



Dedicated to Excellence
Cherry Creek Schools

Executive Briefing for the Board of Education

June 11, 2018

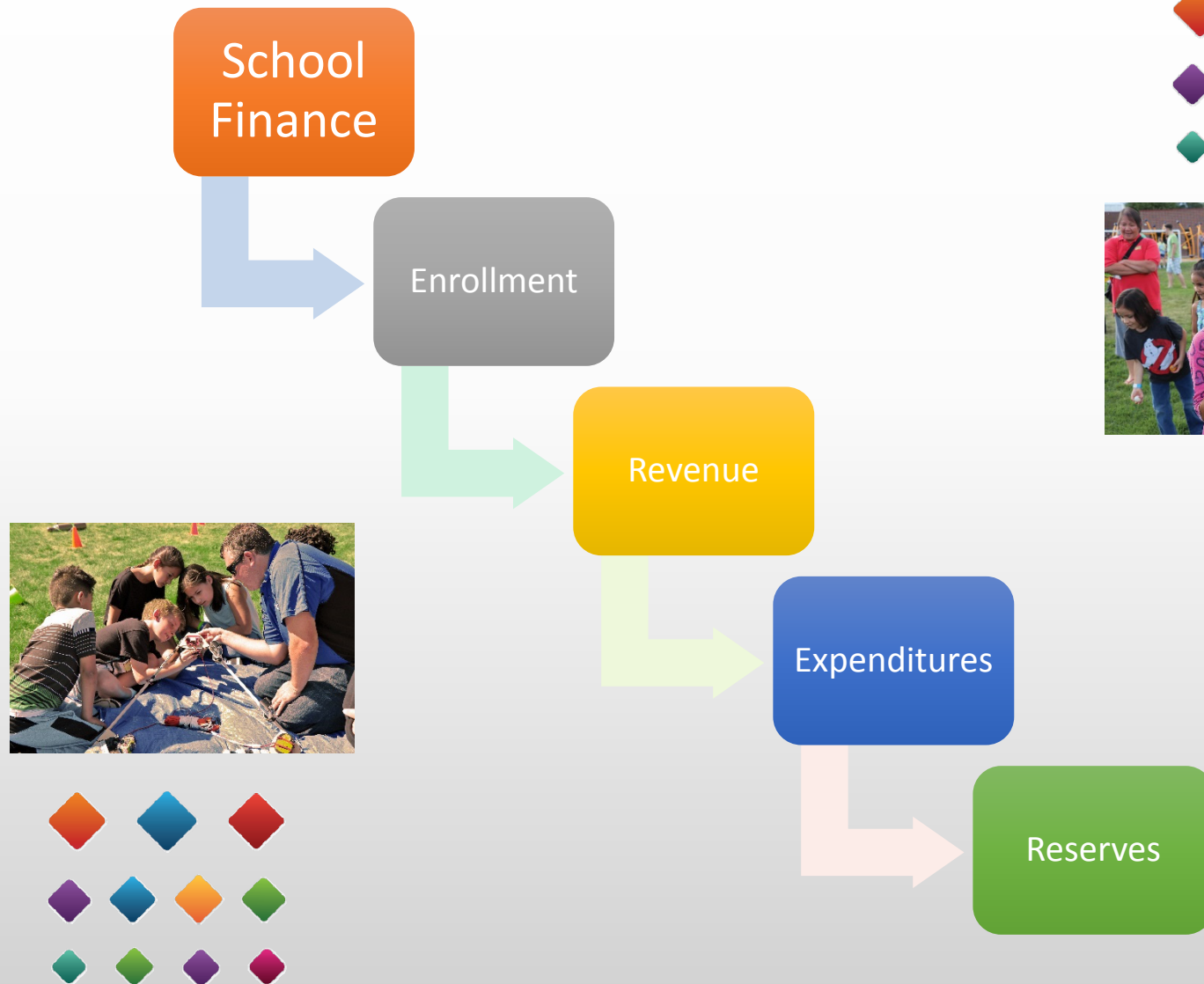
Adopted FY2018-19 Budget

THIS FINANCIAL PLAN WAS DEVELOPED
IN THE BEST INTERESTS OF THE
STRATEGIC MISSION AND VALUES OF
THE CHERRY CREEK SCHOOL DISTRICT

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



COMPONENTS



DISTRICT GOALS



Student Achievement that shows Continuous Improvement

- Prepare every student with knowledge & skills necessary to succeed in college & other postsecondary 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

FACTS & FIGURES

55,586 STUDENTS

- 7,009 Students Receiving Special Education Services
- ELL Program Supports 6,053 Students Speaking over 100 Languages
- 29.0% of Student Population is Free & Reduced Lunch Students

SCHOOL FACILITIES

- 64 Schools: 7 High, 11 Middle, 43 Elementary, 2 K-8, & 1 K-6
- Joliet Learning Center, I-Teams, & Preschools
- 2 Stadiums
- 11 Other Student Support Facilities

OTHER FACTS

- District Covers 108 Square Miles
- Buses Travel over 2.9 Million Miles Per Year
- 3.2M Lunches & 900K Breakfasts Served Yearly
- Cherry Creek School District has been recognized by GFOA as a member of the “Alliance for Excellence in School Budgeting”

FACTS & FIGURES

➤ In 2017, **fifteen** Cherry Creek schools received:

- The “*John Irwin Schools of Excellence Award*” for their excellent academic achievement over a three year period, recognizing the top eight percent of public schools that demonstrate the highest achievement on statewide assessments
- Among these fifteen schools was *Heritage Elementary School*, which was also a recipient of the “*Governor’s Distinguished Improvement Award*” for exceeding expectations related to longitudinal academic growth over three years, as measured by the Colorado Growth Model

2017 John Irwin Schools of Excellence Award Winners

Aspen Crossing Elementary School

Bellevue Elementary School

Campus Middle School

Challenge School

Cherry Creek Academy

Cherry Creek High School

Cherry Hills Village Elementary School

Cottonwood Creek Elementary School

Dry Creek Elementary School

Greenwood Elementary School

Heritage Elementary School

Homestead Elementary School

Indian Ridge Elementary School

Rolling Hills Elementary School

Willow Creek Elementary School

FACTS & FIGURES

ENGLISH LANGUAGE PROFICIENCY ACT (ELPA) EXCELLENCE AWARD 4TH CONSECUTIVE YEAR

The Cherry Creek School District's Office of Language Support Services received the "English Language Proficiency Act Excellence Award" once again in 2017



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

Continuing to outpace State and National averages.

District PSAT, SAT, and ACT Spring 2017 results

PSAT Overall Mean Score (10th Grade Students)

Cherry Creek	1007.2
State of Colorado	947.0
National	936.0

SAT Average Composite Score (12th Grade Students)

Cherry Creek	1292
State of Colorado	1209
National	1072

ACT Composite Score (12th Grade Students)

Cherry Creek	22.5
State of Colorado	20.8
National	21.0



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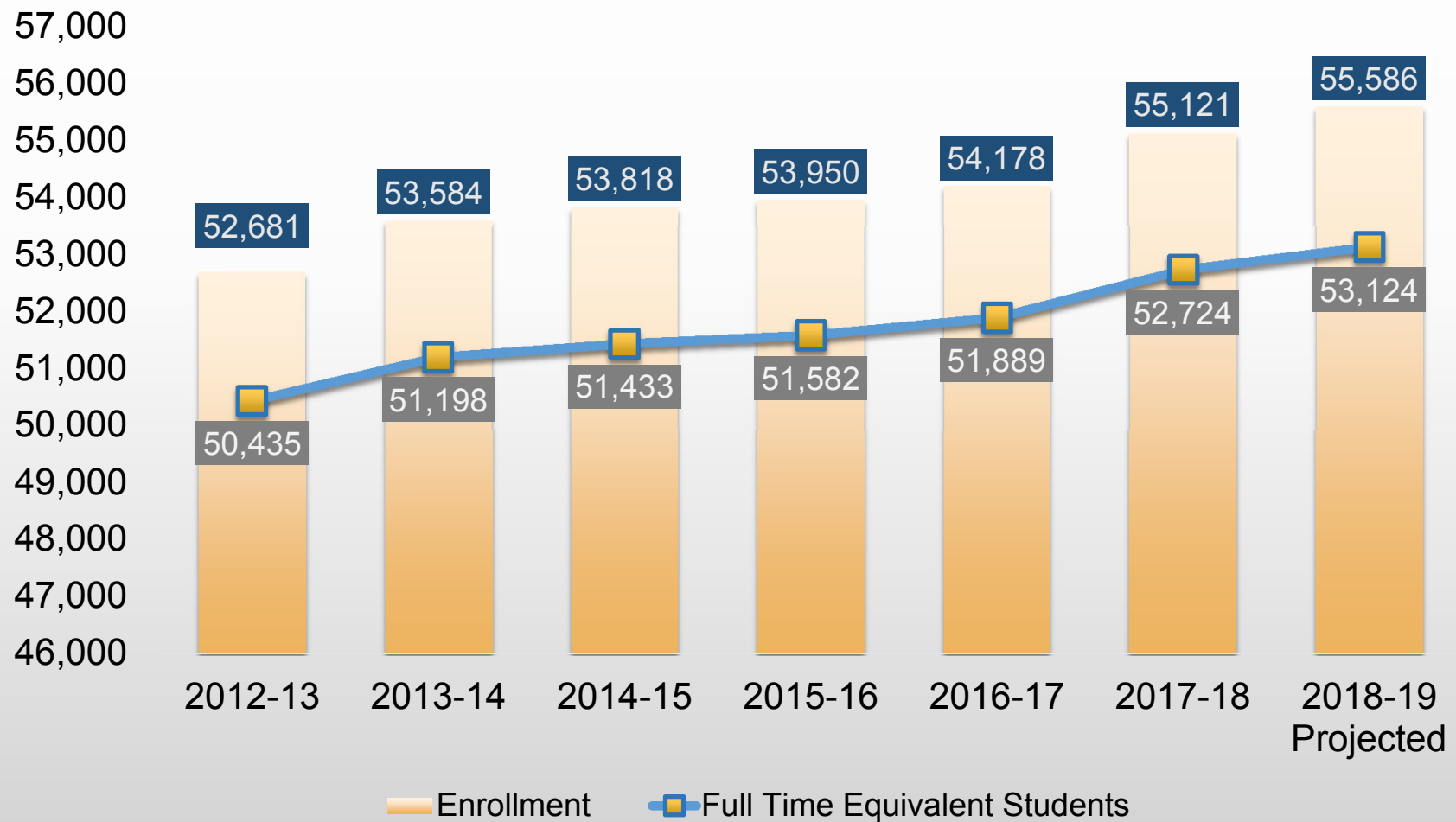


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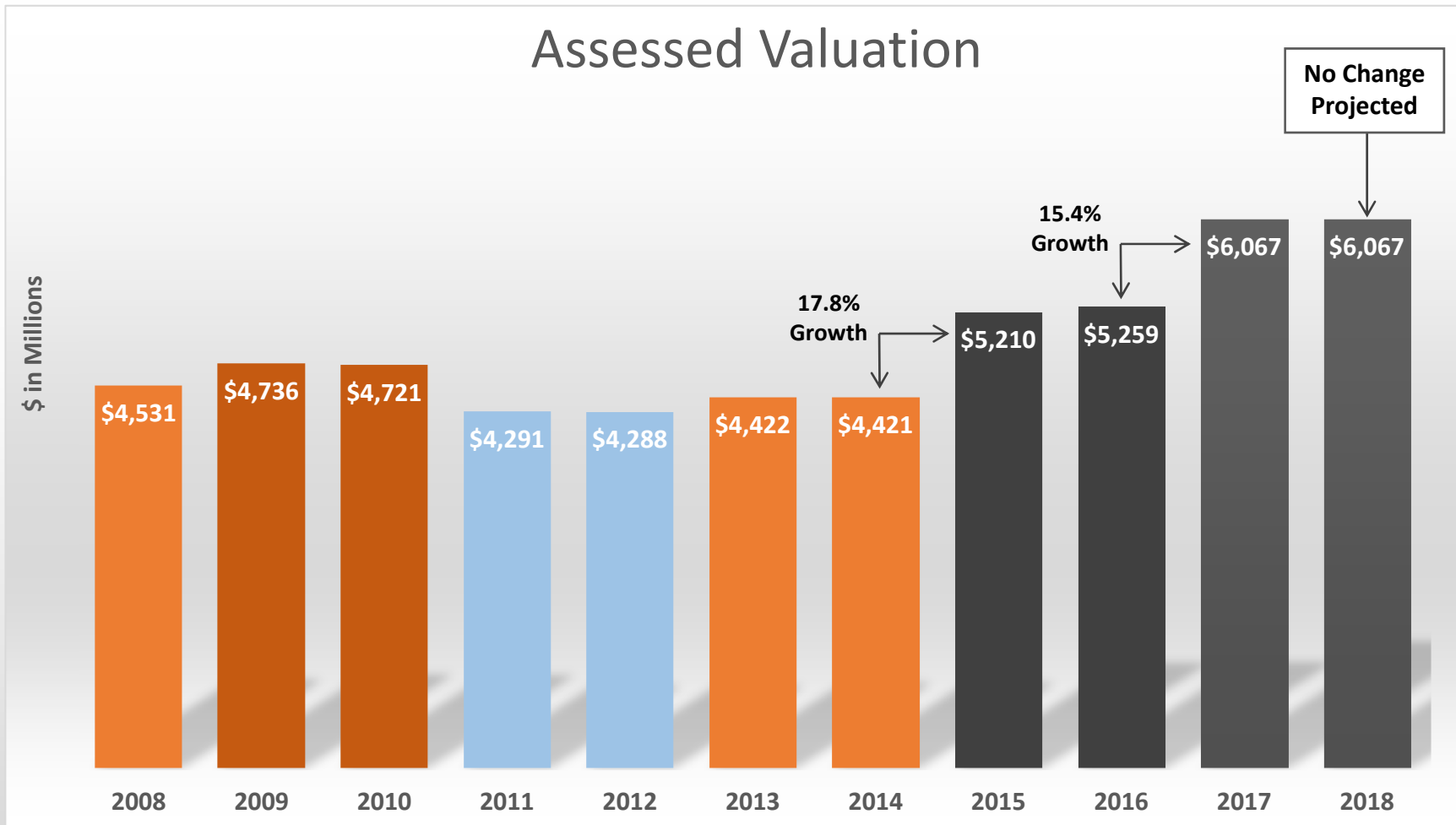
2017 On-time Graduation Rates reached a record high of 90%;
up 3.4 percentage points over a four-year period.

