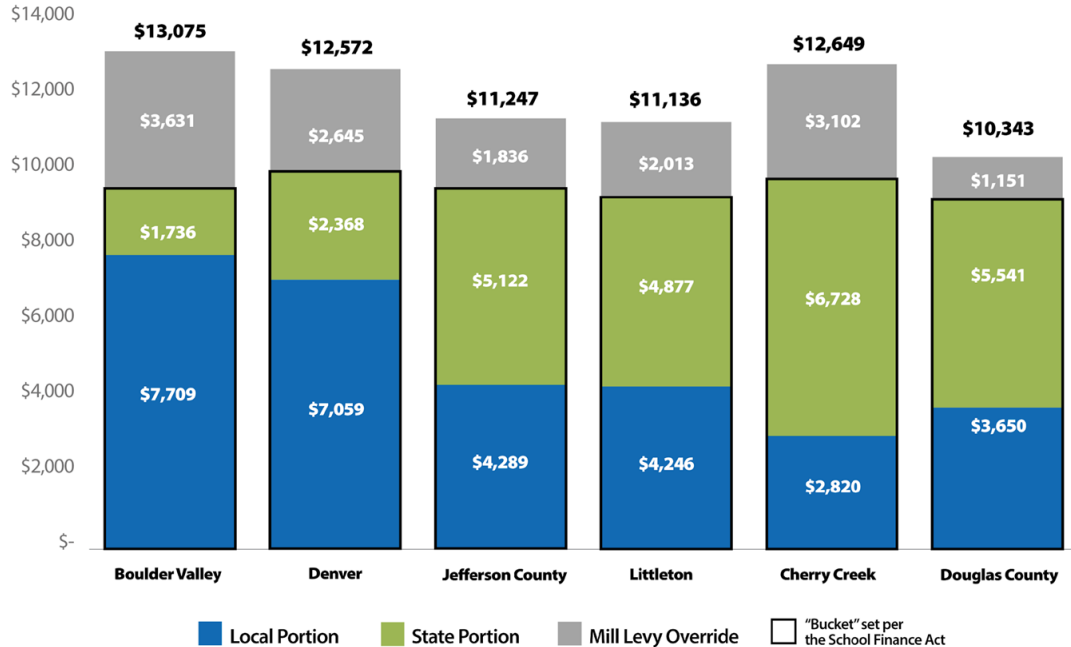
What do we want for our students?

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The Impact of an MLO on Comparative Revenue

Comparative 2022-2023 Per Pupil Revenue



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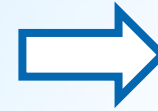
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Note: Numbers on the chart above are updated to reflect 2022-2023 School Year PPR.

Bond (Capital Needs) History

- Bond elections provide money for construction, maintenance, buses, and IT infrastructure.
- Capital maintenance going forward is unfunded (2018 bond covered deferred maintenance).

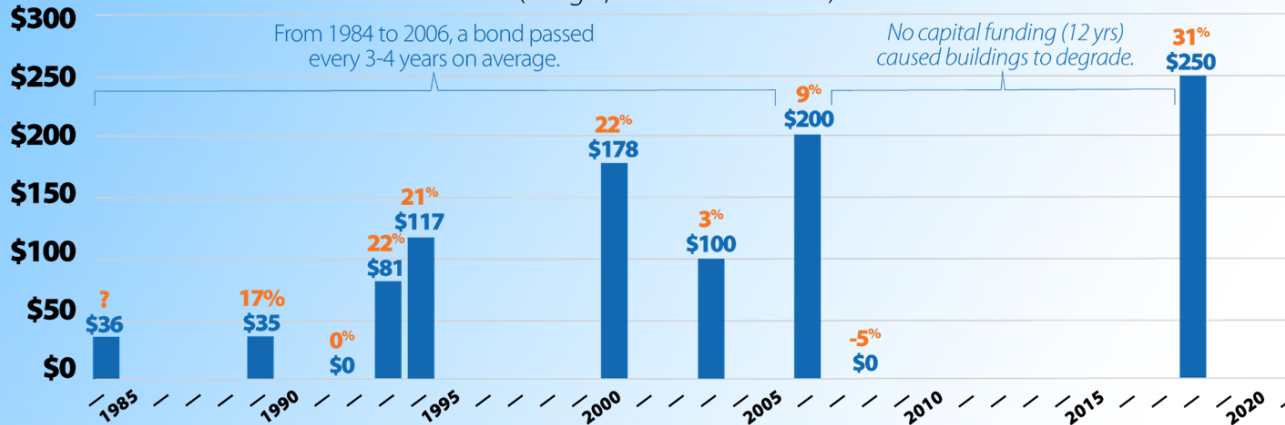
Buildings in DCSD
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\$30-\$35M
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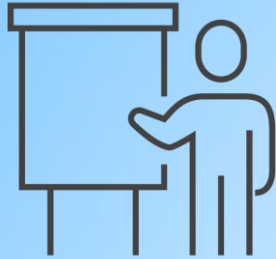
**Note: Numbers updated to reflect the 2022-23 school year.*

