

Executive Briefing for The Board of Education June 2016

This Financial Plan was
developed in the best
interests of the strategic
mission and values of the
Cherry Creek School District



FINANCIAL PLAN 2016-2017

BUDGET FOR FISCAL YEAR JULY 1, 2016 – JUNE 30, 2017



CHERRY CREEK SCHOOL DISTRICT NO. 5
4700 SOUTH YOSEMITE STREET, GREENWOOD VILLAGE, CO 80111
ARAPAHOE COUNTY, COLORADO
www.cherrycreekschools.org



*"to inspire every student to think, to learn,
to achieve, to care"*

COMPONENTS



School
Finance



Enrollment



Revenue



Expenditures



Reserves



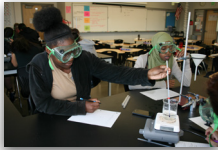
Student Achievement that shows Continuous Improvement

- Prepare every student with knowledge & skills necessary to succeed in college & other post-secondary options



Curriculum & Instruction that is Focused on the Whole Child

- Provide excellent instructional programs for all students



Create Safe Schools for Cherry Creek Students & Staff

- Provide a safe & secure school & work environment



Recruit & Retain Outstanding Employees

- Ensure competitive salaries, benefits, & a climate of excellence



Planning that Ensures Financial Stability

- Ongoing funding of educational programs



Local Control that is Important to the Quality of Education

- Programs
- Curriculum
- Finance

DISTRICT GOALS

FACTS & FIGURES



53,950 STUDENTS

- 6,427 students receiving Special Education services
- ELL program supports 5,639 students speaking over 100 languages
- Free and reduced lunch students represent 28.8% of population

SCHOOL FACILITIES

- 61 schools: 7 high, 10 middle, 42 elementary, 2 K-8
- Joliet Learning Center / I-Teams / Preschools
- 2 stadiums
- 11 other student support facilities

DISTRICT COVERS 108 SQUARE MILES

BUSES TRAVEL OVER 2.9 MILLION MILES PER YEAR

3.0M LUNCHES & 740K BREAKFASTS SERVED YEARLY

FACTS & FIGURES



- In 2014, **six** Cherry Creek schools received **BOTH**
 - ✓ The “*Governor’s Distinguished Improvement Award*”, which recognizes the top eight percent of public schools that demonstrate the highest rates of student longitudinal growth, as measured by the Colorado Growth Model
 - ✓ The “*John Irwin Schools of Excellence Award*”, which recognizes the top eight percent of public schools that demonstrate the highest achievement on statewide assessments

2014 WINNERS OF BOTH AWARDS

Bellevue Elementary

Cherry Hills Village Elementary

Cottonwood Creek Elementary

Dry Creek Elementary

Greenwood Elementary

Willow Creek Elementary



FACTS & FIGURES



- Other Cherry Creek schools also received Awards in 2014

2014 GOVERNOR'S DISTINGUISHED IMPROVEMENT AWARD WINNERS

Creekside Elementary

High Plains Elementary

Peakview Elementary

Pine Ridge Elementary



2014 JOHN IRWIN SCHOOLS OF EXCELLENCE AWARD WINNERS

Challenge School

Cherry Creek Academy

Coyote Hills Elementary

Homestead Elementary

Rolling Hills Elementary

Campus Middle School

West Middle School

Cherry Creek High School

FACTS & FIGURES



- First-time Awards in 2014

2014 HIGH SCHOOL ACADEMIC GROWTH AWARD

Grandview High School

2014 ENGLISH LANGUAGE PROFICIENCY ACT EXCELLENCE AWARD

Cherry Creek School District

Cherry Creek Academy

2ND YEAR AWARD IN 2015

The Cherry Creek School District received the “English Language Proficiency Act Excellence Award” once again in 2015

NATIONAL BLUE RIBBON SCHOOLS

Campus Middle School

Cherry Creek High School

Eastridge Elementary

Homestead Elementary

Indian Ridge Elementary

Ponderosa Elementary

Willow Creek Elementary

West Middle School

Smoky Hill High School

FACTS & FIGURES



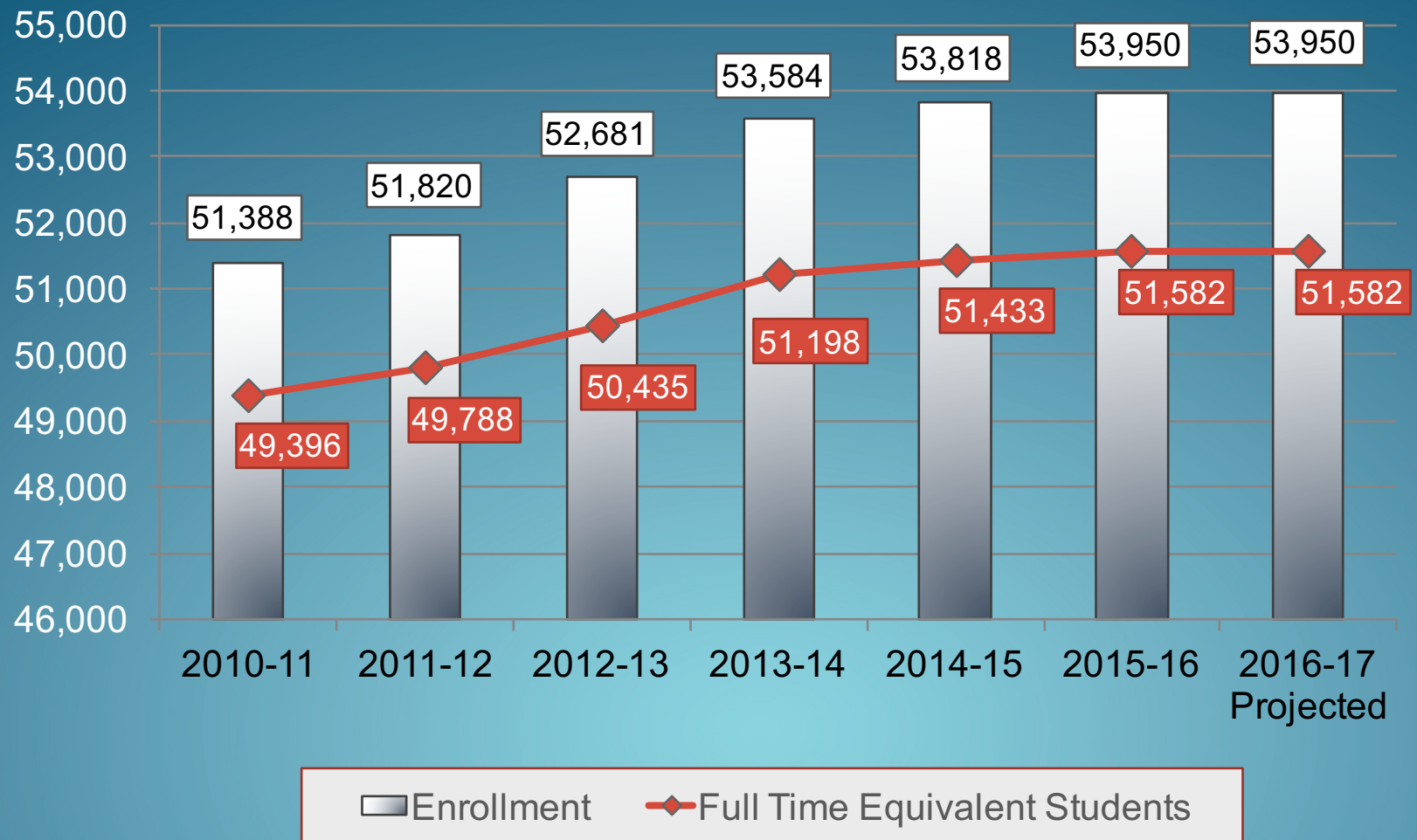
- Cherry Creek K-3 students with a Significant Reading Deficiency (SRD) have decreased from 1,914 students in 2013-14 to 1,468 students in 2015-16.
- District ACT/SAT results for 2015 graduating seniors

ACT Composite Score (Average based on 3,610 CCSD Students)	
Cherry Creek	22.2
State of Colorado	20.7
National	21.0

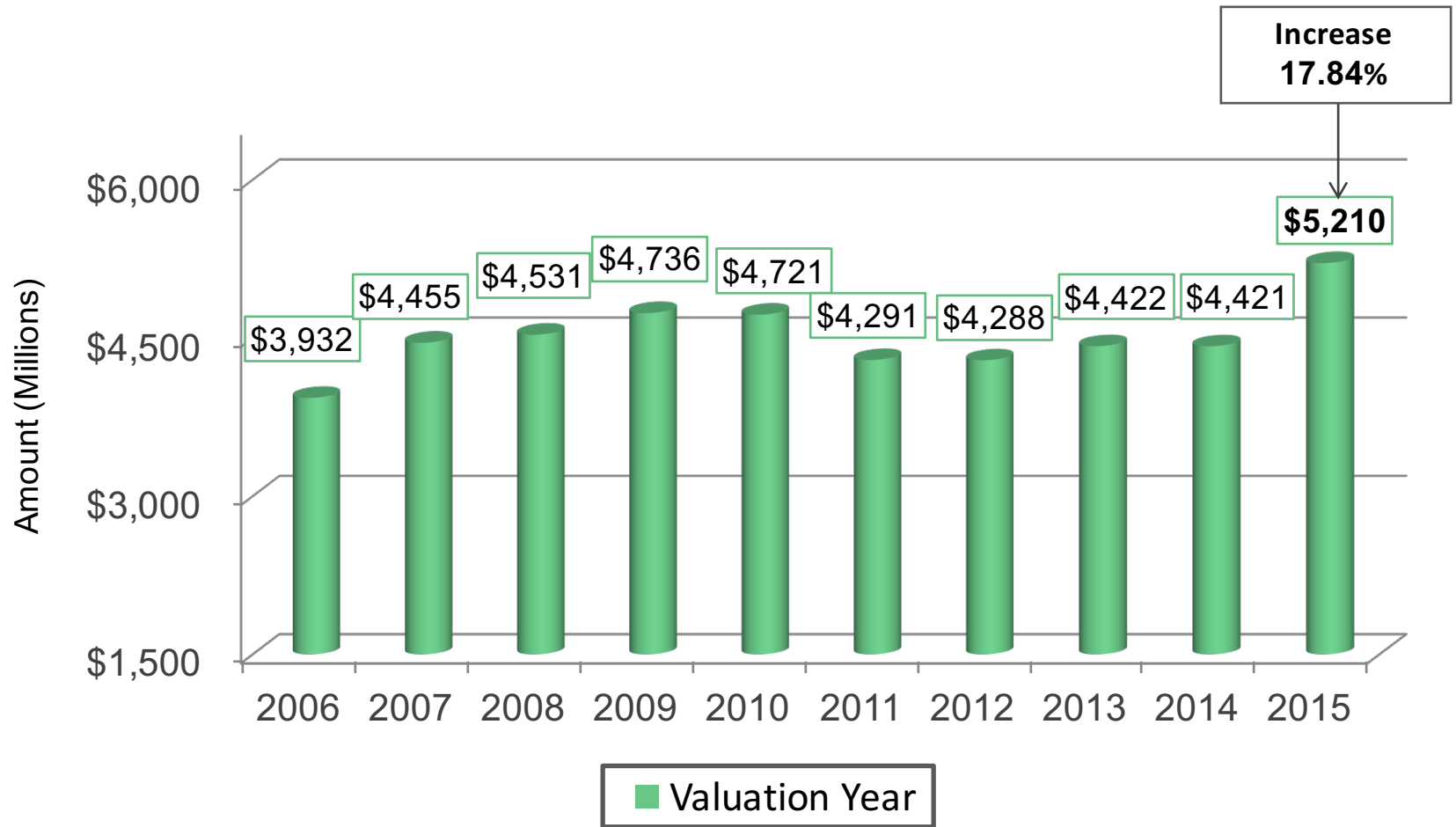
SAT Combined Score (Critical Reading/Math/Writing)	
Cherry Creek	1797
State of Colorado	1745
National	1462

