**TO: ALL REGISTERED VOTERS**

**NOTICE OF ELECTION TO INCREASE TAXES AND DEBT**

**ON A REFERRED MEASURE**

**DOUGLAS COUNTY SCHOOL DISTRICT, NUMBER RE1**

**Douglas and Elbert Counties, Colorado**

**Election Date:** Tuesday, November 7, 2023

**Election Hours:** 7:00 a.m. to 7:00 p.m.

**Local Election Office and Telephone Number:**

Ronnae Brockman, Designated Election Official

Douglas County School District, Number Re1

620 Wilcox Street

Castle Rock, CO 80104

Telephone: (303) 387-0258

**Ballot Title and Text:**

BALLOT ISSUE NO. 5A:

SHALL DOUGLAS COUNTY SCHOOL DISTRICT TAXES BE INCREASED $66 MILLION ANNUALLY COMMENCING IN COLLECTION YEAR 2024 AND REMAIN AT THIS AMOUNT EACH YEAR THEREAFTER IN ORDER TO:

INCREASE SALARIES OF DISTRICT TEACHERS AND STAFF TO BE MORE COMPETITIVE WITH NEIGHBORING DISTRICTS, AND

INCREASE AND MAINTAIN SCHOOL SECURITY SUPPORT, SUCH AS SCHOOL RESOURCE OFFICERS;

AND SHALL SUCH TAX INCREASE BE IMPOSED PURSUANT TO AND IN ACCORDANCE WITH SECTION 22-54-108, C.R.S.; AND SHALL THE DISTRICT COLLECT PROPERTY TAX REVENUE PREVIOUSLY APPROVED BY THE VOTERS NOTWITHSTANDING ANY MILL LEVY LIMITATION;

AND SHALL THE DISTRICT’S EXPENDITURES BE SUBJECT TO OVERSIGHT BY A CITIZENS’ COMMITTEE?

BALLOT ISSUE NO. 5B:

WITHOUT ANY EXPECTED INCREASE IN THE DISTRICT’S CURRENT DEBT SERVICE MILL LEVY OF 6.700 MILLS BASED ON THE EXPECTED 2024 ASSESSED VALUATION, SHALL DOUGLAS COUNTY SCHOOL DISTRICT DEBT BE INCREASED$484 MILLION WITH A REPAYMENT COST OF $865 MILLION, AND SHALL DISTRICT TAXES BE INCREASED $55 MILLION ANNUALLY TO PAY SUCH DEBT;

TO FINANCE EDUCATIONAL FACILITIES DESCRIBED IN THE DISTRICT BOND PLAN APPROVED ON AUGUST 8, 2023, INCLUDING FACILITIES THAT WILL PROVIDE:

SAFE AND ADEQUATE LEARNING SPACES FOR STUDENTS AND STAFF,

SCHOOL SAFETY AND SECURITY UPGRADES,

EXPANDED TRADE, CAREER AND TECHNICAL EDUCATION OPPORTUNITIES FOR STUDENTS,

INCREASED CAPACITY IN ORDER TO REDUCE OVERCROWDING,

AND NOTWITHSTANDING THE ABOVE, SHALL SUCH TAXES BE IMPOSED BY AN ANNUAL MILL LEVY SUFFICIENT IN EACH YEAR TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH DEBT OR ANY REFUNDING DEBT OR TO CREATE A RESERVE FOR SUCH PAYMENT; AND ANY MILL LEVY IMPOSED TO PAY THE DEBT OR ANY REFUNDING DEBT WILL SUNSET WHEN SUCH DEBT IS PAID; SUCH DEBT TO BE EVIDENCED BY THE ISSUANCE OF GENERAL OBLIGATION BONDS TO BE SOLD IN ONE SERIES OR MORE, FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT OF SUCH SERIES, ON TERMS AND CONDITIONS AND WITH SUCH MATURITIES AS PERMITTED BY LAW, INCLUDING PROVISIONS FOR REDEMPTION OF THE BONDS PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF THE PREMIUM OF NOT TO EXCEED ONE PERCENT;

AND SHALL THE DISTRICT’S EXPENDITURE OF BOND PROCEEDS BE SUBJECT TO OVERSIGHT BY A CITIZENS’ COMMITTEE?

**Total District Fiscal Year Spending**

|  |  |
| --- | --- |
| Fiscal Year |  |
| 2023-2024 (estimated) | $803,579,535 |
| 2022-2023 (actual unaudited) | $688,168,766 |
| 2021-2022 (actual) | $650,884,446 |
| 2020-2021 (actual) | $588,982,583 |
| 2019-2020 (actual) | $635,954,578 |

Overall percentage change from 2019-2020 to 2023-2024: 26.4%

Overall dollar change from 2019-2020 to 2023-2024: $167,624,957

**Proposed Tax Increase**

District Estimate of the Maximum Dollar Amount

 of the Proposed Tax Increase For Fiscal Year 2024-2025

(the First Full Fiscal Year of the Proposed Tax Increases):

