



**2023 Bond/Mill Levy Override
Staff Recommendation Recap**
August 8, 2023



Agenda

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



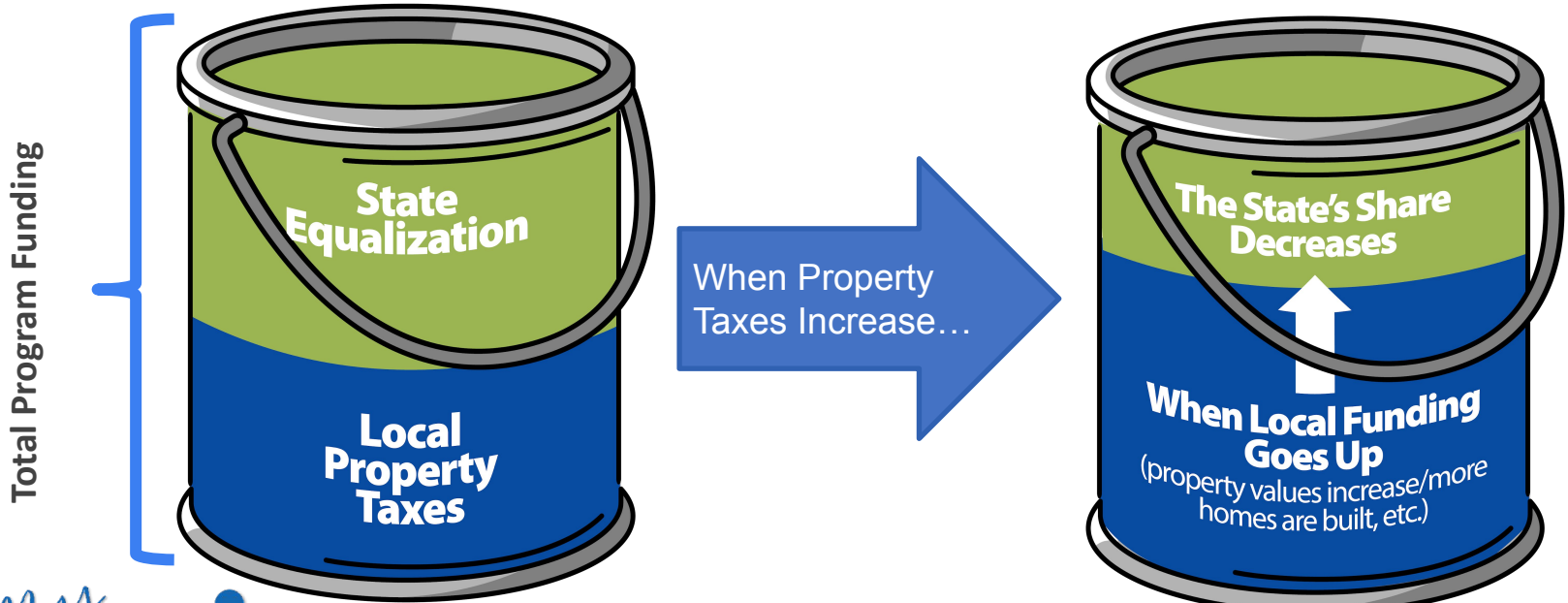
Funding Challenges Continue



DCSD Funding (and local property taxes)

