

**District Advisory Committee
Budget Subcommittee Recommendations to the Board of Education
May 2016**

Last year at this time, the Budget Subcommittee of the DAC presented our recommendations to this Board after an intense three-month crash course in all things related to the DPS budget. Now, as we wrap up our second year on the committee, we feel more confident in our knowledge of the budget process and education funding in Colorado. We are grateful for the incredible support we have received from DPS staff as we continue to learn about the District's budget and we appreciate the opportunity to share our recommendations.

The recommendations we made in 2015 focused on how to spend an unexpected influx of funds; this year, the District is making cuts. Based on projections of decreased enrollment and state revenue limited by TABOR, this will not be the first year that the District makes budget reductions. We applaud the process used to determine where to make cuts and we support the decision to ensure that cuts were not made at the school level. Additionally, we have reviewed and agree with staff recommendations to expand or sustain investments in initiatives related to leadership, teaching, flexibility, investing early and culture. In 2015 we suggested that DPS reduce the proportion of revenue allocated to the fund balance and that the allocation be based on a multi-year view that takes into account increases and decreases in revenue. We were pleased to review the five-year forecast that Erik Johnson and his team compiled this year and agree that the fund balance should remain near 10% of revenue for the foreseeable future. Our recommendation is to support the budget as submitted by central office staff.

In addition to our budget recommendations, there are three additional issues that we ask you to consider.

1. We encourage the Board to continue to evaluate funded programs under the lens of their impact on not only students, but teachers and administration, as well. For example, the Teacher Leadership and Collaboration program is receiving positive reviews from teachers and administrators alike. We believe that such positive feedback

is important to consider when reviewing the on-going viability of such funded programs. It is critical that decisions on where to invest and where to cut are based on a collection of data, including, but not limited to student test scores.

2. Enrollment in DPS is projected to level off and eventually decline. While some of this decline in enrollment is due to lower birth rates during the recession, it is also a result of gentrification and rising housing costs in Denver. As the cost of living, and particularly the cost of housing, rises in Denver families cannot afford to stay here. We urge you to work with other city and county organizations to reverse this trend.
3. We understand that efforts are underway to mitigate the effects that TABOR has on education funding. We encourage you to not only educate the general public about the challenges brought on by TABOR, but ask that you participate in efforts to change state level policies that will continue to detrimentally effect our state's education funding.

Thank you for the opportunity to present our recommendations.