Bond Passed
(Margin, Amount in Millions)



Last New DCSD
Neighborhood
School Built
2010

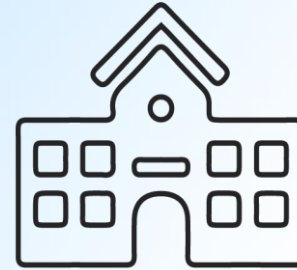
Overall Staff Recommendation



\$60 Million Mill Levy Override

- Competitive Compensation

The MLO would equate to about \$943 per student which overcomes the \$1951 per student gap with Cherry Creek about halfway.



\$450 Million Bond (Capital Needs)

- Build and Expand Neighborhood Schools
- Ongoing Capital Needs

The district's [Master Capital Plan](#) estimates the district's capital needs will be \$800-\$920 million over the next five years.

Taxpayer Impact of a \$60M MLO

Because the MLO is a fixed dollar amount, the impact on an individual will decrease with growth (number of homes and assessed values).

Impact per \$100K in actual value*

	Per Year	Per Week
Residential	\$51	\$1
Non-Residential	\$214	\$4

Examples:

\$500K Home: \$5/week (\$255/year)

\$1M Home: \$10/week (\$510/year)

*Actual value according to the [Douglas County Assessor](#), not current market value.

Taxpayer Impact of a \$450M Bond

A \$450M bond will not be a change in mills. If the bond does not pass, taxes would decrease slightly.

Impact per \$100K in actual value*:

Bond Passes

(no change in current mill)

	Per Year	Per Week
Residential	\$0	\$0
Non-Residential	\$0	\$0

Impact per \$100K in actual value*:

Bond does NOT Pass

(mills will decrease slightly)

	Per Year	Per Week
Residential	(\$10)	(\$0.19)
Non-Residential	(\$40)	(\$0.77)

*Actual value according to the [Douglas County Assessor](#), not current market value.

Overall Tax Impact of Staff Recommendation

The real dollar impact of both the bond and MLO on taxpayers will decrease over time with growth in homes and assessed values.



If both a **\$60M MLO** and a **\$450M Bond** pass, it will cost **\$1** a **week** per **\$100,000** of home value.

Mill Levy Override (MLO) Staff Recommendation

\$60 Million for Competitive Compensation

The MLO would be invested into making district-wide compensation more competitive so we can hold on to our valued teachers and staff.

Total Mill for the Entire District	\$60M (\$943 per student*)
Charter Allocation	\$15.5M*
District Allocation	\$44.5M*

**Based on 2022-2023 funded pupil count projection used in 2022-2023 Adopted Budget.*

Specific District Compensation Changes (non-charter)

Every district employee will know exactly what their increase will be should the MLO pass (retroactive to July 1!).

Consistent with our current percentages, approximately 70% of District portion will be allocated to licensed and 30% to non-licensed competitive pay adjustments.

Total MLO for District Teachers (licensed)	\$31.2M*
Total MLO for District Staff (non-licensed)	\$13.3M*
Total MLO District Share	\$44.5M

**Compensation estimates include benefits and covering higher cost of filling vacancies. Also includes covering use of fund balance due to initial implementation of step and lane. Charter schools will implement their own strategies.*

District Teacher (Licensed) Compensation Investment*

The average teacher will receive a 9% increase, 92% of teachers will now be on the licensed salary schedule, and the schedule will be sustainable.