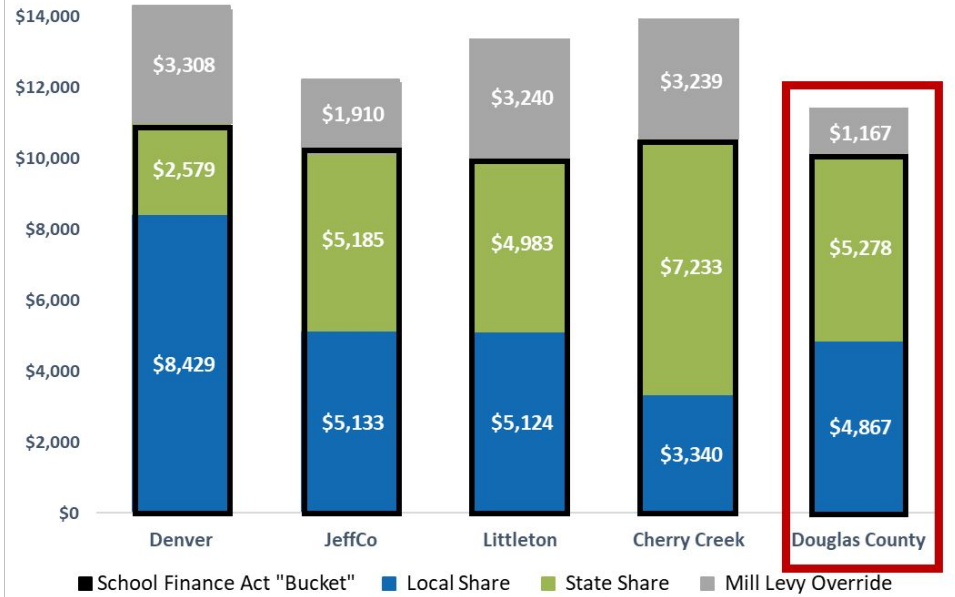
Increased local property taxes DO NOT impact DCSD's Total Funding.

Total Funding is set by the School Finance Act and funded by BOTH local and state taxes.



The Impact of Local Taxes on Comparative Revenue

Comparative Per Pupil Revenue (23-24)

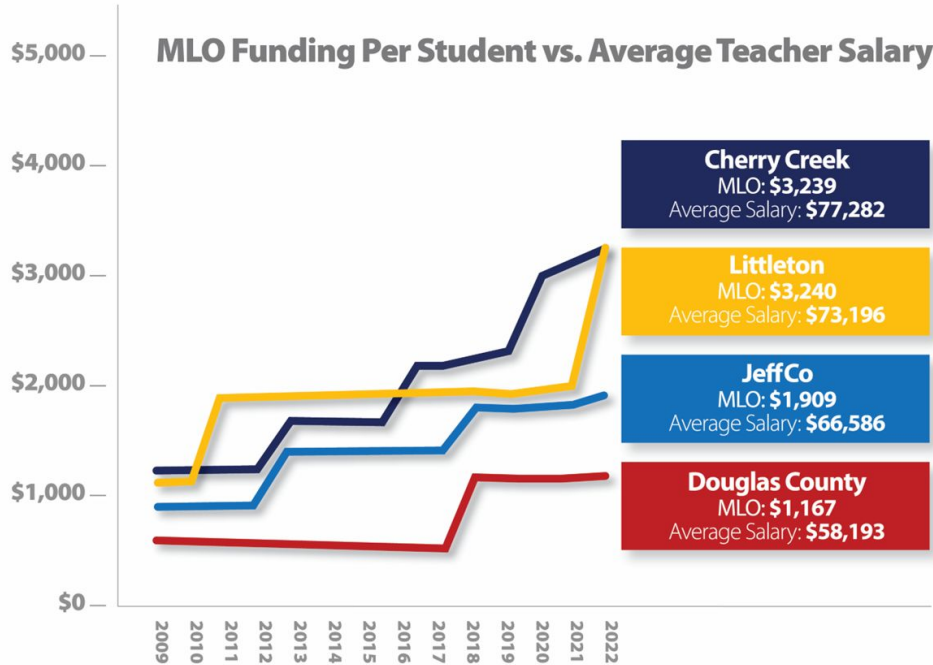


FACT:
 Cherry Creek receives
\$2,072
 more per student in MLO annually.
 equating to a
\$130 million
 Funding gap each year.*

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

**State and local numbers reflect the 2023-2024 School Year, MLO numbers reflect post 2022 election

Compensation, Hiring and Staff Retention Challenges



*MLO per student is total MLO 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 was briefed to Colorado Supreme Court on June 30th.

Frequent Funding Questions

- Does an MLO cause the state to pay less?
 - NO - a mill levy override is outside (an **override**) School Finance Act Funding; all MLO funding directly benefits Douglas County Schools.
- Won't the state apply savings (from higher local taxes) to increase overall funding for K-12 education?
 - They might, but even when funding increases by inflation for all districts, our competitive disadvantage will remain unchanged.

