



**2023 Bond/Mill Levy Override
Staff Recommendation**
June 20, 2023



Agenda

- Funding Challenges Continue
- Changing Tax Environment
- 2023 Mill Levy Override Recommendation
- 2023 Bond Recommendation
- Impact on Taxpayers
- Proposed Ballot Language
- Question and Answer



Board Ends

- I. Academic Excellence
- II. Outstanding Educators and Staff
- III. Safe, Positive Culture and Climate
- IV. Collaborative Parent, Family, and Community Relations
- V. Financial Well-Being

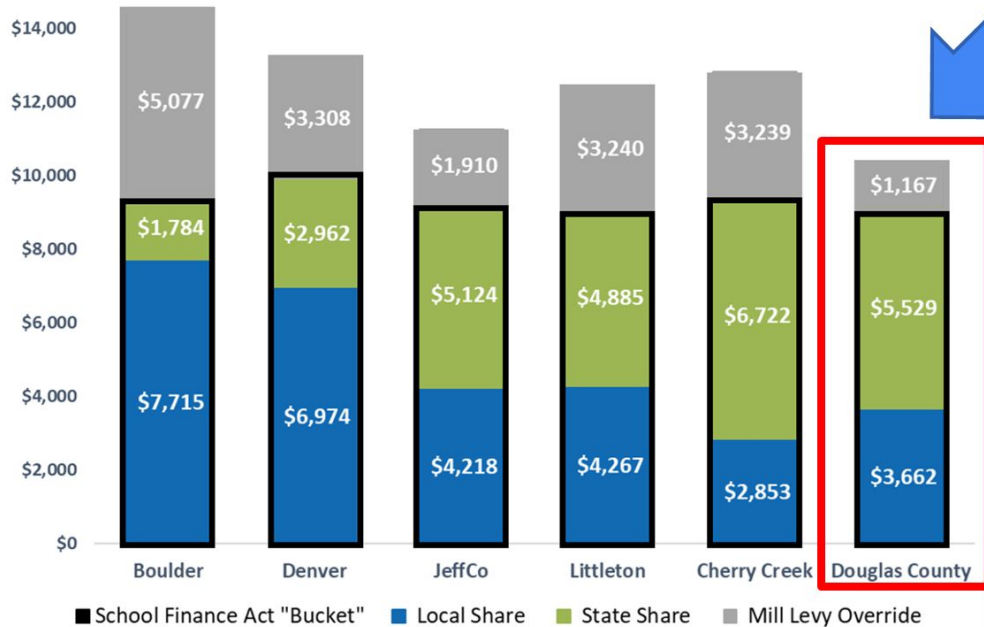


Funding Challenges Continue



The Impact of Local Taxes on Comparative Revenue

Comparative Per Pupil Revenue (22-23)

