



# Presentation to Douglas County School District

## Amendment 61 – Further Implications

April 6, 2010



# Key Provisions of Amendment 61



- **No short-term borrowing without vote after January 2011**
- **When “debt paid-off” taxes must be reduced by same amount “as past debt service”**
- **10% debt limit on all future debt issued after January 2011**

- **DCSD participates in State's Interest-Free Loan Program**
- **FY2009-10 Loan authorized up to \$100MM. Current loan \$68MM.**
- **Current long-term debt – excluding interest-free loan \$580,366,279**
- **Remaining Debt Capacity @ 25% of Assessed Value - \$647,522,971**
- **Current “MLO” - \$31.7MM**
- **Remaining MLO capacity @ 25% Total Program Funding – approx. \$60MM**

# How will DCSD address mid-year cash-shortfall if A61 Passes?



## Possible Options

### A. Have annual Tax Anticipation Note vote?

Means amount of Note results in subsequent year tax reduction unless continually re-approved.

### B. Increase FY-2010-11 Taxes by Nov. 2010 vote to “Prefund” local share of taxes for all future fiscal years.

For 2010-11 Fiscal Year – est. amount – \$100MM = 20 mills = \$600 one-time non-recurring tax increase on \$375,000 home.

## How will DCSD address mid-year cash-shortfall if A61 Passes? (Cont'd)



- C. Nov. 2010 Vote of \$100MM of long-term debt repaid over 20 years @ taxable rates to “prefund” future fiscal years’ cash flow needs.**
- **Limits debt capacity by \$100MM of new debt.**
  - **Requires “increase” of approx. 1 Mill or \$18 per year on \$375,000 home.**
  - **Requires statutory change in long-term debt authorization purposes to allow for cash-flow borrowing.**