Funding Impact has shifted from Urgent to Critical

Fall 2022 Shortages	Fall 2023 Shortages
59 Teachers (31 SSPs*)	52 Teachers (38 SSPs*)
98 Education Assistants	155 Education Assistants
75 Bus Drivers	104 Bus Drivers

**SSPs- Mental Health, Counselors, Social Workers, Special Education Teachers, SLPs*

Offers declined (licensed):

- 22-23 hiring season: 30% declined.
- 23-24 (so far): 44% declined

Candidate pool (licensed):

- 70 active candidates for the 52 open teacher positions
- 35 positions - zero or 1 candidate(s).

2023-2024 Impact

- Increased usage of contractors and online third parties for special education services
- Increased use of long-term subs
- Increased workload for employees
- Rolling blackout transportation schedule

Shifting Sentiments in a Changing Landscape

- **VOTERS:** June 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 Prop HH. 5A Yes votes are 12 points above No votes.
- **DCSD Staff:** 34% of staff reported engaging in 2022, 82% indicated they plan to engage in 2023.
- **Business Community:** Support is up in the business community as education efforts have continued to improve.
- **Town/City Support:** All Mayors and Town Councils supported in 2022.

Funding Their Future: Mill Levy Override and Bond Recommendation



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 ***\$200 per year*** for a million dollar home.

**compared to what taxpayers currently pay and assuming a 35% increase in assessed values (not just residential).*

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% 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, Jeffco is \$23.10, LPS is \$23.00

Safety & Security Support

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



Important Mill Levy Override Notes

- The BOE Resolution on Compensation, if passed, will automatically trigger the compensation changes without an additional Board vote.
- **Upon BOE approval of the Resolution on Compensation, employees would receive draft individual pay information (in September) so they would know their new pay rate after a successful MLO.**
- 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).

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, Management, and Fees (<0.2%)	\$ 27 M



Further details in the appendix of this slide deck.