Funded Enrollment Growth

4.4% Funded Enrollment Growth over Last 5 years



Taxable Assessed Valuation History



Cherry Creek Schools

Property Taxes



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Cherry Creek Schools

Current Year & Future Year Property Tax Outlook

2015-16	
Mill Levy	49.703
Assessment Ratio	7.96%
Residential Taxes on a \$350,000 Home	\$1,385

2016-17 (Estimated)	
Mill Levy	48.044
Assessment Ratio	7.96%
Residential Taxes on a \$350,000 Home	\$1,339

Average Home in an Arapahoe County Residential Area



Residential Property Value & Tax History



We Value our Employees

OUR GOAL

Our goal is to recruit, retain, and develop the finest licensed personnel and support staff

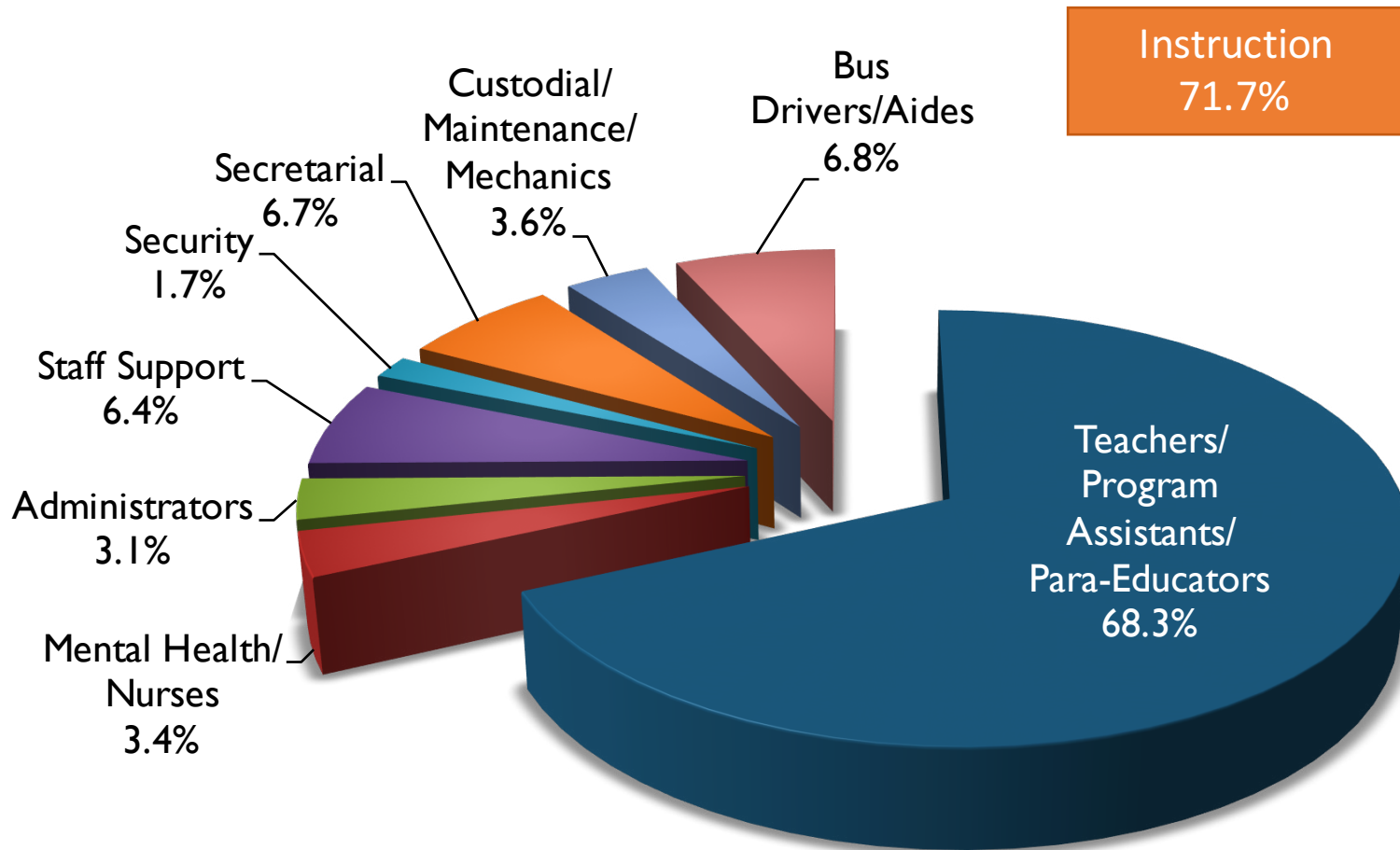




Valuing our Employees

- 89.6% of General Fund budget is salaries and benefits
- Salary and wages – FY2016-17
 - ✓ Teacher, Mental Health, and Nurse employee compensation
 - Salary increase of 1.2% and additional salary for experience step credit and educational attainment
 - ✓ Classified and other employees
 - Wage and Salary increase of approximately 1.6%
 - ✓ Second year of \$400 contribution to Medical Benefits for participants
- Recurring health insurance contributions by the District maintained at existing contribution level

General Fund Staffing



General Fund Staffing Summary

EMPLOYEE TYPE (FTE)	2015-16 BUDGET	2016-17 BUDGET	2016-17 % OF TOTAL
INSTRUCTION			
• TEACHERS	3,353	3,341	64.4%
• PARA-EDUCATORS	199	200	3.9%
INSTRUCTIONAL SUPPORT			
• MENTAL HEALTH	112	113	2.2%
• NURSES	62	62	1.2%
ADMINISTRATORS	162	163	3.1%
STAFF SUPPORT	326	333	6.4%
SECURITY	89	89	1.7%
SECRETARIAL	344	345	6.7%
CUSTODIAL/MAINTENANCE	165	166	3.2%
TRANSPORTATION			
• MECHANICS	22	22	0.4%
• BUS AIDES	118	118	2.3%
• BUS DRIVERS	233	234	4.5%
TOTAL	5,186	5,186	100.0%

Appropriations by Fund

OUR RESPONSIBILITY
Ensuring Financial Stability
and Fiscal Responsibility



Appropriation Summary

\$ IN MILLIONS	2015-16 BUDGET*	2016-17 BUDGET	INC. (DEC.)	2016-17 % CHANGE
GENERAL FUND	\$525.80	\$537.91	\$12.11	2.3%
DESIGNATED PURPOSE GRANTS	26.20	27.90	1.70	6.5%
EXTENDED CHILD SERVICES	17.22	18.24	1.02	5.9%
PUPIL ACTIVITIES	14.61	15.37	0.76	5.2%
FOOD SERVICES	17.95	18.49	0.54	3.0%
TOTAL OPERATING/SPECIAL REVENUE FUNDS	\$601.78	\$617.91	\$16.13	2.7%
BUILDING FUND	30.89	8.34	(22.55)	(73.0%)
BOND REDEMPTION *	105.20	53.50	(51.70)	(49.1%)
CAPITAL RESERVE	16.38	14.17	(2.21)	(13.5%)
TOTAL	\$754.25	\$693.92	(\$60.33)	(8.0%)

* An additional appropriation of \$53.13 million is included in the 2015-16 Bond Redemption Budget for the issuance of General Obligation Refunding Bonds, Series 2015, which was authorized by Board Resolution #214-15 at the Board of Education meeting held in October 2015.

General Fund

FUNDS ARE SPENT PRIMARILY ON
INSTRUCTION:

Direct Instruction –

- ✧ Teacher Salaries & Benefits
- ✧ Supplies & Equipment for Educational Programs

Indirect Instruction –

- ✧ Student Support
- ✧ Instructional Staff & Staff Development
- ✧ Curriculum
- ✧ School-level Administration



Funding Overview

Statewide Provisions

FY2016-17 School Finance Act – HB16-1422

- The School Finance Bill, HB16-1422, was introduced on March 28, 2016 and approved by the Legislature on May 10, 2016, to fund Colorado school districts for FY2016-17. The features of the Bill include:
 1. A **1.2% increase in Base per Pupil Funding** (Consumer Price Index increase for 2015 calendar year).
 2. The base per pupil funding increases \$76, **from \$6,292** in FY2015-16 **to \$6,368** in FY2016-17.
 3. The Bill maintains the **Statewide Negative Factor flat at \$830.7 million** for FY2016-17; this represents -11.51% reduction from Total Program Funding.
- The **Net Total Program Funding statewide** would increase **from \$6,239,564,775** in FY2015-16 **to \$6,395,910,214** in FY2016-17. This **increase of \$156,345,439** would provide:
 1. A **1.53% increase in average per pupil funding** statewide from \$7,313 to \$7,425, or an increase of \$112 per pupil.
 2. An increase of **\$135,348,532 in State funding** and a projected increase of **\$20,996,907 in local funding from property taxes** and **specific ownership taxes**.



Funding Overview

Statewide Provisions

FY2016-17 School Finance Act – HB16-1422

- The School Finance formula *includes a cost of living factor* which is re-evaluated every two years based on a study contracted for by the State Legislature in odd-numbered years.
 1. The *Biennial 2015 Cost of Living Study resulted in slight adjustments* in the cost of living factor under certain conditions; the dollar effect of this change is minor, and is an *approximate increase of nearly \$300,000* for Cherry Creek.
 2. The Negative Factor partially offsets this increase in funding.
- There are housekeeping *provisions that adjust the size factor for smaller districts* of 5,000 or fewer pupils.
 1. There are also modifications to the minimum funded pupil count for funding purposes for the smaller districts of 50 or fewer pupils.
- The Long Bill, HB16-1405, also known as the State Budget Bill, includes a State General Fund Budget of \$10.47 billion.

