



SCHOOL DISTRICT NO. 1
IN THE CITY AND COUNTY OF DENVER
DENVER, COLORADO

AGENDA
BOARD OF EDUCATION SPECIAL MEETING

ADMINISTRATION BUILDING
900 GRANT STREET
FIRST FLOOR BOARD ROOM
January 30, 2008

OPENING OF MEETING – 4:30 p.m.

Call to Order
Pledge of Allegiance
Roll Call

SUPERINTENDENT'S REPORTS

Budget Review

CONSENT AGENDA*

Chief Academic Officer

*Motion to Approve Amendment to Resolution Regarding Place Middle School –
The Board of Education will be asked to approve an amendment to the November
19, 2007 Resolution regarding Place Middle School.*

6:30 p.m. – **PROPOSED EXECUTIVE SESSION**

The Board of Education will enter into executive session following the Special Meeting on January 30, 2008 for the purpose of legal counsel regarding contracts that may be subject to negotiations and/or developing strategy for negotiations pursuant to CRS 24-6-402(4)(a)(b)(e).

ADJOURNMENT

* *Items scheduled for action at this meeting are noted in italics*
** *Items for information only*

BOARD OF EDUCATION MEETING
JANUARY 30, 2008
CHIEF ACADEMIC OFFICER – PLACE MIDDLE SCHOOL

MOTION

I hereby move that the Board of Education approve the following amendment to the November 19, 2007 Board of Education action regarding Place Middle School:

The Board of Education, at its November 19, 2007 Board Meeting, having approved the closure of the existing academic program at Place Middle School at the end of school year 2007-2008; and further approving the creation of a new Place ECE-8 serving neighborhood students at all grade levels and a "newcomer" magnet program to serve refugee students beginning for the school year 2008-2009, hereby sets forth the following amendment regarding said action:

The new Place ECE-8, beginning for the school year 2008-2009, shall serve neighborhood students at all grade levels and further provide for a "newcomer" magnet program to serve refugee students at grade levels ECE-5. Merrill Middle School will continue to serve middle school "newcomer" students at grade levels 6-8. South High School will continue to serve high school "newcomer" students at grade levels 9-12.

