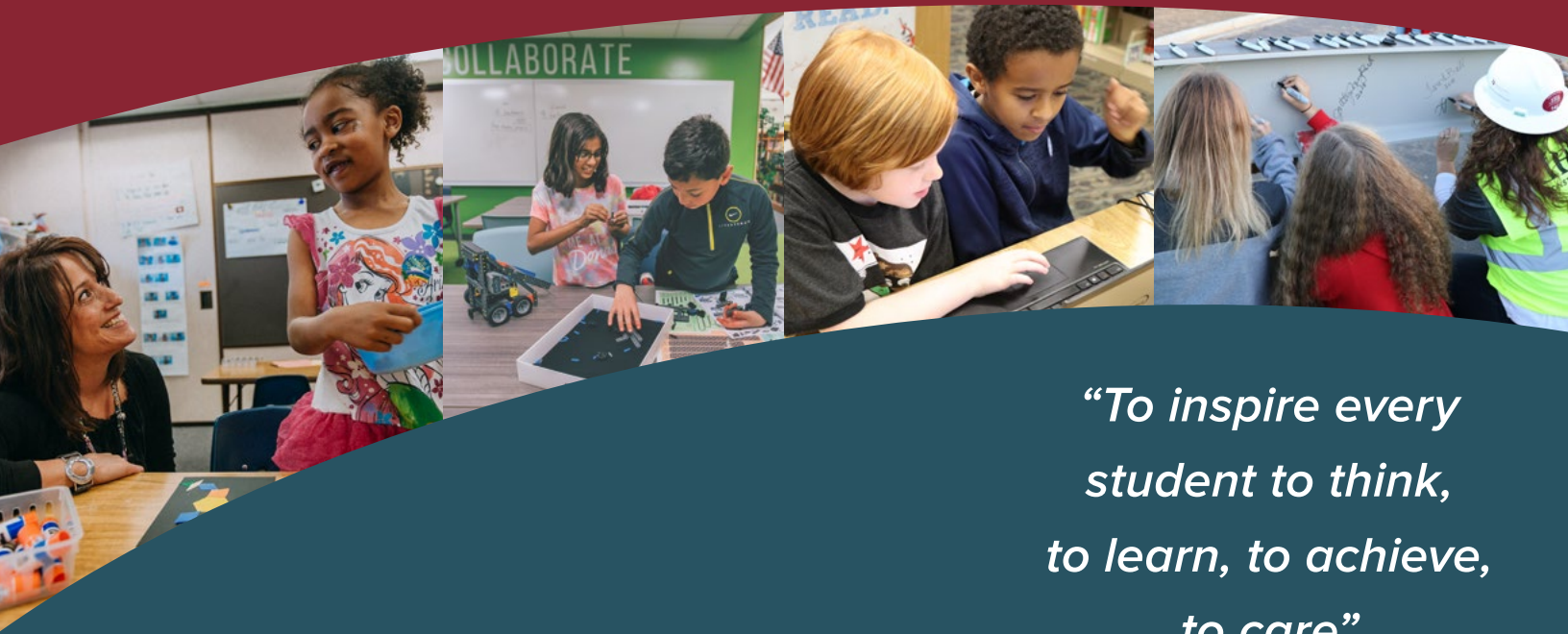


Executive Summary Proposed

Budget for Fiscal Year July 1, 2019 – June 30, 2020

2020



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

Cherry Creek School District
2019-2020

CHERRY CREEK SCHOOL DISTRICT NO. 5

4700 SOUTH YOSEMITE STREET,
GREENWOOD VILLAGE, CO 80111
ARAPAHOE COUNTY, COLORADO

www.cherrycreekschools.org



Dedicated to Excellence
Cherry Creek Schools

NEW STRATEGIC INITIATIVES FOR OUR STUDENTS

The Cherry Creek School District Strategic Alignment Plan was presented to the Board of Education in spring 2019. Grounded in the belief that *“We believe that every child deserves a safe, inclusive and challenging learning environment that prepares them for the future,”* the plan was constructed over eight months by the superintendent and his cabinet members. Working versions of the plan were presented to parent engagement and community groups throughout the district and feedback was incorporated into the final plan.

