

Proposition 101
Amendments 60 and 61
and the Impact to School Finance

Presented to the
Board of Education for
Douglas County School District
September 7, 2010

Total Program Funding

Determining total program funding:

Funded Pupil Count
times

Total Per-pupil Revenue
plus

At-risk Funding
plus

On-line Funding
minus

State Budget Stabilization Factor

2010-11 Funding

- Funding Per-pupil Revenue
 - Local Share
 - Property Taxes
 - Specific Ownership Taxes (SOT)
 - State Share
 - Equalization

2010/11 Douglas County School District (DCSD) Funding

■ Local Property Tax	\$124.0M
■ SOT-in formula	9.5M
■ State Equalization	265.6M
■ State Budget Stabilization Factor	<u>(25.8M)</u>
Total Program Funding	\$373.3M
■ Mil Levy Override	33.7M
■ SOT- out of formula	7.5M
■ Categorical Funding	11.6M
■ Other	<u>13.0M</u>
Total Revenue	<u>\$439.1M</u>

Proposition 101

- Reduces state income tax
- Reduces or eliminates specific ownership taxes (SOT) and fees on vehicle purchases, registrations, leases, and rentals
- Eliminates state and local tax on telecommunication services
- Requires voters approval on increase of taxes on vehicles or telecommunication

Estimated Impact of Proposition 101

	101			Total
2010/11	\$2M			\$2M
2011/12	4M			4M
2012/13	4M			4M
2013/14	4M			4M
2014/15	2M			2M
2015/16				
2016/17				
2017/18				
2018/19				
2019/20				
Total	\$16M			\$16M

Amendment 60

- Amends the Colorado Constitution
- Repeals the current voter-approved (de-brucing) elections
- Repeals any property tax increase, extension, or abatement rate increase that occurred after 1992 without voter approval
- Cuts local tax rates for school district in half over a 10 year period

Amendment 60

- Requires public owned enterprises to pay property tax, and this increase is offset by a decrease of the other property tax payers in the county

Estimated Impact of Amendment 60

		60		Total
2010/11				
2011/12		8M		8M
2012/13		8M		8M
2013/14		8M		8M
2014/15		8M		8M
2015/16		8M		8M
2016/17		8M		8M
2017/18		8M		8M
2018/19		8M		8M
2019/20		8M		8M
Total		\$72M		\$72M

Amendment 61

- Prohibits all new state government borrowing after 2010
- Reduces debt limit to 10% of Assessed Real Property Value (currently 25%)
- No Certificates of Participation (COPs) allowed
- All debt must be voted – including bond refunding
- All debt must be repaid within 10 years
- Cash flow borrowing is considered debt
- Eliminates the State Interest-Free Loan
- When debt is repaid taxes must decline by average annual repayment

Impact of Amendment 61

- New debt limit – no borrowing until 2014
- Triggers “Event of Default for Letter of Credit”
- No issuing of COPs for charter or district
- No bond refunding to save tax payers \$
- When bond borrowing is allowed payments will be higher 10 years vs. 20 years
- Cash flow deficit during Oct – March
- Reduce operating revenue by annual debt when it is paid off – includes existing debt

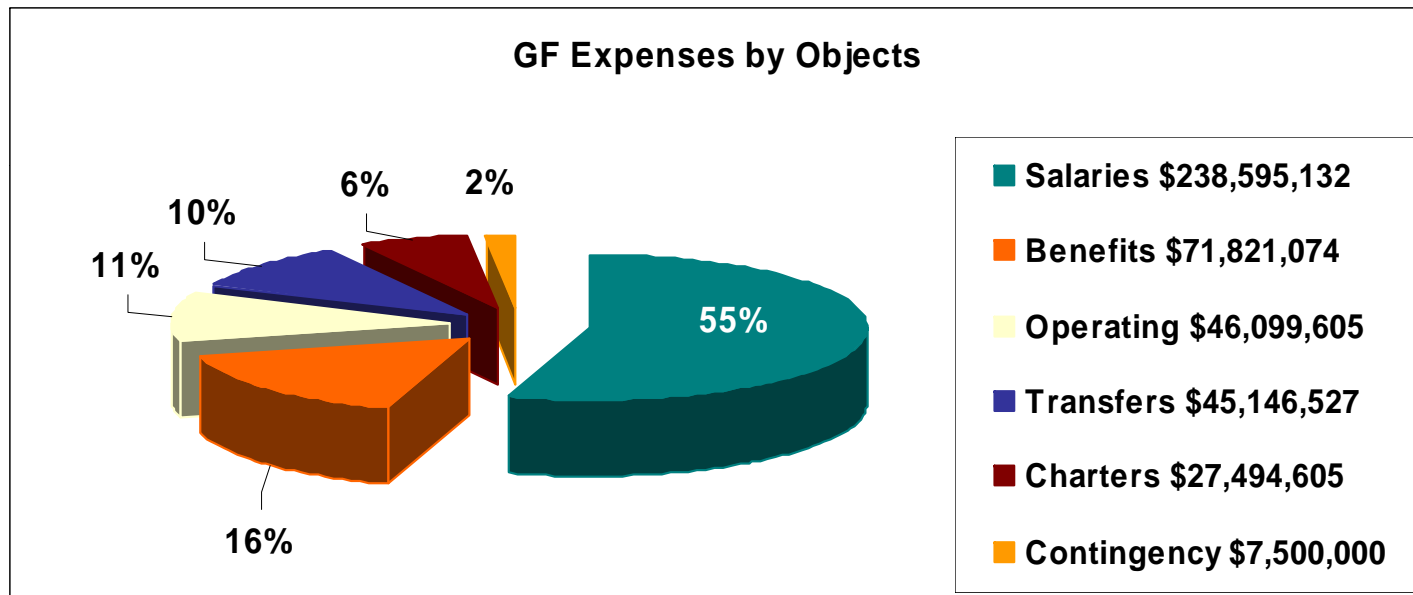
Estimated Impact of Amendment 61

	101	60	61	Total
2010/11				
2011/12			5.6M	5.6M
2012/13			5.6M	5.6M
2013/14			5.6M	5.6M
2014/15			5.6M	5.6M
2015/16			5.6M	5.6M
2016/17			5.6M	5.6M
2017/18			5.6M	5.6M
2018/19			5.6M	5.6M
2019/20			5.6M	5.6M
Total			\$50.4M	\$50.4M

Impact of All Three Measures

	101	60	61	Total
2010/11	\$2M			
2011/12	4M	8M	5.6M	17.6M
2012/13	4M	8M	5.6M	17.6M
2013/14	4M	8M	5.6M	17.6M
2014/15	2M	8M	5.6M	15.6M
2015/16		8M	5.6M	13.6M
2016/17		8M	5.6M	13.6M
2017/18		8M	5.6M	13.6M
2018/19		8M	5.6M	13.6M
2019/20		8M	5.6M	13.6M
Total	\$16M	\$72M	\$50.4M	\$138.4M

General Fund Expenses by Object



Impact of 2010/11 Budget Reductions on Staffing

- FTE all employees
 - 2009/10 5,612.26
 - 2010/11 5,172.05
- FTE classroom teachers
 - 2009/10 2,840.45
 - 2010/11 2,680.98

Questions?