Funding Their Future: Impact on Taxpayers



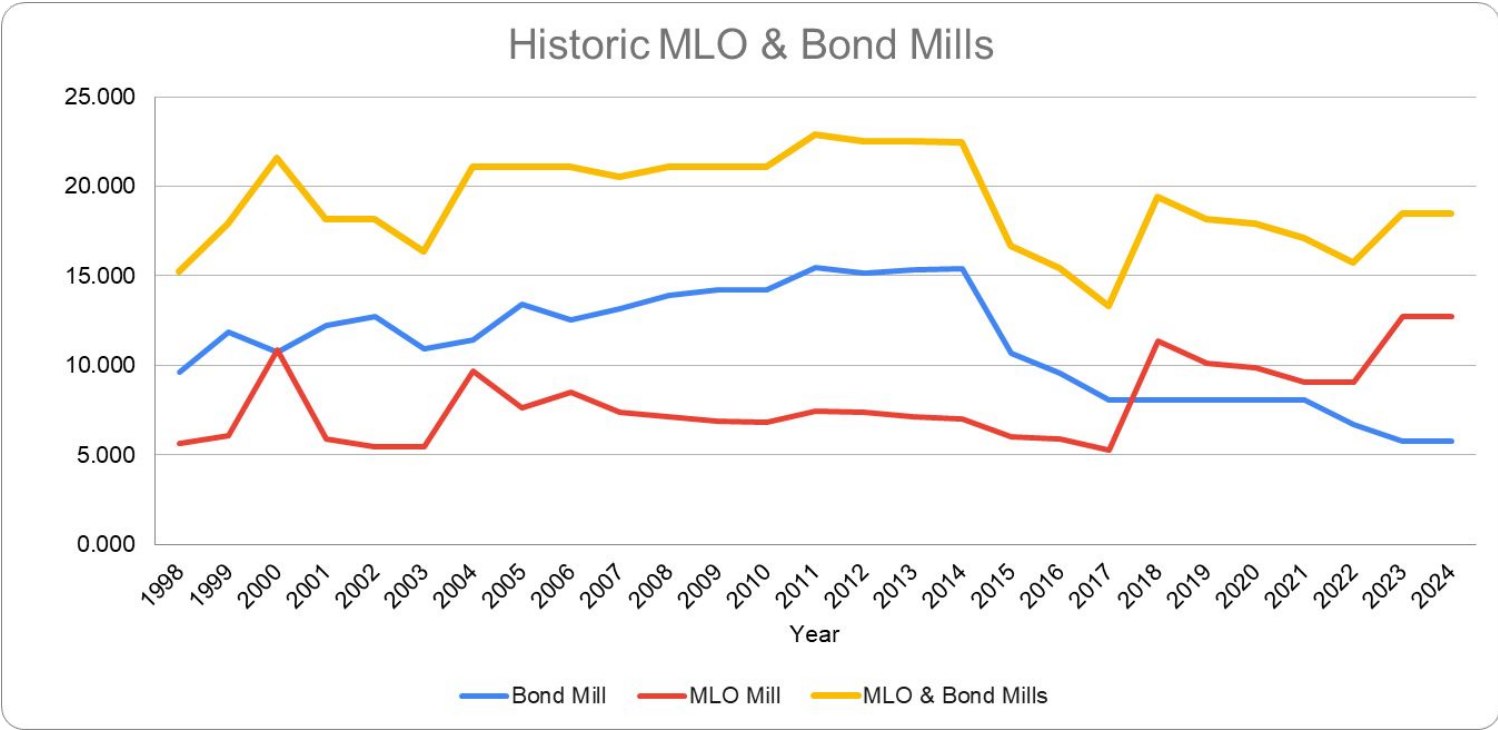
Combined Bond/MLO Homeowner Impact

If BOTH Initiatives Pass:

- **Net Increase to Taxpayers: \$20 annually per 100k value***
- This equates to \$200 annually for a million dollar home.



25 Years of DCSD History: Taxpayer Impact



25 Years of DCSD History: New School Construction

YEAR	DOLLAR AMOUNT APPROVED	TOTAL DEBT PYMT PER 100K	YEARS SINCE LAST BOND	SCHOOLS BUILT
Nov-97	\$117,000,000	\$115	4	Iron Horse, Ranch View, Sagewood, Arrowwood, Meadow View, Saddle Ranch, Shea Stadium
Nov-00	\$178,200,000	\$116	3	Prairie Crossing, Mountain Vista, Heritage, Eldorado, Frontier Valley, Rocky Heights, Timber Trail, Mountain Ridge
Nov-03	\$100,000,000	\$107	3	Rock Canyon, DC Oaks Purchased/Tenant Finish, Soaring Hawk, Redstone, Castle View, Renaissance Magnet (partial bond), Copper Mesa
Nov-06	\$200,000,000	\$111	3	Mammoth Heights, Stone Mountain, Gold Rush, Roxborough Intermediate, Mesa, Clear Sky, Legend, Plum Creek Academy, Early Childhood Center, West Support Center Purchased/Tenant Finish, Cimarron, Sage Canyon, Parker Stadium
Nov-18	\$250,000,000	\$58	12	Castle View F-Pod, Legacy Purchase/Phase I, VALE (vast majority for 12 years of capital maintenance)
Nov-23	\$484,000,000 (proposed)	\$	5	<i>Sterling Ranch Elementary, Crystal Valley Elementary, Canyons Elementary, Mesa Expansion, Sierra Expansion, Parker Bridge/ECE Center</i>

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:

- INCREASE SALARIES OF DISTRICT TEACHERS AND STAFF 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 BASED ON THE EXPECTED 2024 ASSESSED VALUATION, SHALL DOUGLAS COUNTY SCHOOL DISTRICT DEBT BE INCREASED \$484 MILLION WITH A REPAYMENT COST OF \$865 MILLION, AND SHALL DISTRICT TAXES BE INCREASED \$55 MILLION ANNUALLY TO PAY SUCH DEBT;

TO FINANCE EDUCATIONAL FACILITIES DESCRIBED IN THE DISTRICT BOND PLAN APPROVED ON AUGUST 8, 2023, INCLUDING FACILITIES THAT WILL PROVIDE:

- SAFE AND ADEQUATE LEARNING SPACES FOR STUDENTS AND STAFF,
- SCHOOL SAFETY AND SECURITY UPGRADES,
- EXPANDED CAREER AND TECHNICAL EDUCATION OPPORTUNITIES FOR STUDENTS,
- INCREASED CAPACITY IN ORDER TO REDUCE OVERCROWDING,

Bond Ballot Language (con't)