VISION
Dedicated to Excellence

MISSION
*To inspire every student to think, to learn,
to achieve, to care*

DISTRICT GOALS
Inclusive Excellence and College & Career Preparedness and Success
“We believe that every child deserves a safe, inclusive and challenging learning environment that prepares them for the future.”

STRATEGIC PRIORITIES		
Instructional Excellence	Workforce Excellence	Operational Excellence
Eliminate academic achievement disparities by providing all students with rigorous and relevant learning experiences to become leaders who create solutions that contribute to the betterment of our global society.	Invest in racially conscious, culturally competent employees who have the skill, will, capacity and knowledge to commit to a culture of continuous improvement.	Design, manage and continually improve as a system to deliver value in service to students, schools and community stakeholders.

MEASURABLE PERFORMANCE OBJECTIVE

The percentage of ALL CCSD Students meeting the College and Career Readiness benchmarks in ELA and Math, as measured by state assessments, will annually increase by 3% each year over the next four years. To eliminate the achievement disproportionalities by race, the percentage of black and brown students meeting the college and career readiness benchmarks will increase by at least 4% per year.

MEASURABLE RECRUITMENT AND HIRING OBJECTIVE

CCSD will attract the highest quality workforce to meet the needs of our diverse community and reflect our student demographics. While doing so, we will focus on mitigating gender and racial disparities. Beginning in 2019, the percentage of Licensed Employees of Color (LEOC) hired compared with the total licensed employee demographic population will increase by 0.5% per year, with the

overall goal of attaining a proportionate number of LEOC to students of color (SOC).

MEASURABLE OPERATIONAL OBJECTIVE

Operational Excellence goals of safety will align specifically to the Instructional Excellence goals with monitoring via the Climate, Safety, Wellness District survey. Both elementary and secondary strategies will have an emphasis on building resilience, bully-proofing, seeking and building appropriate relationships, reduction of substance abuse and the reduction of self-harm.



NEW EDUCATIONAL PROGRAMS FOR OUR STUDENTS

CHERRY CREEK INNOVATION CAMPUS

When the CCIC formally opens its doors in the fall of 2019, it will represent a new chapter in the Cherry Creek School District's pursuit of excellence. The state-of-the-art facility will connect high school students from across the district with access to applicable, relevant and immersive curriculum rooted in 21st-century professional skills.



Superintendent Dr. Scott Siegfried

"The CCIC represents a partnership with industry and higher learning leaders from across our region. We designed the facility with the demands of the real world in mind," said CCSD Superintendent Dr. Scott Siegfried. "The goal of the CCIC is to offer our students a viable bridge to the next step in their lives, whether it be college or a career. Along with the work that's being done in the Innovation

Spaces in every one of our elementary and middle schools, the CCIC represents our next iteration of excellence."

CCIC Principal Mark Morgan said the new, 117,000-square-foot facility located east of the Dove Valley Regional Park will serve as a unique



resource for 11th- and 12th-graders from across CCSD. The CCIC will host a wide array of immersive, professional-based programs, curriculum designed to give high school students practical experience and a viable route to excellence long after their graduation.

"In every single one of our academic pathways, we've already got a teacher/leader who's been designing curriculum and course content," Morgan said, pointing to academic courses that range from Aviation/Aerospace to Computer Science. "We are hiring at least one other person in each pathway, and in some cases, we're hiring three. We've got 18 people working full-time on the CCIC currently, and when we open the doors in August, we'll have about 50 professionals who'll be calling the facility their home."

CONCEPT AND DESIGN: A NEW APPROACH

The CCIC, which was funded through the 2016 voter-approved bond measure, will be accessible to students from all CCSD high schools. The facility will offer curriculum rooted in real-world skills and learning tied to trade certifications in specialized areas of study that align with the Colorado Workforce Development Council initiatives. Academic pathways in Automotive, Aviation/Aerospace, Business Services, Construction, Computer Science, Health/Medical, Hospitality and Advanced Manufacturing will offer a bridge to higher-level learning in college and viable, successful careers.