Funding Overview

Statewide Provisions

Effects of HB16-1422

- In FY2016-17, increase the *Net Total Program Funding*
 1. From \$6,239,564,775
 2. To \$6,395,910,214



An average increase of
\$112 per pupil

A total increase of
\$156,345,439

Funding Overview

Cherry Creek Schools

FY2016-17 School Finance Act – HB16-1422

- **NEGATIVE FACTOR**

1. The Negative Factor amount would *decrease slightly from \$50.3 million* in FY2015-16 *to \$49.6 million* in FY2016-17.
2. The Negative Factor percentage, as a percent of Total Program Funding, would *decrease from -11.83% to -11.51%* in FY2016-17.
3. Total Program Funding, as prescribed by Amendment 23 for Cherry Creek is estimated to be \$430.4 million for Cherry Creek.
4. After the deduction of the estimated Negative Factor of \$49.6 million, the *Net Total Program Funding is \$380.8 million*.

- **PER PUPIL FUNDING**

1. Per pupil funding for Cherry Creek Schools is estimated to increase *from \$7,265* in FY2015-16 *to \$7,384* in FY2016-17, an *increase of \$119 per pupil*.
2. Net Total Program Funding is estimated to *increase \$6.1 million, from \$374.7 million to \$380.8 million*; this assumes a flat funded pupil count in FY2016-17 of 51,581.7 FTE, the same as in FY2015-16.

FY2016-17 Public School Finance

Based on HB16-1422

STATEWIDE	ACTUAL FY2015-16	PROJECTED FY2016-17*	NET INCREASE
TOTAL PROGRAM FUNDING	\$7,070,267,168	\$7,226,612,607	\$156,345,439
NEGATIVE FACTOR **	(830,702,393)	(830,702,393)	-
NET TOTAL PROGRAM FUNDING	\$6,239,564,775	\$6,395,910,214	\$156,345,439
TOTAL FUNDED PUPILS	853,251	861,442	8,191
STATEWIDE AVERAGE FUNDING PER PUPIL	\$7,313	\$7,425	\$112

* Funding Assumption – Budget Scenario – 1.2% Inflation + Enrollment and Negative Factor remains constant.

** Negative Factor is -11.83% for FY2015-16 and -11.51% for FY2016-17.

FY2016-17 Public School Finance

Based on HB16-1422

CHERRY CREEK	ACTUAL FY2015-16	PROJECTED FY2016-17*	NET INCREASE
TOTAL PROGRAM FUNDING	\$424,995,689	\$430,414,676	\$5,418,987
NEGATIVE FACTOR **	(50,278,163)	(49,560,959)	717,204
NET TOTAL PROGRAM FUNDING	\$374,717,526	\$380,853,717	\$6,136,191
TOTAL FUNDED PUPILS	51,581.7	51,581.7	-
FUNDING PER PUPIL	\$7,265	\$7,384	\$119

* Funding Assumption – Budget Scenario – 1.2% Inflation + Enrollment; FY2016-17 figures are adjusted to reflect Cherry Creek’s budget projection for funded pupil growth.

** Negative Factor is -11.83% for FY2015-16 and -11.51% for FY2016-17.

FY2016-17 Public School Finance

Based on HB16-1422

FUNDING PER ESTIMATE - STATEWIDE

Total Program Funding (per Amendment 23)	\$7,226,612,607
Funding Reduction through Negative Factor	(830,702,393)
Net Total Program Funding	\$6,395,910,214

FUNDING PER ESTIMATE – CHERRY CREEK

Total Program Funding (per Amendment 23)	\$430,414,676
Funding Reduction through Negative Factor	(49,560,959)
* Net Total Program Funding	\$380,853,717

* BASED ON 51,582 ESTIMATED FUNDED PUPILS FOR FY2016-17

FUNDING PER ESTIMATE – CHERRY CREEK

Total Program Funding per pupil (per Amendment 23)	\$8,344
Funding per Pupil Reduction through Negative Factor	(960)
Net Total Program Funding per Pupil	\$7,384

FY2016-17 Public School Finance

Based on Adoption of HB16-1422

FUNDING PER PUPIL—CHERRY CREEK

Funding per Pupil (2009-10 Actual)	\$7,005
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Funding per Pupil (2016-17 Estimate)	\$7,384
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Funding per Pupil Increase Since FY2009-10	\$379
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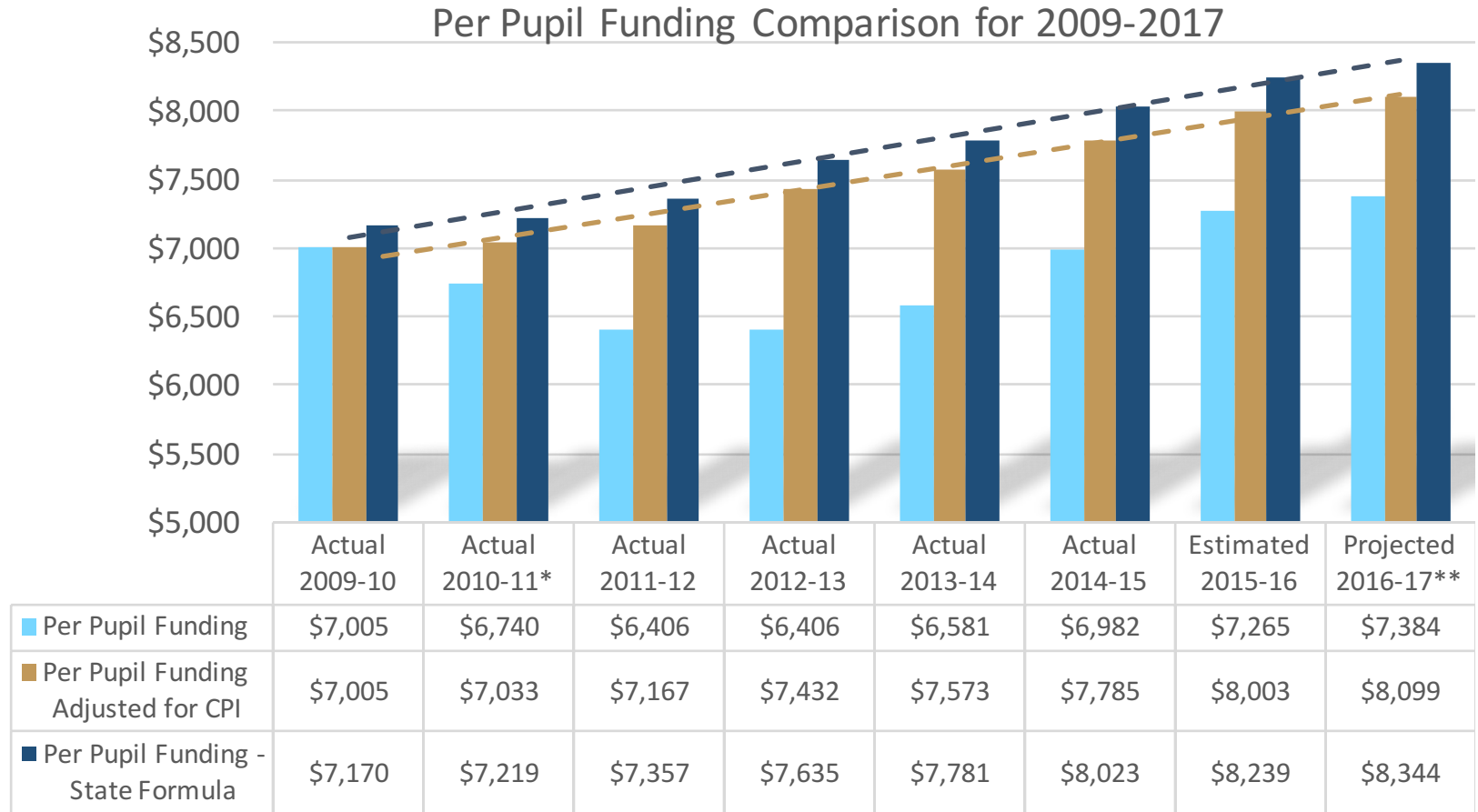
5.4% Increase Over 7 Years



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Projected per Pupil Funding

For Cherry Creek School District – FY2016-17



* Includes one-time Federal funding for EDJOBS of \$9.7 million and SF/ARRA of \$3.7 million, for a total of \$13.4 million.

** 2016-17 funding level from the School Finance formula based on HB16-1422 is approximately \$379 more per pupil, or 5.4% more than that of 2009-10, while the cumulative CPI over the last seven years has increased 13.7%; projection assumes School Finance funding increase for inflation and enrollment.