- All Salary Schedules are Shifting UP ([Revised Salary Schedules](#))
 - Example: A teacher on step 4 with a Bachelor's will go from \$46,354 to \$51,915 (general schedule)
 - Example: A teacher on step 10 with a Master's will go from \$59,311 to \$66,427 (general schedule)
- Revised Starting Salaries (10-12% increase)
 - General to **\$48,921**, Hard to Hire to **\$52,976**, and Extremely Hard to Hire to **\$59,136**
- Individuals over the new cell will receive increase as a one-time pay 3%.**
- We will continue to work on future enhancements based on feedback as resources allow.

* Licensed employees will remain at approximately 70% of total compensation for the District.

** Staff whose new salary is less than 3% below cell will receive a one-time PERA-includable stipend for the difference.

District Staff (Non-Licensed) Compensation Investment*

Average salary increase for non-licensed staff will be 8%.

- Increases by Employee Group
 - Classified = 9%
 - Professional/Technical = 6%
 - Administrators = 6%
- Ranges will shift along with pay making all ranges more competitive for hiring.
- Will continue to work in the future on calibrations between and within groups.

** Non-licensed employees will remain at approximately 30% of total compensation for the District.*

District Compensation Timeline (if MLO passes)

Pay changes will be retroactive to July 1, 2022.

- **January 2023 Payroll:** Lump sum retroactive payment.
- **February 2023 Payroll:** New rate of pay begins.
- Note: Licensed staff will be on the same cell they are currently on, however, the whole schedule will have changed (moved up).

Potential MLO Language (Alternative Resolution)

SHALL DOUGLAS COUNTY SCHOOL DISTRICT TAXES BE INCREASED \$60 MILLION ANNUALLY COMMENCING IN COLLECTION YEAR 2023 AND IN EACH YEAR THEREAFTER FOR GENERAL FUND PURPOSES INCLUDING, **BUT NOT LIMITED TO:**

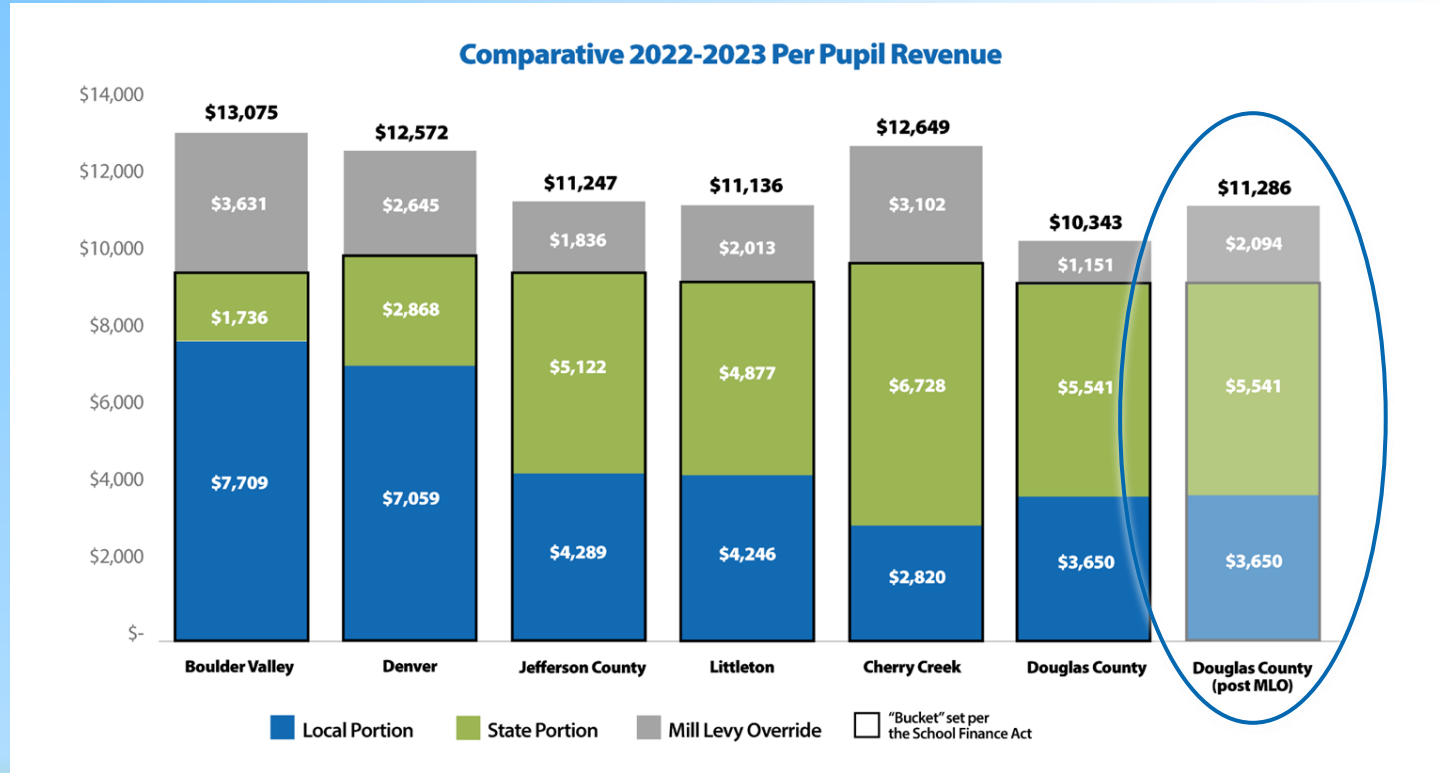
RETAINING AND ATTRACTING QUALITY TEACHERS AND STAFF BY INCREASING FOR THE 2022/2023 SCHOOL YEAR AND THEREAFTER MAINTAINING DISTRICT **SALARIES AND BENEFITS TO BE MORE COMPETITIVE WITH NEIGHBORING SCHOOL DISTRICTS;**