BALLOT ISSUE NO. 5A: $66,000,000

BALLOT ISSUE NO. 5B: $55,000,000

District Estimate of 2024-2025 Fiscal Year Spending

Without the Proposed Tax Increases: $883,937,489

**Information on District’s Proposed Debt**

BALLOT ISSUE NO. 5B:

Principal Amount of Proposed Bonds: Not to exceed $484,000,000

Maximum Annual DistrictRepayment Cost: Not to exceed $ 55,000,000

Total DistrictRepayment Cost: Not to exceed $865,000,000

**Information on District’s Current Debt[[1]](#footnote-1)**

Principal Amount Outstanding Debt: $332,620,000

Maximum Annual Repayment Cost: $53,925,750

Remaining Total Repayment Cost: $435,116,356

**Summary of Written Comments FOR Ballot Issue No. 5A:**

For the safety and security of our students and teachers, vote YES on ballot question 5A! Douglas County School District has a history of sparingly asking voters for additional local funding and, when receiving additional funding, spends it exactly as promised to the taxpayers. This was confirmed by independent audits and a citizen committee that monitors MLO expenditures.

Not passing an MLO or Bond election from 2006-2017, while area districts were passing initiatives every three years, has created huge disparity in how our students’ education is funded. This is why DCSD staff are not competitively compensated compared to neighboring districts. Cherry Creek pays teacher salaries that are on average 32% higher than what DCSD can afford. Teacher pay gaps means DCSD will have to consolidate classes at schools with fewer teachers. The loss of and inability to recruit quality staff will eventually degrade the quality of our schools and our home values.

Not only are we losing great teachers to higher-paying school districts, DCSD is unable to fill custodian, bus driver, campus security specialist and food service positions. In this competitive market for employees, many support staff can earn higher salaries working at retail stores and restaurants.

If 5A passes, $60 million will be spent on compensation and benefits for teachers and other staff, making DCSD more competitive. $6 million will be spent to increase and maintain security support for all schools including the District’s School Resource Officer program. These uniformed local law enforcement officers provide a visible presence during the school day and at events. The District’s 18 charter schools each year will share $15.8 million from the $66 million in MLO proceeds for staff compensation and security.

It is important to recognize that the benefits of the MLO funding will outlast any school Board. The MLO funding is legally binding in how it will be expended. The Board does NOT have discretion to spend this funding other than how it is stated on the ballot.

DCSD students deserve just as much of an investment in their education as all other students in the metro area. Failed MLO elections result in higher teacher turnover, less quality candidates for vacant positions, and exacerbates the labor shortage that the district is experiencing with teachers, special education assistants, bus drivers, and support staff.

If voters approve both the mill levy and bond, the owner of a $700,000 home will pay an additional $11.67 per month. For pennies a day for both ballot questions we can help provide the safe learning environment our students and teachers deserve.

Should DCSD’s mill levy and bond pass, our mill levy rate will still be lower than Denver, Cherry Creek, Littleton and Boulder Valley School Districts.

Voting in favor of these two initiatives will demonstrate the priority of the Douglas County community for ALL students to receive a quality education. The future of our children, our community, and our home values is dependent on a sufficiently funded educational system.

Vote YES on 5A!

**Summary of Written Comments AGAINST Ballot Issue No. 5A:**

* The District wants to increase property taxes an additional $66 million every year permanently with no sunset.
* Now is not the time to add additional property taxes on top of the already massive property tax increases that Douglas County property owners are facing. Individuals, families, and seniors are wrestling with increased costs at the grocery store, gas pump, electricity, etc.
* In 2024, taxpayers are bracing for a huge property tax increase as Douglas County residential real estate has been reappraised 40% to 50% higher, so a $5,000 property tax bill in 2022 becomes a $7,500 property tax bill in 2024. This new Mill Levy Override proposed by the School District would be paid for by additional taxes above the already massive property tax increases that Douglas County residential property owners are facing.
* The School District has the power to levy whatever mill rate is necessary to collect the $66 million every year; if property values decline from 2024 level, the property tax rate could go up so that the School District still collects the $66 million.
* The average teacher salary in DCSD is $61,449. According to state reports, DCSD per pupil funding is estimated to increase to $10,145 per pupil in FY 2023-24 from per pupil funding of $7,396 in FY 2017-18. This is a 43% increase. The School District could make increased teacher pay a higher priority in the budget.
* In addition to paying salary, the School District contributes an additional 19.9% of employee salaries to Colorado PERA for participation in the PERA defined benefit pension plan. The retirement payment formula for employees is described on page 60 of the School District Comprehensive Annual Financial Report on the School District website.
* Douglas County crime rates, shown in the table below and adjusted for population size, are a fraction of other local areas. These low crime rates are an important intangible benefit for employees and employers working in Douglas County.

|  |  |  |
| --- | --- | --- |
|  | VIOLENT | PROPERTY |
|  | CRIME PER | CRIME PER |
|  | 1,000 CITIZENS | 1,000 CITIZENS |
| DOUGLAS COUNTY | 1.1 | 12.3 |
| JEFFERSON COUNTY | 1.9 | 22.3 |
| ARAPAHOE COUNTY | 3.0 | 24.6 |
| EL PASO COUNTY | 3.1 | 22.7 |
| ADAMS COUNTY | 4.6 | 29.5 |
| DENVER COUNTY | 9.6 | 51.7 |

 Source: FBI NIBRS Database

* Vote NO on Question 5A. Now is not the time to add additional permanent property taxes on top of the already massive property tax increases that Douglas County property owners are facing.

