

# **2012 Mill Levy Oversight Committee**

## **2015-16 Budget Discussion**

Denver Public Schools

June 11, 2015



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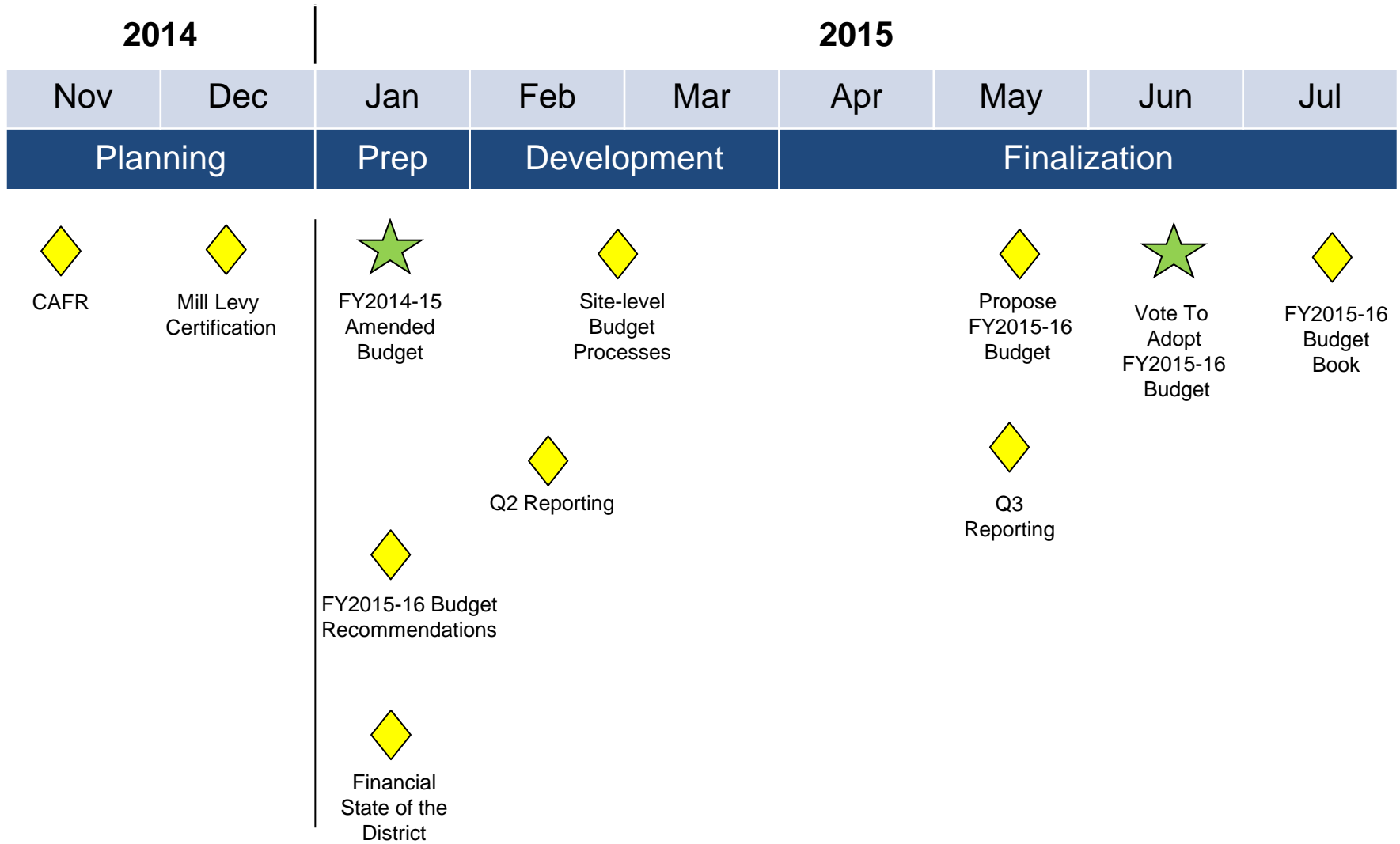