AND SHALL SUCH TAX INCREASE BE AN ADDITIONAL PROPERTY TAX MILL LEVY IN EXCESS OF THE LEVY AUTHORIZED FOR THE DISTRICT'S GENERAL FUND, PURSUANT TO AND IN ACCORDANCE WITH SECTION 22-54-108, C.R.S.; AND SHALL THE DISTRICT COLLECT PROPERTY TAX REVENUE PREVIOUSLY APPROVED BY THE VOTERS NOTWITHSTANDING ANY MILL LEVY LIMITATION; AND SHALL THE DISTRICT WILL BE SUBJECT TO AN ANNUAL INDEPENDENT AUDIT PUBLISHED ON THE DISTRICT'S WEBSITE AND EXPENDITURES WILL BE SUBJECT TO REVIEW BY A BOARD APPOINTED CITIZENS OVERSIGHT COMMITTEE?

Important Mill Levy Override Notes

- The BOE Resolution on Compensation, if passed, will automatically trigger the compensation changes without an additional board vote.
- The compensation changes, once made, tie up the 2022 MLO going forward (the cost of ongoing salary require an ongoing source, the MLO, to sustain)
- The intention is to focus expenditure of future 2022 MLO override dollars for the purpose of increasing employee compensation for the 2022 -23 school year and assuring maintenance in future years to attract and maintain district salary and benefits.

MLO Comparisons Pre and Post Successful Election



**Assumes all other District MLO's do not change in the same election cycle.*

Bond Staff Recommendation

\$450 Million for Growth, Maintenance, and Security

The bond would be an investment in new schools, capital maintenance of existing buildings, and safety and security upgrades.

Total Bond for the Entire District	\$450M
New Construction for Growth Areas	\$216M
Student Programming Investments	\$54.5M
Safety and Security Upgrades	\$15.5M
Capital Maintenance and Renewal	\$139M
Bond Fees, Management, and Contingency	\$25M

Bond Recommendation: New Construction

New neighborhood schools are needed in several communities and two middle school expansions, to accommodate growth.

Total Bond New Construction	\$216M
Neighborhood Schools in Sterling Ranch, Crystal Valley, & Canyons	\$170M
Expansion of Sierra and Mesa Middle Schools	\$46M

Note: The district will be engaging in a process to address declining enrollment areas as well so we have a 3-5 year plan developed with staff and community input. We must address both growth and decline.

Bond Recommendation: Student Programming Investments

Investment in student programming and resources as well as improving student access to programming.

Total Student Programming Investments	\$54.5M
Athletics and Activities Upgrades	\$7.7M
Career and Technical Education Additions	\$23.5M
Special Education Programming*	\$5.0M
Information Technology	\$18.3M

**The total investment in Special Education is \$10.2M, including \$5M in student programming (above), \$4.7M in special education-specific buses (part of Transportation, slide 22), and \$0.5M in ADA and Special Education upgrades (part of Code/Safety Upgrades, slide 22). Additionally, the \$0.5 in playground upgrades (part of Code/Safety Upgrades, slide 22) includes accessibility for student with special needs.*

Bond Recommendation: Safety and Security Upgrades

Continuing to update building security to ensure we are adopting the latest recommendations and continually replacing older equipment.