Budget Overview

Board of Education

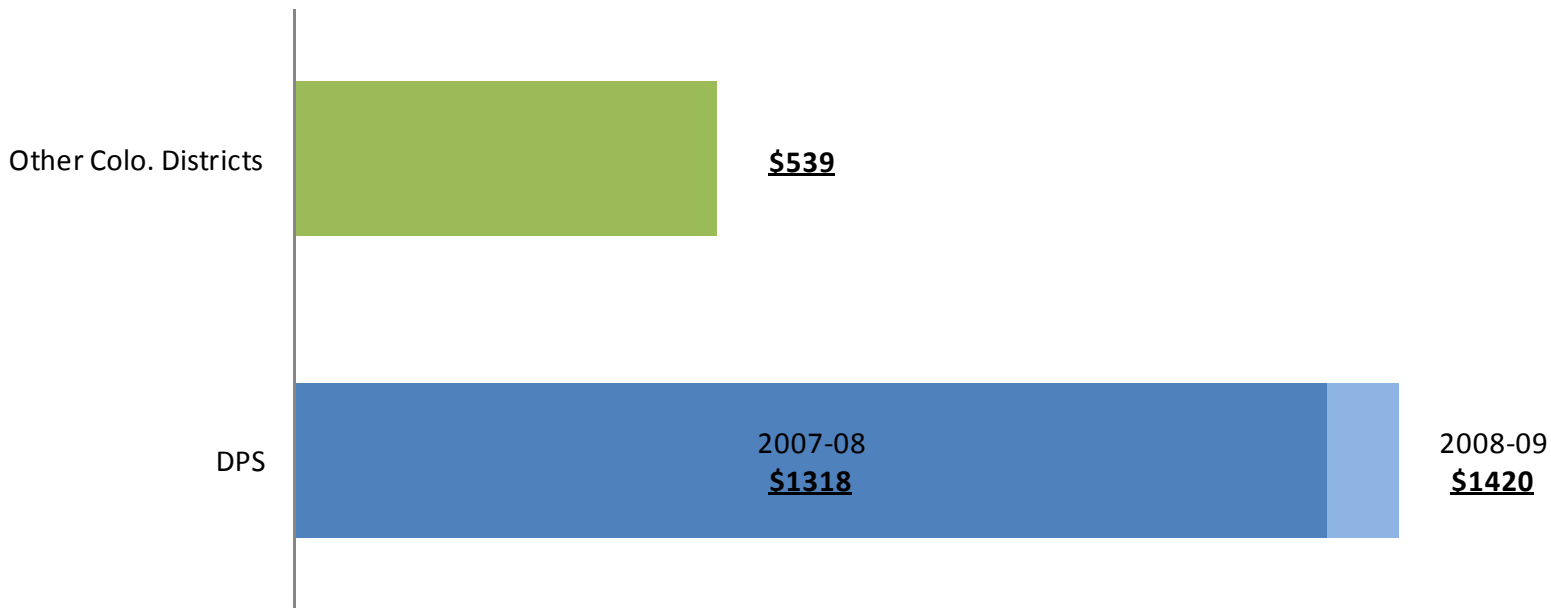
1/30/08

Overview

- Financial State of the District
 - Balanced budget for the 2nd year in a row after making a total of \$83m in cuts over the previous five years
 - Projected \$97 million (over \$1400 per student) of pension and retiree costs next year continues to place severe strain on budget
 - Pension finance transaction, if successful, would place critical new resources into classrooms, augmenting funding for secondary schools, high poverty schools, magnet programs, special education, and gifted and talented programs
 - Significant new growth next year in pre-school (ECE) and full-day kindergarten, not dependent on pension transaction

DPS pays almost **\$800 more per student** than other Colorado school districts for pension and retirement

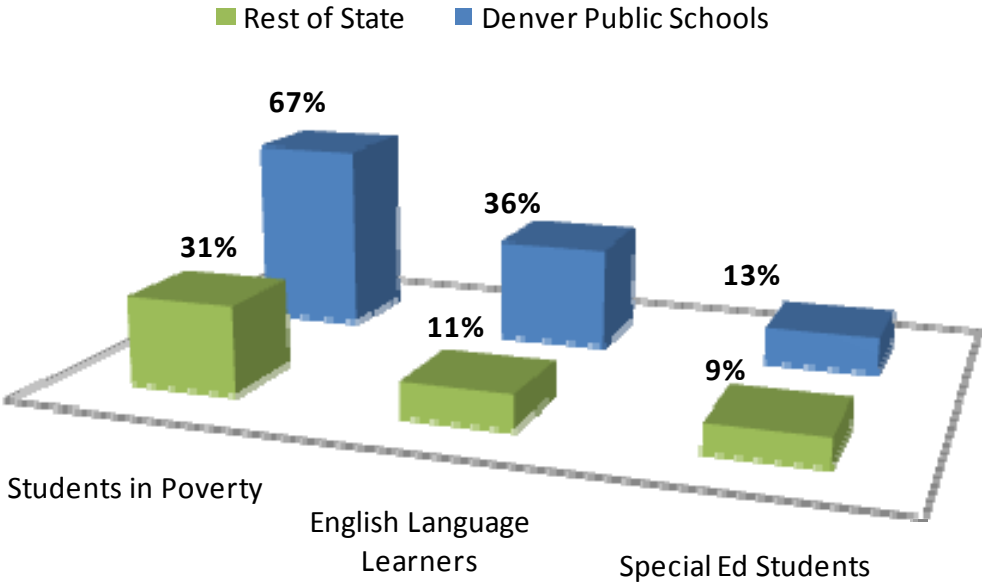
Dollars per Student per Year Paid Toward Pension and Retiree Obligations



- This amounts to **\$50 million** higher pension and retirement costs per year than other districts
- All other districts in the state have been a part of PERA since its founding in 1931

The **\$50M** extra spent on pension severely limits DPS's ability to lower class sizes, pay competitive salaries, and meet the pressing educational needs of our students