# Agenda

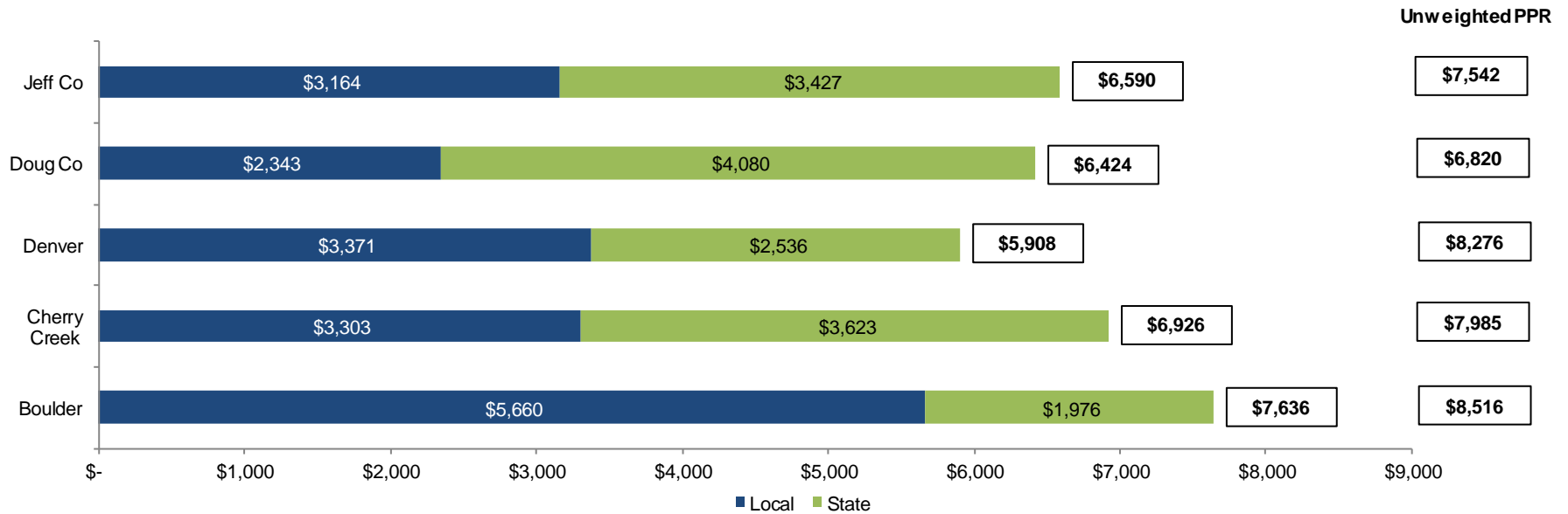
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- Overview of General DPS Budget and Mill Levy Budgeting 15min
  
- Proposed New Mill Levy Investments 25min
  
- Q&A and Next Steps 20 min

# Budget Timeline



# Denver vs Neighboring Districts

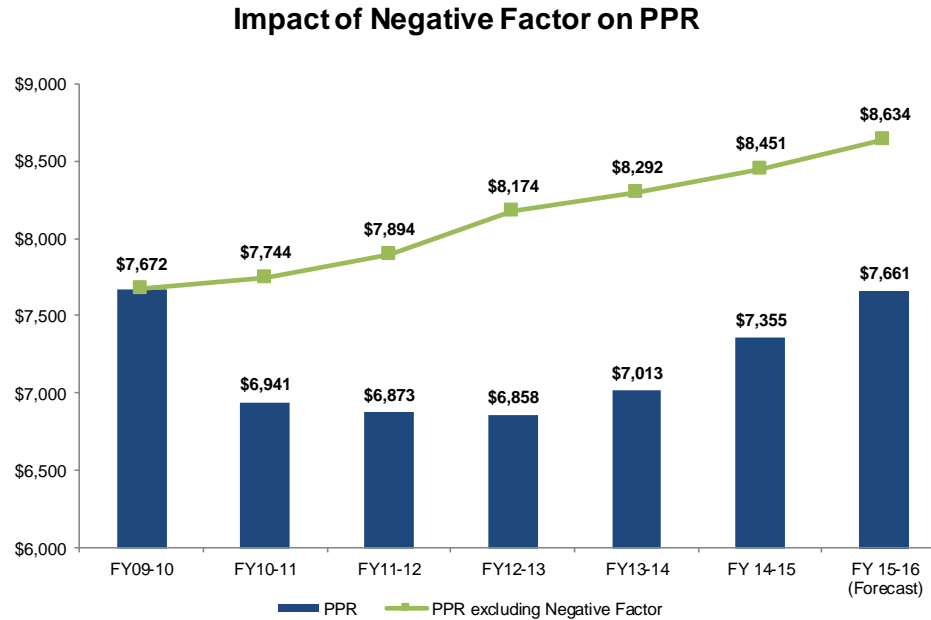


Per Pupil Revenue figures represent 2014-15 State Funding and a weighted ECE-12 Enrollment  
Local Revenue includes all Mill Levy Overrides

- Comparing Denver Public Schools and neighboring districts based on the costs of serving students of need, DPS is funded \$985 less than its neighboring districts on average
- The weights of .35 for FRL and .47 ELL are based on an analysis APA Consulting conducted of the cost of serving such students in several states in 2013<sup>1</sup>

<sup>1</sup> <http://www.cosfp.org/HomeFiles/CostingOutAnalysis/2013/CostingOutReport2013.pdf>