Funded Enrollment Growth

4.5% Funded Enrollment Growth over Last 5 years



Taxable Assessed Valuation History



Property Taxes

Current Year & Future Year Property Tax Outlook

2017-18

Mill Levy	49.687
Assessment Ratio	7.20%
Residential Taxes on a \$380,700 Home	\$1,362

2018-19 (Estimated)

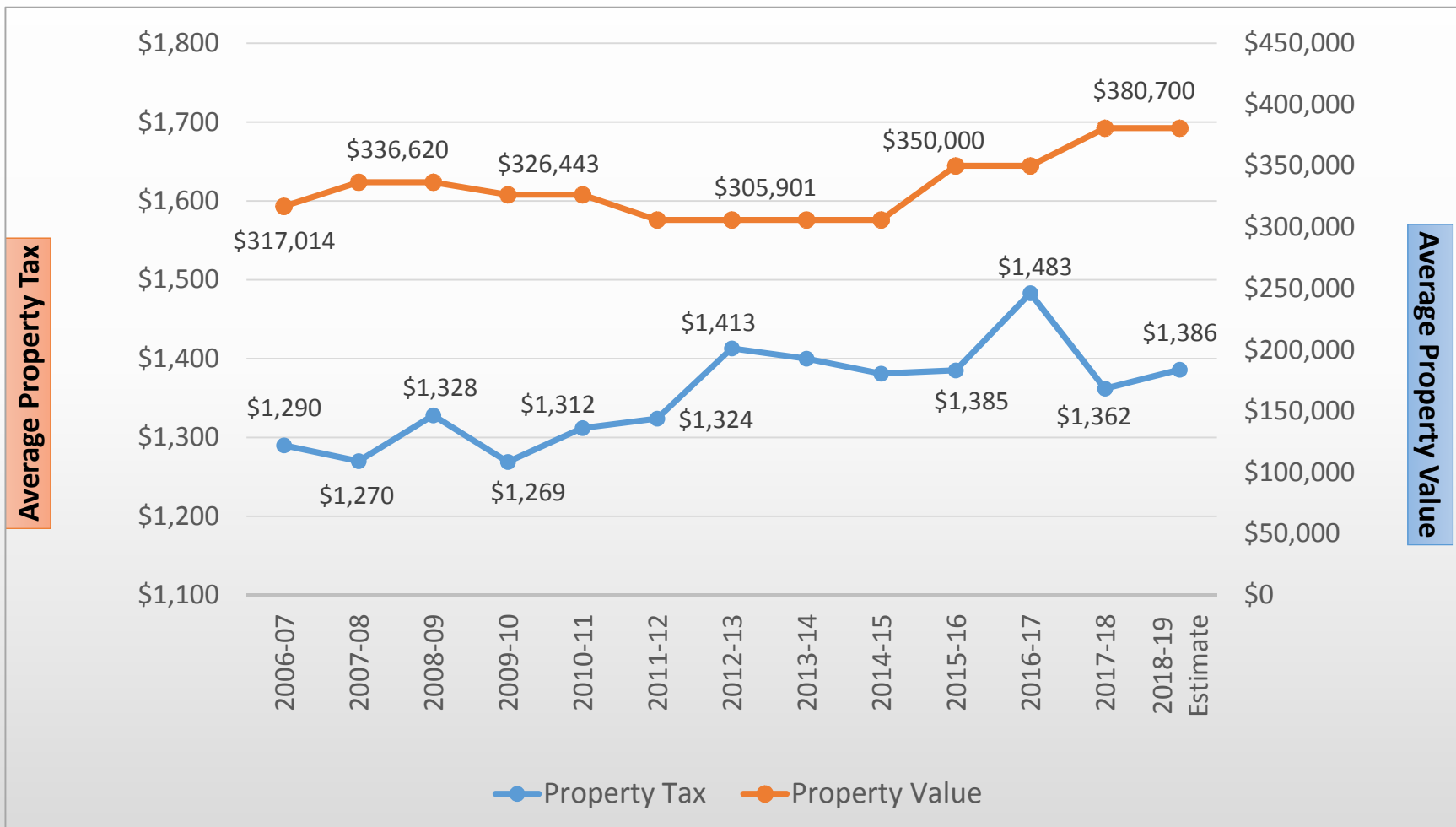
Mill Levy	50.576
Assessment Ratio	7.20%
Residential Taxes on a \$380,700 Home	\$1,386

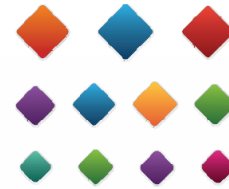
Average Home in an Arapahoe County
Residential Area



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Residential Property Value & Tax History





We Value our Employees

OUR GOAL

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

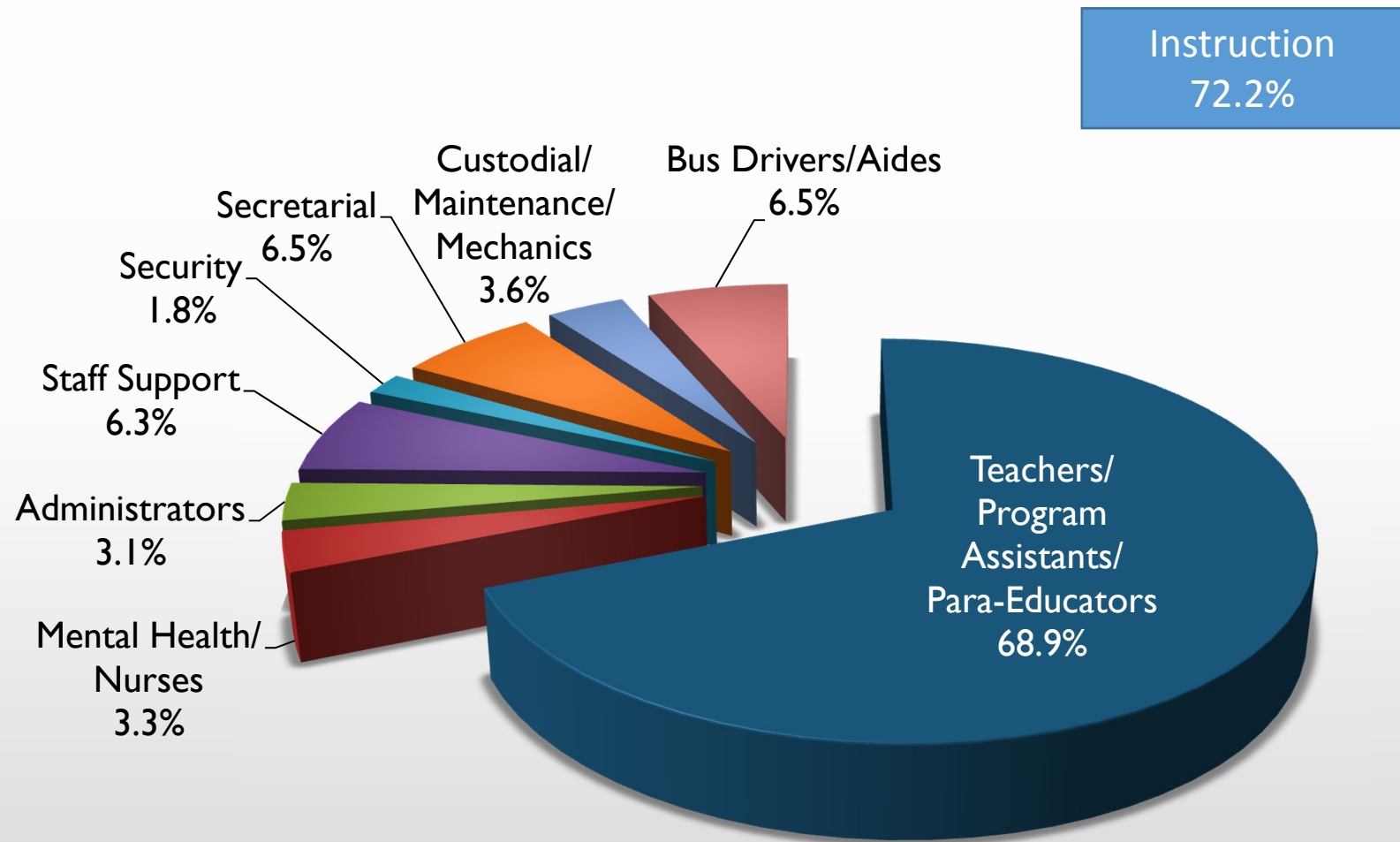


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Valuing our Employees

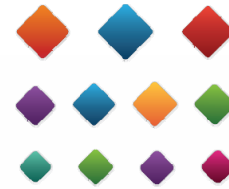
- 89.7% of General Fund budget is salaries and benefits
- Salary and wages – FY2018-19
 - Teacher, Mental Health, and Nurse employee compensation
 - Salary increase of 3.4% (COLA) and additional salary for experience step credit and educational attainment
 - Classified and other employees
 - Wage and Salary increase of 3.4% (COLA)
- Recurring health insurance contributions by the District increased for employee work groups
- District contribution increased by \$47.86 monthly for eligible participants in the health benefits plan

General Fund Staffing



General Fund Staffing Summary

EMPLOYEE TYPE (FTE)	2017-18 BUDGET	2018-19 BUDGET	2018-19 % OF TOTAL
INSTRUCTION			
• TEACHERS	3,482	3,579	64.9%
• PARA-EDUCATORS	212	216	3.9%
INSTRUCTIONAL SUPPORT			
• MENTAL HEALTH	114	118	2.1%
• NURSES	63	65	1.2%
ADMINISTRATORS	170	170	3.1%
STAFF SUPPORT	337	345	6.3%
SECURITY	91	101	1.8%
SECRETARIAL	351	360	6.5%
CUSTODIAL/MAINTENANCE	165	179	3.2%
TRANSPORTATION			
• MECHANICS	22	22	0.4%
• BUS AIDES	119	119	2.2%
• BUS DRIVERS	236	241	4.4%
TOTAL	5,362	5,515	100.0%



Appropriations by Fund

OUR RESPONSIBILITY

Ensuring Financial Stability, Fiscal
Responsibility, and Sustainable
Budget Approach

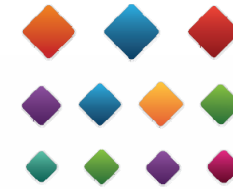


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Appropriation Summary

\$ IN MILLIONS	2017-18 BUDGET	2018-19 BUDGET	INC. (DEC.)	2018-19 % CHANGE
GENERAL FUND	\$564.01	\$625.03	\$61.02	10.8%
DESIGNATED PURPOSE GRANTS	27.17	28.92	1.75	6.4%
EXTENDED CHILD SERVICES	19.36	20.08	0.72	3.7%
PUPIL ACTIVITIES	16.15	17.12	0.97	6.0%
FOOD SERVICES	18.78	19.51	0.73	3.9%
TOTAL OPERATING/ SPECIAL REVENUE FUNDS	\$645.47	\$710.66	\$65.19	10.1%
BUILDING FUND	235.77	89.42	(146.35)	(62.1%)
BOND REDEMPTION	139.23	58.40	(80.83)	(58.1%)
CAPITAL RESERVE	53.78	26.93	(26.85)	(49.9%)
TOTAL	\$1,074.25	\$885.41	(\$188.84)	(17.6%)

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



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Funding Overview

Statewide Provisions

FY2018-19 School Finance Act – HB18-1379

- The School Finance Bill, HB18-1379, was introduced on April 11, 2018 and approved by the Legislature on May 8, 2018 to fund Colorado school districts for FY2018-19. The features of the Bill include:
 - A 3.4% increase in Base per Pupil Funding (Consumer Price Index increase for 2017 calendar year).
 - The Base per Pupil Funding increases \$223, from \$6,546 in FY2017-18 to \$6,769 in FY2018-19.
 - The Bill reduces the Statewide Negative Factor \$150 million, from \$822.4 million in FY2017-18 to \$672.4 million for FY2018-19; this represents a change from -11.08% to -8.66% reduction from Total Program Funding.
- The Net Total Program Funding statewide would increase \$460,913,752, from \$6,627,917,199 in FY2017-18 to \$7,088,830,951 in FY2018-19.
 - A 6.2% increase in average per pupil funding statewide from \$7,662 in FY2017-18 to \$8,137 in FY2018-19, or an increase of \$475 per pupil.
 - An increase of \$425,606,725 in State funding and a projected increase of \$35,307,027 in local funding from property taxes and specific ownership taxes.