AND NOTWITHSTANDING THE ABOVE, SHALL SUCH TAXES BE IMPOSED BY AN ANNUAL 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; AND ANY MILL LEVY IMPOSED TO PAY THE DEBT OR ANY REFUNDING DEBT WILL SUNSET WHEN SUCH DEBT IS PAID; 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 EXPENDITURE OF BOND PROCEEDS 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.
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**compared to what taxpayers currently pay and assuming a 35% increase in assessed values*

Next Steps

Action Items:

- Consideration of the Proposed 2023 Mill Levy Override and Bond Plan
- Consideration of Resolution to Place a Mill Levy Override Issue on the Nov 7, 2023 Ballot
- Consideration of Resolution to Place a Bond Issue on the Nov 7, 2023 Ballot
- Consideration of a Resolution Regarding Staff Compensation Should a Mill Levy Override be Passed by Voters in the November 2023 Coordinated Election

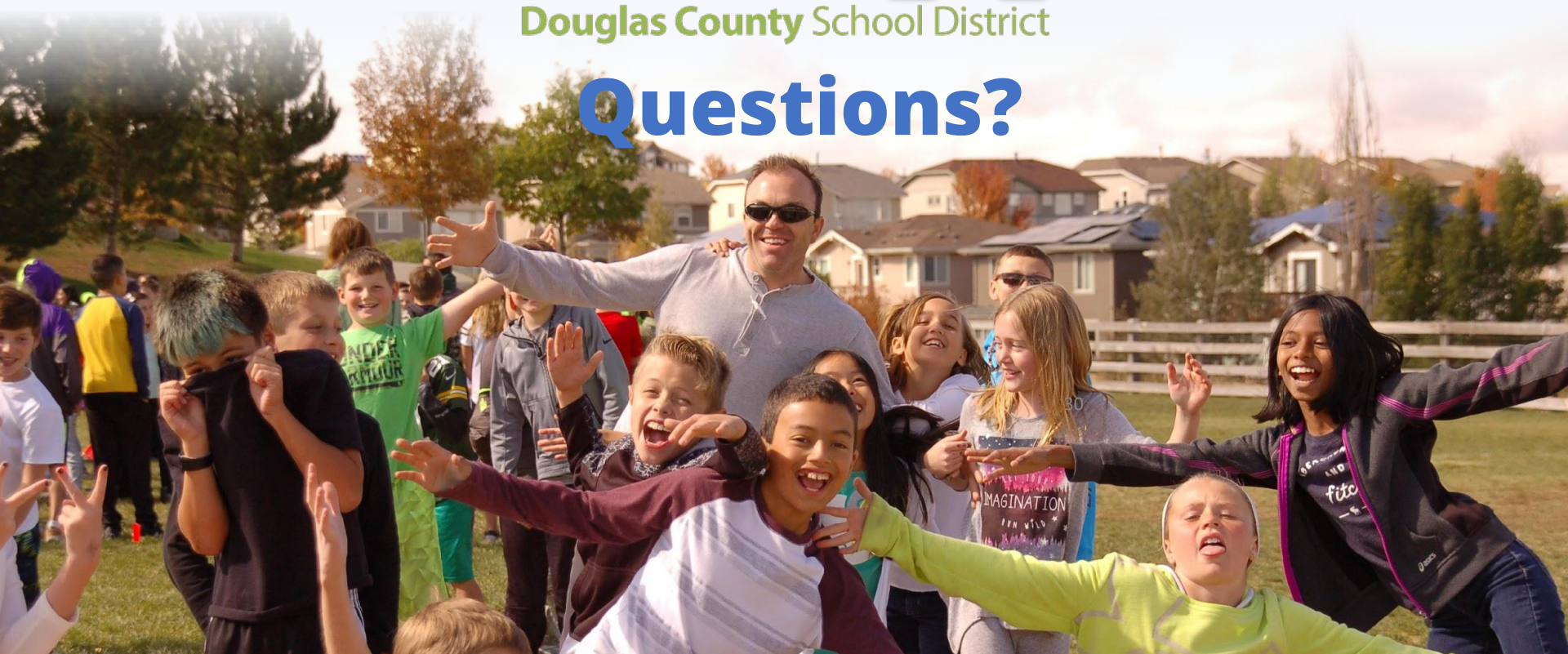
Staff recommends the BOE extend the charter for the Mill Bond Oversight Committee (MBOC) upon a successful election.