Funding per School Finance Legislation

Revenue Loss by Year for Cherry Creek Schools

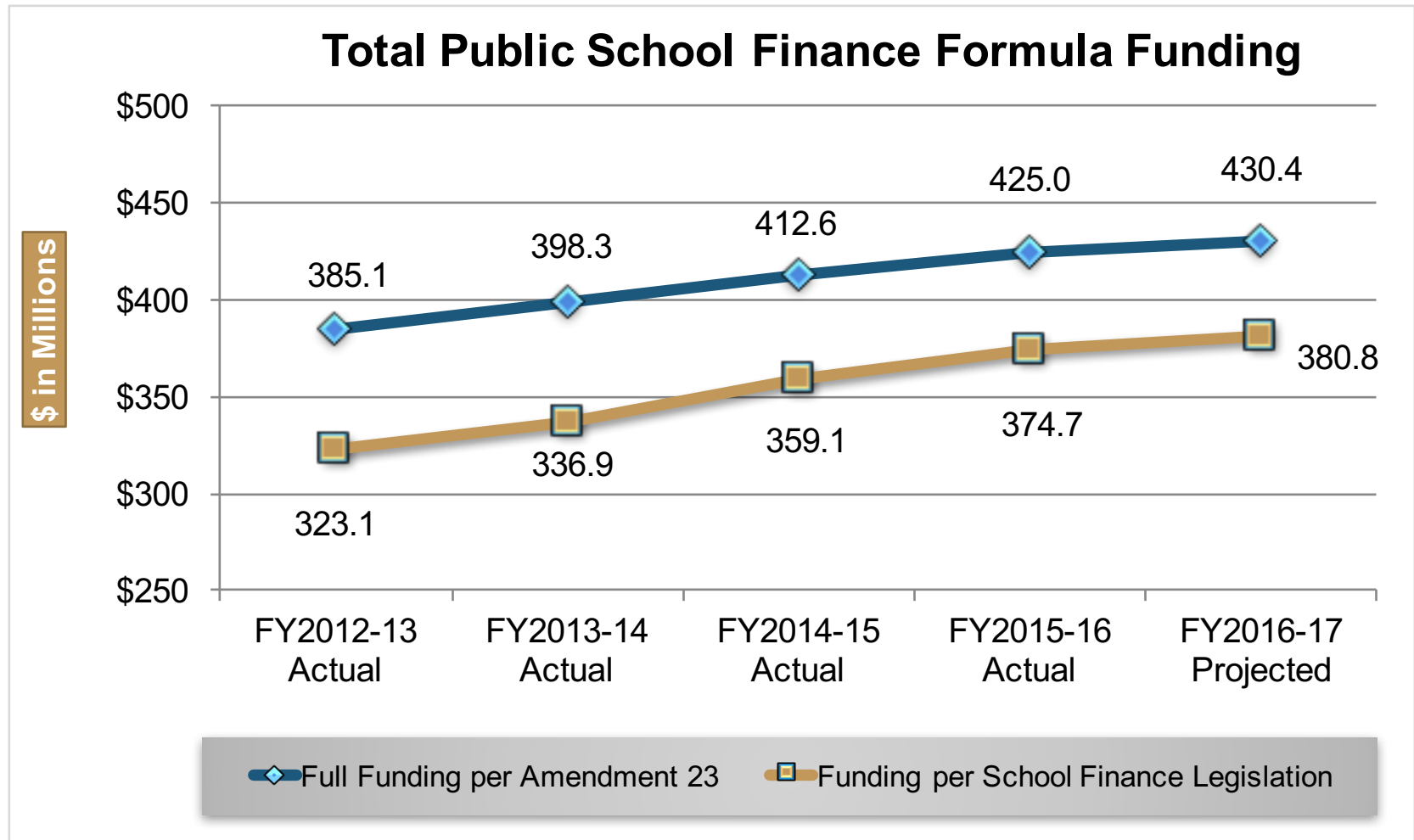
\$ IN MILLIONS	Actual 2012-13	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17
Total Program Funding— Amendment 23	\$385.1	\$398.3	\$412.6	\$425.0	\$430.4
Less: Effect of Rescission on Cherry Creek (Revenue Loss)	(62.0)	(61.4)	(53.5)	(50.3)	(49.6)
Net Program Funding	\$323.1	\$336.9	\$359.1	\$374.7	\$380.8

	Actual 2012-13	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17
Funded Student Count	50,435.3	51,197.5	51,432.7	51,581.7	51,581.7
Total Program Funding per Pupil	\$7,635	\$7,781	\$8,023	\$8,239	\$8,344
Less: Funding per Pupil Reduction	(1,229)	(1,200)	(1,041)	(974)	(960)
Net Program Funding per Pupil	\$6,406	\$6,581	\$6,982	\$7,265	\$7,384

Revenue loss indicates disparity between Amendment 23 at full funding and actual reduced funding.

Full Funding vs. Actual Funding

For Cherry Creek School District



Budget Development Factors

HB16-1422: School Funding for FY2016-17

- Funding maintained at the same level for full-day kindergarten being offered at six schools (approx. 700 students)
 - ✓ Future funding for full-day kindergarten expansion has not been approved by the Legislature
- Colorado Preschool Program
 - ✓ Cherry Creek is estimated to be eligible for 461 slots (230.5 FTE students)
- Categorical Programs
 - ✓ Special Education
 - ✓ Pupil Transportation
 - ✓ English Language Proficiency Act
 - ✓ Career & Technical Education
 - ✓ Gifted & Talented Education
- Non-categorical Programs
 - ✓ English Language Learner

Budget Development Factors

Financial Issues

- PERA rate increase of 0.5% to 19.65% effective January 1, 2017
 - ✓ Annual increases until rate reaches 20.15% in January 2018
 - ✓ FY2016-17 cost of \$66.8 million
 - 13.1% of General Fund budget
- Utility and fuel costs
 - ✓ \$13.1 million for utilities and \$1.4 million for fuel
 - ✓ \$14.5 million represents 2.9% of General Fund budget



PERA Retirement Benefit Plan Contribution Rates

(As Amended By SB 10-001)

Start Date	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Calendar Year
Jan 2010	10.15%	2.20%	1.50%	13.85%
Jan 2011	10.15%	2.60%	2.00%	14.75%
Jan 2012	10.15%	3.00%	2.50%	15.65%
Jan 2013	10.15%	3.40%	3.00%	16.55%
Jan 2014	10.15%	3.80%	3.50%	17.45%
Jan 2015	10.15%	4.20%	4.00%	18.35%
Jan 2016	10.15%	4.50%	4.50%	19.15%
Jan 2017	10.15%	4.50%	5.00%	19.65%
Jan 2018	10.15%	4.50%	5.50%	20.15%

*The SAED is, to the extent permitted by law, to be funded by monies otherwise available for employee wage increases. The State Legislature has adopted the design changes to PERA's retirement benefit plans and contribution rates in order to achieve full funding of the unfunded accrued actuarial liability (UAAL) within the next 30 years. SB10-001 currently implements a cap on the annual cost of living adjustments for all members' benefits payments and makes changes in eligibility, calculation of highest average salary and calculation of other benefits for all active and inactive PERA members. SB10-001 also requires an annual increase to the amortization equalization disbursement (AED) and the supplemental amortization equalization disbursement (SAED). Both AED and SAED will continue to increase until funding targets are met.

Budget Development Factors

Staffing & Supplies

- Staffing
 - ✓ One Certified Staff Member for every 18.5 student FTE
 - ✓ Class size reduction – K-3
 - ✓ Reading
 - ✓ At-Risk
 - ✓ Special Education staffed by formulas based on services provided
 - ✓ English Language Learner
- School supply allocation per student to cover cost of materials

	Per Pupil Allocation	1.2% Increase in Per Pupil Allocation from FY 2015-16	Total (in Millions)
Elementary School	\$124.88	\$1.48	\$2.88
Middle School	\$162.05	\$1.92	\$1.99
High School	\$207.73	\$2.46	\$3.39

Budget Development Factors

Class Size Relief Budget Allocations for Elementary Grades K-3

Staffing in Addition to 18.5:1 Staffing Ratio	FTE	Dollars (in Thousands)
Grades K-3	56.0	\$3,715
TOTAL	56.0	\$3,715



Budget Development Factors

Targeted Achievement Areas

Staffing in Addition to 18.5:1 Staffing Ratio	FTE	Dollars (in Thousands)
Middle Grades	11.5	\$595
Reading	10.2	917
At-Risk	6.4	425
4-Track/Year Round	5.0	331
SAS & Instructional Technology	11.5	760
North Area	8.4	558
High School Achievement	2.8	186
AVID	-	303
Program Assistants	1.8	119
TOTAL	57.6	\$4,194

Budget Development Factors

Targeted Achievement Areas - FTE

Staffing in Addition to 18.5:1 Staffing Ratio	High School	Middle School	Elementary School
Middle Grades	-	5.8	5.7
Reading	-	1.6	8.6
At-Risk	2.7	2.0	1.7
4-Track/Year Round	-	-	5.0
SAS & Instructional Technology	6.2	5.3	-
North Area	2.1	2.1	4.2
High School Achievement	2.8	-	-
Program Assistants	1.0	0.8	-
TOTAL	14.8	17.6	25.2

Budget Overview

Revenue & Expenditure Summary

DESCRIPTION \$ IN MILLIONS	FY2015-16 MODIFIED BUDGET	FY2016-17* ESTIMATED BUDGET	CHANGES IN REVENUE & EXPENDITURES
PROPERTY TAXES	\$202.62	\$203.10	\$0.48
SPECIFIC OWNERSHIP TAXES	19.29	19.48	0.19
STATE EQUALIZATION REVENUE	248.20	254.21	6.01
OTHER STATE CATEGORICAL REVENUE	20.55	20.72	0.17
OTHER LOCAL REVENUE	4.27	4.30	0.03
OTHER FEDERAL REVENUE	1.46	1.47	0.01
TRANSFERS IN	1.43	1.45	0.02
TOTAL REVENUE & TRANSFERS	\$497.82	\$504.73	\$6.91
TOTAL EXPENDITURES	499.03	508.75	9.72
TRANSFERS OUT	8.77	10.86	2.09
TOTAL EXPENDITURES & TRANSFERS	\$507.80	\$519.61	\$11.81
REVENUE OVER(UNDER) EXPENDITURES	(\$9.98)	(\$14.88)	(\$4.90)

* A measured use of \$14.88 million in unassigned General Fund Reserves is recommended to achieve a balanced budget that preserves instructional program budgets from reductions in FY2016-17. Estimated expenditure increases in FY2016-17 include agreed upon contractual commitments under compensation policies.

Budget Overview

Revenue Source Changes from FY2015-16 to FY2016-17

FY2015-16 GENERAL FUND MODIFIED REVENUE & TRANSFERS BUDGET	\$497.82
BUDGETED REVENUE & TRANSFERS – INCREASES (DECREASES)	AMOUNT (IN MILLIONS)
Projected Enrollment Remains Constant	\$ -
Inflation CPI of 1.2%	5.41
Change in Negative Factor from -11.83% to -11.51%	0.72
TOTAL PROGRAM FUNDING INCREASE – SCHOOL FINANCE FORMULA	\$6.13
Increase in State Categorical Revenue – 1.2%	0.17
Increase in Specific Ownership Taxes	0.19
Increase in Property Tax Abatements and Collections	0.37
Increase in Other Local Revenue and Transfers	0.05
BUDGETED REVENUE & TRANSFERS INCREASE	\$6.91
FY2016-17 GENERAL FUND REVENUE & TRANSFERS BUDGET	\$504.73

Major General Fund Budget Changes

Between FY2015-16 & FY2016-17

\$ IN MILLIONS	FTE	Increase (Decrease)
EXPENDITURES & TRANSFERS MODIFIED BUDGET FY2015-16	5,185.4	\$507.80
<u>ADJUSTMENTS TO BASE</u>		
One-time Costs to be Removed from Base – (Certain salary costs that were to be paid in FY2015-16 only)	-	(\$3.22)
TOTAL ADJUSTMENTS TO BASE	-	(\$3.22)



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Major General Fund Budget Changes