The new campus will add to the district's Career and Technical Education (CTE) umbrella, expanding CCSD's commitment to preparing students for the academic and professional demands of the future. Indeed, the CCIC's programming will enhance the wide range of CTE programs already offered in our high schools with more advanced and sophisticated opportunities. The student learning experience will mimic state-of-the-art work environments, with a focus on connecting students with a proven, industry-based culture and climate.



CHERRY CREEK ELEVATION: CCSD'S ONLINE HIGH SCHOOL

Cherry Creek Elevation is committed to ensuring that each student has a personalized curriculum that meets their individual needs. The online school offers a wide range of rigorous courses that meet CCSD's academic requirements and the standards found in any district across the state. Students who are interested in classes, activities and athletics not offered by Elevation can potentially participate at their

nearest neighborhood school. Elevation classes will be delivered in an online format, but the school will also offer face-to-face sessions and additional virtual courses (both live and recorded) to support student learning and provide a hands-on, real-world learning opportunity.



DISTRICT OVERVIEW



55,791 STUDENTS

- ▶ 7,267 students receiving special education services
- ▶ ELL program supports 6,222 students speaking over 100 languages
- ▶ 29% of student population is eligible for free & reduced lunch
 - ▶ Free: 11,300 served
 - ▶ Reduced: 4,000 served
 - ▶ Total: 15,300 students served

SCHOOL FACILITIES

- ▶ 65 Schools: seven high, 11 middle, 43 elementary, two K-8, one K-6, & one 6-8
- ▶ Joliet Learning Center, I-Teams and Preschools
- ▶ Two Stadiums
- ▶ 11 Other student support facilities
- ▶ One Innovation Campus and one Online High School

OTHER FACTS

- ▶ The Cherry Creek School District covers 108 square miles
- ▶ School buses travel over 2.9 million miles per year
- ▶ 3.2 million lunches and 900,000 breakfasts served yearly
- ▶ The Cherry Creek School District has been recognized by GFOA as a member of the “Alliance for Excellence in School Budgeting”

BUDGET DEVELOPMENT

- ▶ **PROCEDURE:** Colorado statute requires that the FPP handbook be used by every school district in the development of the budget, financial record keeping and periodic presentation of financial information to the board of education. (C.R.S. 22-44-204(3))
- ▶ **PURPOSE:** The purpose of a budget is to provide a plan of financial operation which embodies an estimate of proposed expenditures for a given period and purpose and the proposed means of financing the plan.
- ▶ **PLANNING:** Detailed budget planning allows a district to reflect educational values and needs. The structure and format provided by a well-designed budget promotes rational decision-making regarding the importance of various school district services.
- ▶ **REQUIREMENTS**
 - ▶ Revenue allocation
 - ▶ Anticipated expenditures by category
 - ▶ Transfers
 - ▶ Reserves (Board policy DB adopted 2010)
 - ▶ TABOR emergency 3%
 - ▶ Board designated reserve 3%
- ▶ **ADOPTION:**
 - ▶ **June 1:** Deadline for submission of proposed budget to board of education. C.R.S. 22-44-108(1)
 - ▶ **June 30:** Last legal date for final adoption of school district budget and appropriation resolution. C.R.S. 22-44-110(4)



THE BUDGET PROCESS

GENERAL FUND

The majority of the budget is managed through the General Fund staffing budget, which provides funding specifically for educational instruction to students. The remaining components of the General Fund are managed through a non-staffing budget used for school support purposes, which includes instructional support, transportation, maintenance, custodial and general administration services.

First, schools and departments develop a staffing plan that considers the resources needed based on enrollment and funding permitted under the Colorado Public School Finance Act. The staffing portion of the budget is developed using a student-teacher ratio that provides classroom teachers to schools in order to meet the strategic instructional plan for each school.

Secondly, district schools and departments develop non-staffing budgets for the remaining portion of the General Fund budget based on enrollment, funding permitted under the Colorado Public School Finance Act and required adjustments to align with district initiatives.