Total Safety and Security Upgrades	\$15.5M
Window Hardening (replace aging materials)	\$4,200,790
Alarm/Monitoring Replacement	\$1,428,840
Server Replacement	\$509,263
Door Contacts	\$3,000,564
BDA/DAS (to boost radio signals)	\$1,800,000
Student Transportation Radios Replacement	\$2,125,400
Dispatch Stations Replacement	\$64,298
Radio Network Updates	\$416,745
Lockdown & Intercom Systems	\$458,420
Aged/Legacy Cameras	\$1,500,282

Bond Recommendation: Capital Maintenance and Renewal

Investments in maintaining our 111 buildings (\$30-35M/year) for 3.5 years and responsible replacement of vehicles.

Capital Maintenance and Renewal	\$139M
District Educational Facilities Capital Maintenance	\$116M
Charter School Capital Maintenance	\$7M
LED Upgrades District-Wide	\$2M
Code/Safety Upgrades (including ADA and special education)	\$1M
District Facilities Emergency Capital Maintenance Allowance	\$3M
Transportation (General School Bus, Special Education School Bus, and Service Vehicle Replacement)	\$10M

Bond Recommendation: New Construction Notes

Potential schedules are based on everything going to plan.

Potential Opening* of New Construction	
Sterling Ranch Neighborhood School	August 2025
Crystal Valley Neighborhood School	August 2025
The Canyons Neighborhood School	August 2026
Mesa Middle School Expansion	August 2025
Sierra Middle School Expansion	August 2025

**Anticipated openings based on enrollment projections, school capacities, and anticipated staffing for bond personnel either in-house and/or by an Owner's Rep firm.*

Draft BOND Ballot Language - For Discussion Purposes Only

SHALL DOUGLAS COUNTY SCHOOL DISTRICT DEBT BE INCREASED \$450 MILLION WITH A REPAYMENT COST OF \$775.5 MILLION, AND SHALL DISTRICT TAXES BE INCREASED \$49.7 MILLION ANNUALLY **(BUT WITH NO EXPECTED INCREASE IN THE DISTRICT'S CURRENT BOND FUND MILL LEVY RATE BASED ON THE DISTRICT'S CURRENT ASSESSED VALUE AND TAX COLLECTION RATE)**, TO PAY SUCH DEBT, ALL FOR THE PURPOSE OF:

UPDATING AND PERFORMING CRITICAL CAPITAL IMPROVEMENTS AND MAINTENANCE AT EXISTING EDUCATIONAL FACILITIES;

IMPLEMENTING SAFETY AND SECURITY UPGRADES;

CONSTRUCTING AND EQUIPPING THREE NEW NEIGHBORHOOD SCHOOLS AND ADDITIONS TO TWO EXISTING NEIGHBORHOOD SCHOOLS TO ACCOMMODATE GROWTH AND REDUCE OVERCROWDING;

IMPLEMENTING OTHER CAPITAL IMPROVEMENTS AS DESCRIBED IN THE DISTRICT'S BOND PRIORITY PLAN;

AND FOR ACQUIRING, CONSTRUCTING OR IMPROVING ANY CAPITAL ASSETS THAT THE DISTRICT IS AUTHORIZED BY LAW TO OWN; AND SHALL THE MILL LEVY BE IMPOSED IN ANY YEAR AT A MILL LEVY SUFFICIENT IN EACH YEAR TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH DEBT OR ANY REFUNDING DEBT (OR TO CREATE A RESERVE FOR SUCH PAYMENT) PROVIDED THAT ANY REVENUE PRODUCED BY SUCH LEVY SHALL NOT EXCEED \$49.7 MILLION ANNUALLY;

Draft Bond Ballot Language (con't) - For Discussion Purposes Only

SUCH DEBT TO BE EVIDENCED BY THE ISSUANCE OF GENERAL OBLIGATION BONDS TO BE SOLD IN ONE SERIES OR MORE, FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT OF SUCH SERIES, ON TERMS AND CONDITIONS AND WITH SUCH MATURITIES AS PERMITTED BY LAW, INCLUDING PROVISIONS FOR REDEMPTION OF THE BONDS PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF THE PREMIUM OF NOT TO EXCEED ONE PERCENT;

AND SHALL THE DISTRICT WILL BE SUBJECT TO AN ANNUAL INDEPENDENT AUDIT PUBLISHED ON THE DISTRICT'S WEBSITE AND EXPENDITURES WILL BE SUBJECT TO REVIEW BY A BOARD APPOINTED CITIZENS OVERSIGHT COMMITTEE?