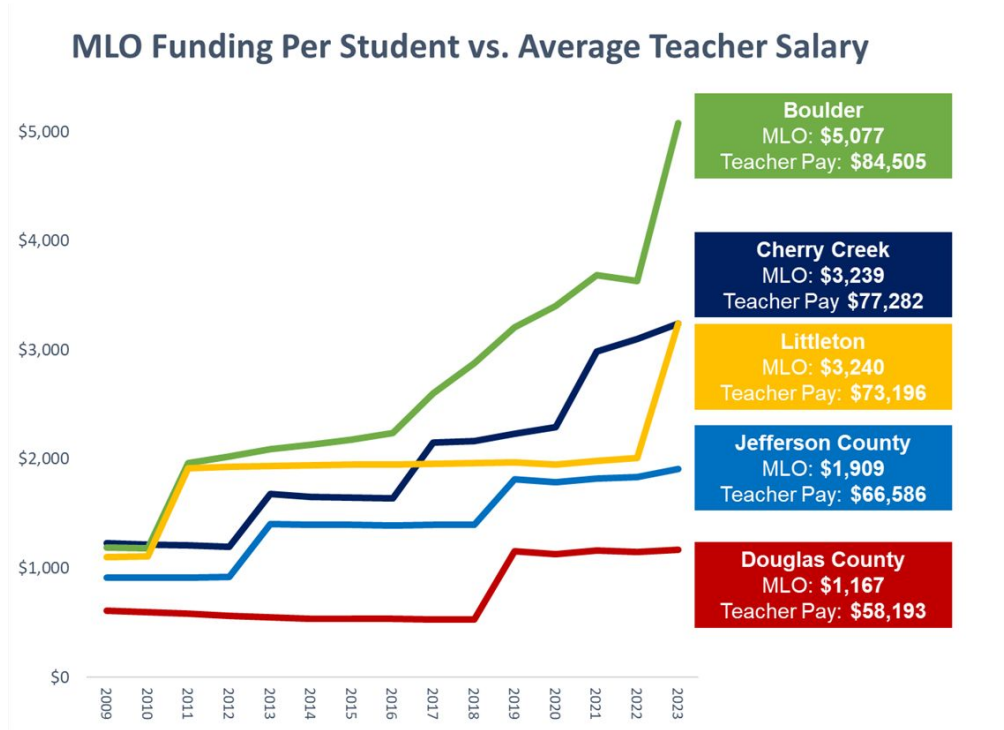


**Numbers reflect the 2022-2023 School Year, post 2022 election*

FACT:
 Cherry Creek receives
\$2,072
 more per student in MLO annually.
 equating to a
\$130 million
 Funding gap each year.*

**DCSD's 22-23 student count is 63,876.*

Compensation, Hiring and Staff Retention Challenges



*MLO per student is total mill levy override divided by funded pupil count; Average teacher salaries are from CDE data for the 2021-2022 school year.

Douglas County starting teacher pay (23-24):
\$45,209

1-Bedroom apartment in Douglas County:
\$1,665+/mo



Navigating a Changing Landscape

- Property Assessments are up!
 - While this means more revenue for the County, Metro Districts, etc, for school districts no additional revenue is received it only changes the state vs. local portion.
- Proposition HH
 - Reduces assessment rates to 6.7%
 - Exempts first \$50,000 of primary home's value
 - In return, voters are asked to increase the TABOR cap by an extra 1% (inflation + growth + 1%)
 - Constitutionality challenge being briefed to Colorado Supreme Court on June 30th.

Voter Sentiment in a Changing Landscape

- Due to the drastic impact on voters of the tax assessments sent out in May and the introduction of Proposition HH, staff commissioned a second poll to be sure the Board of Education has up to date information for their evaluation.
- Polling occurred the week of June 12 (a memo from the polling firm summarizing results is attached to the agenda)
- **The polling found that support for 5A is slightly stronger since the March poll and support for 5B has stayed essentially the same** - even when voters are reminded about their higher taxes (95% were aware that their taxes were about to increase significantly due to increases in assessed values) and Proposition HH.

Funding Their Future: Mill Levy Override Recommendation



MLO Recommendation Overview

\$60 Million for Competitive Compensation

\$6 Million for Enhanced Security Staffing

	Total	Compensation	Security
Total Mill	\$ 66 M	\$60 M	\$6 M
District Allocation (76%)	\$ 50.2 M*	\$ 45.6 M	\$ 4.6 M
Charter Allocation (24%)	\$ 15.8 M*	\$ 14.4 M	\$ 1.4 M

District Compensation Changes

- Teachers (licensed staff): **9.2% Avg Increase**
 - [Revised Salary Schedules](#)
 - Minimum of 7% for regular employees, 3.5% for post-retirement 110 employees
- Support Staff (classified): **9% Increase**
- All Other Staff: **7% Increase**
- *All increases would be retroactive to July 1*
 - Jan 2024 Payroll: Lump sum retroactive payment (July-Jan).
 - Feb 2024 Payroll: New rate of pay begins.



Starting Pay Rate Examples Post-MLO

Position	SY 22-23	SY 23-24	Post MLO	Approx. Total Increase
Teacher* (General)	\$43,680	\$45,209	\$50,182	15%
Educational Assistant IV	\$17.11	\$17.62	\$19.21	12%
Bus Driver** (CDL)	\$21.36	\$22.86	\$24.92	17%
Security Specialist	\$17.55	\$18.08	\$19.71	12%
Custodian	\$15.92	\$16.40	\$17.88	12%

* Cherry Creek's 23-24 starting salary is \$57,000, Littleton is \$51,274 and Jeffco is \$50,000.