THE USE OF GENERAL FUND BEGINNING FUND BALANCE

The FY2019-20 General Fund Budget includes planned use of up to \$22,970,000 in General Fund resources that are included in the beginning fund balance. These resources enable a balanced General Fund budget in FY2019-20 through investment in new educational programs that further meet the changing needs of our student populations and maintain the strategic initiatives of Instructional, Workforce and Operational Excellence.

Unassigned reserves are a degree of fiscal protection from the uncertainty surrounding the State funding for K-12 education, and also are a protective buffer in the event of unexpected enrollment fluctuations.

A review of actual General Fund Reserve levels will be necessary in FY2019-20 and FY2020-21, as part of a sustainable budget plan that meets the needs of students in Cherry Creek School District with purposeful intent of balancing the budget by preserving resources and minimizing use of reserves in the out years.

BUDGET BALANCING

Cherry Creek's proposed budget is balanced through a combination of a revenue increase and a measured use of General Fund reserves that provides a fiscal plan for FY2019-20. Expenditure increases are proposed to provide instructional support that is focused on student achievement. Staffing is planned using a 18.75:1 student teacher ratio for instructional staff across elementary and secondary schools. The ratio was changed from 18.5:1 to 18.75:1 to address specific needs in affected populations, where most schools required additional teaching support. Teacher and mental health support is provided for affected student populations that experienced unusual growth in FY2018-19. Specifically ELL populations and Special Education populations grew by 6% and 4% respectively, in the 2018-19 school year. The budget as proposed will position the district well for the start of the 2019-20 school year, including the opening of the Cherry Creek Innovation Campus and Cherry Creek Elevation Online High School.

The General Fund Budget includes **\$631.35 million** of revenue (including transfers) and **\$654.32 million** of expenditures (including transfers), and includes the use of **\$22.97 million** in unassigned reserves.

RESPONSIBILITY/ACTION	TIMELINE
Budget Development & Projections for 2019/20 through 2020/21	December 2018
Consumer Price Index	January 2019
Enrollment Projections / Staffing Plans	February 2019
Decentralized Budgets	March 2019
Department Budgets	March 2019
Capital Reserve	March 2019
Proposed Budget available for public review	May 31, 2019
Presentation of Proposed FY2019-20 Budget to Board of Education	June 2019

BUDGET PRESENTATIONS
Dec. 6. Budget Projections
Feb. 8. Budget Planning
Mar. 15. Conceptual Budget
Apr. 19. Preliminary Budget
May 31. Proposed Budget

The Cherry Creek School District Financial Plan and Budget is adopted by the Board of Education in June of each year based on Colorado statutes and provisions within school budget law.

FULL-DAY KINDERGARTEN (FDK)

- ▶ Full-Day Kindergarten was proposed by Governor Polis as he introduced his revised budget request in January 2019. The Legislature approved funding for FDK in HB19-1262 for full-time funding of kindergarten by the start of the 2019-20 school year.
- ▶ Cherry Creek currently has FDK in six elementary schools. As a result of passage of HB19-1262, the FDK program will now be offered at all elementary schools.
- ▶ Funding will be provided from State funds to enable CCSD to offer FDK (an increase of 1,465 FTE students). Start-up and capital costs are not covered by HB19-1262; districts can apply for grants to cover a portion of those costs.

AMENDMENT 23 VS. BUDGET STABILIZATION FACTOR

The Cherry Creek School District, as well as school districts across the state, have been impacted by a legislative mechanism known as Budget Stabilization Factor used by the state to reduce the School Finance Formula Funding as a means to balance the state General Fund budget. The Budget Stabilization Factor was derived from HB10-1369 in the 2010 Legislative Session.

- ▶ In FY2019-20, the Statewide Budget Stabilization Factor is estimated at \$572.4 million.
- ▶ Cherry Creek's share of the Budget Stabilization Factor is estimated at \$35.6 million, which is
 - ▶ 7.2% less than the Total Program Funding prescribed by Amendment 23.