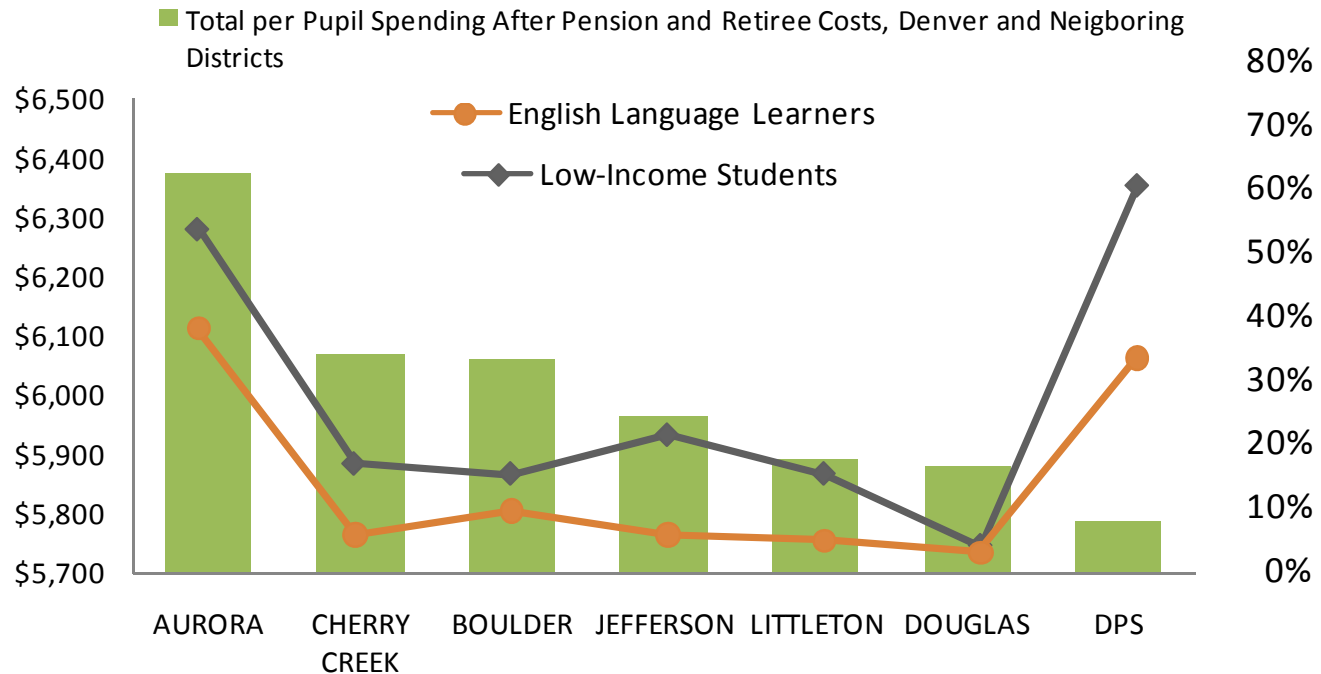
- A much greater fraction of DPS's student population is in poverty, learning English and has special needs than other districts (see chart at right)
- DPS pension costs consume nearly 20% of the district's general operating fund
- The district has had to cut nearly \$83 million from its budget in the last 5 years



* Students in poverty means Free or Reduced Lunch; ELL means English Language Learners
** All data is from Colo. Dept of Ed. FRL data is from 2006-2007 School year. ELL and Special Ed data is from 2007-2008 school year

Despite much greater needs, DPS receives less per student than neighboring districts after pension costs

2007-08 Revenue Per Student After Pension and Retiree Costs, Denver and Neighboring Districts



- After pension and retiree costs but including additional money DPS receives for low-income students, the district has on average **\$250 less per student** to spend than its suburban neighbors
- Further, DPS has a higher percent of low-income students and English Language Learners than other districts

Denver Public Schools Statement of Financial Condition: July 1, 2008 – June 30, 2009

	Beginning Balance	Revenues	Expenditures	Ending Balance
Operating				
General Fund	\$20,522,165	\$474,352,427	\$476,139,604	\$18,734,988
Mill Levies	\$24,922,248	\$33,536,329	\$37,500,600	\$20,957,977
Government Grants	\$0	\$108,753,676	\$108,753,676	\$0
Other	\$23,197,164	\$89,491,902	\$90,314,282	\$22,374,784
<i>Total Operating</i>	<i>\$68,641,577</i>	<i>\$706,134,334</i>	<i>\$712,708,162</i>	<i>\$62,067,749</i>
Capital	\$11,547,885	\$17,229,282	\$16,094,987	\$12,682,180
Bonds	\$54,238,734	\$55,678,059	\$52,565,180	\$57,351,613
Restricted Cash	\$81,687,062	\$22,842,088	\$67,684	\$104,461,466

Notes:

- Beginning/ending balances in the operating funds include contingency funds and reserves that are to a large degree mandated by federal law, state law, or board policy
- All funds shown after internal eliminations and do not include revenues and expenditures for charters or contract schools
- Government grants include local, state and federal grants
- Other revenues include foundation grants, tuition payments, other non-governmental revenue sources and food service funds