Next Steps

Introduction of advisors with us tonight:

- Kim Crawford - Bond Counsel from Butler Snow
- Courtney Diguardi - Butler Snow
- Mattie Prodanovic - Hilltop Financial Advisor

Action Items for Consideration Tonight:

- Resolution Regarding a Mill Levy Override
- Resolution Regarding Compensation Changes if a 2022 Mill Levy Override Passes
- Resolution Regarding a Bond

Note: The Fair Campaign Practices Act kicks in once a vote is taken (see [Campaign Dos and Don'ts](#))

Staff recommends the BOE extend the charter for the Mill Bond Oversight Committee (MBOC) upon a successful election.

A large group of graduates in blue gowns and caps are seen from behind, throwing their caps into the air. The caps are scattered across a clear blue sky. The scene is bright and celebratory.

Questions?

Learn Today, Lead Tomorrow

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Appendix

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What do we want for our students?

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How is DCSD Funded?

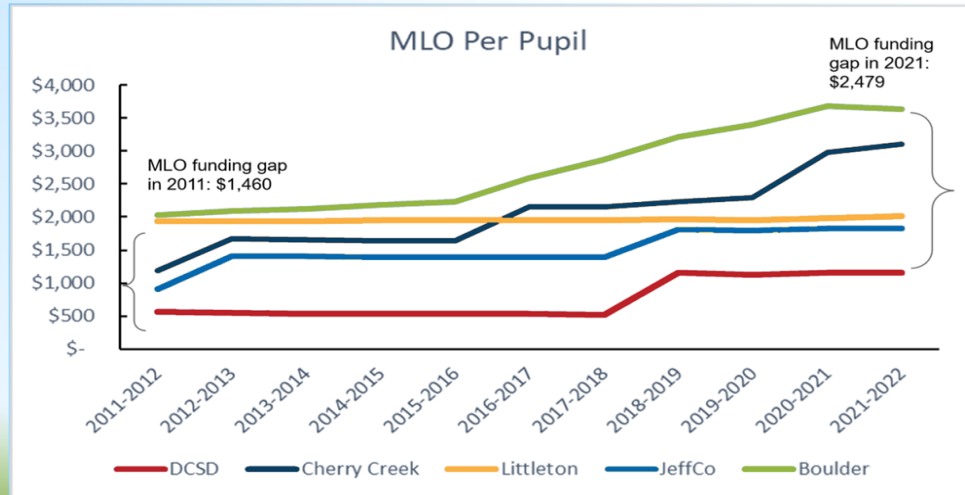
Total Funding is Fixed
by the School Finance Act