Between FY2015-16 & FY2016-17

\$ IN MILLIONS	FTE	Increase (Decrease)
<u>SALARY AND BENEFITS</u>		
Teaching, Mental Health, and Nursing Staff		
- 1.2% Cost of Living Increase	-	\$2.99
<u>(BASED ON 2015 INFLATION INCREASE IN CPI-U)</u>		
- Salary Increase – Experience Step	-	4.97
<u>(2,130 LICENSED STAFF AT AVERAGE COST OF \$2,330 EACH)</u>		
- Salary Increase – Educational Attainment – 2016-17	-	1.45
<u>(500 LICENSED STAFF AT AVERAGE COST OF \$2,900 EACH)</u>		
Non-Teaching Staff	-	1.09
- Salary Increase – approximately 1.6%		
PERA and Medicare Cost Related to Estimated Compensation Increases		2.15
Estimated 110 Option and Replacement Position Savings		(1.86)
Total Estimated Compensation Increases	-	\$10.79
PERA Average Contribution Rate Increase From 18.75% To 19.40%		2.50
Estimated PERA Contribution Savings From Pre-tax Earnings Deductions		(1.90)
TOTAL PERA CONTRIBUTION RATE INCREASE		\$0.60
TOTAL ESTIMATED COMPENSATION AND PERA INCREASES	-	\$11.39

Major General Fund Budget Changes

Between FY2015-16 & FY2016-17

\$ IN MILLIONS	FTE	Increase (Decrease)
<u>SCHOOLS ENROLLMENT AND GROWTH</u>		
- FY2016-17 - projected increase of 0 funded pupils (0 FTE) <u>(0 FTE FOR 18.5:1 RATIO, PLUS 0 ELL AND 0 SPED)</u>	-	\$0.00
- FY2015-16 – school enrollment of 247 under projection (13.3 FTE)* <u>(13.3) FTE FOR 18.5:1 RATIO, PLUS (1.25) ELL AND (1.25) SPED</u>	(15.8)	(1.00)
TOTAL SCHOOLS ENROLLMENT AND GROWTH	(15.8)	(\$1.00)

* In FY2015-16, *actual funded enrollment growth* was 149, which was less than *projected funded enrollment growth* of 396 by (247).



Dedicated to Excellence
Cherry Creek Schools

Major General Fund Budget Changes

Between FY2015-16 & FY2016-17

\$ IN MILLIONS	FTE	Increase (Decrease)
<u>SCHOOL EDUCATION PROGRAMS</u>		
1.2% Increase for School Instructional Materials	-	\$0.13
ACT Summative Assessments for Student Growth - Grades 4-11 (including Assessment Data Analyst)	1.0	0.95
Professional Learning Communities (PLC) Collaborative Model	-	0.20
ELL Support – Align additional staffing to North Area schools	2.0	0.13
Math Curriculum Implementation – Middle Schools	-	2.05
Algebra Textbooks – High Schools	-	0.20
TOTAL SCHOOL EDUCATION PROGRAMS	3.0	\$3.66

Major General Fund Budget Changes

Between FY2015-16 & FY2016-17

\$ IN MILLIONS	FTE	Increase (Decrease)
<u>OTHER STAFFING & SERVICES CHANGES:</u>		
Reclassification of Maintenance Staffing from Building Fund to General Fund	4.5	0.35
Realignment of Staffing FTE – School Services		
Security Investigator	1.0	0.08
District Counselor	1.0	0.09
District Athletics	1.2	0.05
Assistant Principal – Secondary School	1.0	0.12
Other Staffing FTE – Support Services		
EOP	1.0	0.05
Custodian	1.0	0.04
Staff Support	2.8	0.13
Cost Savings in Districtwide Purchased Services	-	(0.50)
TOTAL OTHER STAFFING & SERVICES CHANGES	13.5	\$0.41

Major General Fund Budget Changes

Between FY2015-16 & FY2016-17

\$ IN MILLIONS	FTE	Increase (Decrease)
<u>OTHER CHANGES:</u>		
Grant Writing/Conversion of Staffing in Legal	-	\$0.15
Estimated Health Contribution Savings-Participation less than Budget	-	(1.18)
Cost Savings for 4-track School to Traditional Calendar (Red Hawk Ridge) (Village East and Eastridge schools will also move to Traditional Calendar)	-	(0.12)
Utility Cost Savings	-	(0.22)
One-time Cost Savings-Workers' Compensation Insurance Projection	-	(0.61)
TOTAL OTHER CHANGES	-	(\$1.98)

Major General Fund Budget Changes

Between FY2015-16 & FY2016-17

\$ IN MILLIONS	FTE	Increase (Decrease)
<u>TRANSFER CHANGES:</u>		
Transfer to Capital Reserve for Major Maintenance	-	\$2.13
Transfer to Capital Reserve for Bus Replacement Plan	-	0.42
TOTAL TRANSFER CHANGES	-	\$2.55
TOTAL GENERAL FUND BUDGET CHANGES	0.7	\$11.81
TOTAL EXPENDITURES & TRANSFERS (a 2.3% increase from FY2015-16 to FY2016-17)	5,186.1	\$519.61



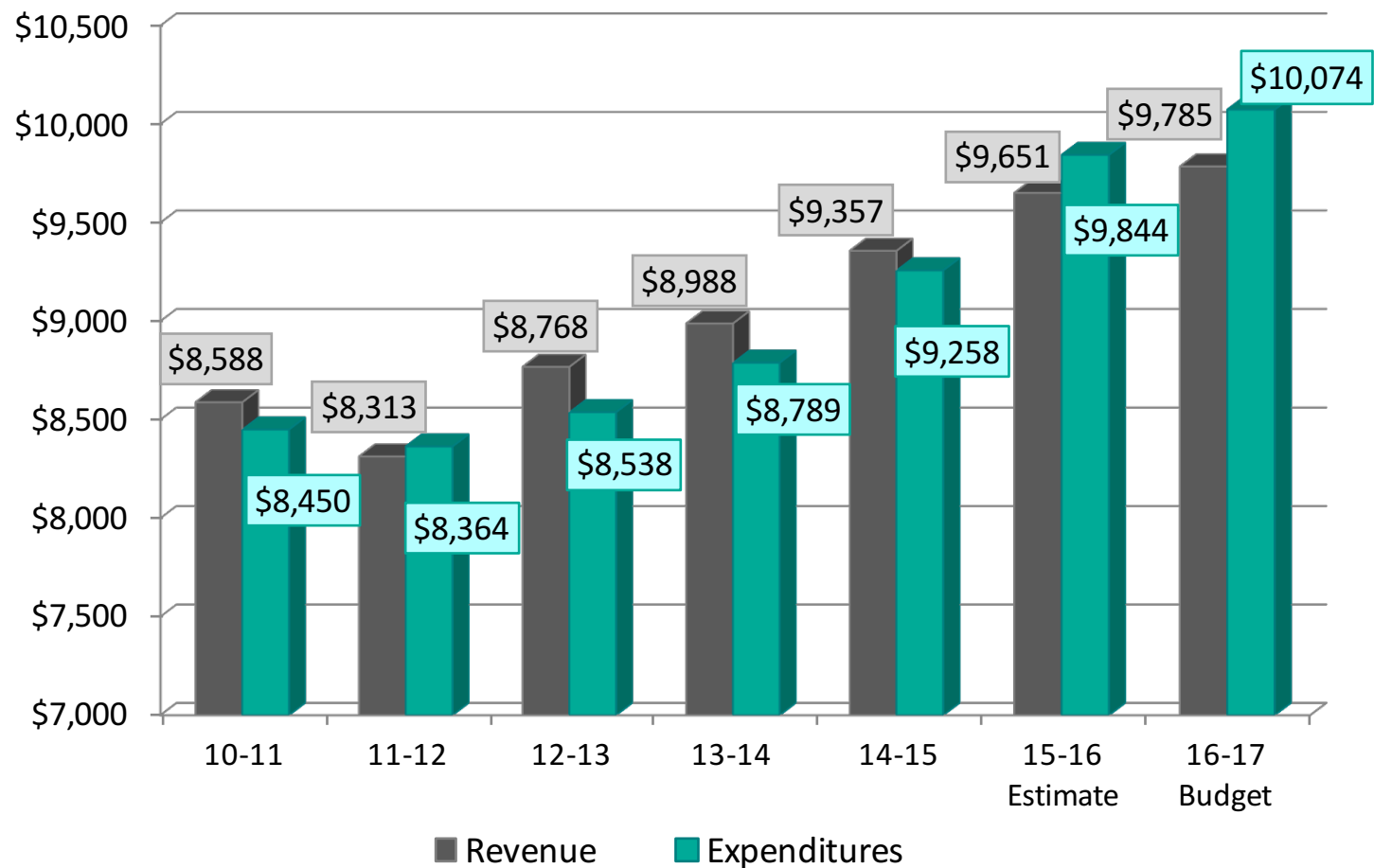
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General Fund

Revenue & Expenditures

Revenue Sources (\$ in Millions)	2015-16 Budget	2016-17 Budget	Inc. (Dec.)
Local Sources	\$226.18	\$226.88	\$0.70
State Sources	268.75	274.93	6.18
Federal Sources	1.46	1.47	0.01
TOTAL REVENUES	496.39	503.28	6.89
<u>Other Financing Sources</u>			
Extended Child Services Fund	1.43	1.45	0.02
TOTAL REVENUES/FINANCING SOURCES	\$497.82	\$504.73	\$6.91
TOTAL EXPENDITURES & TRANSFERS	507.80	519.61	11.81
REVENUES OVER (UNDER) EXPENDITURES	(\$9.98)	(\$14.88)	(\$4.90)