# Impact of the Negative Factor



- While PPR is expected to increase 4% in FY 2015-16, we are still funded at a lower Per Pupil Revenue than in 2009, despite an average annual inflation increase of 2.6%
- Through FY 15-16, the State has withheld more than \$430M from DPS through the implementation of the negative factor
- This equates to an average annual reduction of almost \$1,000 per student eroding our purchasing power by almost \$85M per year
- State and funding is not expected to recover to pre-Great Recession levels due to the impacts of TABOR and increasing demands from Healthcare, Transportation and Corrections at the state level

# FY 2015-16 Incremental Revenue Assumptions

|   | Proposed<br>Budget |
|---|--------------------|
| <b>School Finance Act</b>                   |                    |
| Enrollment & Inflation                      | \$35               |
| Reduction to Negative Factor                | \$3                |
| At-Risk Supplemental                        | \$1                |
| <b>Total School Finance Act</b>             | <b>\$38</b>        |
| <b>DPS' Assumptions</b>                     |                    |
| School Finance Act                          | \$38               |
| PERA True-Up (Expense Offset)               | \$23               |
| 2012 MLO AV Growth*                         | \$14               |
| <b>Total Incremental Revenue Assumption</b> | <b>\$75</b>        |
| <b>Base Expense Increases</b>               |                    |
| Enrollment (incl. Charters)                 | \$28               |
| Salary and Wage Increases                   | \$13               |
| Footprint and Rate Increases                | \$4                |
| Grant Backfills                             | \$2                |
| <b>Total Base Expense Increase</b>          | <b>\$47</b>        |
| <b>Net YoY Change</b>                       | <b>\$28</b>        |

- With the passage of the PERA rate true-up and School Finance Act and accounting for the increases in enrollment, Salaries and Wages, Footprint and Rate Increases and expiring grants, we have ~\$28M of additional resources in the FY 2015-16 school year
- There is potential that the State Equalization (Share) will remain flat and a Supplemental Budget request in January will be made to decrease the Negative Factor by \$50M due to higher Local Property Taxes from higher than expected property Assessed Values

\* Investments using the MLO funds must be spent in accordance with the ballot language

# Reminder: Mill Levy Budgeting

## Mill Levy Overrides

- In order to simplify the budgeting and management of resources and expenditures, we are combining the Mill Levy Override funds into the General Fund (Fund 10)
- School and Department leaders will no longer need to manage resources across multiple funds (i.e. split-funding employees)
- Mill levy funds are still allocated to schools on the same basis (e.g., 2012 Mill provides \$160 per student in grades 6-12 for art and an additional \$5 for supplies)
- This approach will enable more holistic program reporting to the community and stakeholders
- Obligations to voters will be maintained
  - Required minimums for staffing and supplies
- Allows for a better focus on outcomes and results as opposed to inputs and accounting details

### FOR EXAMPLE:

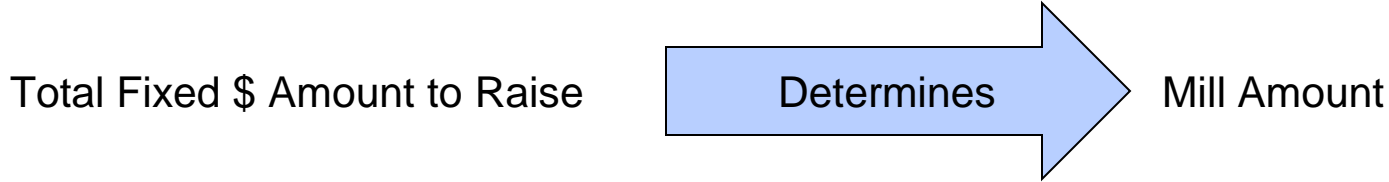
- Arts investment from the 2012 Mill intended to ‘restore and enhance’ arts, music and other enrichment
- This required school leaders to budget for art teachers across both the general fund and mill levy
- Going forward, we established a minimum arts instruction for each school based on current enrollment and prior staffing and they are required to meet that using general funds which include mill funds
- This will allow improved reporting (i.e., what is the total picture of arts in the district and not just what the mill is funding) and a simpler budgeting process for school leaders

# 2012 Mill Levy – Assessed Value Increase

## Fixed Dollar vs. Fixed Mill

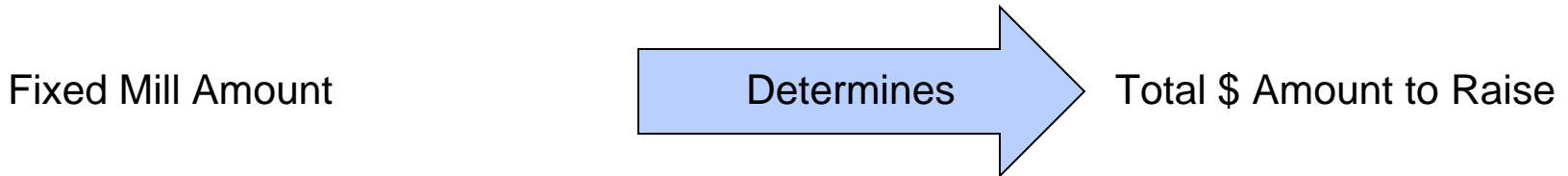
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### Fixed \$\$\$ - 1998 and 2003 MLO's



| Pro   | Con   |
|---|---|
| Guaranteed Minimum During Economic Hardship | Purchasing Power Reduced By Inflation and Enrollment Growth |

