




# FINANCIAL UPDATE

FISCAL OVERSIGHT COMMITTEE

*November 5, 2015*

Douglas County School District

A stylized logo for Douglas County School District, featuring a large white circle at the top left, a white shape resembling a lowercase 'd' on the left, and a large white shape resembling a lowercase 'r' on the right. A bright blue light source is positioned at the junction of the 'd' and 'r', creating a lens flare effect. The background is dark blue with abstract, curved shapes in shades of blue and grey.

# 1<sup>ST</sup> QUARTER FINANCIALS – FY 2015-2016

*November 5, 2015*

Douglas County School District

# GENERAL FUND REVENUE




	<u>FY2015-2016</u>	<u>FY2014-2015</u>	<u>Change</u>
Local Taxes	\$2.6M	\$2.3M	\$0.3M
State Revenue	\$77.1M	\$76.1M	\$1.0M
Other	\$7.7M	\$7.0	\$0.7M
<b>Total</b>	<b>\$87.4M</b>	<b>\$85.4M</b>	<b>\$2.0M</b>

# GENERAL FUND EXPENSE



	<u>FY2015-2016</u>	<u>FY2014-2015</u>	<u>Change</u>
Salaries	\$47.8M	\$45.3M	\$2.5M
Benefits	\$16.7M	\$15.4M	\$1.3M
Charter Allocation	\$24.9M	\$21.7M	\$3.2M

# OCTOBER COUNT UPDATE

- 
- Total enrollment up approximately 150 students year-over-year to a total of 66,900
    - HOPE Online is down 500 students
    - District-run and brick and mortar charter schools up approximately 650 students
  - Funded Pupil Count expected to up approximately 195 students
    - Enrollment vs. Funded Pupil Count: mix of students and their respective funding amount
    - Example: zero funding for an ECE student who is now in kindergarten (.58 funding)
  - As compared to enrollment projections, District-run schools are only down 45 students while charters are down 900
    - HOPE Online down 740 from projections

Note: October Count will not be finalized until next week and numbers are subject to change






# MILL RATES AND PROPERTY TAXES

*November 5, 2015*


Douglas County School District

# SCHOOL TAX BILLS

- 
- Local Share of School Funding
    - School Finance Act – as established (25.440 fixed)
  - DCSD Mill Levy Overrides as approved by voters:  
\$33,713,000
  - Bond Redemption - As allowed by statute to fund debt service on the District's General Obligation Bonds
  - Abatement – As allowed by statute for the District's proportional share of property taxes abated and refunded by Douglas County

# CALCULATING MILL RATES

- How to Calculate Mill Rate:

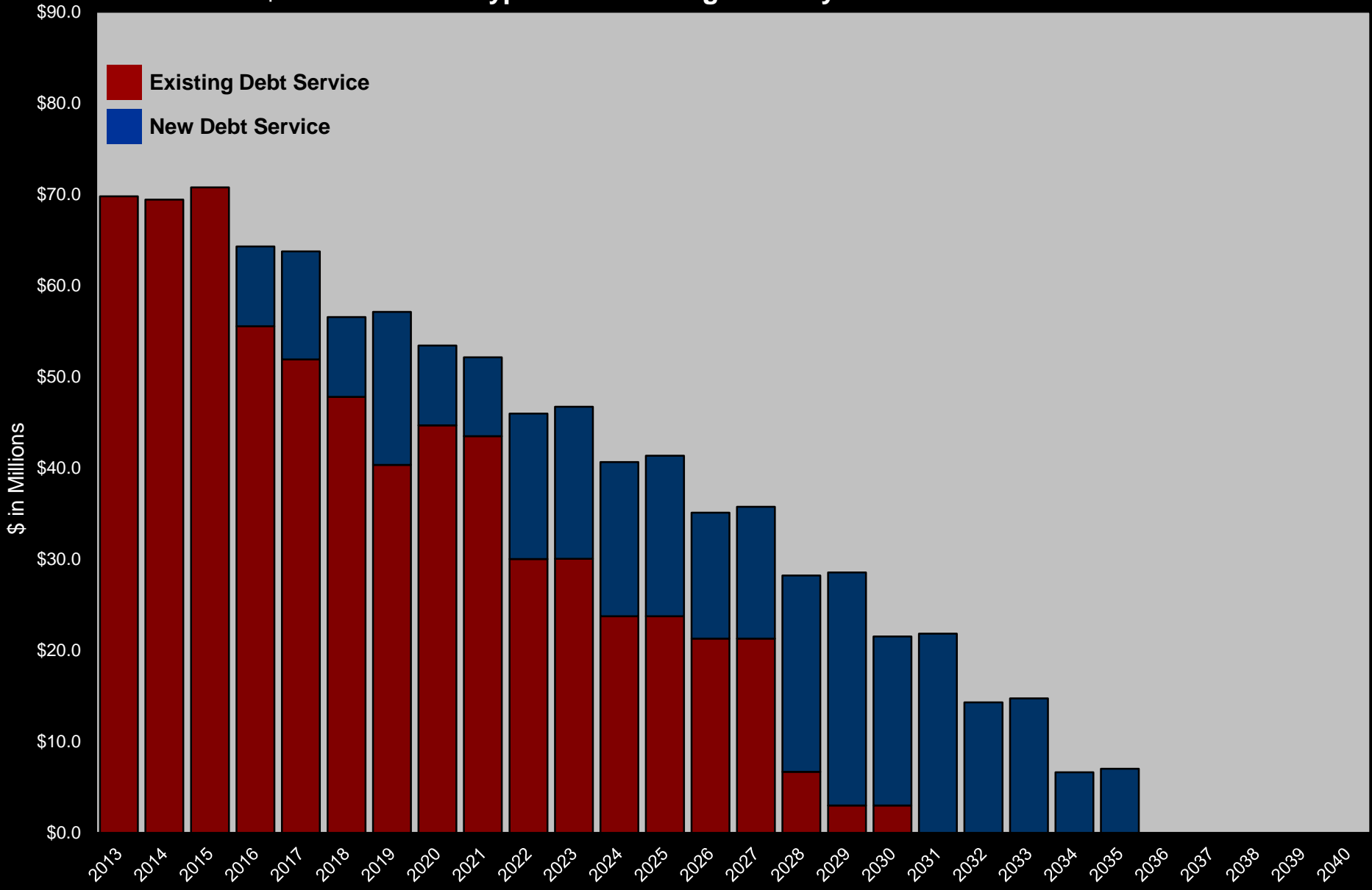

$$(\text{Amount Needed to be Raised} \div \text{Assessed Valuation}) \times 1000 = \text{Mill Rate}$$

- Example of Mill Levy Override for Calendar Year 2015:

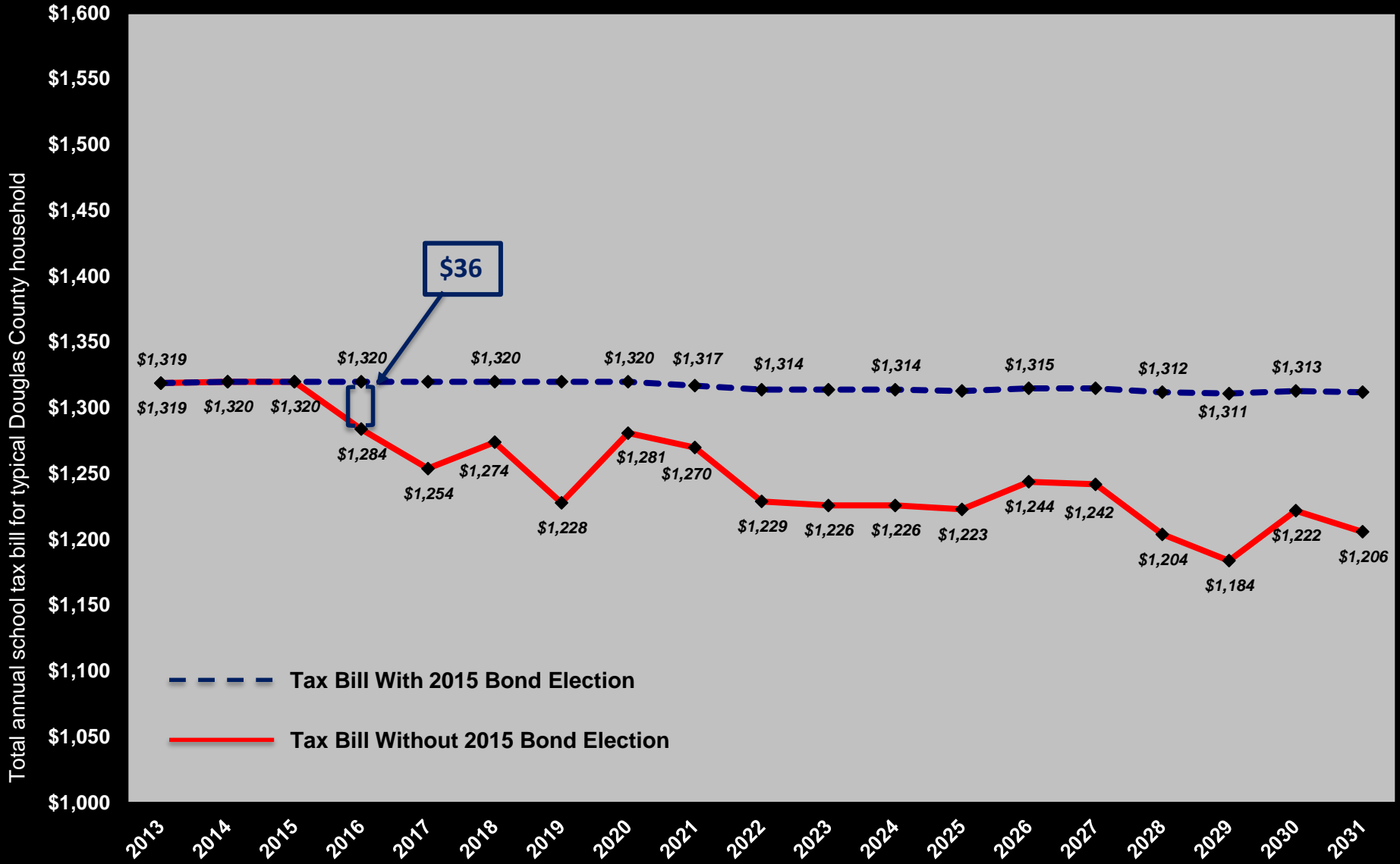
<u>Amount Needed to be Raised</u>		<u>Assessed Valuation</u>		<u>Mill Rate</u>
\$33,713,000	÷	\$4,805,044,445	x 1000	= 7.016



# \$0 Reduction In Typical DCSD Single Family Home School Tax Bill For 2015



# \$0 Reduction In Typical DCSD Single Family Home School Tax Bill For 2015



# PROPERTY TAX IMPACTS – NO ELECTION



	<u>CY2015</u>	<u>CY2016 – No Election</u>
Total Assessed Value	\$4,805,044,445	\$5,285,548,890
Average Home Value	\$343,400	\$377,397
Bond Debt Service	\$74,131,521	\$55,536,425
Mill Levy Override	\$33,713,000	\$33,713,000
School Finance Act	25.440	25.440
Mill Levy Override	7.016	6.378
Bond Redemption	15.	
*Total Mills	48.	
		Potential Savings of \$36 for the average homeowner
Impact to Average Homeowner	\$1,320	\$1,284

\* Total Mills includes abatements of approximately 0.400 mills

Note: CY2016 assumes 10% AV and Average Home Value Growth and step down in debt service due to debt retirement.

Note: ACTUAL, FINAL TAX RATES WILL NOT BE KNOWN UNTIL DECEMBER 15, 2015 AND ARE SUBJECT TO CHANGE

# PROPERTY TAX IMPACTS – ELECTION BASED ON MCP OUTREACH PRESENTATION



	<u>CY2015</u>	<u>CY2016 – Presumed 2015 Election</u>
Total Assessed Value	\$4,805,044,445	\$5,285,548,890
Average Home Value	\$343,400	\$377,397
Bond Debt Service	\$74,131,521	\$61,956,947
Mill Levy Override	\$33,713,000	\$33,713,000
School Finance Act	25.440	25.440
Mill Levy Override	7.016	6.378
Bond Redemption	15.428	11.722
*Total Mills	<u>48.277</u>	<u>43.940</u>
Impact to Average Homeowner	\$1,320	\$1,320

\* Total Mills includes abatements of approximately 0.400 mills

Note: CY 2016 assumes 10% AV and Average Home Value Growth and \$6.4M in new debt service.