Per Pupil Revenue & Expenditures*



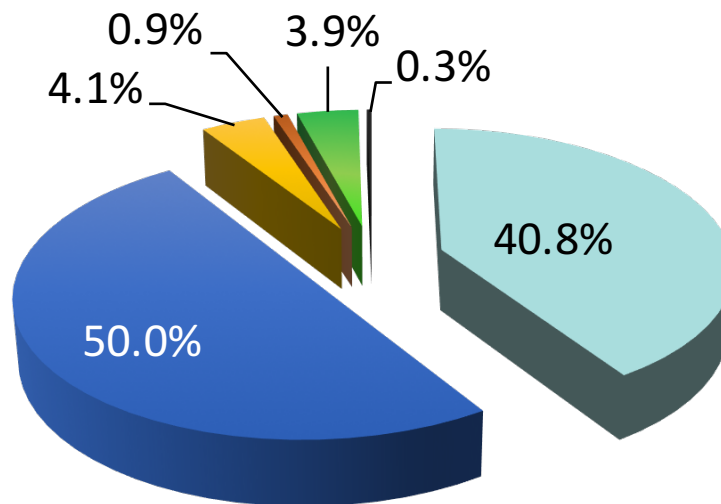
* Figures include transfers

Funding Sources



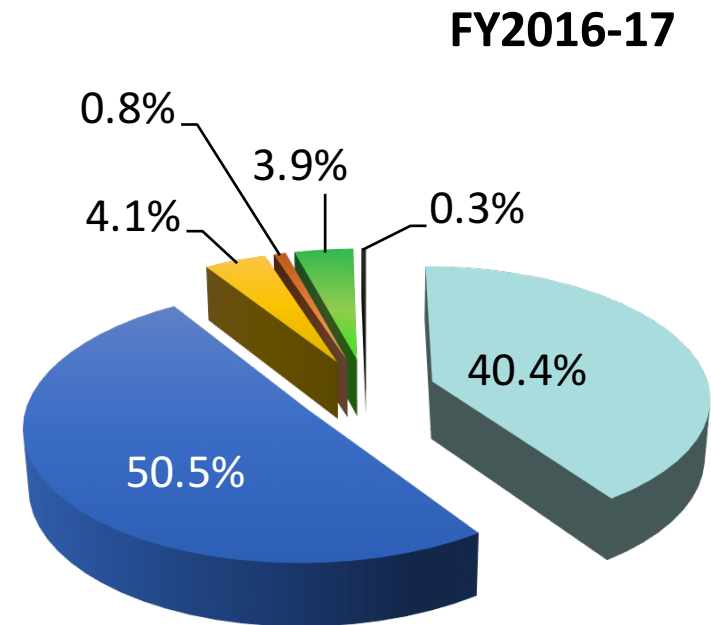
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	2015-16	2016-17
Local	45.6%	45.1%
State	54.1%	54.6%
Federal	0.3%	0.3%



FY2015-16

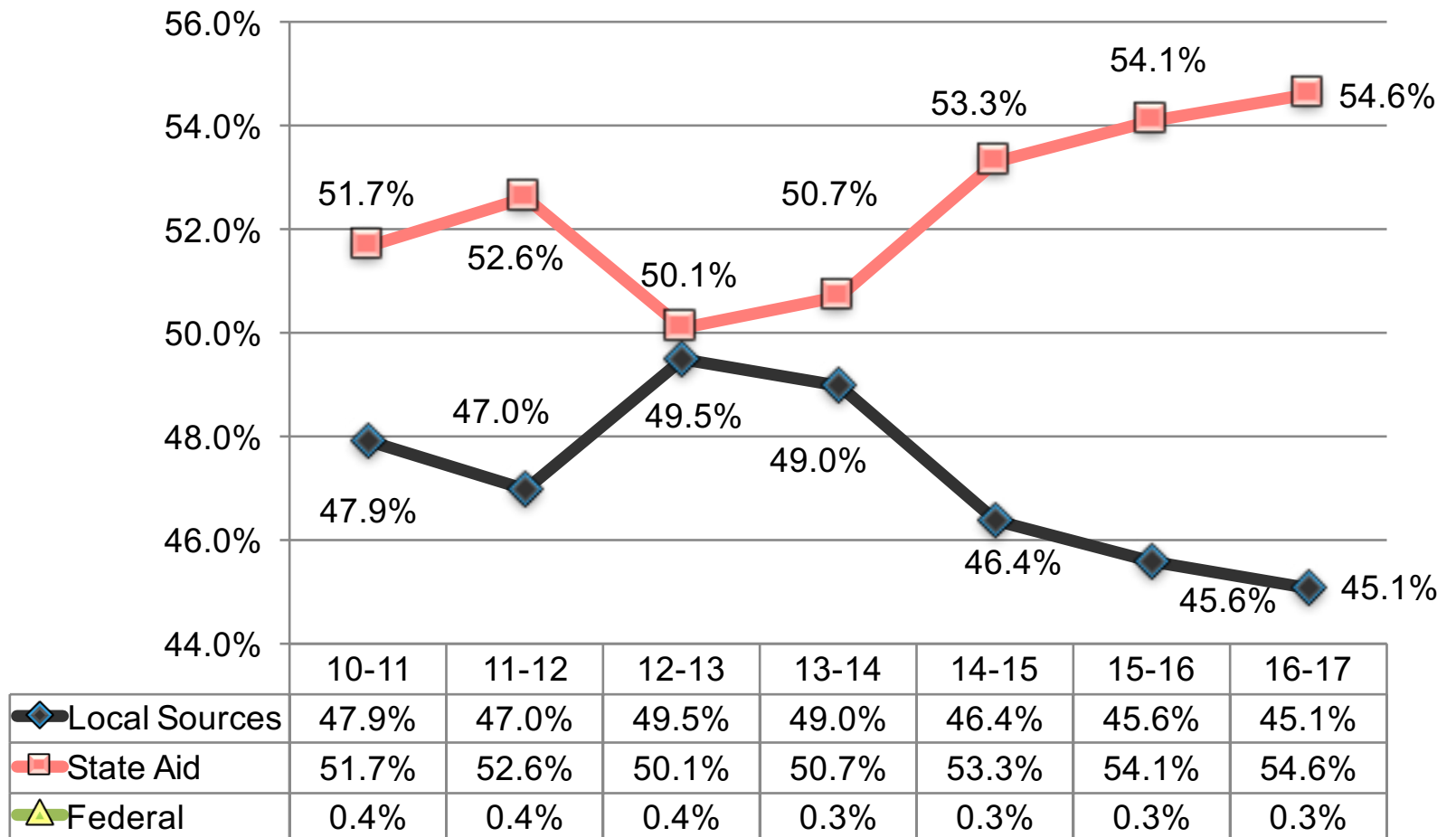
Property Taxes
Other State Revenue
Specific Ownership Taxes



State Equalization Aid
Other Local Revenue
Other Federal Revenue

Comparison State & Local Funding

2010-11 through 2016-17



Revenue Sources & Transfers

Source in Millions

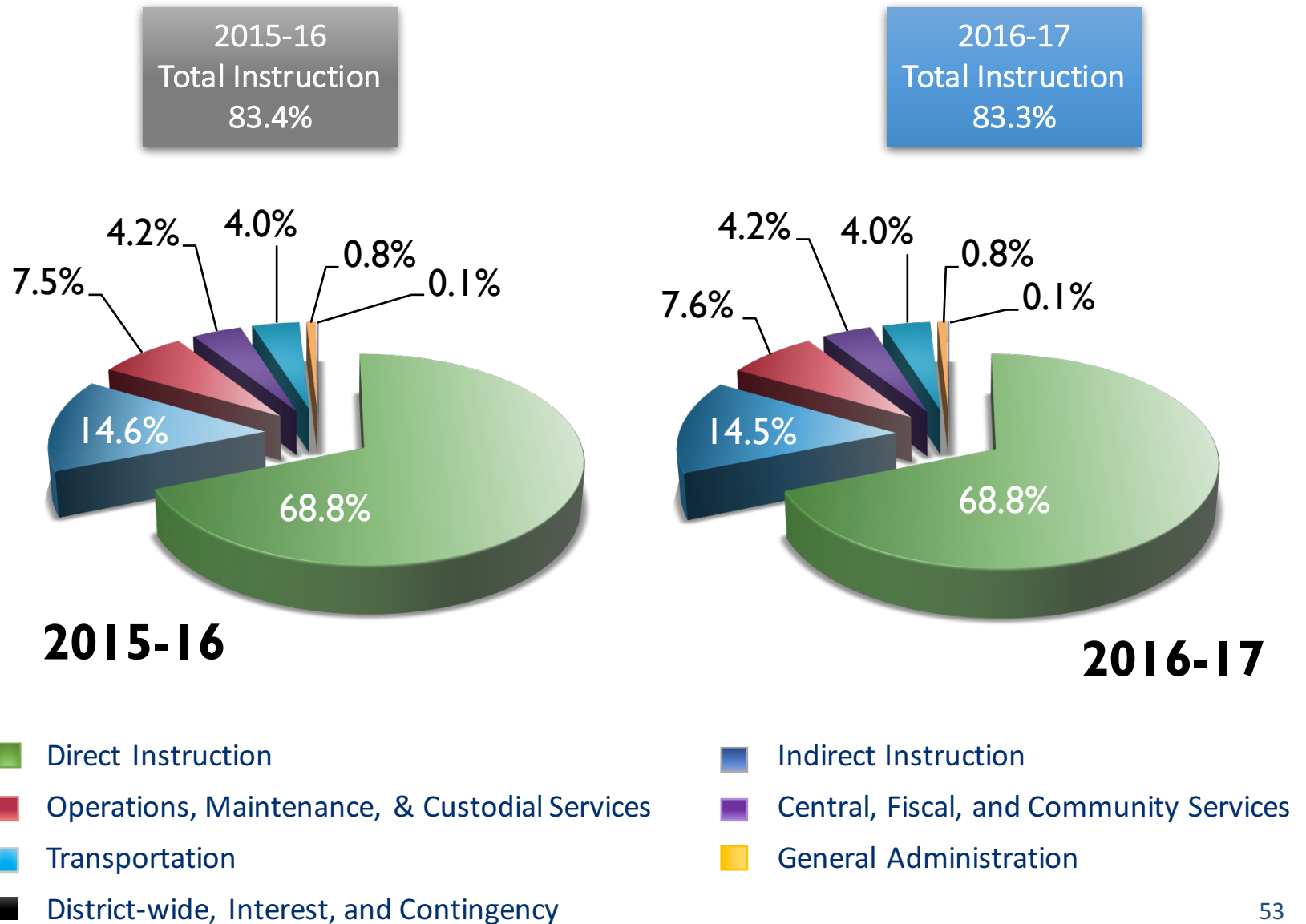
	2015-16 Budget	% of Revenue	2016-17 Budget	% of Revenue
<u>TAXES:</u>				
Property Taxes	\$202.62	40.8%	\$203.10	40.4%
Specific Ownership Taxes	19.29	3.9%	19.48	3.9%
Subtotal - Taxes	\$221.91	44.7%	\$222.58	44.3%
<u>OTHER LOCAL:</u>				
Indirect Cost Reimbursement	0.52		0.51	
Activity and Athletic Fees	0.87		0.88	
Tuition	0.90		0.91	
Investment Income	0.05		0.05	
Coca Cola Revenue Guarantee	0.06		0.06	
Rental of Facilities	0.95		0.96	
Other	0.92		0.93	
Subtotal - Other Local	4.27	0.9%	4.30	0.8%
TOTAL LOCAL SOURCES	\$226.18	45.6%	\$226.88	45.1%