Funding Overview

Statewide Provisions

FY2018-19 School Finance Act – HB18-1379

- HB18-1379 includes a provision to increase the CPP slots that fund preschool by 1,000 statewide to 29,360 in FY2018-19.
- HB18-1379 also continues a \$30,000,000 allocation to rural school districts with enrollment of 6,500 or less, with a distribution formula proportionate to size of school districts.
- The Long Bill, HB18-1322, also known as the State Budget Bill, includes an estimated State General Fund budget of \$11.41 billion, an increase of \$800 million, or 7.5% over FY2017-18.
- The School Finance Bill indicates that the Negative Factor will now be referred to as a “Budget Stabilization Factor” in the language describing the Negative Factor.
- **HB17-1375** requires adoption of a plan regarding sharing of mill levy override revenue or consideration of other aspects of per pupil distribution to schools by July 1, 2018 for revenue distribution that would begin in the 2019-20 fiscal year.

Funding Overview

Statewide Provisions

FY2018-19 School Finance Act – HB18-1379

- **HB17-1340** creates a legislative interim committee to study school finance issues and make legislative recommendations.
- The previous School Finance Bill (SB17-296) also specifies that the interim committee shall, at a minimum, study the following:
 - The **level of funding for education that is available from the local resources** available to each local education provider and the amount of local resources that each district charter school and each institute charter school receives, including consideration of:
 1. **Strategies for equalizing mill levies in school districts and public schools across the State** and for ensuring that authorization for additional mill levies for operating purposes complies with the constitutional requirement of maintaining a thorough and uniform statewide education system.
 2. **Other sources of funding for public education**, including public and private gifts, grants, and donations, available to each institute charter school and each school district, or available to schools of a school district, individually or by campus, and the amount received from each source.

Funding Overview

Statewide Provisions

In FY2018-19,
Net Total Program Funding
increases:

- From:
\$6,627,917,199
- To:
\$7,088,830,951



An average increase of
\$475 per pupil

A total increase of \$460,913,752

Funding Overview

Cherry Creek Schools

FY2018-19 School Finance Act – HB18-1379

➤ NEGATIVE FACTOR

1. Amount would decrease from \$50.1 million in FY2017-18 to \$40.8 million in FY2018-19.
2. Percentage, as a percent of Total Program Funding, would decrease from -11.08% in FY2017-18 to -8.66% in FY2018-19.
3. Total Program Funding, as prescribed by Amendment 23 for Cherry Creek, is estimated to be \$471.1 million for Cherry Creek.
4. After the deduction of the estimated Negative Factor of \$40.8 million, the Net Total Program Funding is \$430.3 million.

➤ PER PUPIL FUNDING

1. Per pupil funding for Cherry Creek Schools is estimated to increase from \$7,627 in FY2017-18 to \$8,100 in FY2018-19, an increase of \$473 per pupil.
2. Net Total Program Funding is estimated to increase \$28.2 million, from \$402.1 million to \$430.3 million; this assumes an increase in funded pupil count of 400 FTE in FY2018-19 to 53,124.1 FTE, compared to 52,724.1 in FY2017-18.

FY2018-19 Public School Finance

Based on HB18-1379

STATEWIDE	ACTUAL FY2017-18	PROJECTED FY2018-19*	NET INCREASE
TOTAL PROGRAM FUNDING	\$7,450,314,093	\$7,761,227,845	\$310,913,752
NEGATIVE FACTOR **	(822,396,894)	(672,396,894)	150,000,000
NET TOTAL PROGRAM FUNDING	\$6,627,917,199	\$7,088,830,951	\$460,913,752
TOTAL FUNDED PUPILS	865,017	871,141	6,124
STATEWIDE AVERAGE FUNDING PER PUPIL	\$7,662	\$8,137	\$475

* Funding Assumption – Budget Scenario – 3.4% Inflation + Enrollment and Negative Factor decrease of \$150 million.

** Negative Factor is -11.08% for FY2017-18 and -8.66% for FY2018-19.

FY2018-19 Public School Finance

Based on HB18-1379

CHERRY CREEK	ACTUAL FY2017-18	PROJECTED FY2018-19*	NET INCREASE
TOTAL PROGRAM FUNDING	\$452,214,335	\$471,144,530	\$18,930,195
NEGATIVE FACTOR **	(50,092,692)	(40,821,105)	9,271,587
NET TOTAL PROGRAM FUNDING	\$402,121,643	\$430,323,425	\$28,201,782
TOTAL FUNDED PUPILS	52,724.1	53,124.1	400.0
FUNDING PER PUPIL	\$7,627	\$8,100	\$473

* Funding Assumption – Budget Scenario – 3.4% Inflation + Enrollment with the Negative Factor reduction of \$9.3 million; FY2018-19 figures are adjusted to reflect Cherry Creek’s budget projection for funded pupil growth of 400 FTE.

** Negative Factor is -11.08% for FY2017-18 and -8.66% for FY2018-19.

FY2018-19 Public School Finance

Based on HB18-1379

FUNDING PER ESTIMATE - STATEWIDE	
Total Program Funding (per Amendment 23)	\$7,761,227,845
Funding Reduction through Negative Factor	(672,396,894)
Net Total Program Funding	\$7,088,830,951

FUNDING PER ESTIMATE – CHERRY CREEK	
Total Program Funding (per Amendment 23)	\$471,144,530
Funding Reduction through Negative Factor	(40,821,105)
* Net Total Program Funding	\$430,323,425
* BASED ON 53,124 ESTIMATED FUNDED PUPILS FOR FY2018-19	

FUNDING PER ESTIMATE – CHERRY CREEK	
Total Program Funding per pupil (per Amendment 23)	\$8,868
Funding per Pupil Reduction through Negative Factor	(768)
Net Total Program Funding per Pupil	\$8,100

FY2018-19 Public School Finance

Based on HB18-1379

FUNDING PER PUPIL– CHERRY CREEK

Funding per Pupil (2009-10 Actual)	\$7,005
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Funding per Pupil (2018-19 Estimate)	\$8,100
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Funding per Pupil Increase Since FY2009-10	\$1,095
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15.6% Increase Over 9 Years

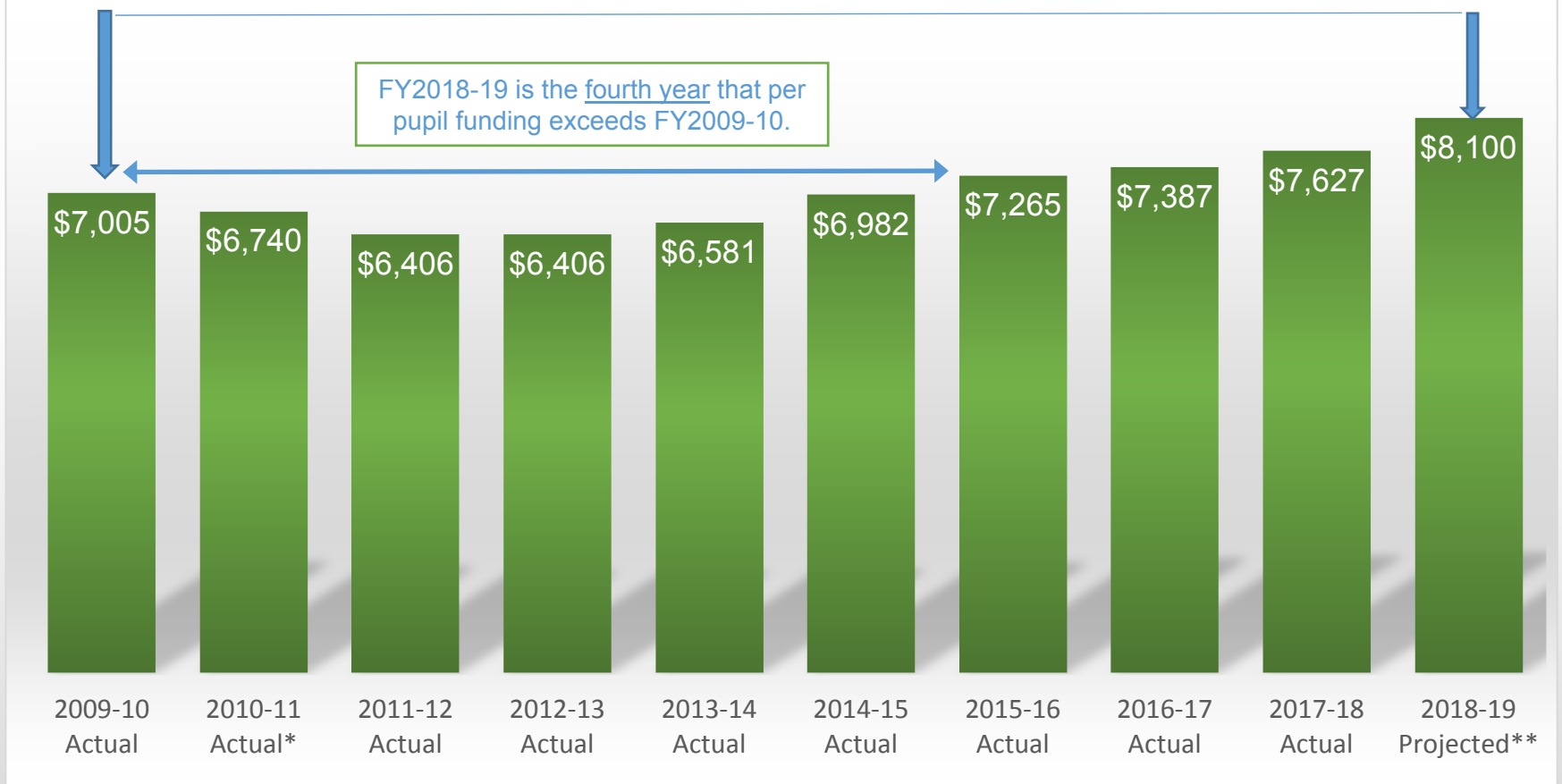


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Projected Per Pupil Funding

For Cherry Creek School District – FY2018-19

Net Total Program Funding per Pupil Comparison



* 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.
** 2018-19 funding level from the School Finance formula based on the HB18-1379 is estimated to be approximately \$1,095 more per pupil, or 15.6% more than that of 2009-10, while the cumulative CPI over the last nine years has increased approximately 19.9%; projection assumes School Finance funding increase for inflation and enrollment with the "Negative Factor" reduced to -8.66%.