Denver Public Schools Statement of Expenditures: July 1, 2008 – June 30, 2009

	SBB	School Based, non SBB	Total to Schools	Central	Total (Central + Schools)	Charter and Contract Schools
Operating						
General Fund	\$286,013,529	\$155,356,934	\$441,370,463	\$34,769,141	\$476,139,604	\$54,916,567
Mill Levies	\$19,359,706	\$15,039,325	\$34,399,031	\$3,101,569	\$37,500,600	\$1,832,507
Government Grants	\$17,741,658	\$90,467,308	\$108,208,966	\$544,710	\$108,753,676	\$1,044,763
Other	\$15,533,438	\$64,842,341	\$80,375,779	\$9,938,503	\$90,314,282	\$97,442
<i>Total Operating</i>	<i>\$338,648,331</i>	<i>\$325,705,908</i>	<i>\$664,354,239</i>	<i>\$48,353,923</i>	<i>\$712,708,162</i>	<i>\$57,891,279</i>
Capital					\$16,094,987	
Bonds					\$52,565,180	
Restricted Cash					\$67,684	
Totals	\$338,648,331	\$325,705,908	\$664,354,239	\$48,353,923	\$781,436,013	\$57,891,279

Notes:

- SBB means Student Based Budgeting
- Includes salary increases for 2008-09
- School based, non-SBB includes: special ed, alternative schools, athletics, food services, facilities, transportation, technology, security, etc to the extent they are school-based

Student Based Budgeting: Driving More Autonomy for Schools

- This year represents the next step in our drive to increase autonomy, flexibility and decision-making power for schools
- We have moved away from the old system of allocating resources centrally (eg, for every 25 students, a school gets 1 teacher, x number of para hours, etc) to one where schools get dollars and flexibility on how they want to spend those dollars
- Schools have flexibility in deciding how they want to prioritize their dollars on key staffing decisions, including teachers, intervention services, paras, social workers, librarians, etc, subject to requirements of state, federal and local law (that mandate how certain categorical dollars are spent) and to the provisions of our collective bargaining agreements.

Proposed Policy Changes to Student Based Budgeting

Not subject to completion of pension financing:

- Expansion of preschool and Kindergarten program offerings
- Targeted funding to new schools and underperforming schools announced in November
- Elimination of the SBB to RAM adjustment
- Reduction of the small school subsidy (decrease of 25%)
- Increase in funding for ELA zone schools

Subject to completion of pension financing:

- Increase in base per pupil allocation for middle schools, 6-12s, and high schools (to elementary school level)
- Significant increase in per pupil funding to serve students in poverty
- Increase in magnet program funding
- Additional targeted funding to underperforming schools
- Additional funding for Mild Moderate services (Response to Intervention)
- Additional funding for Specialized Services (Nurses, Psychologists, Social Workers)
- Additional Gifted and Talented funding

Nearly All Schools Will Benefit From Proposed Changes

- Key point to note is that, with very few exceptions, we will not be taking money away from existing schools – we will be adding new dollars from the pension transaction first to those schools that have received less per pupil money in the past
- While we will be targeting a significant portion of new dollars from the pension transaction towards high-poverty students, all our students and schools will benefit from the increased funds
- All students will benefit from the increase in full-day kindergarten and preschool funds
- All secondary school students will benefit from the increase in middle school and high school base funding
- All schools will benefit from the increase in gifted and talented funding
- All schools will benefit from the increase in specialized services and intervention services for mild/moderate students
- Declining enrollment is by far the largest cause of declines in funding to particular schools, with reduction of small school subsidy and SBB to RAM adjustment a much smaller factor