### Fixed MILL – SFA and 2012 MLO's



| Pro  | Con   |
|--|---|
| Dollars Raised Grow With Higher Assessed Value | Dollars Raised Decrease with Lower Assessed Value |



# 2012 Mill Levy Assessed Value Increase

## School Tax on Residential Property

Actual Value x Assessment Rate = Assessed Value

Assessed Value x Mill Levy = Tax Amount Due

The residential assessment rate is 7.96% of actual value; for other property (excluding commercial agriculture) the rate is 29%.

### Total FY14-15 Mill Levy Collection – 1998, 2003, and 2012 Mill Levies Only\*

| Actual Residential Value | X | Assessment Rate @ 7.96% | X | FY14-15 1998 DPS Mill Levy Collection | / 1,000 | = | Household Annual DPS Mill Levy Tax |
|--------------------------|---|-------------------------|---|---------------------------------------|---------|---|------------------------------------|
| \$250,000                | X | 0.0796                  | X | 1.616                                 | / 1,000 | = | \$32.16                            |

| Actual Residential Value | X | Assessment Rate @ 7.96% | X | FY14-15 2003 DPS Mill Levy Collection | / 1,000 | = | Household Annual DPS Mill Levy Tax |
|--------------------------|---|-------------------------|---|---------------------------------------|---------|---|------------------------------------|
| \$250,000                | X | 0.0796                  | X | 1.902                                 | / 1,000 | = | \$37.85                            |

| Actual Residential Value | X | Assessment Rate @ 7.96% | X | FY14-15 2012 DPS Mill Levy Collection | / 1,000 | = | Household Annual DPS Mill Levy Tax |
|--------------------------|---|-------------------------|---|---------------------------------------|---------|---|------------------------------------|
| \$250,000                | X | 0.0796                  | X | 4.86                                  | / 1,000 | = | \$96.71                            |

| Actual Residential Value | X | Assessment Rate @ 7.96% | X | FY14-15 1998, 2003, and 2012 DPS Mill Levy Collection | / 1,000 | = | Household Annual DPS Mill Levy Tax |
|--------------------------|---|-------------------------|---|---|---------|---|------------------------------------|
| \$250,000                | X | 0.0796                  | X | 8.378   | / 1,000 | = | \$166.72                           |

# Net Assessed Valuation – 1998 and 2003 Mill Levy Revenue

| Collection Year   | Net Assessed Value | AV % Change Over Prior Year | Total Mill Levy | Total 1998 & 2003 MLO Revenue Generated |
|-------------------|--------------------|-----------------------------|-----------------|---|
| 2013              | \$ 10,007,267,892  | -1.90%                      | 3.698           | \$ 37,006,877                           |
| 2014              | \$ 10,454,481,228  | 4.47%                       | 3.539           | \$ 36,998,409                           |
| 2015              | \$ 10,517,386,669  | 0.60%                       | 3.518           | \$ 37,000,166                           |
| 2016 (Forecasted) | \$ 13,280,304,147  | 26.27%                      | 2.786           | \$ 36,998,927                           |
| 2017 (Forecasted) | \$ 13,545,910,230  | 2.00%                       | 2.731           | \$ 36,993,881                           |
| 2018 (Forecasted) | \$ 14,629,583,048  | 8.00%                       | 2.529           | \$ 36,998,216                           |
| 2019 (Forecasted) | \$ 14,922,174,709  | 2.00%                       | 2.479           | \$ 36,992,071                           |

|                    |        |
|--------------------|--------|
| 1998-99 Enrollment | 68,893 |
| 2003-04 Enrollment | 72,490 |
| 2014-15 Enrollment | 90,150 |

- Implications for Mill Levy Revenue Changes
  - 1998 and 2003 MLO's are Fixed Dollar: Increased AV causes a decrease in the amount of mills required to generate the flat dollar amount