** Per ATU negotiations; Cherry Creek starting driver pay is \$23.18.

Important Mill Levy Override Notes

- Data will be re-run prior to official declaration of MLO once employee roll over occurs July 1. This allows for the most accurate employee data as possible.
- 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 2023 MLO going forward (the cost of ongoing salary requires an ongoing source, the MLO, to sustain).
- **Upon finalizing the proposed schedules and BOE approval, employees would receive draft individual pay information (in September) so they would know their new pay rate after a successful MLO.**

Safety & Security Support

- Additional School Resource Officer Support
 - Across all jurisdictions
 - Fill in gaps and increase coverage
- Campus Security Specialists
 - District-run elementary schools
- Annual Security Equipment Allowance



Funding Their Future: Bond Recommendation



Bond Recommendation Overview

Total Bond	\$ 484 M
Safety & Security	\$ 15 M
Career & Technical Education	\$ 26 M
Capital Renewal & Replacement	\$ 145 M
Neighborhood School Construction	\$ 226 M
Special Education	\$ 17 M
Information Technology	\$ 20 M
Athletics & Activities	\$ 8 M
Contingency/Fees	\$ 27 M

Safety & Security: \$15 M

- Security Equipment Replacement (\$4 M)
- Radio Communication Upgrades (\$4.4 M)
- Building Upgrades (\$7 M)

Career & Technical Education: \$26 M

- Legacy Campus Phase II (\$17.4 M)
- Additional Automotive Program (\$8.2 M)



Capital Renewal & Replacement (\$145 M)

- District Educational Facilities Capital Maintenance (\$126 M)
- Charter School Facilities Capital Maintenance (\$8 M)
- Emergency Capital Maintenance Allowance (\$3 M)
- LED upgrades district-wide (\$2 M)
- ADA-Related Improvements (\$0.5 M)
- Playground Upgrades (\$0.5 M)
- School Bus and Vehicle Replacement (\$5 M)



Neighborhood School Construction (\$226 M*)

- Neighborhood School for The Canyons (\$58 M*)
- Neighborhood School for Sterling Ranch (\$58 M*)
- Neighborhood School for Crystal Valley (\$58 M*)
- Mesa Middle School Expansion (\$22 M*)
- Sierra Middle School Expansion (\$29 M*)



Special Education (\$17 M)

- Parker Bridge, Child Find, and ECE Facility Upgrade (\$7 M)
- Specialized CTE Capital Improvements (\$2.5 M)
- Additional Center-Based Programming (\$2.5 M)
- Replacement of Special Education School Buses (\$4.7)
- Special Education-Related Improvements (\$0.3 M)



Athletics & Activities: \$8 M

- Athletic Facilities Upgrades (\$6.5 M)
- Auditorium Upgrades (\$1.5 M)



Information Technology: \$20 M

- Staff and Student Device Refresh



Funding Their Future: Impact on Taxpayers



Combined Bond/MLO Impact:

If BOTH Initiatives Pass:

- **Net Increase to Taxpayers: \$20 annually per 100k value***
- This equates to \$100 annually per 500k value



Proposed Mill Levy Override Impact

For the new MLO it would mean:

- **\$40 per year increase per 100k in home value**
- Mills would increase by 5.912

For the existing MLO elections:

- \$16 per year savings per 100k home value (current cost is \$63 per year)
- Mills would decrease by 2.346 mills from 9.050 to 6.704

Overall effect of new and existing MLO:

- **Overall \$24 per year increase per 100k home value**
- Overall increase of 3.566 mills

Proposed Bond Impact

If Bond does pass:

- Would drop from a 6.7 mill to a 5.75 mill
- **Would save taxpayers \$4 annually per 100k in home value**

If Bond does not pass:

- We would drop from a 6.7 mill to a 5.0 mill
- Would save taxpayers \$11.50 annually per 100k in home value

Funding Their Future: Recommended Ballot Language



Mill Levy Override Ballot Language

SHALL DOUGLAS COUNTY SCHOOL DISTRICT TAXES BE INCREASED \$66 MILLION ANNUALLY COMMENCING IN COLLECTION YEAR 2024 AND REMAIN AT THIS AMOUNT EACH YEAR THEREAFTER IN ORDER TO:

- RETAIN AND ATTRACT EXCELLENT TEACHERS AND STAFF BY INCREASING SALARIES TO BE MORE COMPETITIVE WITH NEIGHBORING DISTRICTS, AND
- INCREASE AND MAINTAIN SCHOOL SECURITY SUPPORT, SUCH AS SCHOOL RESOURCE OFFICERS:

AND SHALL SUCH TAX INCREASE BE IMPOSED 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'S EXPENDITURES BE SUBJECT TO OVERSIGHT BY A CITIZENS' COMMITTEE?

Bond Ballot Language

WITHOUT ANY EXPECTED INCREASE IN THE DISTRICT'S CURRENT DEBT SERVICE MILL LEVY OF 6.700 MILLS, SHALL DOUGLAS COUNTY SCHOOL DISTRICT DEBT BE INCREASED \$484 MILLION WITH A REPAYMENT COST OF \$850 MILLION, AND SHALL DISTRICT TAXES BE INCREASED \$54 MILLION ANNUALLY TO PAY SUCH DEBT, ALL FOR THE PURPOSES OF:

- IMPLEMENTING SCHOOL SAFETY AND SECURITY UPGRADES;
- EXPANDING CAREER AND TECHNICAL EDUCATION OPPORTUNITIES FOR STUDENTS;
- UPDATING, MAINTAINING, EQUIPPING, REPLACING, AND CONSTRUCTING EDUCATIONAL FACILITIES CONSISTENT WITH THE DISTRICT BOND PLAN AS MAY BE AMENDED IN ORDER TO PROVIDE SAFE AND ADEQUATE LEARNING SPACES FOR STUDENTS AND STAFF AND TO REDUCE OVERCROWDING:

Bond Ballot Language (con't)

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); 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'S EXPENDITURES BE SUBJECT TO OVERSIGHT BY A CITIZENS' COMMITTEE?

Funding Their Future: Conclusion and Next Steps



Proposal Summary

- **\$66 Million Mill Levy Override** to pay teachers and staff more competitively and to increase security support for our schools.
- **\$484 Million Bond** to expand career and technical education opportunities, perform safety and security upgrades, and to ensure safe and adequate learning environments for students and staff.
- **Net Impact to Taxpayers** if both initiatives pass is an additional \$100 per year for a \$500K home*

**compared to what taxpayers currently pay and assuming a 35% increase in assessed values*

Next Steps (August*)

August Action Items:

- Election Resolution for a \$60 Million Mill Levy Override
- Compensation Resolution (should an MLO pass)
- Election Resolution for a \$450 Million Bond