Schools to receive between **5% and 11%** **more** for each student*

Average Expenditure per student, by School Type

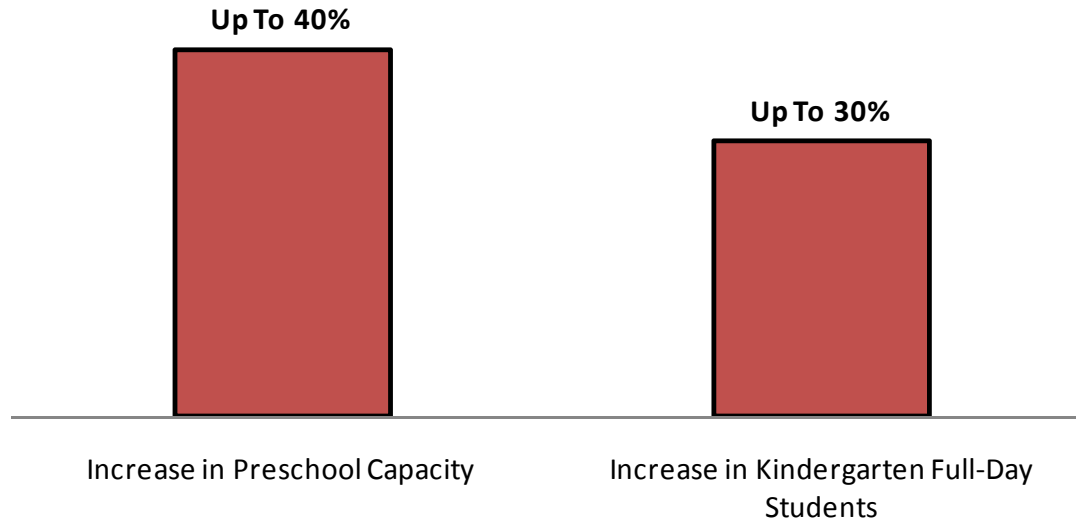
	2007-2008			2008-2009			Analysis	
	Total SBB	Other Benefits	Total	Total SBB	Other Benefits	Total	Change (\$)	Change (%)
Elementary	\$4,815	\$737	\$5,552	\$5,257	\$660	\$5,917	\$365	8%
K-8*	\$5,004	\$444	\$5,448	\$5,301	\$665	\$5,966	\$518	10%
Middle	\$4,531	\$676	\$5,207	\$4,954	\$622	\$5,575	\$368	8%
6-12	\$4,429	\$599	\$5,028	\$4,656	\$584	\$5,241	\$212	5%
High	\$4,055	\$549	\$4,604	\$4,479	\$562	\$5,041	\$437	11%

Notes:

- The primary driver of increased funding % is \$1.5 million of targeted funds to 3 new K-8s
- Other benefits include pension costs like PCOPS, Unemployment Compensation, Workers Comp
- Excludes additional ECE and K program allocations; Enrollment based on K-12 (K=0.50)

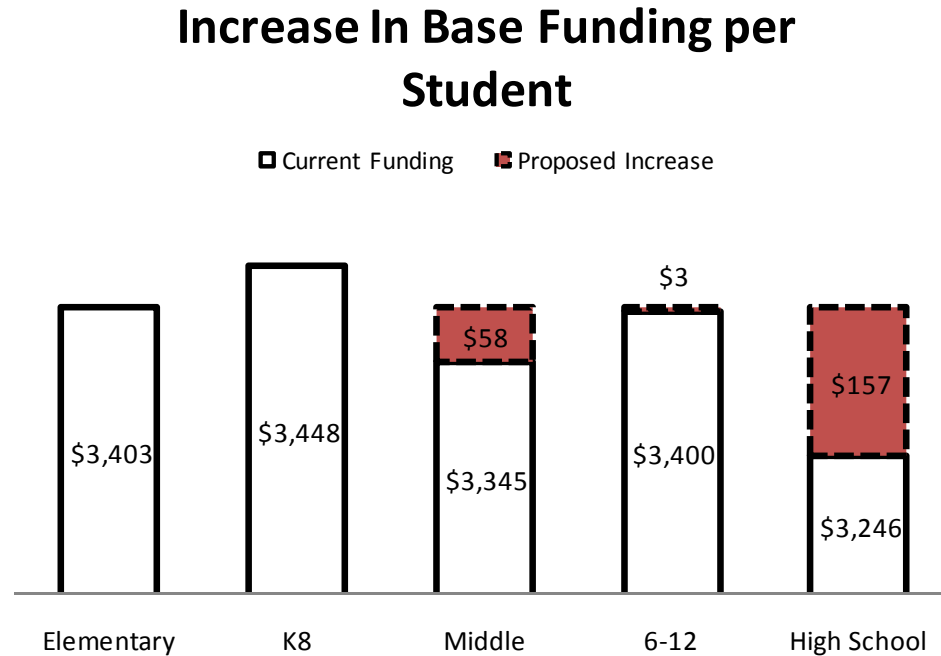
*Pending pension transaction

Over 30% growth in preschool and kindergarten offerings



- **\$6 million more** for preschool, which would increase preschool offerings by up to **40%** in 2008-09, creating as many as **1500-1800 new slots**. New money would come from the Denver Preschool Program
- **\$3 million more** for kindergarten, which would allow 90% of kindergartners to attend full day (up from 72%), with money coming primarily from mill levy funds
- **1200-1400 more** students can attend full-day Kindergarten
- Nearly all of the 80 elementary and K-8 schools would expand kindergarten and or preschool offerings