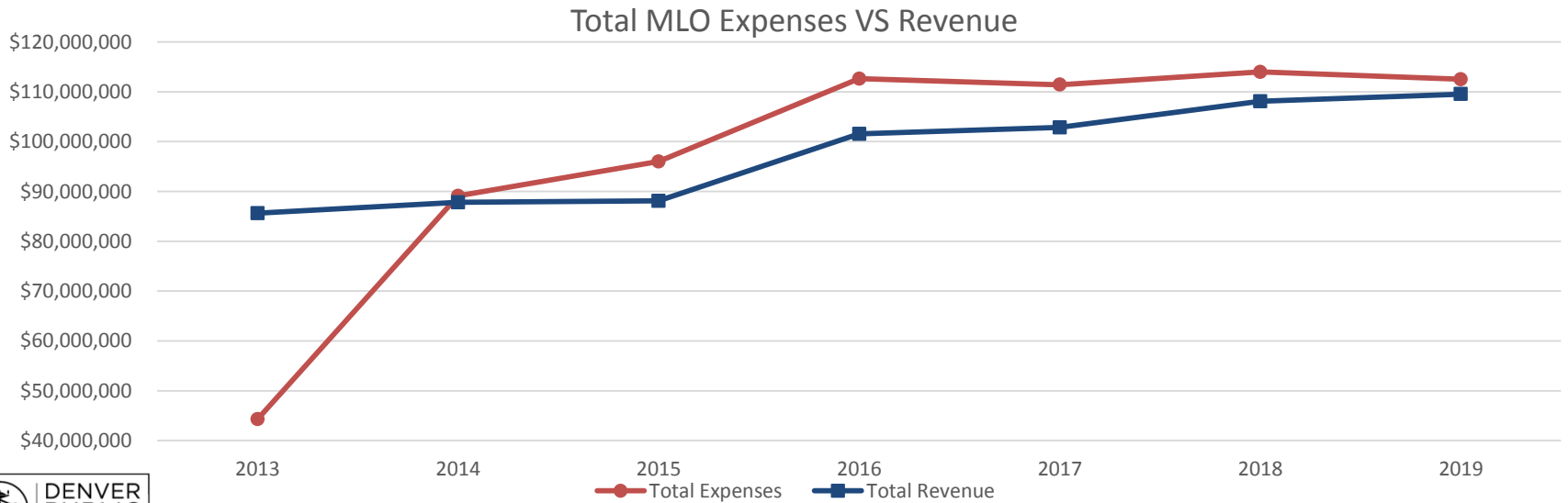
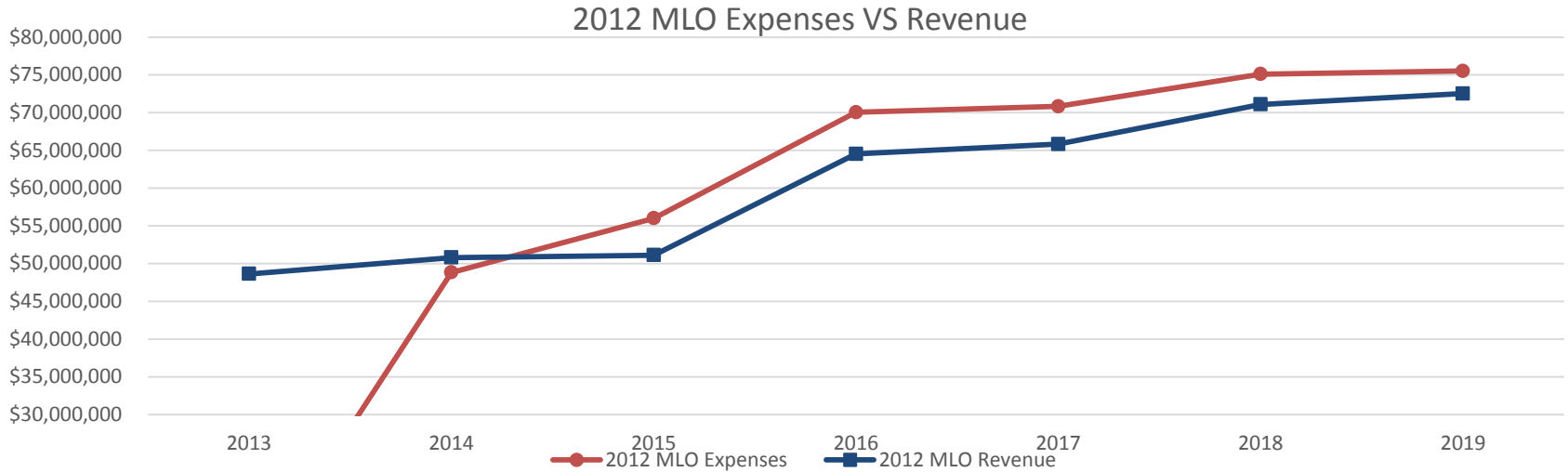
## Net Assessed Valuation - 2012 Mill Levy Revenue

| Collection Year   | Net Assessed Value | AV % Change Over Prior Year | Total Mill Levy | Total 2012 MLO Revenue Generated |
|-------------------|--------------------|-----------------------------|-----------------|----------------------------------|
| 2013              | \$ 10,007,267,892  | -1.90%                      | 4.86            | \$ 48,635,322                    |
| 2014              | \$ 10,454,481,228  | 4.47%                       | 4.86            | \$ 50,808,779                    |
| 2015              | \$ 10,517,386,669  | 0.60%                       | 4.86            | \$ 51,114,499                    |
| 2016 (Forecasted) | \$ 13,280,304,147  | 26.27%                      | 4.86            | \$ 64,542,278                    |
| 2017 (Forecasted) | \$ 13,545,910,230  | 2.00%                       | 4.86            | \$ 65,833,124                    |
| 2018 (Forecasted) | \$ 14,629,583,048  | 8.00%                       | 4.86            | \$ 71,099,774                    |
| 2019 (Forecasted) | \$ 14,922,174,709  | 2.00%                       | 4.86            | \$ 72,521,769                    |