Funding per School Finance Legislation

Revenue Loss by Year for Cherry Creek Schools

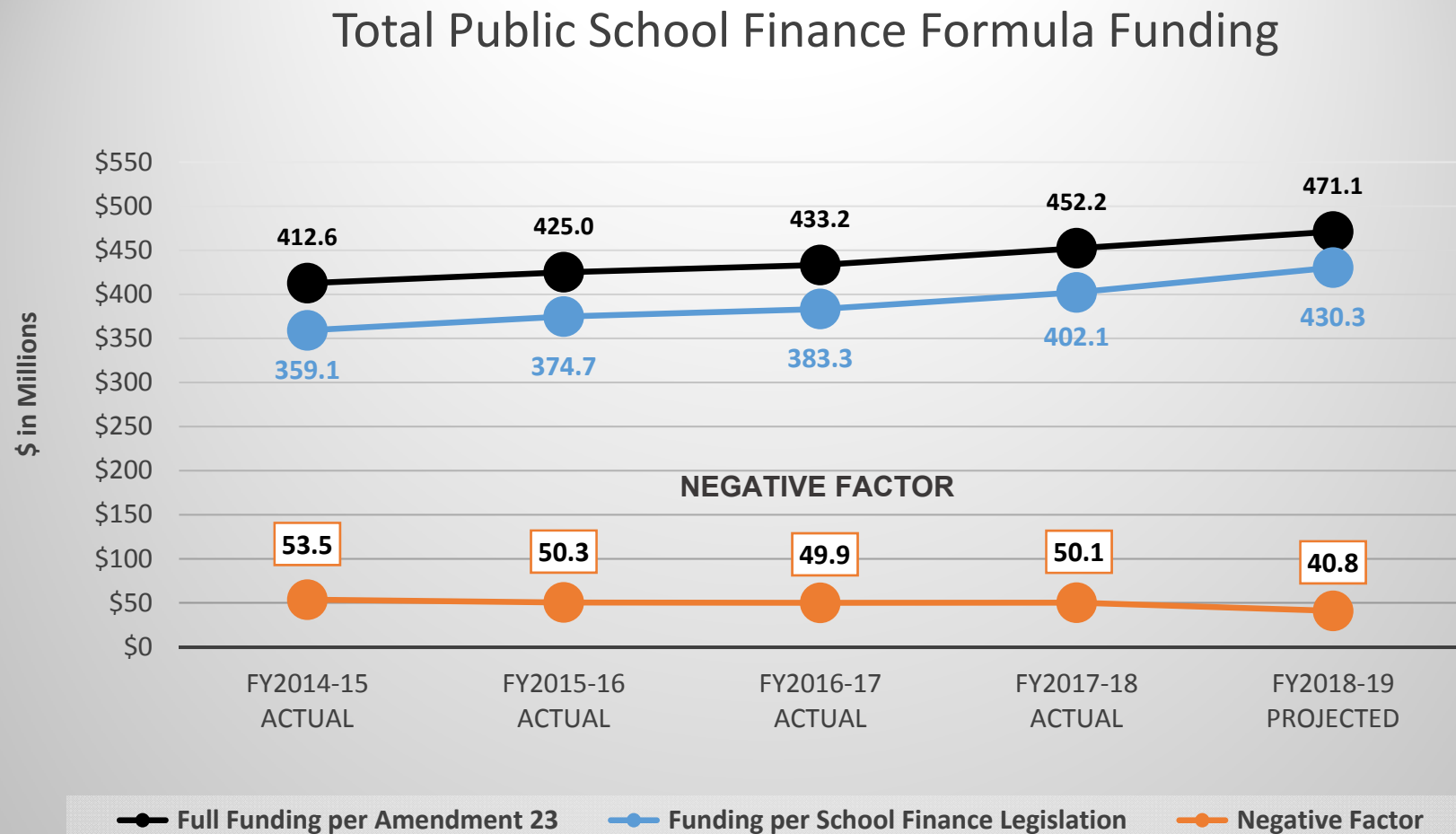
\$ IN MILLIONS	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Projected 2018-19
Total Program Funding – Amendment 23	\$412.6	\$425.0	\$433.2	\$452.2	\$471.1
Less: Effect of Rescission on Cherry Creek (Revenue Loss)	(53.5)	(50.3)	(49.9)	(50.1)	(40.8)
Net Program Funding	\$359.1	\$374.7	\$383.3	\$402.1	\$430.3

	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Projected 2018-19
Funded Student Count	51,432.7	51,581.7	51,888.7	52,724.1	53,124.1
Total Program Funding per Pupil	\$8,023	\$8,239	\$8,348	\$8,577	\$8,868
Less: Funding per Pupil Reduction	(1,041)	(974)	(961)	(950)	(768)
Net Program Funding per Pupil	\$6,982	\$7,265	\$7,387	\$7,627	\$8,100

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

HB18-1379: School Funding for FY2018-19

- 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 496 slots (248 FTE students)

- Categorical Programs

- Special Education
- Pupil Transportation
- English Language Proficiency Act
- Career & Technical Education
- Gifted & Talented Education

- Non-categorical Programs

- English Language Learner
- At-risk Supplemental

Budget Development Factors

Financial Issues

- PERA rate of 20.15% effective January 1, 2018 through June 30, 2019
 - This rate of 20.15% is in accordance with SB18-200
 - FY2018-19 cost of \$80.7 million
 - 14.0% of General Fund budget
- Utility and fuel costs
 - \$13.5 million for utilities and \$1.0 million for fuel
 - \$14.5 million represents 2.5% of General Fund budget

PERA Retirement Benefit Plan Contribution Rates

PERA Legislative Changes (SB18-200)

SUMMATION OF PERA CONTRIBUTIONS			
Fiscal Year	Employer Cost	Employee Contribution	Combined PERA Contribution
FY2009-10	13.40%	8.0%	21.40%
FY2010-11	14.30%	8.0%	22.30%
FY2017-18	19.90%	8.0%	27.90%
FY2018-19	20.15%	8.0%	28.15%
FY2019-20	20.40%	8.75%	29.15%
FY2020-21	20.40%	9.5%	29.90%
FY2021-22	20.40%	10.0%	30.40%

Going forward, the increased cost of PERA will require implementation of fiscal planning cost control measures to mitigate potential impact of PERA on expenditures.

Employer Cost amount includes AED and SAED contributions.

A semi-annual review process is included in SB18-200 for the purpose of assessing planned reduction in the unfunded liability. Policy changes and/or contribution rate changes from the review process are possible.

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

	FY2018-19 Per Pupil Allocation	3.4% Increase in Per Pupil Allocation from FY 2017-18	Total (in Millions)
Elementary School	\$132.75	\$4.37	\$3.06
Middle School	\$172.25	\$5.66	\$2.18
High School	\$220.81	\$7.26	\$3.82

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	\$4,048
TOTAL	56.0	\$4,048



Budget Development Factors

Targeted Achievement Areas

Staffing in Addition to 18.5:1 Staffing Ratio	FTE	Dollars (in Thousands)
Middle Grades	11.4	\$827
Reading	8.6	622
At-Risk	6.4	463
4-Track/Year Round	1.2	87
SAS & Instructional Technology	11.8	853
North Area	8.4	607
High School Achievement	2.8	202
AVID	-	303
Program Assistants	2.8	202
TOTAL	53.4	\$4,166

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	5.6
Reading	-	0.5	8.1
At-Risk	2.7	2.0	1.7
4-Track/Year Round	-	-	1.2
SAS & Instructional Technology	6.2	5.6	-
North Area	2.1	2.1	4.2
High School Achievement	2.8	-	-
Program Assistants	2.0	0.8	-
TOTAL	15.8	16.8	20.8

Budget Overview

Revenue & Expenditure Summary

DESCRIPTION \$ IN MILLIONS	FY2017-18 MODIFIED BUDGET	FY2018-19 ESTIMATED BUDGET	CHANGES IN REVENUE & EXPENDITURES
PROPERTY TAXES	\$236.24	\$241.85	\$5.61
SPECIFIC OWNERSHIP TAXES	21.37	21.58	0.21
STATE EQUALIZATION REVENUE	268.97	297.42	28.45
OTHER STATE CATEGORICAL REVENUE	22.23	22.75	0.52
OTHER LOCAL REVENUE	5.32	5.37	0.05
OTHER FEDERAL REVENUE	1.46	1.46	-
TRANSFERS IN	1.48	1.55	0.07
TOTAL REVENUE & TRANSFERS	\$557.07	\$591.98	\$34.91
TOTAL EXPENDITURES	533.37	578.11	44.74
TRANSFER TO CAPITAL RESERVE	11.57	16.42	4.85
TOTAL EXPENDITURES & TRANSFERS	\$544.94	\$594.53	\$49.59
REVENUE OVER(UNDER) EXPENDITURES	\$12.13	(\$2.55)	(\$14.68)

Budget Overview

Revenue Source Changes from FY2017-18 to FY2018-19

FY2017-18 GENERAL FUND MODIFIED REVENUE & TRANSFERS BUDGET	\$557.07
BUDGETED REVENUE & TRANSFERS – INCREASES (DECREASES)	AMOUNT (IN MILLIONS)
Projected Funded Enrollment Increase of 400 FTE	\$3.24
Inflation CPI of 3.4%	15.69
Change in Negative Factor from -11.08% to -8.66%	9.27
TOTAL PROGRAM FUNDING INCREASE – SCHOOL FINANCE FORMULA	\$28.20
Increase in State Categorical Revenue – 3.4%	0.52
Increase in Specific Ownership Taxes	0.21
Mill Levy Override Increment	4.40
Increase in Property Tax Abatements and Collections	1.51
Increase in Other Local Revenue and Transfers	0.07
BUDGETED REVENUE & TRANSFERS INCREASE	\$34.91
FY2018-19 GENERAL FUND REVENUE & TRANSFERS BUDGET	\$591.98

Major General Fund Budget Changes

Between FY2017-18 & FY2018-19

\$ IN MILLIONS	FTE	Increase (Decrease)	Total Increase (Decrease)
<u>EXPENDITURES & TRANSFERS</u>			
<u>ADOPTED BUDGET FY2017-18</u>			\$544.94
Teacher Staffing for Enrollment in Schools	53.5	\$-	\$3.96
<i>Enrollment Increase of 835 FTE in FY2017-18</i>	46.5		
- Base Allocation for English Language Learners	3.5		
- Base Allocation for Special Education	3.5		
Educational Support for Strategic Initiatives in Affected Populations	48.1		3.36
- English Language Learners	3.7	0.24	
- Special Education	11.4	0.82	
- Gifted & Talented	23.0	1.48	
- Mental Health	10.0	0.82	
TOTAL ENROLLMENT STAFFING & STRATEGIC INITIATIVES SUPPORT CHANGES	101.6		\$7.32

Major General Fund Budget Changes

Between FY2017-18 & FY2018-19

\$ IN MILLIONS	FTE	Increase (Decrease)	Total Increase (Decrease)
Estimated Compensation Changes	-	\$15.85	\$26.29
<i>Teaching, Mental Health, & Nursing Staff</i>			
- 3.4% increase for COLA		9.04	
- Experience Step		5.01	
- Educational Attainment		1.80	
<i>Non-Teaching Staff</i>	-	\$4.48	
- 3.4% increase for COLA		2.68	
- Minimum Wage increase for Affected Staff		0.90	
- Administrator Salary Restructure based on Study		0.90	
<i>PERA & Medicare</i>	-	\$4.18	
- PERA Cost on Above Compensation		3.91	
- Medicare Cost on Above Compensation		0.27	
<i>Health Benefit Increases</i>	-	\$3.33	
- Estimated increases for Employee Work Groups		2.33	
- Employee Only Health Coverage Option		1.00	
<i>110 Employment Option Savings</i>	-	(\$1.55)	
- Estimated Replacement Position Savings			
TOTAL ESTIMATED COMPENSATION CHANGES			\$26.29

Major General Fund Budget Changes

Between FY2017-18 & FY2018-19

\$ IN MILLIONS	FTE	Increase (Decrease)	Total Increase (Decrease)
School Educational Programs	27.0		\$3.09
<i>Education Startup Costs</i>			
- Opening Altitude Elementary School	7.0	\$1.00	
- Opening Infinity Middle School	14.0	1.39	
- Opening Fremont Building for Options Program	6.0	0.70	
<i>School Support Costs</i>			2.16
- 3.4% increase for Instructional Materials		\$0.30	
- Educational Program Adjustments for 2017-18		0.58	
- Special Education - Out of District Tuition Increase		0.48	
- School Carry Forward Budget Allowance		0.80	
TOTAL ESTIMATED EDUCATIONAL PROGRAMS & SUPPORT CHANGES	27.00		\$5.25

Major General Fund Budget Changes

Between FY2017-18 & FY2018-19

\$ IN MILLIONS	FTE	Increase (Decrease)	Total Increase (Decrease)
Operational Support	15.0		\$1.67
<i>Staffing Increases for Services to Schools</i>			
- Plumber	1.0	\$0.07	
- HVAC Technician	1.0	0.07	
- General Maintenance	2.0	0.11	
- Electrician	1.0	0.09	
- Quality Control	1.0	0.06	
- Irrigation Specialist	1.0	0.06	
- Crew Leader	1.0	0.05	
- Custodial Rover	4.0	0.19	
- Social Media Specialist	1.0	0.10	
- Compensation Specialist	1.0	0.10	
- Innovation Specialist	1.0	0.09	
- Education Operations Middle School Support		0.08	
- Cleaning Services Contract Increase		0.60	
TOTAL ESTIMATED OPERATIONAL SUPPORT CHANGES	15.00		\$1.67

Major General Fund Budget Changes

Between FY2017-18 & FY2018-19

\$ IN MILLIONS	FTE	Increase (Decrease)	Total Increase (Decrease)
Safety & Security	10.0		\$2.03
- School Resource Officers		\$0.40	
- Security Specialists		0.37	
- Training		0.17	
- Compensation Changes		0.40	
- Uniforms/Vehicles		0.09	
- Risk Management – Protective Infrastructure		0.60	
TOTAL ESTIMATED SAFETY & SECURITY CHANGES	10.00		\$2.03

Major General Fund Budget Changes

Between FY2017-18 & FY2018-19

\$ IN MILLIONS	FTE	Increase (Decrease)	Total Increase (Decrease)
Other Educational Support Costs			\$5.02
<i>Increase in General Fund Transfers to Capital Reserve</i>			
- Principal & Interest Costs for Bus Replacement Plan		\$0.80	
- Principal & Interest Costs for Fremont Building		0.42	
- Equipment/Software		0.90	
- Maintenance		2.00	
- Capital Reserve Contingency		0.90	
Other Budget Adjustments			\$2.01
- Increase in General Contingency		1.51	
- Increase in Worker's Compensation/Building Insurance		0.50	
TOTAL ESTIMATED OTHER CHANGES			\$7.03
PROPOSED GENERAL FUND EXPENDITURE INCREASES	153.6		\$49.59
2018-19 PROPOSED GENERAL FUND EXPENDITURE & TRANSFER BUDGET (A 9.1% INCREASE FROM FY2017-18 TO FY2018-19)			\$594.53