What You Need to Know

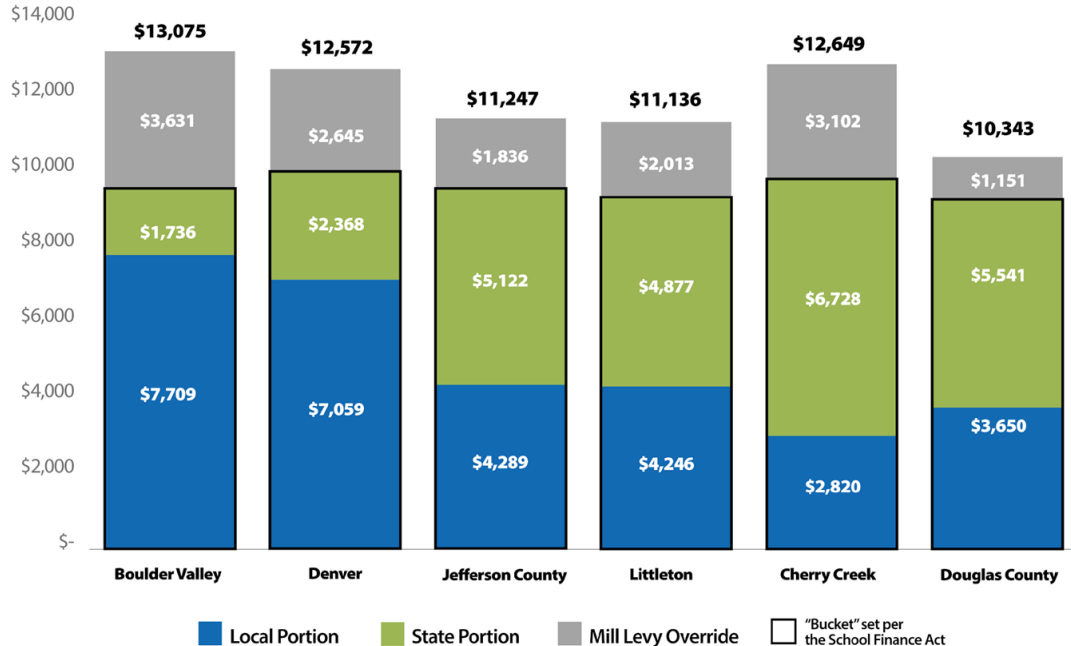
$$\text{Total Funding (fixed)} = \text{Property Taxes} + \text{State Equalization}$$

- Local prosperity does NOT change DCSD's Total Funding.
- Total Funding can be increased up to 25% (plus*) through locally-approved Mill Levy Overrides.
- Other districts increased MLOs over time, outpacing DCSD.



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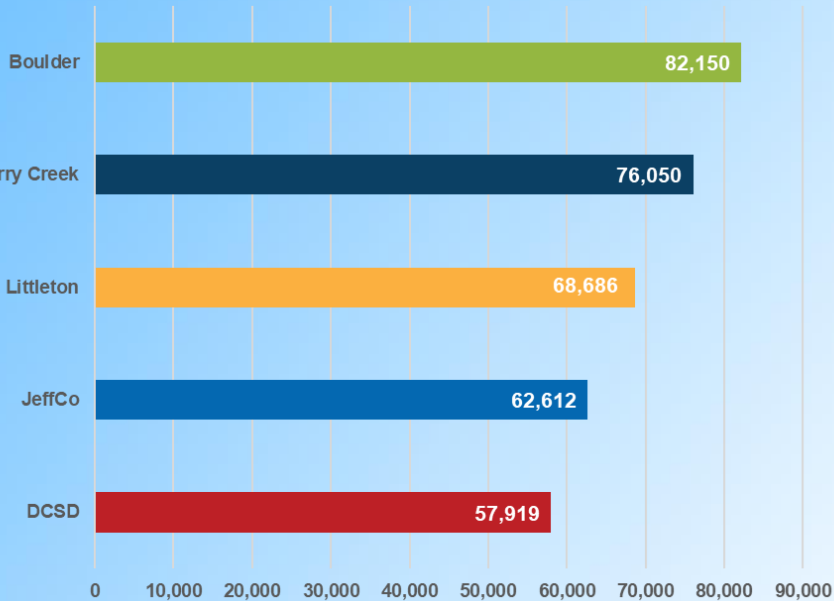
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Challenges: Paying our Teachers and Staff Competitively

Average Teacher Salary 2021-2022



Source: <https://www.cde.state.co.us/cdereval/rvaveteachsallinks> and [CDE Principal and Assistant Principal Average Salary by District](#)



It's not just teachers...