PERA

In September 2017, the PERA Board voted in favor of changes to their current funding structure in order to strengthen their fiscal status in recognition of longer life expectancies for members and a current benefit structure that is not deemed to be sustainable over the long term. In November 2017, the PERA Board substantiated their proposal as part of a formal request for legislation. A PERA reform bill ([SB18-200](#)) was passed by the Senate and House on May 9, 2018.

Included in the PERA Bill is a PERA increase of 0.25% for PERA employer contributions that will be effective July 1, 2019. This increases the PERA rate from the current 20.15% to 20.4% in FY2019-20. In addition, a change in methodology occurs for calculation of the PERA cost. For new employees as of July 1, 2019, PERA contributions are calculated on gross pay, instead of a net base exclusive of tax preference items.

Effective Date/Fiscal Year	PERA Employer (1)	PERA Employee (1)	Effective Rates to ensure that PERA remains on track for sustainability goal	Employer Rates Cost Impact to CCSD Employer Portion
1-Jul-19: 2019/20	20.40%	8.75%	Per Statute	\$2 Million
1-Jul-20: 2020/21	20.90%	10.00%	Trigger activated Per Statute	\$4 Million
1-Jul-21: 2021/22	21.40%	10.50%	Possible Trigger	\$4 Million
1-Jul-22: 2022/23	21.90%	11.00%	Possible Trigger	\$4 Million
1-Jul-23: 2023/24	22.40%	11.50%	Possible Trigger	\$4 Million

New PERA employees hired on or after July 1, 2019 would have PERA contributions calculated on gross salary.

SOURCE: February 2019 news release from PERA.

NOTE: Possible Trigger is based on Report on Actuarially Determined Contribution in Comprehensive Annual Financial Report.

Released report would determine any trigger needed to stay on track to sustainability goal of paying off the unfunded liability in 30 years.

(1) Trigger can be activated at a 0.5% increase per year for employer and employee, not to exceed an additional 2.0%.

DISTRICT GENERAL FUND BUDGET PROPOSED 2019-20

REVENUE AND EXPENDITURE BUDGET COMPARISONS

DESCRIPTION (\$ IN MILLIONS)	FY 2018-19 ESTIMATED BUDGET	FY 2019-20 PROPOSED BUDGET	YR/YR CHANGE
PROPERTY TAXES	\$ 241.55	\$ 256.26	\$ 14.71
SPECIFIC OWNERSHIP TAXES	24.55	24.80	0.25
STATE EQUALIZATION REVENUE	292.19	315.99	23.80
OTHER STATE CATEGORICAL REVENUE	22.19	24.06	1.87
OTHER LOCAL REVENUE	7.15	7.22	0.07
OTHER FEDERAL REVENUE	1.46	1.46	—
TRANSFERS IN	1.55	1.56	0.01
TOTAL REVENUE & TRANSFERS	\$ 590.64	\$ 631.35	\$ 40.71
TOTAL EXPENDITURES	579.43	635.38	55.95
TRANSFER TO CAPITAL RESERVE	14.70	18.94	4.24
NET EXPENDITURES & TRANSFERS	\$594.13	654.32	\$60.19
REVENUE OVER (UNDER) EXPENDITURES	\$(3.49)	\$(22.97)	\$(19.48)

- 19-20 projected Funded Pupil Count increase FTE of 1,465 for FDK
- Statewide Budget Stabilization Factor decreases \$100 million from \$672 to \$572 million; Cherry Creek Budget Stabilization Factor decreases from \$40.8 to \$35.6 million
- Per Pupil Revenue (PPR) Funding increases 4.3%, or \$349 from \$8,092 to \$8,441 per pupil
- Denver/Aurora/Lakewood CPI-U increase of 2.7% for 2018
- Estimated Assessed Value increase of 15%
- Override Increment \$6.4 million
- 4.3% PPR increase, Enrollment 1465 FTE Increase, estimated Budget Stabilization Factor decrease from -8.7% to -7.2%
- Assumes No Capital Funding for FDK Start-up