Staffing Structure

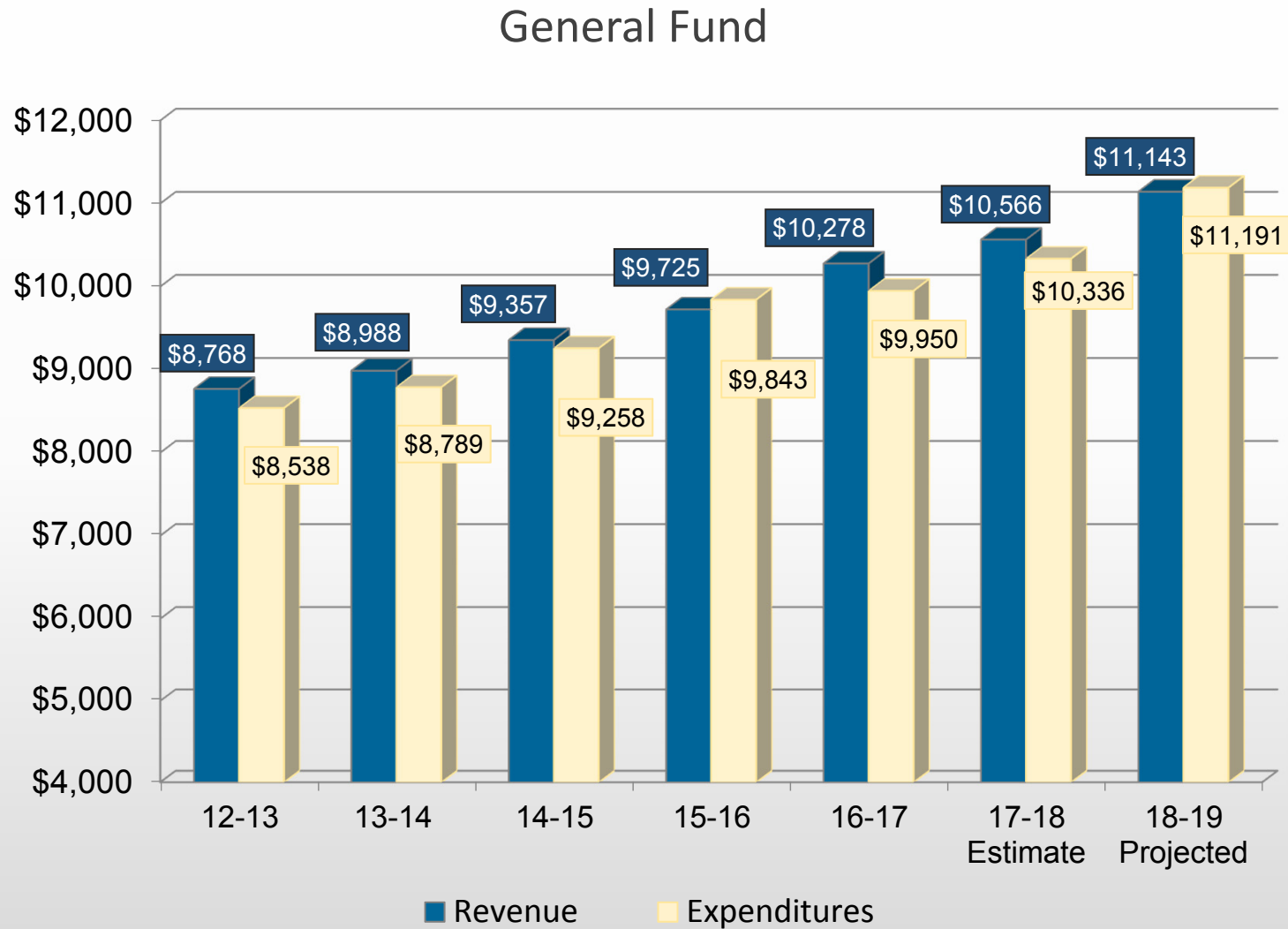
Further consideration of staffing ratio changes to be phased in over time, or alternative targeted achievement funding aligned to future strategic District educational initiatives may need to be considered in a study of adjustments to the existing 18.5:1 standard ratio across the District. As funding projections are confirmed over the next year, these areas will need to be evaluated for feasibility and alignment with the strategic mission of Cherry Creek School District. This is an essential element of a fiscally sound budget plan to close the gap between revenue and expenditures that is expected to grow over time.

General Fund

Revenue & Expenditures

Revenue Sources (\$ in Millions)	2017-18 Budget	2018-19 Budget	Inc. (Dec.)
Local Sources	\$262.93	\$268.80	\$5.87
State Sources	291.20	320.17	28.97
Federal Sources	1.46	1.46	-
TOTAL REVENUES	555.59	590.43	34.84
<u>Other Financing Sources</u>			
Extended Child Services Fund	1.48	1.55	0.07
TOTAL REVENUES/FINANCING SOURCES	\$557.07	\$591.98	\$34.91
TOTAL EXPENDITURES & TRANSFERS	544.94	594.53	49.59
REVENUES OVER (UNDER) EXPENDITURES	\$12.13	(\$2.55)	(\$14.68)

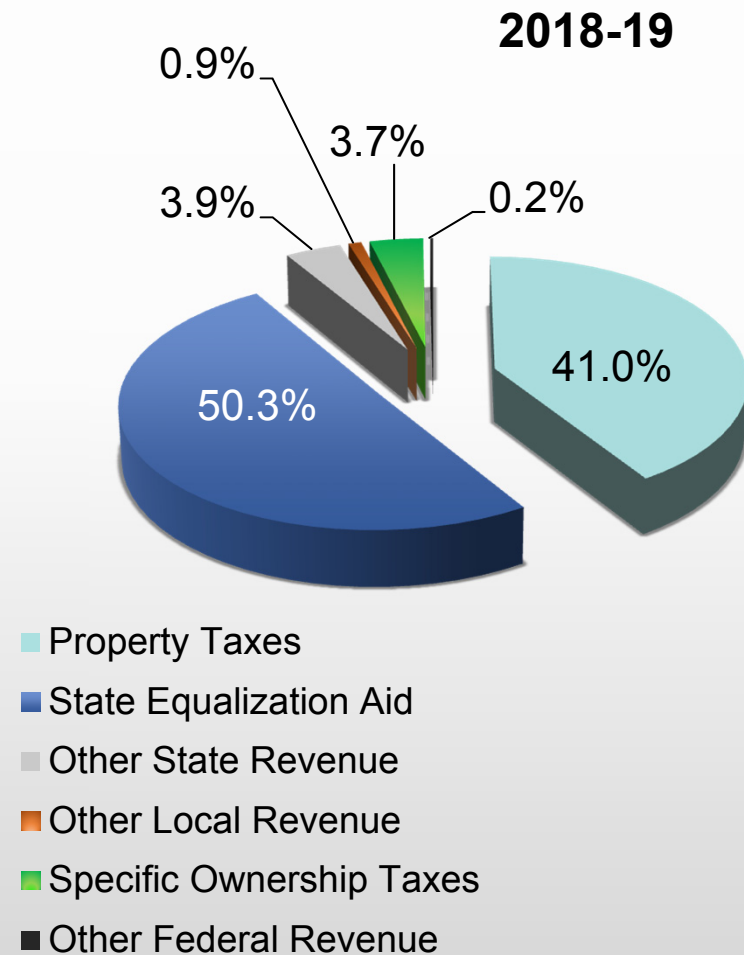
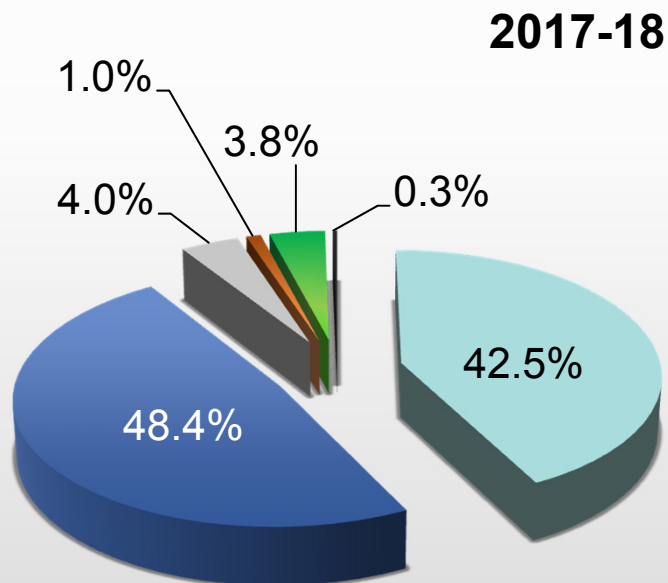
Per Pupil Revenue & Expenditures*



* Figures include transfers

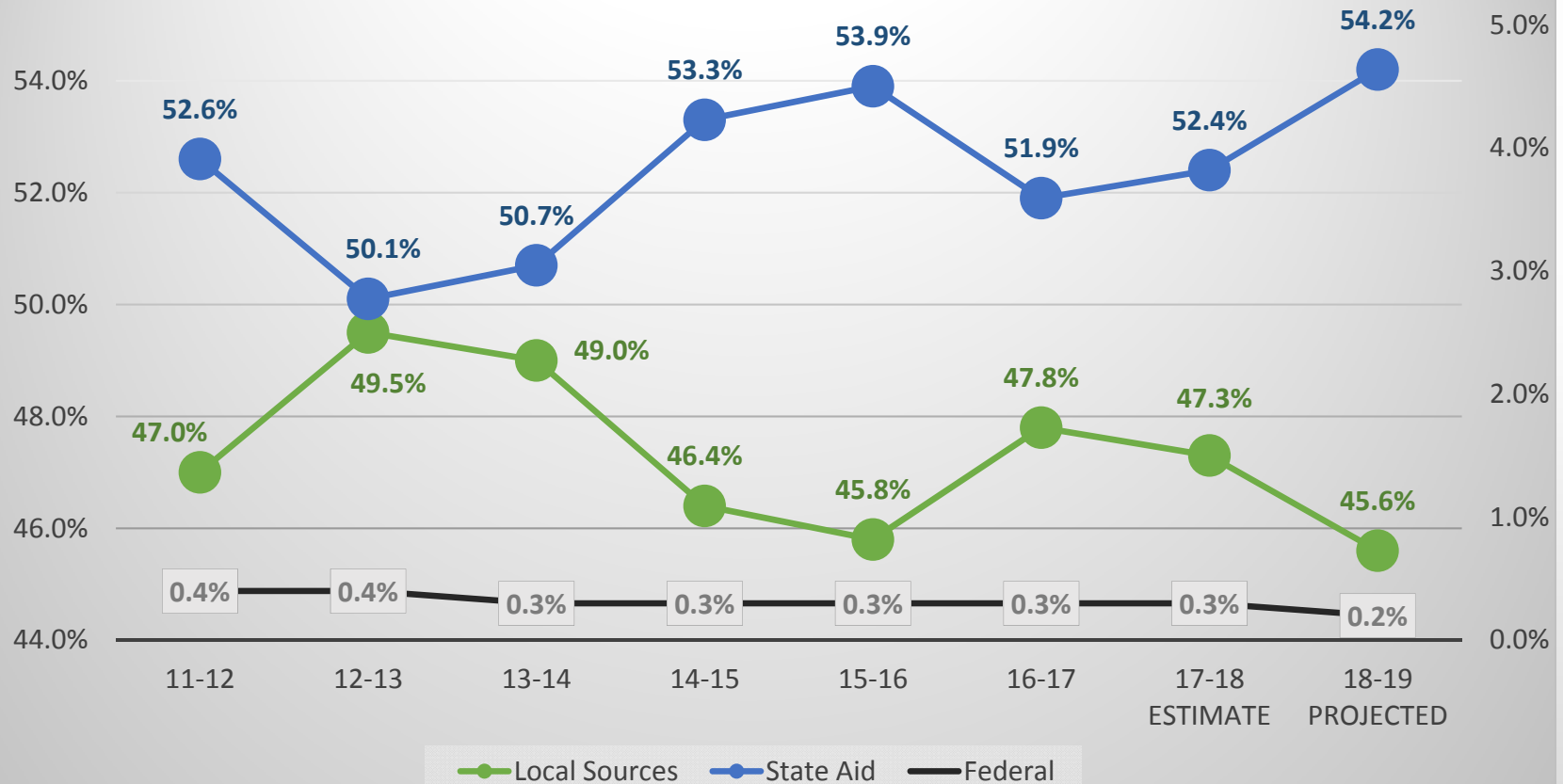
Funding Sources (General Fund)

	2017-18	2018-19
Local	47.3%	45.6%
State	52.4%	54.2%
Federal	0.3%	0.2%



Comparison State & Local Funding

2011-12 through 2018-19 (General Fund)



Revenue Sources & Transfers

Source in Millions (General Fund)