Revenue Sources & Transfers

Source in Millions

	2015-16 Budget	% of Revenue	2016-17 Budget	% of Revenue
<u>STATE REVENUE SOURCES</u>				
State Equalization Aid	\$248.20	50.0%	\$254.21	50.5%
ELL - Non-Categorical	1.29		1.29	
Special Education	11.08		11.12	
Pupil Transportation	4.57		4.53	
Vocational Education	2.04		2.06	
Gifted and Talented	0.50		0.51	
English Language Proficiency	0.87		0.87	
Other State & At-risk Supplemental	0.20		0.34	
Subtotal - Other State	20.55	4.1%	20.72	4.1%
TOTAL STATE SOURCES	\$268.75	54.1%	\$274.93	54.6%
<u>FEDERAL REVENUE SOURCES</u>				
American Rec. & Reinvest. Act	1.46	0.3%	1.47	0.3%
TOTAL REVENUE	\$496.39	100.0%	\$503.28	100.0%
<u>TRANSFERS IN</u>				
Extended Child Services	1.43		1.45	
TOTAL REVENUE & TRANSFERS	\$497.82		\$504.73	

General Fund Budget Dollar



Expenditure Budget

Activity in Millions

	2015-16 Budget	% of Total	2016-17 Budget	% of Total
<u>Direct Instruction</u>				
Elementary Education	\$125.11	25.1%	\$123.37	24.3%
Middle School Education	57.81	11.6%	59.12	11.6%
High School Education	80.62	16.2%	84.41	16.6%
Other Regular Education	25.05	5.0%	25.93	5.1%
Special Programs	54.49	10.9%	57.09	11.2%
TOTAL DIRECT INSTRUCTION	343.08	68.8%	349.92	68.8%
<u>Indirect Instruction</u>				
Pupil Services	30.64	6.1%	30.65	6.0%
Instructional Staff Services	16.14	3.2%	16.53	3.3%
School Administration	26.46	5.3%	26.63	5.2%
TOTAL INDIRECT INSTRUCTION	73.24	14.6%	73.81	14.5%
TOTAL INSTRUCTION	\$416.32	83.4%	\$423.73	83.3%

Expenditure Budget

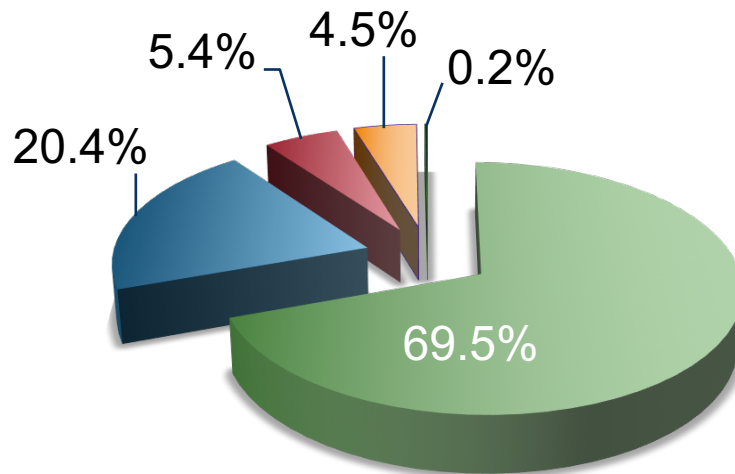
Activity in Millions

	2015-16 Budget	% of Total	2016-17 Budget	% of Total
<u>Other Expenditures</u>				
General Administration	\$4.16	0.8%	\$4.18	0.8%
Business Services	3.91	0.8%	4.26	0.8%
Operations and Maintenance	37.63	7.5%	38.74	7.6%
Pupil Transportation	19.77	4.0%	20.30	4.0%
Central and Other Services	16.58	3.3%	16.89	3.3%
Community Services	0.38	0.1%	0.38	0.1%
Debt Services	0.28	0.1%	0.27	0.1%
Total Other Expenditures	82.71	16.6%	85.02	16.7%
TOTAL EXPENDITURES	\$499.03	100.0%	\$508.75	100.0%
Transfers	8.77		10.86	
TOTAL EXPENDITURES & TRANSFERS	\$507.80		\$519.61	

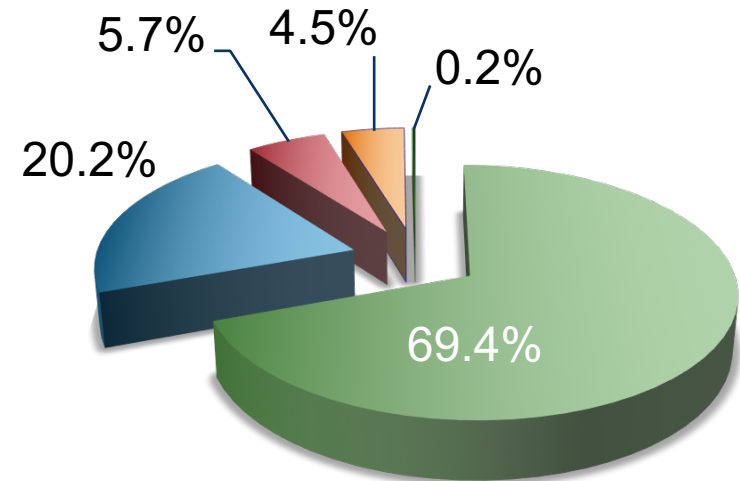
Expenditures by Object

Salaries and Benefits
89.6%

2015-16



2016-17



Salaries
Purchased Services
Capital & Other

Employee Benefits
Supplies and Materials

Expenditures by Object

Object in Millions

	2015-16 Budget	% of Total	2016-17 Budget	% of Total
Salaries	\$346.59	69.5%	\$353.12	69.4%
Employee Benefits	102.12	20.4%	102.46	20.2%
Subtotal	\$448.71	89.9%	\$455.58	89.6%
Purchased Services	26.97	5.4%	29.11	5.7%
Supplies and Materials	22.52	4.5%	22.87	4.5%
Capital Outlay	0.82	0.2%	0.93	0.2%
Other	0.01	-	0.26	-
Subtotal	\$50.32	10.1%	\$53.17	10.4%
TOTAL EXPENDITURES	\$499.03	100.0%	\$508.75	100.0%
Transfers Out	8.77		10.86	
TOTAL EXPENDITURES & TRANSFERS	\$507.80		\$519.61	

General Fund Reserves

The Cherry Creek School District General Fund Balance includes a 3% TABOR Reserve, a District Emergency Reserve of at least 3% of General Fund expenditures, and Assigned and Non-spendable Reserves for encumbrances and commitments. The General Fund Balance reserve levels are maintained according to Board Policy DB, adopted in April 2010.

DISTRICT EMERGENCY RESERVE

In accordance with provisions of SB09-256, Board Policy DB requires that the District maintain a District Emergency Reserve in the General Fund of at least 3% of General Fund (GF) Budget expenditures. This reserve is a safeguard to preserve resources and maintain financial stability for long-range planning purposes. This standard of fiscal protection is a key element of the District's focus on sound fiscal planning for expenditures at a level consistent with available revenues, while at the same time, maintaining adequate reserves. The District meets this requirement with an approximate reserve equal to 5.1% of General Fund budget. The following table illustrates the level of reserves and the estimated calculation.

Fiscal Year 2016-17 (Estimated at June 30, 2017)

DESCRIPTION	RESERVE AMOUNT	% OF GF BUDGET
TABOR Reserve	\$15,260,000	3.0%
Non-spendable Reserve	2,007,500	0.4%
Assigned Reserve	1,028,700	0.2%
District Emergency Reserve – Unassigned Reserve	26,673,300	5.1%
TOTAL ESTIMATED GENERAL FUND RESERVES	\$44,969,500	8.7%
FY2016-17 GENERAL FUND BUDGET EXPENDITURES & TRANSFERS	\$519,610,300	

Other Funds

OTHER FUNDS CONSIST OF:

Special Revenue—

- ✧ Designated Purpose Grants
- ✧ Extended Child Services
- ✧ Pupil Activities
- ✧ Food Services

Capital Improvements—

- ✧ Capital Reserve
- ✧ Building

Debt Service—

- ✧ Bond Redemption





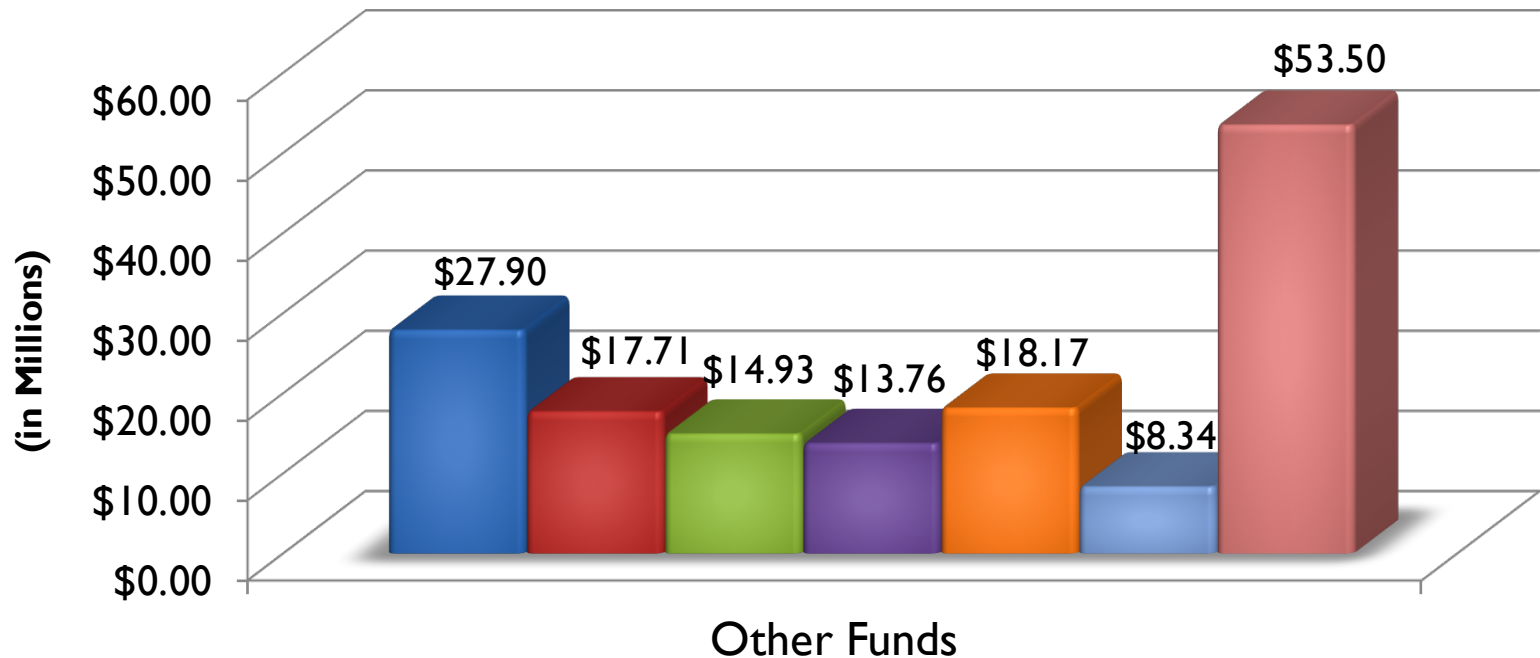
Other Funds

Fund Description and Purpose

FUND	DESCRIPTION & PURPOSE
Designated Purpose Grants	Federal, State, and Local grants for educational achievement programs
Extended Child Services	Childcare and Enrichment programs for before and after school and Intersession
Pupil Activities	Extracurricular activities and programs for the enhancement of the educational experience
Food Services	Student nutrition program for breakfasts and lunches
Capital Reserve	Facility improvement and educational services support for schools
Building Fund	Construction and associated costs for schools and support facilities funded by voter-approved bond issues
Bond Redemption	Annual debt service costs on bonds payable