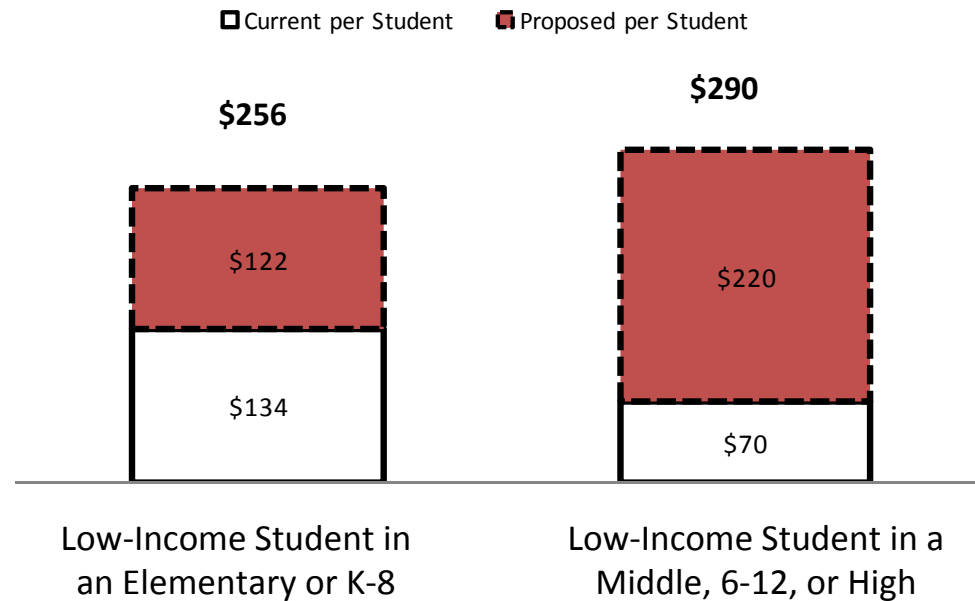
\$2.4 million more to raise per pupil base funding for secondary schools to same level as elementary schools



- Total additional spent in schools: **\$2.4 million** from pension refinancing
- Expected to help **21,000** students
- Additional money dependent on pension financing transaction

\$5.1 million more for low-income students

SBB Allocation to Schools



- Additional funds dependent on pension finance transaction

Over 30% more for magnet schools

Over 50% more for ELA Zone Schools

Magnet Program Funding

	2007-08	2008-09
IB*	\$953,137	\$1,430,048
Montessori*	\$155,440	\$217,616
Tech Academies	\$337,307	\$341,582
Arts	\$237,968	\$248,704
International Studies	\$59,492	\$62,176
Total	\$1,743,344	\$2,300,126
ELA Zone Schools	\$327,206	\$497,408

*Dependent upon pension funds

Note that percent increases for magnets and ELA Zone schools are increases over current program funding in these categories

As much as **\$4.7M more** for targeted schools

New Schools and Targeted Performance funding

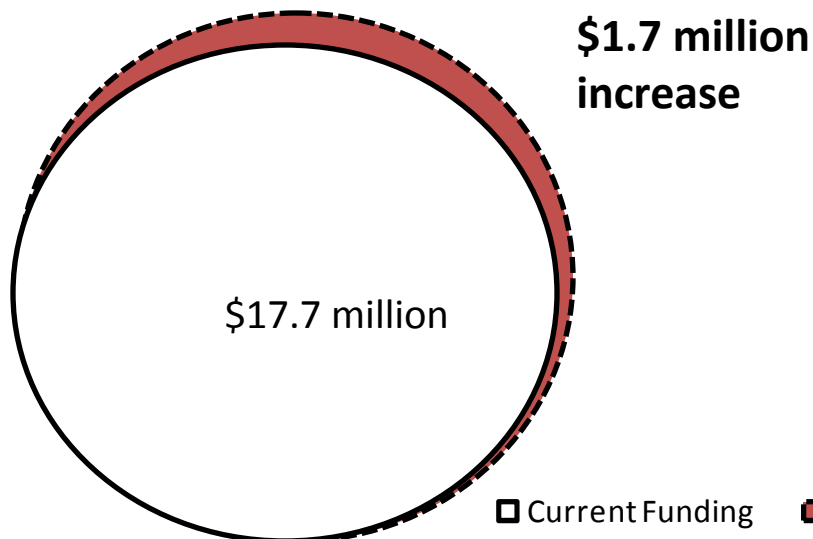
2008-09 without pension		2008-09 with pension	
Barrett	\$100,000	Centennial	\$100,000
Cheltenham	\$100,000	Colfax	\$100,000
Cole	\$525,000	Fairmont	\$100,000
Cowell	\$100,000	Garden Place	\$100,000
Ford	\$100,000	Grant	\$100,000
Gilpin	\$100,000	Henry	\$100,000
Godsman	\$100,000	Kunsmiller	\$100,000
Greenlee	\$150,000	Lake	\$100,000
Horace Mann	\$475,000	Lincoln HS	\$100,000
Howell	\$100,000	McGlone	\$100,000
North	\$100,000	Oakland	\$100,000
Place	\$500,000	Roberts	\$100,000
Randolph	\$100,000	Sabin	\$100,000
Rishel	\$100,000	Schenck	\$100,000
Smith	\$275,000	Smiley	\$100,000
Stedman	\$175,000	Swansea	\$100,000
Total	\$3,100,000	Additional, pending pension transaction	\$1,600,000