- Implications for 2012 Mill Levy Revenue Changes
  - 2012 MLO is Fixed Mill: Increase in AV causes increase in revenue collected

# Current and Projected MLO Expenses VS Revenue

*In order to maintain the current use of Mill reserves, we are proposing \$5.4M in new investments from the 2012 Mill in addition to increases for student enrollment growth*



# Mill Oversight Committee

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- In addition to today's proposed \$5.4M in Mill Levy investments, we would like to work with the committee in the fall to consider potential uses for an additional pool of Mill Levy money and make a recommendation to the Board of Education on its use for 2016-17
- Amount of money will be determined in the fall based on latest budget information
- Committee to use context and guidance from academic teams in addition to latest scorecard data to inform recommendation

# 2012 Mill Levy Ballot Language

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SHALL DENVER PUBLIC SCHOOLS (SCHOOL DISTRICT NO. 1) TAXES BE INCREASED BY \$49 MILLION (FIRST FULL FISCAL YEAR DOLLAR INCREASE) ANNUALLY BY THE LEVY OF 4.86 MILLS OF ADDITIONAL PROPERTY TAXES FOR THE PURPOSE OF:

- RESTORING AND ENHANCING ART, MUSIC, PHYSICAL EDUCATION AND OTHER ENRICHMENT PROGRAMS
- INCREASING INSTRUCTIONAL SUPPORT SERVICES SUCH AS: TUTORING, SMALL GROUP INSTRUCTION, COUNSELING, AND COMMUNITY AND PARENT ENGAGEMENT
- PROVIDING COMPUTERS, CLASSROOM TECHNOLOGY AND RIGOROUS CURRICULAR MATERIALS IN SUPPORT OF 21 ST CENTURY LEARNING
- EXPANDING EARLY CHILDHOOD EDUCATION AND FULL-DAY KINDERGARTEN?

# New Proposed Investments to Board of Education from Mill Levy

## Proposed New Investments

| Investment   | Link to Mill Levy  | Proposed Additional Funding From Mill Levy                    |
|--|--|---|
| <b>Instructional Supports</b>  |  |   |
| <ul style="list-style-type: none"> <li>Expansion of classroom supports</li> </ul>                              | <ul style="list-style-type: none"> <li>2012 Mill Levy is making a significant investment in teachers and technology. These tools (e.g., ANET, Safari and Brainpop subscriptions, STAR license) support appropriate instruction and differentiation in the classroom</li> </ul>                   | <ul style="list-style-type: none"> <li>\$880,000</li> </ul>   |
| <ul style="list-style-type: none"> <li>Strategic Reading</li> </ul>  | <ul style="list-style-type: none"> <li>2012 Mill Instructional Supports have largely been focused on Math Fellows. Based on the success of this work, we will be expanding pilots with EL Achieve and Reading Partners to provide students enhanced literacy supports</li> </ul>                 | <ul style="list-style-type: none"> <li>\$1,050,000</li> </ul> |
| <ul style="list-style-type: none"> <li>Increased Support for Student Mental Health and Disabilities</li> </ul> | <ul style="list-style-type: none"> <li>2012 Mill Levy is already investing in counseling. In 2015-16 DPS will be increasing social worker and school psychologist days. We will also be making a significant investment in Charter School center based programs with 5 new centers</li> </ul>    | <ul style="list-style-type: none"> <li>\$1,340,000</li> </ul> |
| <b>Enrichment / 21<sup>st</sup> Century Learning</b>   |  |   |
| <ul style="list-style-type: none"> <li>Personalized Learning</li> </ul>  | <ul style="list-style-type: none"> <li>2012 Mill is already providing funds towards Personalized Learning and this increase will support further expansions</li> </ul>   | <ul style="list-style-type: none"> <li>\$500,000</li> </ul>   |
| <b>Early Childhood</b>   |  |   |
| <ul style="list-style-type: none"> <li>Increased Kinder expenses since 2012</li> </ul>                         | <ul style="list-style-type: none"> <li>Kindergarten enrollment has continued to increase since the 03 and 12 Mill Levies, requiring us to fund from the general fund. Moving these incremental investments to the Mill fits well within ballot language and oversight committee focus</li> </ul> | <ul style="list-style-type: none"> <li>1,600,000</li> </ul>   |