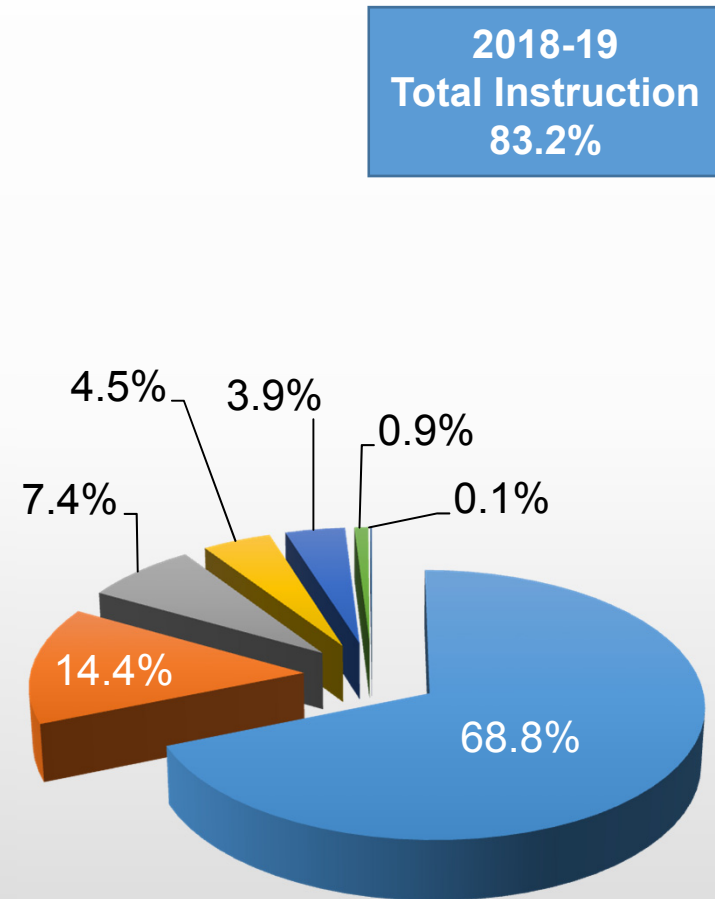
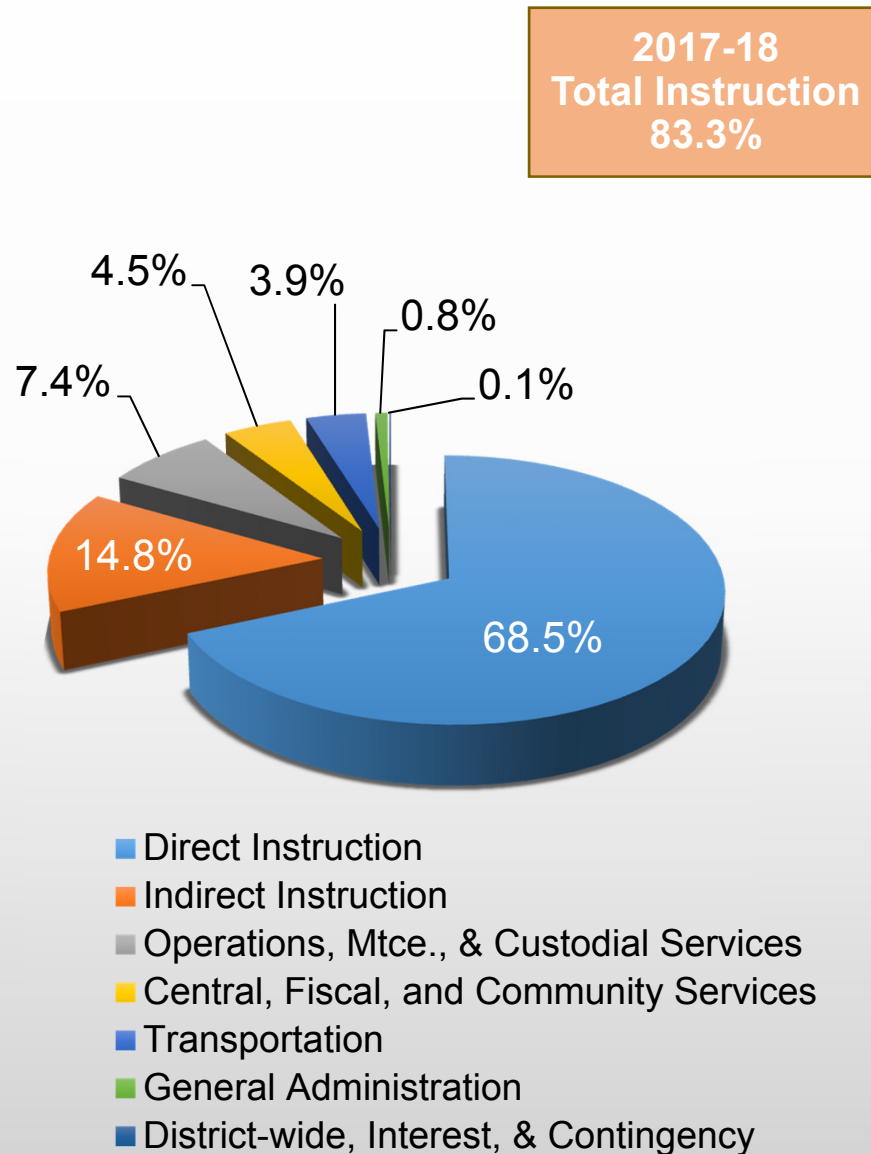
	2017-18 Budget	% of Revenue	2018-19 Budget	% of Revenue
<u>TAXES:</u>				
Property Taxes	\$236.24	42.5%	\$241.85	41.0%
Specific Ownership Taxes	21.37	3.8%	21.58	3.7%
Subtotal - Taxes	\$257.61	46.3%	\$263.43	44.7%
<u>OTHER LOCAL:</u>				
Indirect Cost Reimbursement	1.33		1.34	
Activity and Athletic Fees	0.95		0.96	
Tuition	0.73		0.74	
Investment Income	0.16		0.16	
Coca Cola Revenue Guarantee	0.06		0.06	
Rental of Facilities	1.06		1.07	
Other	1.03		1.04	
Subtotal - Other Local	5.32	1.0%	5.37	0.9%
TOTAL LOCAL SOURCES	\$262.93	47.3%	\$268.80	45.6%

Revenue Sources & Transfers

Source in Millions (General Fund)

	2017-18 Budget	% of Revenue	2018-19 Budget	% of Revenue
<u>STATE REVENUE SOURCES</u>				
State Equalization Aid	\$268.97	48.4%	\$297.42	50.3%
ELL - Non-Categorical	1.55		1.55	
Special Education	11.58		11.87	
Pupil Transportation	4.58		4.70	
Vocational Education	2.48		2.55	
Gifted and Talented	0.51		0.52	
English Language Proficiency	1.13		1.16	
Other State & At-risk Supplemental	0.40		0.40	
Subtotal - Other State	22.23	4.0%	22.75	3.9%
TOTAL STATE SOURCES	\$291.20	52.4%	\$320.17	54.2%
<u>FEDERAL REVENUE SOURCES</u>				
American Rec. & Reinvest. Act	1.46	0.3%	1.46	0.2%
TOTAL REVENUE	\$555.59	100.0%	\$590.43	100.0%
<u>TRANSFERS IN</u>				
Extended Child Services	1.48		1.55	
TOTAL REVENUE & TRANSFERS	\$557.07		\$591.98	

General Fund Budget Dollar



Expenditure Budget

Activity in Millions (General Fund)

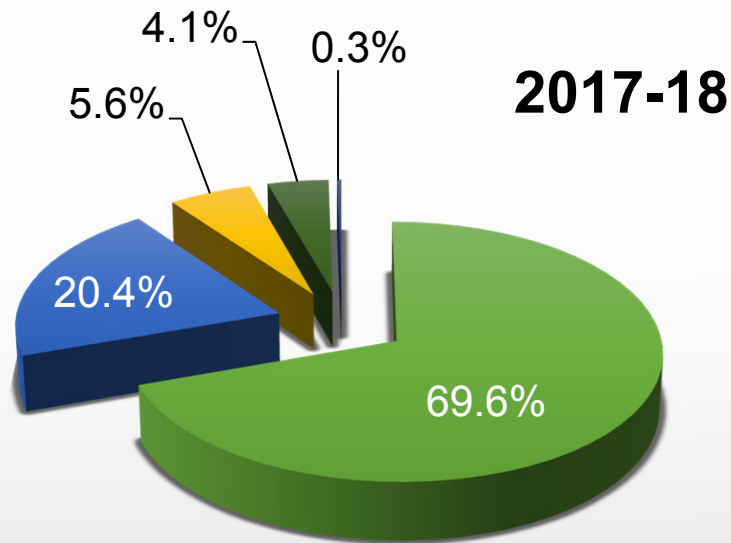
	2017-18 Budget	% of Total	2018-19 Budget	% of Total
<u>Direct Instruction</u>				
Elementary Education	\$126.78	23.8%	\$135.14	23.4%
Middle School Education	59.44	11.1%	63.74	11.0%
High School Education	88.93	16.7%	98.96	17.1%
Other Regular Education	28.04	5.2%	30.09	5.2%
Special Programs	62.17	11.7%	69.58	12.1%
TOTAL DIRECT INSTRUCTION	365.36	68.5%	397.51	68.8%
<u>Indirect Instruction</u>				
Pupil Services	32.17	6.0%	34.65	6.0%
Instructional Staff Services	17.18	3.2%	17.62	3.0%
School Administration	29.88	5.6%	30.91	5.4%
TOTAL INDIRECT INSTRUCTION	79.23	14.8%	83.18	14.4%
TOTAL INSTRUCTION	\$444.59	83.3%	\$480.69	83.2%

Expenditure Budget

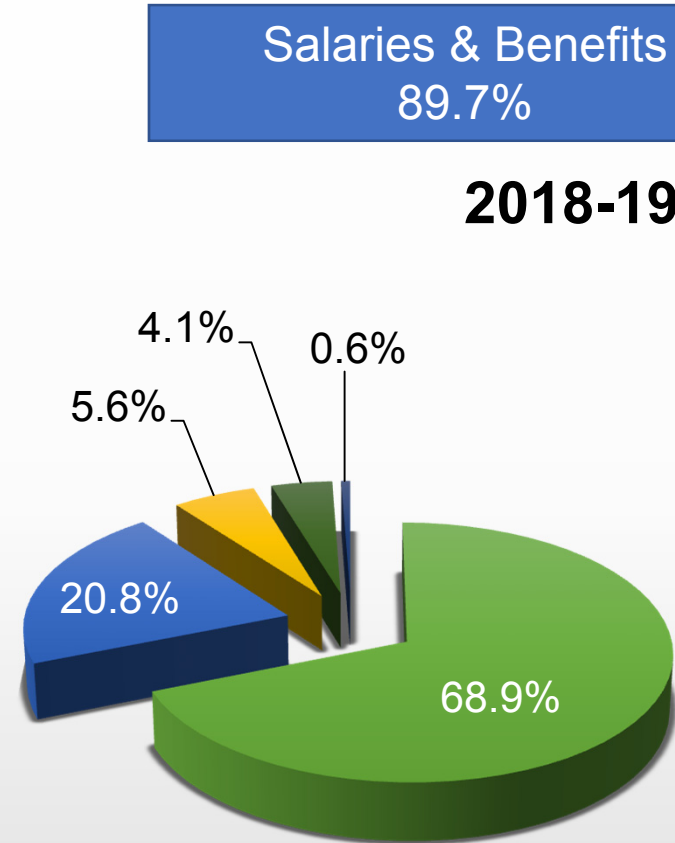
Activity in Millions (General Fund)

	2017-18 Budget	% of Total	2018-19 Budget	% of Total
<u>Other Expenditures</u>				
General Administration	\$4.49	0.8%	\$5.08	0.9%
Business Services	4.35	0.8%	5.14	0.8%
Operations and Maintenance	39.34	7.4%	42.64	7.4%
Pupil Transportation	20.96	3.9%	22.92	3.9%
Central and Other Services	18.88	3.6%	20.83	3.6%
Community Services	0.47	0.1%	0.53	0.1%
Debt Services	0.28	0.1%	0.28	0.1%
Total Other Expenditures	88.78	16.7%	97.42	16.8%
TOTAL EXPENDITURES	\$533.37	100.0%	\$578.11	100.0%
Transfers	11.57		16.42	
TOTAL EXPENDITURES & TRANSFERS	\$544.94		\$594.53	

Expenditures by Object (General Fund)



- Salaries
- Employee Benefits
- Purchased Services
- Supplies & Materials
- Capital & Other



Expenditures by Object

Object in Millions (General Fund)

	2017-18 Budget	% of Total	2018-19 Budget	% of Total
Salaries	\$371.34	69.6%	\$398.19	68.9%
Employee Benefits	108.57	20.4%	120.11	20.8%
Subtotal	\$479.91	90.0%	\$518.30	89.7%
Purchased Services	30.17	5.6%	32.67	5.6%
Supplies and Materials	21.78	4.1%	23.62	4.1%
Capital Outlay	1.12	0.3%	1.91	0.3%
Other	0.39	-	1.61	0.3%
Subtotal	\$53.46	10.0%	\$59.81	10.3%
TOTAL EXPENDITURES	\$533.37	100.0%	\$578.11	100.0%
Transfers Out	11.57		16.42	
TOTAL EXPENDITURES & TRANSFERS	\$544.94		\$594.53	

General Fund Reserves

The Cherry Creek School District General Fund Balance includes a 3% TABOR Reserve, a Board Designated Policy 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 Board Designated Policy 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 10.0% of General Fund budget. The following table illustrates the level of reserves and the estimated calculation.