Targeted Schools are:

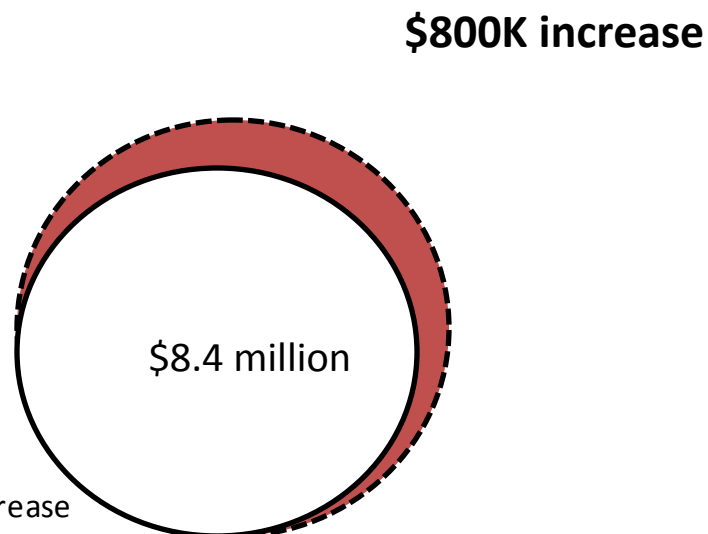
- \$3.1M of savings from consolidation used for new schools and targeted underperforming schools
- \$1.6M of new funds is for targeted underperforming schools

\$ 2.5 million more money for mild/moderate interventions and for special services

Proposed SBB Allocations for Mild/Moderate



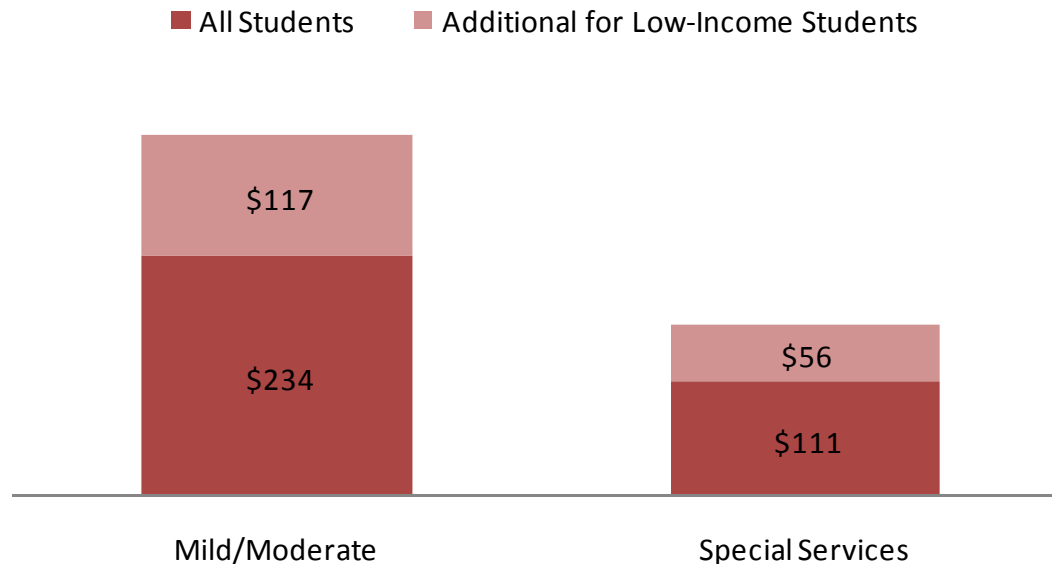
Proposed SBB Allocations for Special Services



- Schools with a higher proportion of free and reduced lunch students would receive greater share of funding increase
- Additional funds depend on pension financing transaction