Summary of Other Funds

FY2016-17 Expenditures & Transfers



■ Designated Purpose Grants

■ Pupil Activities

■ Food Services

■ Bond Redemption

■ Extended Child Services

■ Capital Reserve

■ Building Fund

Designated Purpose Grants

\$ IN MILLIONS	2015-16 Budget	2016-17 Budget	Inc (Dec)
<u>REVENUES AND EXPENDITURES</u>			
Local/Private Funds	\$3.49	\$3.50	\$0.01
State Funds	1.59	2.50	0.91
Total Local & State Grants	\$5.08	\$6.00	\$0.92



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Designated Purpose Grants

\$ IN MILLIONS	2015-16 Budget	2016-17 Budget	Inc (Dec)
<u>REVENUES AND EXPENDITURES</u>			
Federal Funds			
Education of the Handicapped	\$10.46	\$10.47	\$0.01
Every Student Succeeds Act			
- Title I – A	5.49	6.25	0.76
- Title I – D	0.24	0.22	(0.02)
- Title II – A	0.75	0.78	0.03
- Title III	1.47	0.60	(0.87)
Subtotal ESSA	7.95	7.85	(0.10)
Head Start	0.26	0.26	-
School to Work Alliance Program	0.17	0.16	(0.01)
Medicaid	2.00	2.93	0.93
Other Federal	0.28	0.23	(0.05)
Total Federal Grants	\$21.12	\$21.90	\$0.78
TOTAL REVENUES/EXPENDITURES	\$26.20	\$27.90	\$1.70

Extended Child Services Fund

\$ IN MILLIONS	2015-16 Budget	2016-17 Budget	Inc (Dec)
BEGINNING FUND BALANCE	\$6.36	\$6.56	\$0.20
<u>REVENUES</u>			
Tuition	16.92	18.22	1.30
Total Revenues	16.92	18.22	1.30
TOTAL FUNDS AVAILABLE	\$23.28	\$24.78	\$1.50
<u>EXPENDITURES</u>			
Before and After School	8.14	8.88	0.74
Kindergarten Enrichment	3.32	3.27	(0.05)
Preschool	1.62	1.95	0.33
Other Enterprise Programs	1.20	1.08	(0.12)
Other Costs	1.01	1.08	0.07
Transfer to General Fund	1.43	1.45	0.02
Total Expenditures and Transfers	16.72	17.71	0.99
ENDING FUND BALANCE	\$6.56	\$7.07	\$0.51

Pupil Activities Fund

\$ IN MILLIONS	2015-16 Budget	2016-17 Budget	Inc (Dec)
BEGINNING FUND BALANCE	\$5.32	\$5.32	\$-
Total Revenues	14.19	14.93	0.74
TOTAL FUNDS AVAILABLE	\$19.51	\$20.25	\$0.74
<u>EXPENDITURES</u>			
High School Activities	10.06	10.59	0.53
Middle School Activities	1.70	1.79	0.09
Elementary School Activities	2.16	2.27	0.11
Other Expenditures	0.27	0.28	0.01
Total Expenditures	14.19	14.93	0.74
ENDING FUND BALANCE	\$5.32	\$5.32	\$-

Food Services Fund

\$ IN MILLIONS	2015-16 Budget	2016-17 Budget	Inc (Dec)
BEGINNING FUND BALANCE	\$5.24	\$5.59	\$0.35
<u>REVENUES</u>			
Sales, Investment, Catering	9.68	9.48	(0.20)
Federal Meal Reimbursement	5.94	6.49	0.55
USDA Donated Food	1.03	1.23	0.20
State Meal Reimbursement	0.25	0.24	(0.01)
Transfers from General Fund	1.10	0.73	(0.37)
Total Revenues	18.00	18.17	0.17
TOTAL FUNDS AVAILABLE	\$23.24	\$23.76	\$0.52

Food Services Fund

\$ IN MILLIONS	2015-16 Budget	2016-17 Budget	Inc (Dec)
<u>EXPENDITURES</u>			
Food	6.98	6.83	(0.15)
Supplies	1.35	1.12	(0.23)
Salaries and Benefits	7.82	8.08	0.26
Services, Capital, Other	1.50	2.14	0.64
Total Expenditures	17.65	18.17	0.52
ENDING FUND BALANCE	\$5.59	\$5.59	\$-

Capital Reserve Fund

\$ IN MILLIONS	2015-16 Budget	2016-17 Budget	Inc (Dec)
BEGINNING FUND BALANCE	\$5.96	\$1.15	(\$4.81)
<u>REVENUES</u>			
Invest. Income/Cash in Lieu of Land	0.04	0.04	-
Transfer from General Fund	7.66	10.13	2.47
Bus Replacement Lease Proceeds	3.39	3.66	0.27
Total Revenues	11.09	13.83	2.74
TOTAL FUNDS AVAILABLE	\$17.05	\$14.98	(\$2.07)
<u>EXPENDITURES</u>			
Building and Improvements	1.95	3.72	1.77
Equipment, Software and Internet	10.51	6.22	(4.29)
Debt Service for Technology and Buses	3.44	3.82	0.38
Total Expenditures	15.90	13.76	(2.14)
ENDING FUND BALANCE	\$1.15	\$1.22	\$0.07

Building Fund

\$ IN MILLIONS	2015-16 Budget	2016-17 Budget	Inc (Dec)
BEGINNING FUND BALANCE	\$25.83	\$8.34	(\$17.49)
<u>REVENUES</u>			
Investment Income	0.05	0.02	(0.03)
Total Revenues	0.05	0.02	(0.03)
TOTAL FUNDS AVAILABLE	\$25.88	\$8.36	(\$17.52)
<u>EXPENDITURES</u>			
Land, Building and Improvements	12.19	6.26	(5.93)
Equipment	3.61	1.70	(1.91)
Professional Services	1.74	0.38	(1.36)
Total Expenditures and Transfers	17.54	8.34	(9.20)
ENDING FUND BALANCE	\$8.34	\$0.02	(\$8.32)

Bond Redemption Fund

\$ IN MILLIONS	2015-16 Budget	2016-17 Budget	Inc (Dec)
BEGINNING FUND BALANCE	\$50.86	\$51.79	\$0.93
<u>REVENUES</u>			
Property Taxes	54.39	45.75	(8.64)
Investment Income	0.08	0.04	(0.04)
Premium on Bonds	4.81	-	(4.81)
Sale of Refunding Bonds	46.85	-	(46.85)
Total Revenues	106.13	45.79	(60.34)
TOTAL FUNDS AVAILABLE	\$156.99	\$97.58	(\$59.41)
<u>EXPENDITURES</u>			
Bond Principal Retirement	32.66	35.08	2.42
Interest	19.74	18.40	(1.34)
Transfer to Escrow Agent/ Fiscal Charges	52.80	0.02	(52.78)
Total Expenditures	105.20	53.50	(51.70)
ENDING FUND BALANCE	\$51.79	\$44.08	(\$7.71)

Budget and Bond Election

✧ November 2016



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Budget and Bond Election

November 2016

Ballot Proposal for Voter Consideration

- In April 2016, the Cherry Creek School District Board of Education approved a Budget Override Mill Levy ballot question 3A and a \$250 million Bond Issue ballot question 3B for voter consideration in the November 2016 election.
 1. The *estimated combined cost* for this ballot proposal for an average home in the Cherry Creek School District *is \$8 per month, or \$98 on an annual basis.*
- The *Budget Override Proposal is for \$23.9 million with the purpose of supporting the school district educational mission* and is permitted by Colorado statutes that allow for local override funding up to 25% above the School Finance Formula *to help sustain and improve educational programs and student achievement* in support of the Cherry Creek School District focus on academic excellence and college and career preparedness and success.

Budget and Bond Election

November 2016

Ballot Proposal for Voter Consideration

- The *\$250 million Bond Issue is for the purpose of authorizing the issuance of General Obligation Bonds that fund capital needs* of Cherry Creek School District to include:

Capital Needs Description	\$ in Millions
Career and Innovation/Technology	\$77.70
<ul style="list-style-type: none">- Cherry Creek 2021 Plan Improvements- College and Career Readiness- Career and Innovation Academy- Teaching and Learning Environments for Elementary and Middle School Education	
Five-year Facility Plan/New Growth	90.75
<ul style="list-style-type: none">- New Elementary School- New Middle School	
Safety and Security	1.88
<ul style="list-style-type: none">- Infrastructure Improvements	
Maintaining Community Investments	79.67
<ul style="list-style-type: none">- Physical Plant Improvements- Major Maintenance- Upgrade Facilities to Protect Taxpayer Investment	
TOTAL BOND ISSUE PROPOSED	\$250.0

Summary

The Cherry Creek Financial Plan was developed in accordance with policies and procedures adopted by the Board of Education focusing on the best interests of the strategic mission and values of the Cherry Creek School District.



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- Above all else, students come first
 - ✓ Preserved instructional programs and maintained staffing ratio at 18.5:1
 - ✓ Funding for K-3 class size soft cap of 23:1
 - ✓ Supplemental staffing resources for targeted achievement
 - ✓ Full-day kindergarten at 6 elementary schools
- Cost and Resource Management Plan utilizes funds from the School Finance Act and the managed use of reserves to achieve a balanced budget
 - ✓ Use of \$14.88 million of General Fund Reserves during the FY2016-17 budget year maintains a balanced budget
- Employees
 - ✓ Salary and benefit levels reflect School Board Policies
 - ✓ Recurring Health insurance contributions by the District maintained at existing contribution level
 - ✓ PERA rate changes impacting the District
- Issues that Affect Planning for Expenditures
 - ✓ Student Achievement objectives will require additional resources
 - ✓ Staffing and Compensation levels affect future budgets
 - ✓ Level of State and Local funding will affect future budgets and programs

Our Mission



“To inspire every
student
to think, to learn,
to achieve, to care”