Fiscal Year 2018-19 (Estimated at June 30, 2019)

DESCRIPTION	RESERVE AMOUNT	% OF GF BUDGET
TABOR Reserve	\$17,341,000	3.0%
Board Designated Policy Reserve	17,341,000	3.0%
Non-spendable Reserve	2,660,000	0.4%
Committed and Assigned Reserve	10,500,000	1.7%
Unassigned Reserves	41,984,400	7.0%
TOTAL ESTIMATED GENERAL FUND RESERVES	\$89,826,400	15.1%
FY2018-19 GENERAL FUND BUDGET EXPENDITURES & TRANSFERS	\$594,529,900	

GAAP Fund Balance

June 30, 2017 through June 30, 2021

General Fund as of June 30 th (\$ in millions)	Actual As of 6-30-17	Estimated As of 6-30-18	Projected As of 6-30-19	Projected As of 6-30-20	Projected As of 6-30-21
<u>Reserves</u>					
3% TABOR Reserve	\$15.30	\$16.00	\$17.34	\$18.10	\$18.72
3% Board Designated Policy Reserve	15.30	16.00	17.34	18.10	18.72
Nonspendable Reserve	2.66	2.66	2.66	2.66	2.66
Committed and Assigned Reserve	6.37	10.50	10.50	10.50	10.50
Unassigned Reserve	40.62	47.22	41.99	31.76	18.66
GAAP Fund Balance	\$80.25	\$92.38	\$89.83	\$81.12	\$69.26



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GAAP Fund Balance

June 30, 2017 through June 30, 2021

General Fund as of June 30 th (\$ in millions)	Actual As of 6-30-17	Estimated As of 6-30-18	Projected As of 6-30-19	Projected As of 6-30-20	Projected As of 6-30-21
<u>Expenditures & Transfers</u>	\$516.30	\$544.94	\$594.53	\$619.24	\$639.87
Funding Gap Revenue over (under) Expenditures	\$17.00	\$12.13	(\$2.55)	(\$8.71)	(\$11.86)
Unassigned Reserves as a % of Expenditures & Transfers	7.87%	8.67%	7.05%	5.13%	2.92 %
Unassigned Reserve % plus Board Designated Policy Reserve %	10.84%	11.60%	9.97%	8.05%	5.84%
Comparison to S & P Credit Rating Benchmark	> 8%	> 8%	> 8%	> 8%	< 8%
Underperformance to S&P Benchmark %	-	-	-	-	(2.16%)
Underperformance to S&P Benchmark \$	-	-	-	-	(\$13.81)

Expenditures outpace revenue in the forecast for all fiscal years.

Other Funds

OTHER FUNDS CONSIST OF:

Special Revenue—

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

Risk Management

Debt Service—

- ✧ Bond Redemption

Capital Improvements—

- ✧ Capital Reserve
- ✧ Building



Cherry Creek High School Students'
Trip to Washington, D.C.

Designated Purpose Grants

\$ IN MILLIONS	2017-18 Budget	2018-19 Budget	Increase (Decrease)
<u>REVENUES AND EXPENDITURES</u>			
Local/Private Funds	\$4.13	\$4.60	\$0.47
State Funds	2.42	3.35	0.93
Federal Funds			
Education of the Handicapped	\$10.12	\$9.75	(\$0.37)
Every Student Succeeds Act			
- Title I – A	5.40	5.10	(0.30)
- Title I – D	-	0.01	0.01
- Title II – A	0.73	0.90	0.17
- Title III	0.47	0.60	0.13
- Title IV	0.01	0.11	0.10
- EASI – School Improvement	-	0.48	0.48
Subtotal ESSA	6.61	7.20	0.59
School to Work Alliance Program	0.16	0.18	0.02
Medicaid	3.52	3.60	0.08
Carl Perkins Voc-Ed	0.21	0.24	0.03
Total Federal Grants	\$20.62	\$20.97	\$0.35
TOTAL REVENUES/EXPENDITURES	\$27.17	\$28.92	\$1.75

Designated Purpose Grants

Fund Description & Purpose

The Designated Purpose Grants Fund is used to manage Local, State, and Federal Grant funding sources and expenditures.

➤ **Every Student Succeeds Act (ESSA) Grants include:**

Title I, Part A: Improving Basic Programs Operated by State and Local Educational Agencies

Being the largest federal program which allocates its resources based on student poverty rates, this funding provides financial assistance to school districts for services that improve teaching and learning in at-risk schools and ensures student access to scientifically based instructional strategies and challenging academic content

Title II, Part A: Preparing, Training, and Recruiting High-Quality Teachers, Principals or Other School Leaders

This funding provides for teacher training and recruitment of highly qualified teachers, principals and other school leaders capable of ensuring that all children achieve success

Title III: Language Instruction for English Learners and Immigrant Students

This grant provides English Learner and immigrant students with language instruction to develop high levels of academic attainment in English in order to meet the state academic achievement standards set for each grade level; to address the need for family literacy, English language instruction is also offered to parents and preschool age children

Title IV, Part A: Student Support and Academic Enrichment Grants

This program provides students with a well-rounded education, supports safe and healthy students, and allows for effective use of technology

➤ **Individuals with Disabilities Education Act (IDEA)**

Public Law 94-142 (Education for All Handicapped Children Act) requires free appropriate public education in the least restrictive environment for all school-aged children. Public Law 99-457 extends services to children with developmental delay from birth to 3 years of age and their families

➤ **School to Work Alliance Program (SWAP)**

The SWAP program provides successful employment outcomes, increased community linkages, and new patterns of service for young people; students who need assistance going from school to the working world receive services each year; the SWAP staff helps place students in apprenticeship programs through Vocational Rehabilitation

Extended Child Services Fund

\$ IN MILLIONS	2017-18 Budget	2018-19 Budget	Increase (Decrease)
BEGINNING FUND BALANCE	\$6.33	\$6.45	\$0.12
<u>REVENUES</u>			
Tuition	18.91	19.50	0.59
Total Revenues	18.91	19.50	0.59
TOTAL FUNDS AVAILABLE	\$25.24	\$25.95	\$0.71
<u>EXPENDITURES</u>			
Before and After School	9.50	9.85	0.35
Kindergarten Enrichment	3.49	3.64	0.15
Preschool	1.92	1.92	-
Other Enterprise Programs	1.29	1.39	0.10
Other Costs	1.13	1.15	0.02
Transfer to General Fund	1.46	1.55	0.09
Total Expenditures and Transfers	18.79	19.50	0.71
ENDING FUND BALANCE	\$6.45	\$6.45	\$-

Extended Child Services Fund

Fund Description & Purpose

The Extended Child Services Fund is used to account for the District's Before & After, Intersession, and Kindergarten Enrichment School Programs offered outside of the traditional classroom schedule.

- **Extended Child Services (ECS) programs give parents and guardians the peace of mind and security of knowing that their children are engaged in safe, educational and constructive activities;**
 - ECS programs strive to provide school age children with a safe and nurturing environment while promoting physical, emotional and intellectual development
 - Activities include, but are not limited to, homework assistance, creative expression, science, technology, indoor/outdoor recreational games, health and fitness, music appreciation, dramatic play, communication skills, cognitive reasoning, building and construction, and appreciation of diversity
- **Additionally, these programs offer a variety of activities that promote life skills such as teamwork, problem-solving, creativity, leadership, sportsmanship, and community service**
- **ECS programs are fee-based and self-supporting**
- **ECS programs reimburse Facility Use costs to the General Fund where ECS programs operate**



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Pupil Activities Fund

\$ IN MILLIONS	2017-18 Budget	2018-19 Budget	Increase (Decrease)
BEGINNING FUND BALANCE	\$5.81	\$5.81	\$-
<u>REVENUES</u>			
Total Revenues	15.68	16.62	0.94
TOTAL FUNDS AVAILABLE	\$21.49	\$22.43	\$0.94
<u>EXPENDITURES</u>			
High School Activities	11.12	11.69	0.57
Middle School Activities	1.88	2.05	0.17
Elementary School Activities	2.38	2.56	0.18
Other Expenditures	0.30	0.32	0.02
Total Expenditures	15.68	16.62	0.94
ENDING FUND BALANCE	\$5.81	\$5.81	\$-

Pupil Activities Fund

Fund Description & Purpose

The Pupil Activities Fund is a self-sustaining fund that supports extracurricular activities and programs for the enhancement of the educational experience.

- **Involvement in extracurricular athletic and activity programs is vital to the development of leadership skills and good physical health that enhance student self-esteem, thus ensuring a higher likelihood of academic success**
These programs are offered at the high school, middle school, and elementary school levels
The fund is comprised of separate accounts maintained at each District school site where revenue offsets District expenditures
- **The District uses two stadiums for athletic events and promotes them to attract outside user events such as semi-professional football, professional lacrosse, club or league soccer, and field hockey**

- **Revenue Sources May Include:**

- Activity Tickets
- Athletic Event Admissions
- Fundraising Events
- User & Club Fees
- Concessions & Vending Sales
- Retail Grocery Store Certificates

- **Expenditures May Include:**

- Field Trips
- Transportation
- Registration Fees
- Coach/Club Advisor Costs
- Equipment Supplies
- Game Official Fees



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Cherry Creek Schools

Food Services Fund

\$ IN MILLIONS	2017-18 Budget	2018-19 Budget	Increase (Decrease)
BEGINNING FUND BALANCE	\$6.52	\$6.52	\$-
<u>REVENUES</u>			
Sales, Investment, Catering	9.58	10.18	0.60
Federal Meal Reimbursement (less than 50% of total revenue)	7.54	7.52	(0.02)
USDA Donated Food	1.02	1.22	0.20
State Meal Reimbursement	0.33	0.27	(0.06)
Total Revenues	18.47	19.19	0.72
TOTAL FUNDS AVAILABLE	\$24.99	\$25.71	\$0.72
<u>EXPENDITURES</u>			
Food	6.89	7.59	0.70
Supplies	1.04	0.99	(0.05)
Salaries and Benefits	8.19	8.88	0.69
Services, Capital, Other	2.35	1.73	(0.62)
Total Expenditures	18.47	19.19	0.72
ENDING FUND BALANCE	\$6.52	\$6.52	\$-

Food Services Fund

Fund Description & Purpose

The District uses the Food Services Fund to manage Food and Nutrition Programs offering student meals and Nutrition Education in compliance with the Federal Child Nutrition Program Guidelines.

- **The Food and Nutrition Services Department manages these programs within the District, which nourish the whole student by creating nutritious meals, build healthy habits, and cultivate positive relationships;**

Approximately 890 thousand breakfasts and 3.3 million lunches are served annually

Food and supplies are purchased and distributed weekly to 63 school kitchen sites; bread items are prepared daily in a Central Bakery

To comply with State and federal requirements, all necessary records are maintained for reporting purposes

Catering is also available for District Functions upon Request

- **The Department goal is to operate on a financially self-supporting basis, while meeting the needs of students, parents, staff, and community with outstanding customer service;**

- **Registered dietitians provide nutrition education in the classroom to promote healthy food choices;**

In collaboration with District personnel and community members, a District Wellness Policy (Policy ADF) was established

The District's Wellness Committee is comprised of Food and Nutrition Service representatives to provide leadership in the wellness area

Risk Management Fund

EXPENDITURES ARE FUNDED BY ALLOCATION FROM THE GENERAL FUND

\$ IN MILLIONS	2017-18 Budget	2018-19 Budget	Increase (Decrease)
<u>EXPENDITURES</u>			
Salary & Benefits	\$0.26	\$0.34	\$0.08
Liability Insurance	0.69	1.17	0.48
Property Insurance	0.62	0.72	0.10
Fidelity Bond Premium	0.01	0.01	-
Workers' Compensation	3.13	2.86	(0.27)
Other Operating	0.02	0.20	0.18
TOTAL EXPENDITURES	\$4.73	\$5.30	\$0.57

Risk Management Fund

Fund Description & Purpose

The District's Insurance and Risk Management Department manages and insures for the risks associated with the unforeseen or accidental loss of the District's assets, injury to District personnel, and claims directed against the District by third parties.

- **The property and casualty insurance programs for the District are primarily insured through the Colorado School Districts' Self-Insurance Pool (CSDSIP);**

The District also purchases insurance coverage from other insurers for those exposures not covered by the pool, such as foreign liability, field trip accident coverage, etc.