PROPOSED EXPENDITURE INCREASES FOR FY2019-20 (\$IN MILLIONS)	CATEGORY TOTALS
FY 2018-19 General Fund Expenditure and Transfer Budget	\$ 594.13
Estimated Compensation Changes	20.64
PERA Contribution Rate Increase	2.18
Staffing for Enrollment Changes	0.61
Full-Day Kindergarten Operating	12.33
Full-Day Kindergarten Capital	4.24
Mental Health - one Director and five Coordinators	0.70
Elementary Planning Time	0.50
Supplementary Pay-Athletics and Activities	0.20
School Educational Programs	1.06
Compensation Market Study	3.90
Allocation of Override to Charter Schools (HB17-1375)	1.40
Operational Costs: CCIC/Online High School *	6.20
Change in Staffing Ratio from 18.5:1 to 18.75:1	(2.50)
Other Budget Adjustments	2.63
Additional New Budget Requests	6.10
Estimated Total Expenditures & Transfers Increase for FY2019-20	60.19
FY2019-20 General Fund Expenditures & Transfers - Projection	\$ 654.32
19-20 Revenue projection	\$ 631.35
Fiscal Gap (Including Additional Budget Requests)	\$ (22.97)

*High Schools participate in cost sharing 15 FTE's



ENROLLMENT

The average funded enrollment growth over the past five years equates to 335 FTE per year. During the three-year period FY2020-21 through FY2022-23, traditional projected growth is anticipated to slow considerably. Specifically, in the FY2020-21 year, enrollment is expected to flatten out, a result of a continual slowing trend in birth rates, less in-migration of students and lower average household sizes for families moving into the community.

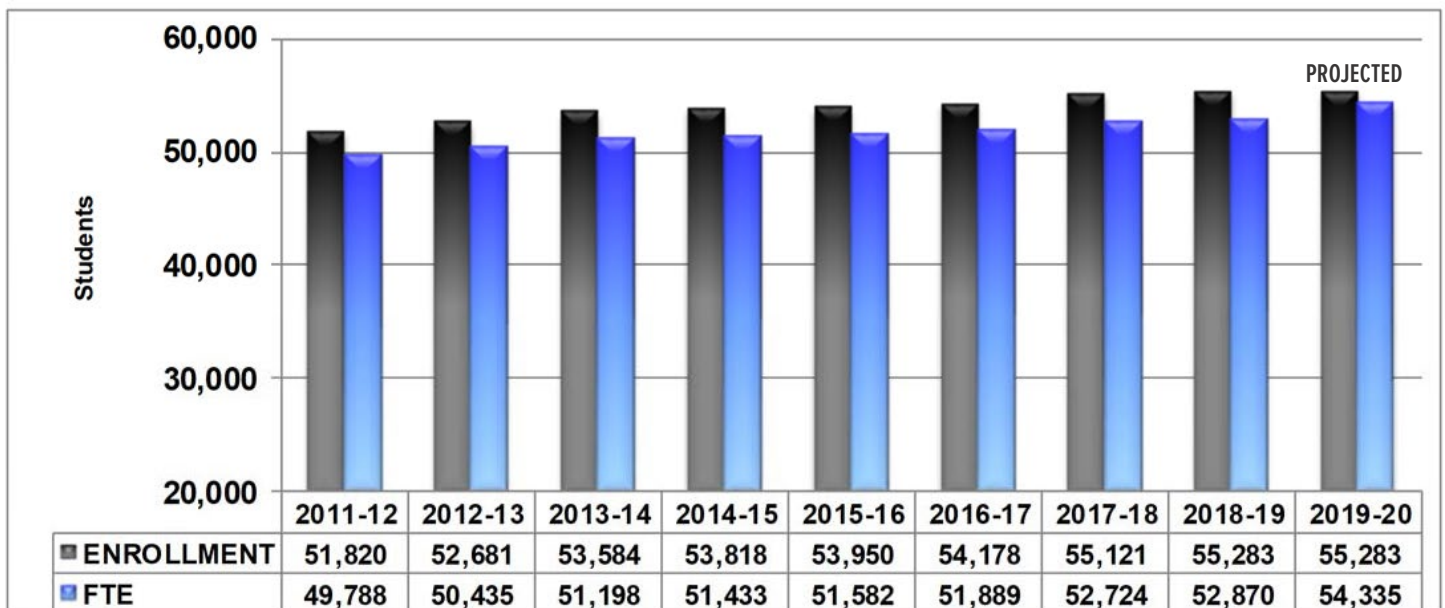
	Funded Pupil Count	Actual FY 17-18	Actual FY 18-19	Projected FY 19-20
SCHOOLS	High Schools	16,864.0	17,093.5	17,332.0
	Middle Schools	12,537.5	12,580.5	12,594.0
	Elementary Schools	21,680.0	21,464.2	22,640.2*
	Charter Schools	741.1	834.7	834.7
	TOTAL SCHOOLS	51,822.6	51,972.9	53,400.9
PROGRAMS	Preschool SPED	573.5	546.0	583.0
	Options Program	284.5	303.8	303.8
	Foote Center	30.0	32.0	32.0
	Expulsion	13.5	15.0	15.0
	TOTAL PROGRAMS	901.5	896.8	933.8
TOTAL FUNDED PUPIL COUNT		52,724.1	52,869.7	54,334.7
FUNDING PER PUPIL		\$7,627	\$8,092	\$8,441