## Investment Detail: Classroom Supports

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- **Program:** Classroom Supports

- **Investments**

- Support ANET expansion with \$500K on top of over \$700K in grant funds
- Technology licenses for Safari, Brainpop and STAR for \$380K



- **Overview:**

- ANet is a nonprofit that works alongside school teams to strengthen school-wide practice and culture of using learning standards and data to get breakthrough results for students. ANet provides customized interims and coaching to schools and based on our success with 27 pilot schools, we will be expanding to new schools including Beach Court, Eagleton, Colfax, Goldrick, Schmitt, Valverde, Edison, Henry, Gilpin and Johnson
- Brainpop is a software program that support student differentiation and enrichment; STAR supports student literacy tracking and development; Safari is an online video storage which may be utilized further with personalized learning expansion

- **Success measures**

- ANet: Number of participating schools; re-enrollment rate
- Technology Licenses: Student utilization numbers TBD



## Investment Detail: Strategic Reading

- Program: New Literacy Interventions

- Investment: \$1,050,000

- Objective (s):

- Structured and individualized comprehensive reading intervention programs for our readers with the greatest opportunities to improve. (Reading Partners, LLI/ILE, GRP, CLI)
- ELD (English language development) instruction at every school to support the growing number of English Learners in DPS achieving English language proficiency.
- A successful and system-wide implementation of language allocation guidelines and the strategic use of two languages to support Parent Permission Form 1 Spanish speaking English Learners in DPS (Parents choose for students to be placed in native language instruction.)
- To provide professional development to deepen understanding of how students acquire literacy skills, so that teachers are better able to identify data points that drive differentiation of instruction for students (Guided Reading).

- Number of students impacted, number of schools and selection / etc

- 20 school will participate in Reading Partners in 2015-2016
- 20 school will participate in EL Achieve in 2015-2016
- 4 schools will participate in Children’s Literacy Initiatives in 2015-2016

- Success measures to track after implementation and beyond

- Improve English language proficiency and academic achievement for 41% of DPS students who speak a language other than English at home (>5% year over year growth of English Learner’s population in DPS)
- On the DRA2, % of students performed on grade level or demonstrated more than 1 year’s growth
- On the EDL2, % of students performed on grade level or demonstrated more than 1 year’s growth



# New Proposed Investments to Board of Education from Mill Levy

## Investment Detail: PERSONALIZED LEARNING

- **Program:** PERSONALIZED LEARNING

- **Investment:** Additional \$0.5M on top of \$2.5M of current spend

- **Overview:**

- “Personalized learning is tailoring learning for each student’s strengths, needs and interests — including enabling student voice and choice in what, how, when and where they learn — to provide flexibility and supports to ensure mastery of the highest standards possible.” [-iNACOL](#)
- Inherent in the district’s personalized learning vision is a competency-based model. In other words, while common standards and expectations are established for all, students advance at a pace that is specific to their needs

- **Description of Funds**

- 11 schools are already in the Planning & Design and Discovery Pilot stages for Personalized Learning and we will be adding at least 10 next year
- These funds will support Morey MS launching the New Classrooms work
- We will also use these funds to build out our Competency-Based Learning information and systems