- **Statutory workers' compensation insurance coverage is provided through the Joint School Districts Workers' Compensation Self-Insurance Pool (JSD);**

This pool, currently consisting of four school districts (Aurora, Boulder Valley, Littleton, and Cherry Creek), was formed in 1986 as the self-insurance mechanism to fund workers' compensation losses

- **The District's contribution to the CSDSIP is based upon the District's insured property values, exposure base (student, employee, and vehicle counts) and on the District's loss experience over the last three-year period for Property and five-year period for Liability;**

- **The CSDSIP and JSD pools continue to be cost effective risk transfer organizations; both are financially stable and adequately funded;**

Both pools continue to retain the primary layers of coverage and transfer the catastrophic losses to reinsurers



Bond Redemption Fund

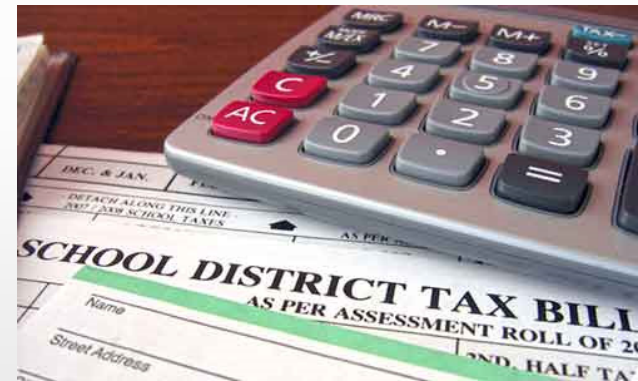
\$ IN MILLIONS	2017-18 Budget	2018-19 Budget	Increase (Decrease)
BEGINNING FUND BALANCE	\$47.01	\$53.25	\$6.24
<u>REVENUES</u>			
Property Taxes	61.95	61.65	(0.30)
Refunding Bond Proceeds	75.51	-	(75.51)
Investment Income	0.04	0.62	0.58
Refunding Bond Premium	7.96	-	(7.96)
Total Revenues	145.46	62.27	(83.19)
TOTAL FUNDS AVAILABLE	\$192.47	\$115.52	(\$76.95)
<u>EXPENDITURES</u>			
Bond Principal Retirement	28.06	31.35	3.29
Interest	27.64	27.04	(0.60)
Transfer to Escrow Agent/ Fiscal Charges	83.52	0.01	(83.51)
Total Expenditures	139.22	58.40	(80.82)
ENDING FUND BALANCE	\$53.25	\$57.12	\$3.87

Bond Redemption Fund

Fund Description & Purpose

The Bond Redemption Fund is used to account for property taxes levied and investment income, to provide for payment of general long-term debt principal retirement, semi-annual interest, and related fees.

- **The District's long-term debt, in the form of general obligation bonds, totals \$641,890,000 as of June 30, 2018;**
The budgeted amount for this debt service in Fiscal Year 2018-19 is \$58.4 million
- **The District utilizes 48.5% of the statutory debt limit and has the capacity for issuance of \$625 million of General Obligation Bonds**



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Capital Reserve Fund

\$ IN MILLIONS	2017-18 Budget	2018-19 Budget	Increase (Decrease)
BEGINNING FUND BALANCE	\$24.71	\$16.42	(\$8.29)
<u>REVENUES</u>			
Invest. Income/Cash in Lieu of Land	0.04	0.06	0.02
Transfer from General Fund	11.57	16.42	4.85
Transfer from Building Fund	1.00	-	(1.00)
Bus Replacement Lease Proceeds	7.28	-	(7.28)
Certificates of Participation	15.00	-	(15.00)
Total Revenues	34.89	16.48	(18.41)
TOTAL FUNDS AVAILABLE	\$59.60	\$32.90	(\$26.70)
<u>EXPENDITURES</u>			
Building and Improvements	16.72	14.47	(2.25)
Equipment, Software and Internet	21.21	5.40	(15.81)
Debt Service - Technology and Buses	5.25	6.28	1.03
Total Expenditures	43.18	26.15	(17.03)
ENDING FUND BALANCE	\$16.42	\$6.75	(\$9.67)

Capital Reserve Fund

Fund Description & Purpose

The Capital Reserve Fund receives transfers from the General Fund for ongoing capital needs of the District such as maintenance improvements to facilities, as well as purchases of equipment, technology related items, and vehicles.

- These funds continue to be restricted to high priority needs required to enable the safety, security, asset preservation, instructional technology, and basic operation of schools and facilities throughout the Cherry Creek School District
- The transfer from General Fund to the Capital Reserve Fund is to be \$16.4 million in 2018-19 as compared to \$11.6 million in 2017-18

The increase in allocation is estimated to be applied to Maintenance (\$2.0 million), IT (\$0.9 million), Principal & Interest on Debt Service (\$1.0 million), and \$0.9 million for Capital Reserve Contingency



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Building Fund

\$ IN MILLIONS	2017-18 Budget	2018-19 Budget	Increase (Decrease)
BEGINNING FUND BALANCE	\$144.51	\$129.85	(\$14.66)
<u>REVENUES</u>			
Sale of Bonds	100.00	-	(100.00)
Premium on Bonds	21.22	-	(21.22)
Investment Income	1.35	1.75	0.40
Total Revenues	122.57	1.75	(120.82)
TOTAL FUNDS AVAILABLE	\$267.08	\$131.60	(\$135.48)
<u>EXPENDITURES</u>			
Salaries & Benefits	0.88	1.07	0.19
Land, Building and Improvements	114.54	73.31	(41.23)
Equipment	11.69	12.88	1.19
Professional Services	8.69	2.16	(6.53)
Bond Issue Costs	0.43	-	(0.43)
Transfer to Capital Reserve Fund	1.00	-	(1.00)
Total Expenditures and Transfers	137.23	89.42	(47.81)
ENDING FUND BALANCE	\$129.85	\$42.18	(\$87.67)

Building Fund

Fund Description & Purpose

The District uses the Building Fund as its primary Capital Improvement Fund to budget and account for the major capital outlays for school facilities, which is funded by the issuance of authorized general obligation school bonds.

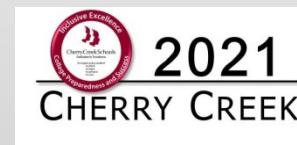
- **The District Long-Range Facility Planning Committee develops facility planning recommendations for new schools and other facility projects that accommodate student enrollment and improve instructional programs;**
These recommendations are presented to the Board of Education for approval and once approved by the Board of Education, the bond issue is placed before the voters for consideration
- **\$250 million in General Obligation Bonds were authorized by Cherry Creek voters in November 2016;**

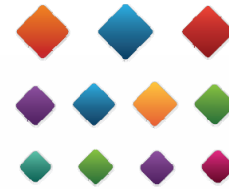
\$150 million were issued in January 2017

\$100 million were issued in October 2017

The combined premium on the two bond issues totaled approximately \$40 million

The bonds were upgraded to AA+ by Standard and Poor's and Moody's Aa1, which was affirmed in October 2017





Budget and Bond Election

✧ November 2016



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Budget and Bond Election

Successful November 2016 Election

Election Overview

- In November 2016, the majority of voters in the Cherry Creek School District voted their support for ballot issues 3A and 3B; measures that will give the District critical funds needed to provide students with innovative opportunities needed to be successful in college and careers.

We thank the community for continuing to show its confidence in the Cherry Creek School District's vision of excellence for all students



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Ballot Issues Overview

- **Mill Levy Override (3A)**
 - \$23.9 million allows for recruitment and retention of a quality teaching staff; provides for instructional materials and support to prepare students for “College & Career Postsecondary success; provides innovation opportunities using computers and technology and provides for safe student transportation
- **Bond Issue (3B)**
 - \$250 million allows for renovations and new school construction to keep pace with continual advancement in technology, 21st century teaching & learning approaches, build a stand-alone facility to expand students’ career pathway opportunities, build new facilities to support student growth, keep safety/security systems & equipment current, and provide maintenance for the community’s significant investment of physical plant for future generations

Cherry Creek School District

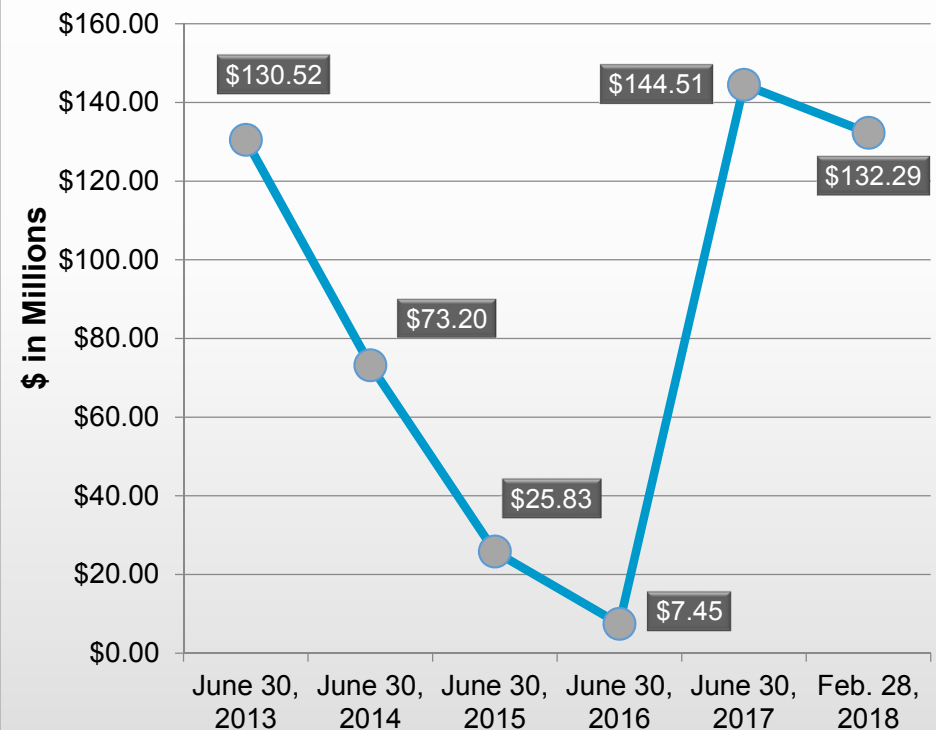
Bond Fund Overview

Building Fund

- The 2016 Bond funds are accounted for in a separate Building Fund
- Projects will be completed and funds will be spent in accordance with provisions of the voter-approved bond issues through the 2020-21 fiscal year
- The chart on the right shows a progression of the Fund Balances over a five year period



5-Year Fund Balance Comparison



Budget and Bond Election

Successful November 2016 Election

Bond Ballot Issue 3B

The passage of the \$250 million Bond Issue allows the District to provide our students with the initiatives set forth in the 5-year Facility Plan described below:

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- Cherry Creek Innovation Campus- 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 AUTHORIZED	\$250.0

Cherry Creek School District

New Construction Status

2018 Project Updates

Infinity Middle School

- Design Complete & Bid Awarded; On Track to Open August 2018

Altitude Elementary School

- Design Complete & Bid Awarded; On Track to Open October 2018

Cherry Creek Innovation Campus

- Design Complete & Bid Awarded; On Track to open in August 2019

2016 Bond Fund Plans

Roofing	2 High Schools 3 Middle Schools 5 Elementary Schools CTE & Mobiles
HVAC Systems	8 Elementary Schools 1 Middle School
Plumbing & Electrical	2 High Schools 3 Middle Schools 1 Elementary School
Outdoor Athletic Facilities	2 High School Tracks 3 Middle School Tracks 1 Stadium Track 2 High School Tennis Courts
Playgrounds	8 Elementary Schools
Other Projects	3 High Schools – Door Hardware 1 Elementary School – Skylight 1 Elementary School – Concrete Stairs

Financial Planning Uncertainty

Uncertainties Impacting the District Forecast

STATEWIDE FUNDING ISSUES FOR SCHOOLS	
EXTERNAL IMPACTS	<p>Several financial impacts are likely to occur, the timing of which is subject to future interpretation. Many of the following are near-term in nature:</p> <ul style="list-style-type: none"> State consideration of a new School Finance Study (HB17-1340) interim review over 2018 & 2019 Legislative actions around the balancing of the State Budget now and in the future Likely future changes in the “Negative Factor” that have substantial implications Impact of competing cost pressures within the State General Fund Budget Post-election changes in Federal budgets, including potential Block Grant methodology and its effect on State Medicaid support and/or other State Educational Programs Gallagher Amendment - implications of a significant expected drop in Residential Property Assessment rate in 2019 and its effect on K-12 funding statewide
	<p>STATE ECONOMIC FORECAST EFFECT ON STATE FUNDING FOR PLANNING OF THE FUTURE BUDGETS</p>
ECONOMIC IMPACTS	<ul style="list-style-type: none"> Post-election retail revenue and global trade markets Employment sector variables impacting the State economy
PERA FUNDING OUTLOOK BEYOND THE 2018 TIMEFRAME	
PERA IMPACT	<ul style="list-style-type: none"> Legislative review process and PERA outlook

Summary

➤ 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

➤ Employees

- Salary and benefit levels reflect School Board Policies
- Recurring Health insurance contributions by the District increased for employee work groups
- 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

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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Our Mission

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



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