Move to per student funding for mild/moderate and special services

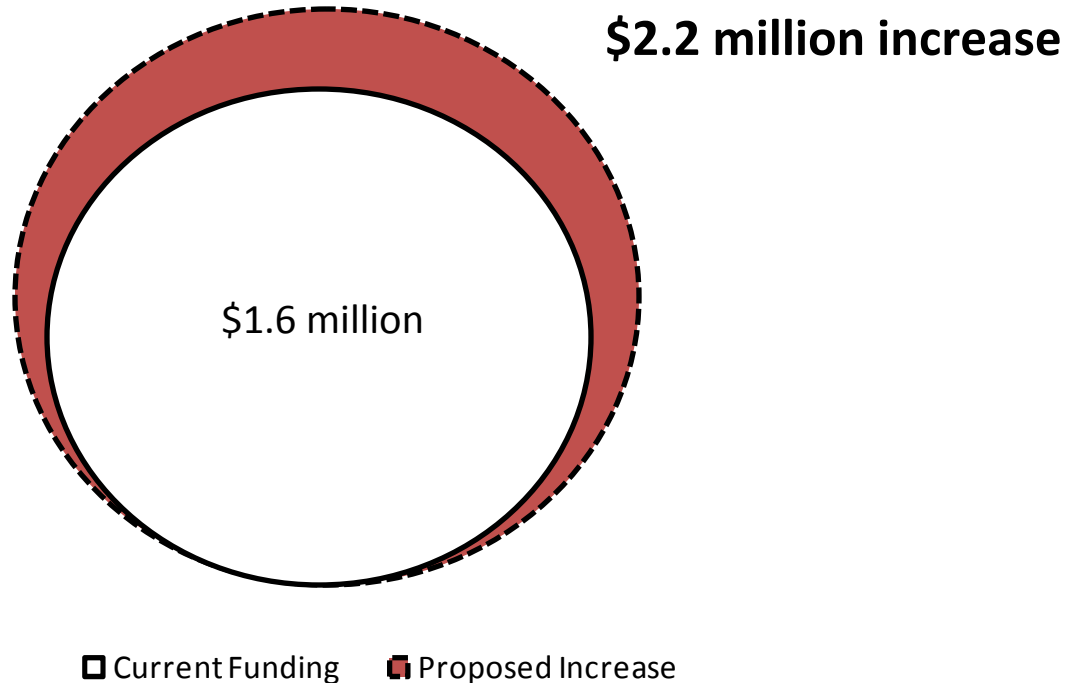
Proposed per Student Funding Levels



- Proposal would hold harmless schools that are currently above these per pupil levels
- Low-income (Free or Reduced Lunch) students would receive 50% more funding for each category: **\$351** for Mild/Moderate and **\$167** for Special Services

35% more money for gifted students

SBB Allocations



- Funding for Gifted and Talented would increase by **\$95 per student**
- Additional funding dependent on pension finance transaction
- High schools do not qualify for GT funding

How Offsets Will Work

The following new moneys that result from the pension will be subject to offset [A]:

- Additional base dollars for high schools, middle schools and 6-12s
- Additional per pupil funds to support Gifted and Talented
- Additional per pupil funds to support Free Lunch students
- Additional money for expanded Mild Moderate and Specialized Services

The above allocations will decrease to the extent that schools are currently receiving extra allocations in the following areas [B]. These categories below are called hurdles:

- Incremental Base per pupil that the K8s receive above all other levels
- Fiscal Year 2008-2009 Small School Subsidy
- Extra allocations for magnet programs (ie., Table X)
- Mild Moderate and Specialized Services funding above per pupil levels

Examples:	<i>School 1</i>	<i>School 2</i>
New moneys from pension, before offset [A]	\$300,000	\$100,000
Total amount of hurdle [B]	\$50,000	\$200,000
New moneys from pension, after offset	\$250,000	\$0

Department Comparisons, 2007-08 to 2008-09

General Operating Fund Budget Comparison of Key Departments

	2007-2008	2008-2009
CAO		
Curriculum	\$1,120,006	\$1,156,313
Testing & Assessment	\$1,671,847	\$1,608,304
Instructional Support	\$6,597,301	\$5,667,173
English Language Acquisition	\$858,528	\$1,049,780
Student Services (excl SBB)	\$37,948,636	\$40,199,682
COO		
Facility Management	\$43,006,705	\$43,820,996
Transportation	\$20,090,298	\$20,900,743
Technology Services	\$11,423,260	\$12,232,717
Security	\$3,694,044	\$3,862,559
Payroll	\$849,637	\$902,786
Human Resources	\$3,522,959	\$4,489,499
Finance	\$3,070,806	\$3,257,182