**Summary of Written Comments FOR Ballot Issue No. 5B:**

Only once in the last 17 years have Douglas County voters approved additional local funding for our schools. When receiving additional funding, the District spends it exactly as promised to the taxpayers, as confirmed by independent audits and a citizen committee (MBOC) that monitors Bond expenditures.

There are no schools in fast-growing communities like Sterling Ranch, The Canyons, and Crystal Valley. Whether by school bus or by car, students in these parts of Douglas County travel up to 45 minutes each way to and from schools in surrounding communities. The fast growth also requires adding classrooms to Mesa and Sierra Middle Schools. These new elementary schools and middle school expansions will address student growth where it’s happening, shorten bus routes and provide our kids with safe, adequate spaces to learn.

Of the $484 million bond issuance, 47% will be spent on new schools that are needed because developers keep building homes in the district and school age population increases. The problem is developers do not pay anything to the district except for inexpensive land in their plat of new homes. Until the Legislature can amend C.R.S. §29-20-104.5 to allow school districts to impose a fee on residential developers to pay for new facilities, there is no alternative to overcrowded facilities for students but to borrow and build. Busing children to undercrowded schools is not the answer given the shortage of bus drivers and time spent on the bus.

Every neighborhood and most charter schools will benefit from the $484 million in new revenue. 5B is legally binding in how it will be expended. The main elements of the bond package include: $226 million to build three new elementary schools in Sterling Ranch, The Canyons, and Crystal Valley and expand Sierra and Mesa Middle Schools; $145 million to address a maintenance and repair backlog that includes urgent repairs to mechanical and electrical systems, roofs, intercom systems, parking lots and playgrounds; $15.4 million in safety equipment replacements and upgrades and modification to create more secure buildings; and $25.6 million to enhance DCSD’s career and technical education. The bond also includes funding for urgent needs to support special education, information technology, athletic and activity upgrades, and buses. The Board does NOT have discretion to spend this funding other than how it is stated on the ballot.

If voters approve both 5A and 5B, the owner of a $700,000 home will pay an additional $11.67 per month. Should 5A and 5B pass, our mill levy rate will still be lower than Denver, Cherry Creek, Littleton and Boulder Valley School Districts.

Voter approval of 5B is needed to address overcrowded classrooms; keep up with critical facility upgrades, repairs and maintenance; and create more secure environments for our students. Vote YES on 5B!

The future of our children, our communities and our home values are dependent on a sufficiently funded education system. DCSD students deserve just as much of an investment in their education as all other students in the metro area.

**Summary of Written Comments AGAINST Ballot Issue No. 5B:**

* In 2024, taxpayers are already facing a huge property tax increase as Douglas County residential real estate has been reappraised 40% to 50% higher, so a $5,000 property tax bill in 2022 becomes a $7,500 property tax bill in 2024; the higher property tax for $484 million of new debt would be on top of the 2024 $7,500 property tax bill.
* This year is not the time for even higher property taxes, as citizens are already paying more for gas, groceries, interest, and most other expenses.
* The debt increase the School district wants is $484 million, but the total repayment cost, including interest, is $865 million.
* All property owners, even those who have no students in the School District, will pay the property tax for the $865 million repayment cost.
* The new debt is paid for by higher property taxes ranging from an additional $11 million in 2024 to an additional $53 million in 2039.
* The $485 million of new debt would more than double the School District’s general obligation debt load.
* The major spending uses of the new debt are to add three new elementary schools and remodel two middle schools for $226 million, district education facilities capital maintenance for $126 million, fees and contingencies of $26 million, Legacy Campus for $17 million (formerly known as the Wildlife Experience), safety and security upgrades for $15 million, and other spending.
* The 5B ballot question is really two issues of debt; the first is in 2024 for $250 million; the second is in 2026 for $234 million; but voters get only one ballot question to approve two debt issues. It would be better if the School District came back to the voters to request approval of the other $234 million of new debt in 2026.
* The School District is not growing at all.
	+ In 2013, the student enrollment was 64,600.
	+ By 2022, the student enrollment decreased to 63,900.
	+ By 2030, the District projects a further decline in student enrollment to 60,100.
	+ During this same time period, the Douglas County total population grew from 302,000 to 378,000 or 25% growth.
	+ How is it possible that the School District enrollment is shrinking while the Douglas County population has grown 25%?
* Alienated parents leaving the School District is a deeper problem the School District must address. The School District has lost its monopoly over the parents and students. Using technology and entrepreneurism, parents now have alternatives to public schools. The School District must compete for students and satisfy the parents. Until that happens, student enrollment growth will be slow or flat, even down.
* Vote NO on $484 million of new debt for a School District that projects zero growth through 2030.
* Vote NO on Question 5B. Now is not the time for an additional property tax increase for Douglas County property owners.
1. Excluded from debt are enterprise and annual appropriation obligations. [↑](#footnote-ref-1)