*Elementary School projection reflects additional estimated FPC of 1,465 FTE for Full-Day Kindergarten based on HB19-1262. This is an assumption that includes 3,488 Full Time Kindergarten students.

ENROLLMENT TRENDS

The total funded enrollment is projected to increase by 1,465 FTE for FDK for the October 2019 student count. Since 2011, the district funded enrollment has increased by an average of 440 students each year. This represents a growth rate of 6.2% from 2011-12 to 2018-19. A historical summary is reflected in the graph below.

CHERRY CREEK SCHOOL DISTRICT #5 ENROLLMENT & FULL-TIME EQUIVALENT (FTE) PUPIL GROWTH TREND SINCE 2011



REVENUE COMPARISONS PER PUPIL FUNDING

GENERAL FUND REVENUE BUDGET

Net Total Program funding from the School Finance Act (SB19-246) is estimated to **increase \$30.8 million from \$427.8 million** in FY2018-19 **to \$458.6 Million** in FY2019-20.

Included in the Revenue Budget are:

- ▶ Inflationary increases in state revenue for categorical programs;
- ▶ Supplementary increase in Tier B Special Education;
- ▶ Estimated increases in Property Tax Abatements;
- ▶ Increment in the Property Tax override;
- ▶ Specific Ownership Tax increases.

