



A Union of Professionals

801 S. Perry Street, Suite 140
Castle Rock, CO 80104
303-688-3381 Fax: 303-688-1039

AFL/CIO #2265
DCFT.net

Dear Members,

During this challenging time, the Federation office wishes to thank you for the overwhelming number of responses to our "What I value as a member" survey. The top three valued areas are: benefits, salary, and job security. Please know our teams are prepared to carry your voice forward to negotiations. I believe it is important for everyone to know a compensation package has not yet been negotiated. We will begin this difficult but important process in January and will keep you posted with updates as they become available.

The district will finalize its two-year budget reduction plan of \$30-37 million dollars in February. This is in addition to the \$21.5 million cut last year. Areas of proposed reduction include central office personnel, services and operations, staffing ratios and formulas, as well as compensation. Compensation includes a multitude of items: salary, benefits, PERA, KLA, performance pay, etc. All of which fall under the contract and are negotiated items.

As of yesterday, DCSD has provided, per their timeline, the community with an avenue to offer feedback on the reductions that have been proposed. In short, this communication, which can be accessed on the district website, addresses the following areas: The Problem, Cause, Treatment, and Results of the budget cuts. Please visit the website to see in detail the explanations provided. As you look at the proposed reductions on the district website, please keep in mind any proposed reductions impacting our negotiated agreements will come before the Certified and Classified Negotiations Teams.

It is important for you to understand what has led to the district's current economic situation. Below you will find information regarding the economic factors precipitating these budget reductions:

State of Colorado:

1. The state budget is facing a dire economic situation, necessitating in excess of \$600 million dollars in cuts to existing programs. This is impacting both the higher education systems as well as the public school systems. The Legislation Session begins Wednesday. We will keep you posted of all changes.
2. PERA (Public Employees Retirement Association) has been negatively impacted by declines in the market. It stands to reason that this decline may force PERA to propose increasing the levels at which the district and employees contribute to the retirement fund.
3. The additional funding received by the district from Amendment 23, passed by Colorado voters in 2000, ends in 2011.

Local Factors:

1. The failure of 3A & 3B has resulted in the district's inability to collect \$17 million in the 2008-09 school year and \$85 million over the next four years.
2. Student growth is slowing. Forecasts have been lowered to 1,700 new students a year from the original projection of 2,700, resulting in a reduction in state funding of around \$7 million per year.
3. The local economy has slowed, and therefore "Specific Ownership Tax" receipts are negatively impacted, resulting in decreased funding for the district.

Benefit Expenses:

As you know, our medical insurance is self-funded. Over the last two years these costs have increased, exceeding budget projections. This has resulted in an increased need for financial support to cover actual costs.

The Federation will be holding monthly informational meetings for building representatives. The first meeting will be held in February. In addition to this, the Federation Office will be scheduling site visits over the next several weeks. Thank you for your continued support and please contact our office with any questions.

Brenda Smith
President, Douglas County Federation