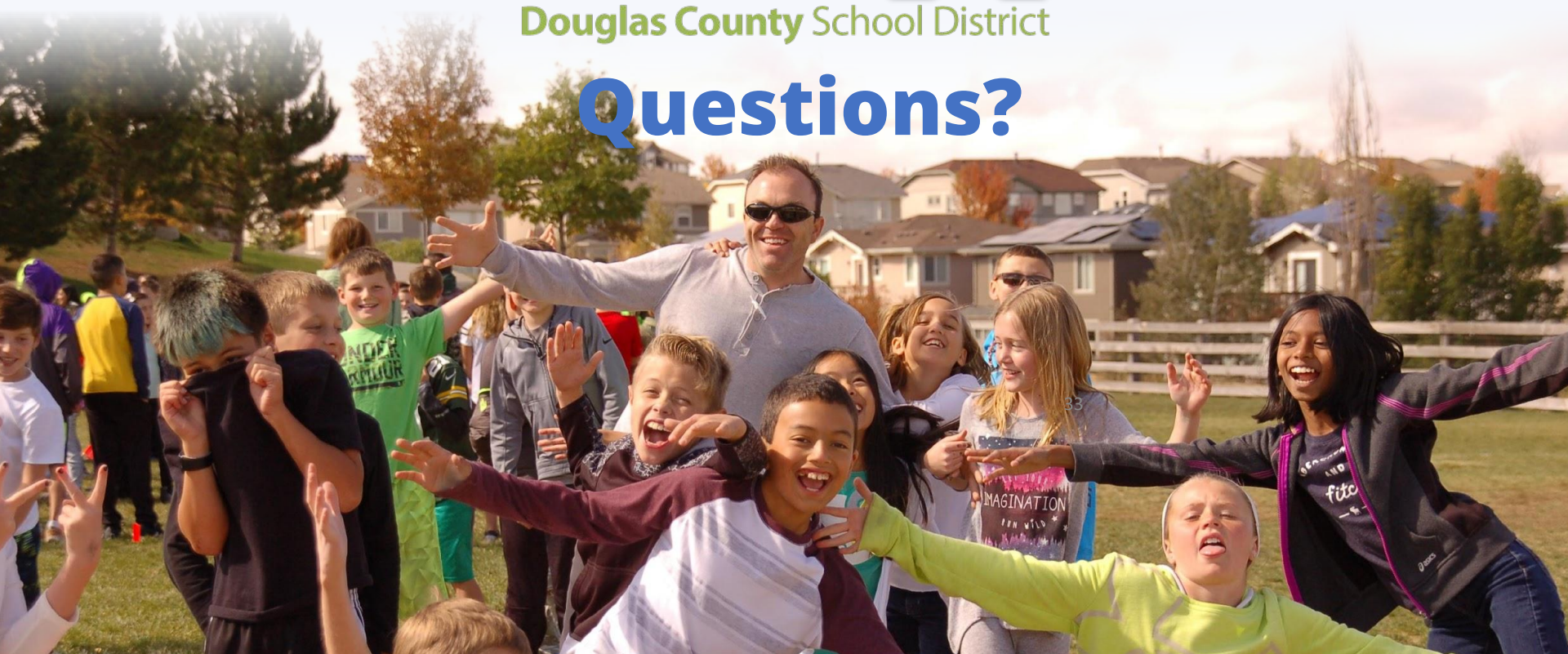
Staff recommends the BOE extend the charter for the Mill Bond Oversight Committee (MBOC) upon a successful election.

Note: The Fair Campaign Practices Act kicks in once a vote is taken.

** Staff can bring these forward at either August board meeting depending on the BOE's desired timing.*



Questions?



Appendix: Supplemental Information

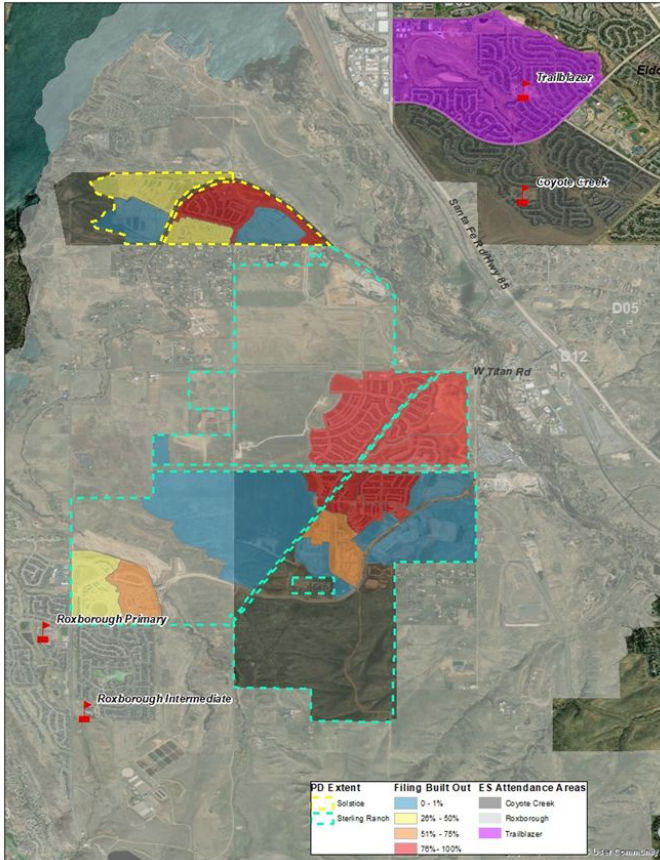


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New Construction Needs



Solstice/Sterling Ranch Elementary School



Overflow K-6 enrollment is currently being bussed to Coyote Creek Elementary

- Coyote Creek Elementary is at 101% of its ideal program facility capacity (2022-23 school year)
- Projected to be at 115% of its ideal program facility capacity in the 2023-24 school year

