



Getting the Facts: An Open Letter to the Community About Denver Public Schools' Financial Management

Recent allegations have surfaced that seek to discredit Denver Public Schools' handling of taxpayer dollars, including the 2012 bond. These myths manipulate a number of documents in an attempt to cast doubt on DPS' fiscal management. In response, we are sharing this factual information:

Myth 1: DPS administrative costs are excessive

FACT: We prioritize sending dollars and resources to our schools – where they matter most.

- The portion of our funding spent on district-level costs is among the nation's lowest, with 95% being spent in schools and only 5% being spent on centralized functions such as finance, human resources and payroll.
- In 2015-16, after years of declining state per-pupil funding, we were forced to cut \$20 million from our budget. We protected our schools by reducing 157 central office positions.
- At the same time, we slightly increased the per-pupil funding sent to schools. And we added resources and supports to our highest-needs schools, with 49 of these schools receiving funding for an additional position – a teacher leader or academic dean – to support strong instruction.
- Our schools have maximum flexibility in how they use their budgets. We believe those closest to our kids, our teachers and our communities should decide how to best spend their dollars to meet their students' needs. Watch [this video](#) about how schools determine their budgets.

DETAILS: 95% of district funding directly supports our students and schools.

- 70% of district funds are controlled at the school level, including teacher compensation and student opportunities such as career and technical education or concurrent enrollment, when our high school students also enroll in college courses.
- 25% of district funds are budgeted centrally but spent in our schools, including:
 - Special education and student services - \$62.2 million: This includes compensation for special education teachers, social workers, nurses and psychologists. These are managed centrally to comply with state and federal laws, reduce schools' paperwork burden and benefit from economies of scale across a large district.
 - Academic support - \$75.4 million: This funding pays for centrally managed services such as curricular materials, student technology, assessments, library services and student records. Managing these items centrally reduces schools' paperwork burden and allows the district to get more bang for the buck with greater purchasing power across all schools.
 - Facility support - \$52.8 million: This includes the costs of operating all DPS schools and facilities, including utilities and maintenance. It would not be financially and operationally feasible to ask each school to negotiate rates and pay for custodial, utilities, maintenance and insurance expenses individually.
 - Transportation - \$24.6 million: This pays for buses, drivers, mechanics and fuel.

Click [here](#) to see even more information about the DPS budget or watch [this video](#) about DPS funding and [this video](#) about the impact of marijuana legalization on school funding.



Myth 2: The DPS administration harmed minority and women owned business (MWBE)

FACT: We have awarded more than \$52 million from the 2012 bond to minority- and women-owned business enterprises, and are committed to doing more.

- Because of our commitment to Equity, a DPS Shared Core Value, we contracted with MGT of America, a nationally recognized firm in the area of diverse contracting, to complete a study regarding the awarding of our bond contract dollars.
- In February 2015, after MGT released its final report, the Denver Board of Education formally adopted a goals program to increase diverse participation in our bond program. This includes an overall goal that 24% of bond funding be awarded to MWBEs.
- In the year and a half since the implementation of the program, DPS has exceeded the 24% goal, awarding 33% of dollars to MWBEs. For the entirety of the 2012 bond, including the period before we started our goals program, more than \$52 million or 16% of bond dollars spent have been paid to MWBEs.
- DPS, with the adoption of the goals program, is now at a comparable level with the City and County of Denver in this area as evidenced by their [annual report](#).
- Because of our commitment to equity, we're reviewing our procurement processes for additional improvement and hiring a Director of Business Diversity and Outreach.

Read more about this issue in [a letter](#) from Superintendent Tom Boasberg.

Myth 3: Taxpayers were misled about plans for a new \$80M administration building

FACT: The purchase and renovation of the Emily Griffith Campus, which houses three schools and central school support, has resulted in dramatically improved learning environments for more than 9,000 students and saved tens of millions of taxpayer dollars.

- In 2012, DPS launched Operation Unite, a strategic plan to consolidate multiple district facilities and create or update multiple schools, including the Downtown Denver Expeditionary School, the first elementary school to open in the Denver central business district.
- Operation Unite was fully funded from the sale of existing district facilities and support from the 2012 bond. Aside from bond funds that were clearly specified in the 2012 bond, proceeds from planned facility sales and reserve funds dedicated for environmental remediation, not one dollar was spent from the 2012 bond or any other district funding source for the district central services offices on the Emily Griffith Campus.
- More than 9,000 students have benefitted and are continuing to benefit from dramatically improved learning environments at schools including Contemporary Learning Academy, Downtown Denver Expeditionary School, Denver School of Science and Technology at Cole, Emily Griffith High School, Emily Griffith Technical College, Excel Academy, Girls Athletic Leadership School, Joe Shoemaker School, PUSH Academy and STRIVE-Remington.
- The consolidation saved the district tens of millions of dollars that would otherwise have been spent to purchase or build facilities for the schools that moved into vacated facilities as a result of the central services consolidation, including the Del Pueblo and Mitchell buildings. In addition, more than \$1 million in annual operating expenses are being saved each year through reduced maintenance and utility costs as a result of the consolidation.
- In total, the construction costs and sale of existing district facilities came in \$8 million ahead of the money provided for the projects in the 2012 bond. This additional money has been used on deferred maintenance projects at 119 schools, including heating/cooling maintenance, security



lighting, gym repairs and accessibility for students with special needs. The surplus also was used to buy 28 new school buses to modernize the district's aging fleet.

- Operation Unite wrapped up in September 2016 with the final transaction – the sale of the original Emily Griffith Opportunity School. With the partnership of Historic Denver and other agencies, DPS secured historic designation for the downtown school and the new buyer will preserve the historical aspects of the old building. Emily's legacy lives on for students enrolled in [Emily Griffith High School](#) and [Emily Griffith Technical College](#), both state-of-the-art facilities that allow a new generation to master their trades.

Myth 4: The DPS administration has weak charter school oversight

FACT: DPS reviews charter school financial statements both quarterly and annually, and holds all schools to the same high standards.

- DPS has a robust charter oversight and charter renewal process that includes an in-depth review of financial policies and procedures.
- For every charter school, DPS reviews financial statements on a quarterly and annual basis.
- All charter schools are subject to annual financial audits and this information is publicly posted on school websites.
- All Denver Public Schools, including charters, are subject to the same accountability measures, including the School Performance Framework.

Myth 5: 2012 mill levy spending on the arts was wasted

FACT: Thanks to Denver voters, 100% of district-run schools are able to offer the arts.

- In 2012, Denver voters approved a mill levy override to fund several important initiatives in our schools. Specifically, voters approved funding for “restoring and enhancing art, music, physical education and other enrichment programs.”
- Voters approved this effort in the midst of continuing state per-pupil budget cuts, which have yet to be restored. DPS is receiving only \$10 more per student in state funding in 2016-17 than we did in 2009-10. DPS has leveraged the mill levy funds to maintain a foundation of arts programs across all schools.
- The 2012 mill levy is funding more than 80 arts teachers in district-run secondary schools. And thanks to both the 2012 and 2003 mill levy overrides, 100% of district-run schools have an arts offering.

Do you have additional questions? Email communications_office@dpsk12.org or visit www.dpsk12.org.