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

Note 2: 2023 cost to put on the ballot: we have budgeted about \$40K over and above the cost of BOE director elections alone.



Questions?



Appendix: Supplemental Information



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Bond Recommendation Details



Bond Recommendation Overview

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Safety & Security	\$ 15 M
Career & Technical Education	\$ 26 M
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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)



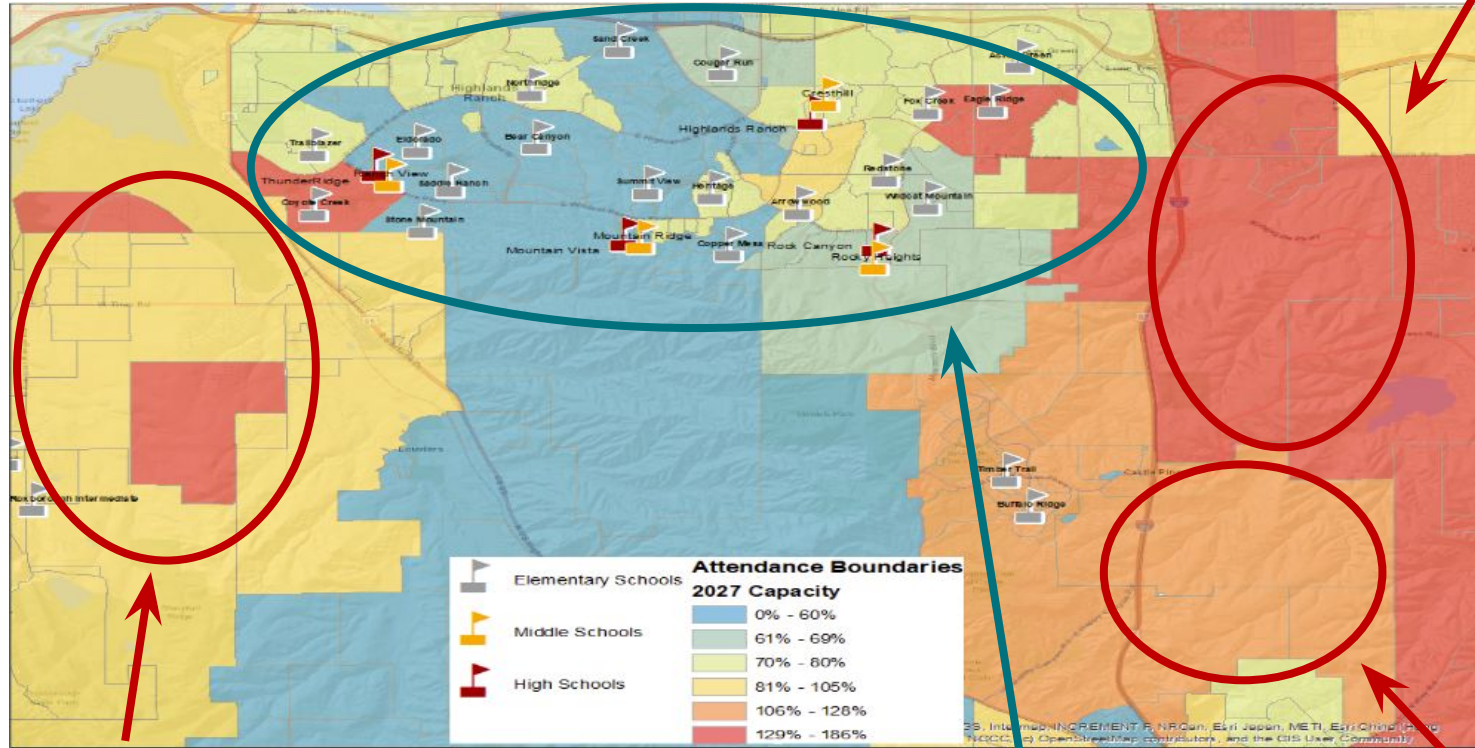
Neighborhood School Construction (\$226 M*)

- 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*)



Growing New Communities Need Schools

Ridgegate East
(8,000 future homes)



Sterling Ranch/Solstice
(13,000 homes, 16% built)

Highlands Ranch
(38,000 homes)

The Canyons
(5,000 homes, 18% built)

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



Taxpayer Impact Details



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