A second overflow location and boundary is proposed for implementation for the 2023-24 school year to accommodate continual forecasted K-6 enrollment growth from these areas

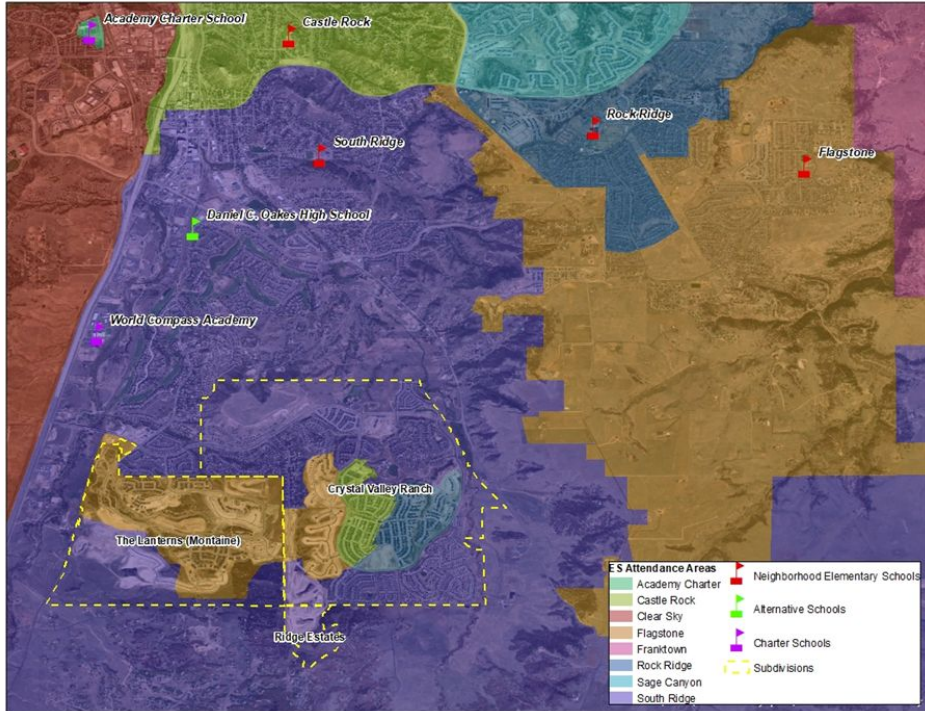
Overflow System Approach

- Counter to the neighborhood school concept
- Increased transportation costs
- Only preferable when available capacity is in close proximity to where it is needed

Impact of Mobiles

- Lack special features and architectural quality of permanent classrooms
- Cost of mobile moves and replacement
- Only preferable as a short-term solution

Crystal Valley Elementary School & Mesa Middle School Expansion



Overflow K-6 enrollment (South Ridge) is being bussed to Flagstone, Castle Rock, and Rock Ridge Elementary Schools

- All four schools are projected to be over 100% of their ideal program capacity within 5 year outlook