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# PROPERTY TAX IMPACTS – PROJECTED ACTUAL



	<u>CY2015</u>	<u>CY2016 – Expected</u>
Total Assessed Value	\$4,805,044,445	\$5,669,952,445
Average Home Value	\$343,400	\$405,212
Bond Debt Service	\$74,131,521	\$55,536,425
Mill Levy Override	\$33,713,000	\$33,713,000
School Finance Act	25.440	25.440
Mill Levy Override	7.016	5.946
Bond Redemption	15.428	9.795
*Total Mills	<u>48.277</u>	<u>41.581</u>
Impact to Average Homeowner	\$1,320	\$1,341

\* Total Mills includes abatements of approximately 0.400 mills

Note: CY2016 assumes 18% AV and Average Home Value Growth and step down in debt service due to debt retirement

Note: ACTUAL, FINAL TAX RATES WILL NOT BE KNOWN UNTIL DECEMBER 15, 2015 AND ARE SUBJECT TO CHANGE



# PROPERTY TAX IMPACTS – SUMMARY



	<u>CY2015</u> <u>Actual</u>	<u>CY2016</u> <u>Status Quo</u>	<u>CY2016 MCP</u> <u>Outreach</u>	<u>CY2016</u> <u>Expected</u>
Total Assessed Value	\$4.8B	\$5.3B	\$5.3B	\$5.7B
Average Home Value	\$343,400	\$377,397	\$377,397	\$405,212
Bond Debt Service	\$74.1M	\$55.5M	\$62.0M	\$55.5M
*Total Mills	48.277	42.726	43.940	41.581
Impact to Average Homeowner	\$1,320	\$1,284	\$1,320	\$1,341

**\*\*\*CY2016 Expected: Drop in debt service of \$18.6M is consumed by \$22.0M increased SFA contribution due to fixed mill**


\* Total Mills includes abatements of approximately 0.400 mills

Note: MCP Outreach assumed 10% AV growth and successful contemplated 2015 bond election

Note: CY2016 Expected reflects 18% AV growth and no bond election

Note: ACTUAL, FINAL TAX RATES WILL NOT BE KNOWN UNTIL DECEMBER 15, 2015 AND ARE SUBJECT TO CHANGE

# DE-BRUCING AND THE EFFECT ON SCHOOL FINANCE

- 
- 174 of 178 school districts have passed “de-Brucing” elections in order to keep all revenue above TABOR limit
    - Most occurred in the late 1990s
  - Based on legislation that went into effect in 2007-2008, those districts have had their mill levies for the School Finance Act frozen
    - 25.440 for DCSD
  - This leads to increased local taxes when Assessed Value increases
  - Cherry Creek, Steamboat Springs, Harrison, and Colorado Springs 11 did not de-Bruce and as such reduce their mill levies to comply with TABOR thereby saving their taxpayers’ money and shifting the burden to the state



# GOVERNOR'S BUDGET UPDATE

*November 5, 2015*

Douglas County School District

# GOVERNOR'S BUDGET – FY2016-2017



- Negative Factor increasing to \$904M from \$855
  - Current DCSD Negative Factor of \$61M
  - Projected future DCSD Negative Factor of \$62.8M
- State-wide average PPR growing \$103
  - FY2015-2016: DCSD PPR growth of \$256 provided an additional \$13.3M for District-run schools
  - FY2016-2017: DCSD PPR growth of \$105 would provide \$5.6M of additional funding for District-run schools



# GOVERNOR'S BUDGET – FY2015-2016



- The State's appropriation for K-12 education is dropping due to increased contribution from the Local Share (due to frozen mill levy)
- Total Program – Local Share = State Share
- During 2015 legislative session, it was assumed local property taxes would grow 8%
  - The state's share was set using this assumption
  - School Finance Act contained language requesting that any additional local revenue above 8% estimate (~\$70M) be additive to school finance and the state hold their share flat
- RBC believes statewide local taxes will generate up \$133M above current School Finance Act
  - State is planning to reduce their share by like amount instead of letting that additional funding flow to K-12