Educational Assistant
2022-2023
starting salary:
\$13.62/hour

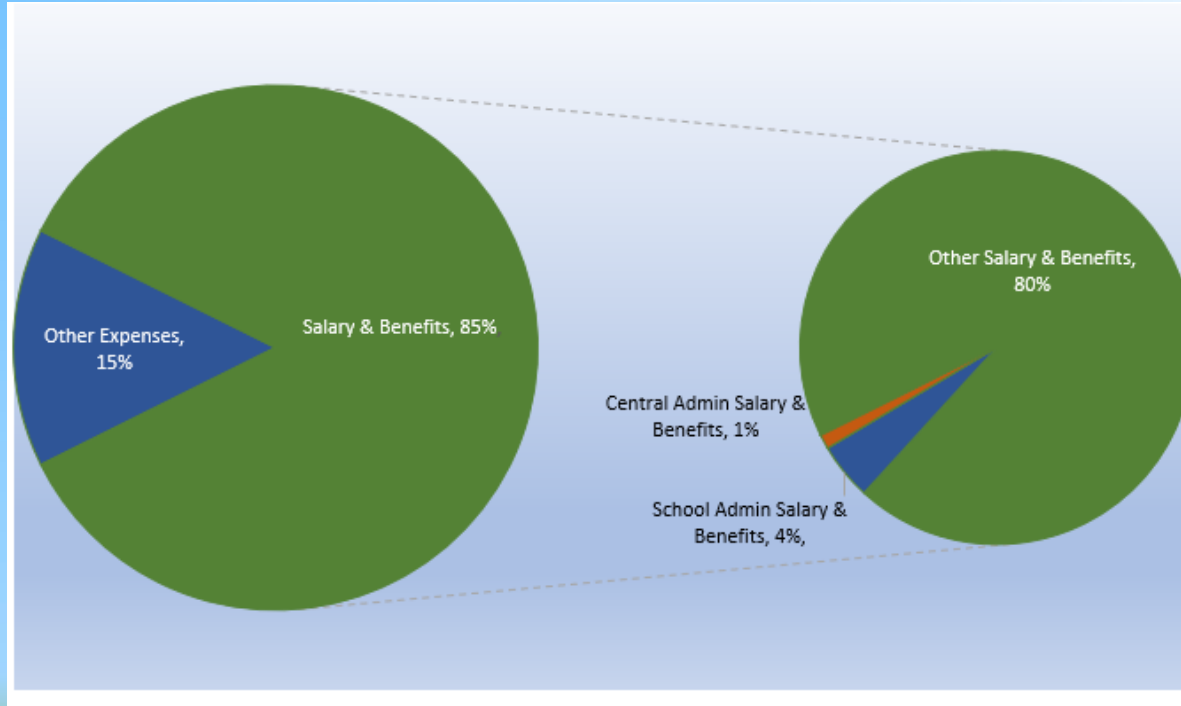


\$19.00/hr



\$17.03/hr

Can't DCSD Just Cut Administrative Costs?



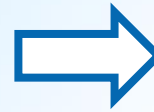
DCSD has very low administration costs. Central Administration is 1% of salary and benefits.

For example, DCSD Human Resources has 23 professionals to serve 8500 employees (1:370 ratio) – other districts' ratios are 1:100 to 1:250; industry standard is 1:50.

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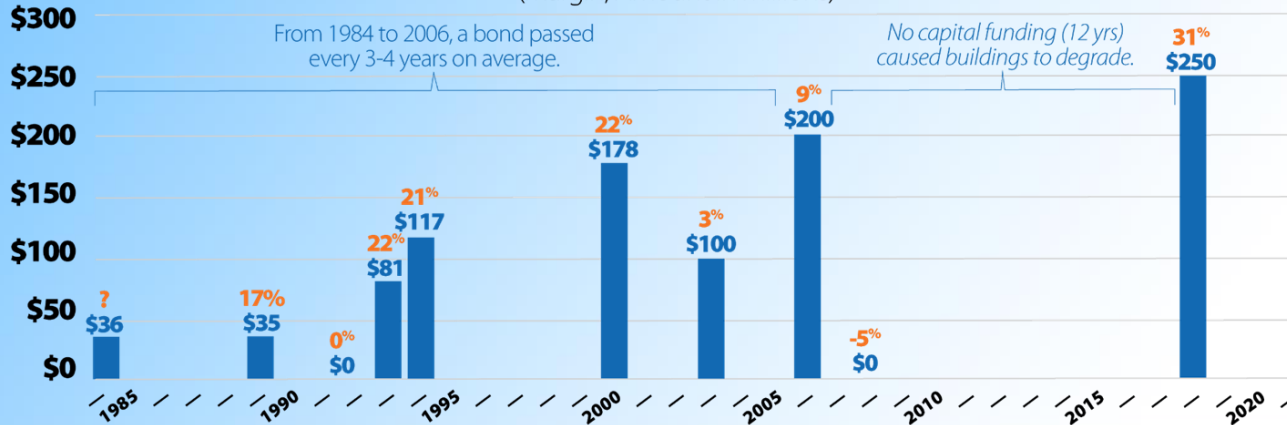
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