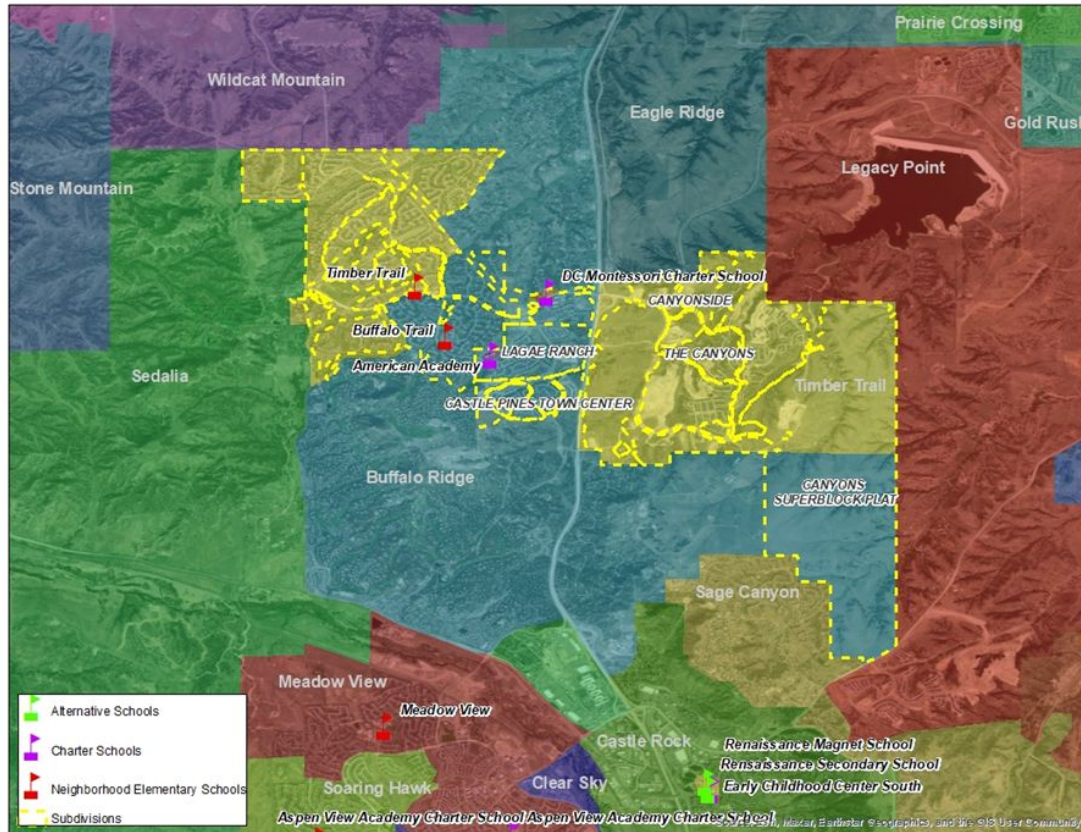
Overflow System Approach

- Counter to the neighborhood school concept, increased transportation costs, and available capacity is *not* in close proximity to where it is needed

Impact of Mobiles

- Special features and architectural quality, cost, and usage long-term
- Grade Reconfiguration
- Partial implementation complete. Additional funds needed for Mesa MS facility modifications and addition

The Canyons Elementary School



Overflow K-5 enrollment (Buffalo Ridge) is being bussed to Timber Trail Elementary School

- Both schools projected to be over 100% facility capacity by 2027

Overflow System Approach

- Counter to the neighborhood school concept, increased transportation costs, available capacity requires crossing of I-25

Impact of Mobiles

- Special features and architectural quality, cost, and usage long term

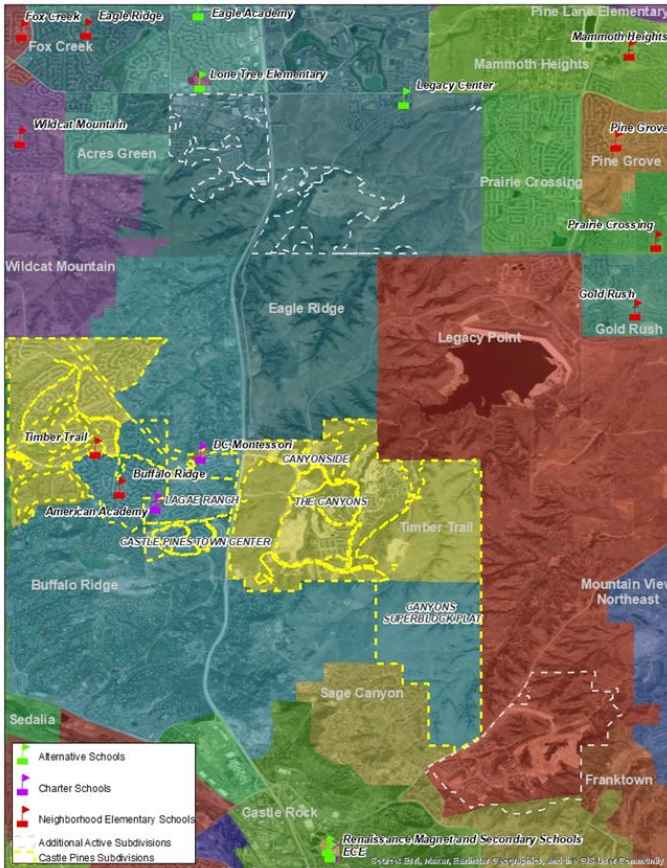
The Canyons Elementary School

Facility void east I-25 corridor

Additional active (or anticipated to soon be active) housing developments that a neighborhood elementary school could serve