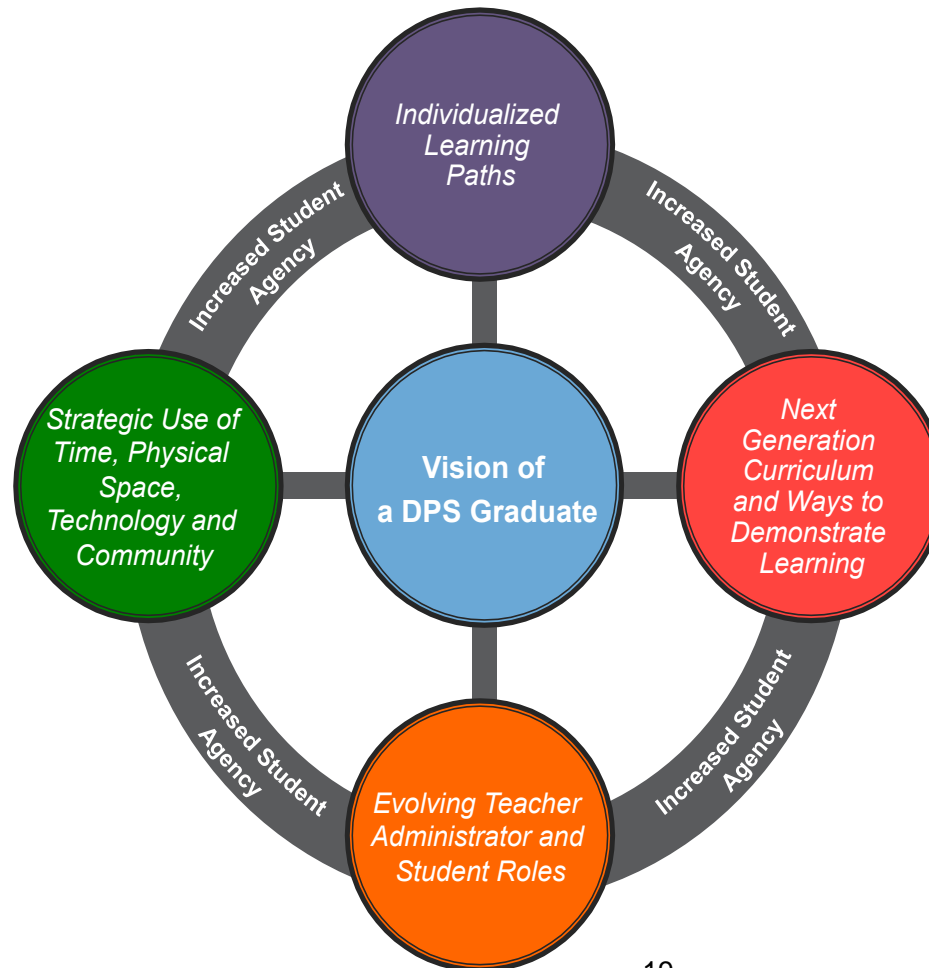


# New Proposed Investments to Board of Education from Mill Levy

## Investment Detail: PERSONALIZED LEARNING

### ■ Success measures

- The academic teams are finalizing the Academic Strategic Plan. This plan will guide which metrics are prioritized within Personalized Learning.
- These measures will align with the pillars of Personalized Learning below



# New Proposed Investments to Board of Education from Mill Levy

## Investment Detail: Mental Health Expansion

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- **Program:** Mental Health Expansion
- **Investment:** Increase of \$500K to \$2.0M
- **Objectives:** To better support students who have significant mental health challenges; to leverage city and district resources to better support school-level needs; to reduce the disproportionate representation of students of color in discipline events.



- The combined funds are used in the following three ways:
  - Supplemental funding for identified schools for additional school psychologist, school social work, and/or Restorative Practices Coordinators to create positive school cultures
  - Supplemental funding for identified schools to put in place In-School Intervention Room programming so students engaging in disruptive classroom behavior are able to continue their education without being removed from school.
  - Expanding the role of community partners, such as Mental Health Center of Denver, Maria Droste counseling, Jewish Family Services, etc. In serving students with significant mental health needs that impact educational access. MHCD currently provides therapeutic supports in 8 identified schools
- Success measures to track
  - Improved attendance
  - Reduced use of out of school suspensions
  - Number of students served
  - Reduced disproportionality in student discipline

# New Proposed Investments to Board of Education from Mill Levy

## Investment Detail: Charter Center Based Programs

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- **Program:** Charter Center Based Programs
- **Investment:** Increase of \$840K to \$1.9M
- **Objectives:** DPS is committed to providing a quality educational experience based upon the individual needs of each child. Special education services provides specialized instruction for students to minimize the impact of their disability through a continuum of services, ranging from services provided in the general education classroom to fully contained classroom settings. This investment will expand center programs at charter schools, increasing options for our students with disabilities and their families
  
- **Students Served**
  - This expansion will increase the number of charter centers to 14
  - The new sites are DSST-Byers; Girls Athletic Leadership School (MS); Highline Academy FNE; REACH; STRIVE Prep – Montbello
  
- **Success measures to track**
  - Center enrollment

# New Proposed Investments to Board of Education from Mill Levy

## Investment Detail: Kinder Expansion

- **Program:** Kindergarten
- **Investment:** Total expenses for ECE and Kindergarten have increased over \$7 million between 2012-13 and next year due primarily to continued enrollment growth. Funding of \$1.6M will help us support the continued Kinder enrollment growth especially in light of the fact that the 2003 Mill is fixed dollar
- **Objective:** Close the gap with state funding [50% funding for Kinder] so that all students can build a strong academic foundation regardless of means
- **Student Impact**



|              | 2003-04 | 2012-2013 | 2013-2014 | 2014-15 | 2015-16P |
|--------------|---------|-----------|-----------|---------|----------|
| ECE          |         | 6469      | 7164      | 7505    | 7738     |
| Kindergarten | 6607    | 7455      | 7662      | 7563    | 7733     |

- **Success measures** to track after implementation and beyond
  - Student Enrollment
  - Student Word Analysis and DRA (literacy measures) – pre and post

# Next Steps

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- The Board of Education will be considering the 2015-16 Budget for approval at their Thursday June 18<sup>th</sup> Meeting
- Brief summer hiatus for committee and reconvene at start of school to consider potential uses for additional Mill Levy money and discuss scorecards from the 2014-15 school year

# Appendix

## FY 15-16 Program Budgets

*While school budgets are not final until the fall when they get actual student enrollment numbers, we can start to see potential spend in key Mill investments*