- Ridgeway East
- South Canyons (Macanta)
- Canyons Far South

Elementary schools in the Chaparral High School feeder, Eagle Ridge Elementary School, and Legacy Point Elementary School are all already over their ideal program capacity.



Sierra Middle School Expansion

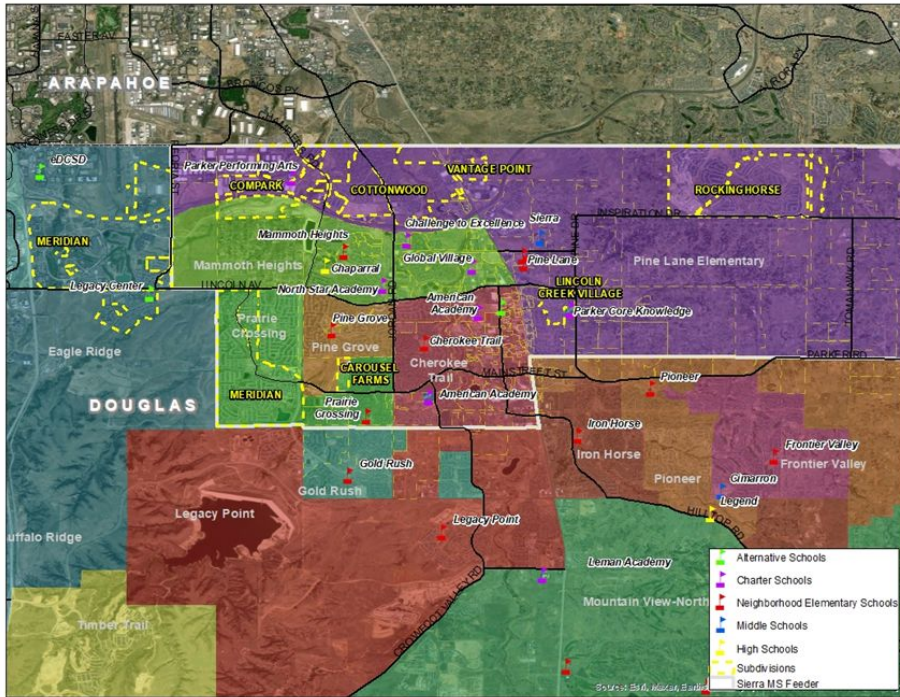
With the exception of Mammoth Heights ES, all elementary schools in the Chaparral High School feeder are over their ideal capacity. Stable and growing enrollment projected.

Reboundary and Overflow System

- Few opportunities remain

Impact of Mobiles

- Special features and architectural quality, cost, and usage long term
- Grade Reconfiguration
- Utilizes space at Sierra MS
- Best addresses current and forecasted student generation
- Additional funds needed for Sierra MS facility modifications and needed 6-8 capacity



Substitute Teacher Pay Information



Licensed Substitute Rates Comparison SY 2023-24

- Average Sub Fill Rate DCSD SY 2022-23 was 93%.

Douglas County School District	\$150-\$170/day
Littleton Public Schools	\$150-\$170/day
Jeffco School District	\$160-\$190/day
Cherry Creek School District	\$210-230/day*

Max rate represents long term and retiree rates.

Licensed Substitutes Retention Stipend

- Providing recognition and appreciation of our subs through a retention stipend payable September 2023 for subbing 75% or more last year.
- It is our intention to allow flexibility the cut-off to include either 50%+ or 60%+ depending upon budget availability. This could occur for sub morale since they are not part of MLO.

Number of Days Worked SY 2023-24	75% (129+)	60% (104-128)	50% (87-103)
Number of Subs Who Qualify	60 Subs	60 Subs	50 Subs