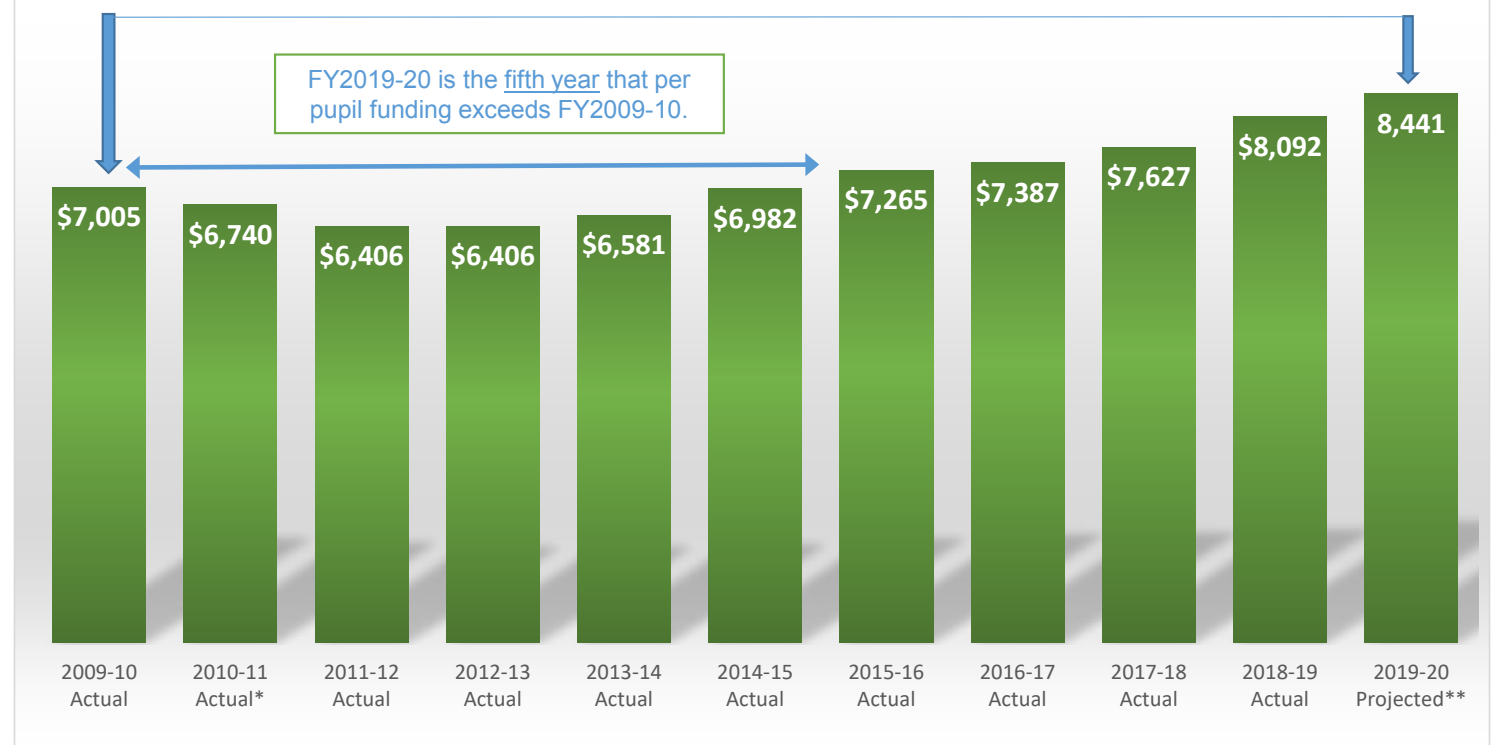
Total Revenue Budget of \$631.35 million plus use of Reserves of \$22.97 million results in an **Expenditure Budget of \$654.32 million** in the Budget Balancing Plan.



PER PUPIL FUNDING

Per Pupil Funding is estimated to **increase 4.3%, from \$8,092** in FY2018-19 **to \$8,441** in FY2019-20, an increase of \$349 per pupil.

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.

** 2019-20 funding level from the School Finance formula based on the SB19-246 is estimated to be approximately \$1,436 more per pupil, or 20.5% more than that of 2009-10, while the cumulative CPI over the last ten years has increased approximately 22.6%; projection assumes School Finance funding increase for inflation and enrollment with the Budget Stabilization Factor reduced to -7.2%.

HB19-1262 (State Funding for Full-Day Kindergarten)

The school finance formula historically provided funding for half-day kindergarten educational programs plus a small additional amount of supplemental kindergarten funding. House Bill 19-1262 provides funding through the school finance formula for statewide full-day kindergarten educational programs. A student enrolled in a full-day kindergarten educational program will be funded at the same amount as students enrolled full-time in other grades.

REVENUE CONSIDERATION

PUBLIC SCHOOL FINANCE

STATEWIDE NET TOTAL PROGRAM FUNDING

The adoption of SB19-246 increases estimated Net Total Program Funding statewide from **\$7,067,336,095** in FY2018-19 to **\$7,583,204,119** in FY2019-20.

This is an **increase of \$515,868,024** or **4.3%**, from **\$8,123** to

\$8,476, or an average **increase of \$353 per pupil**.

Statewide funded pupil counts are expected to increase by **24,484** funded pupils, or **2.8%**, from **870,085** FTE in FY2018-19 to **894,569** in FY2019-20

FY 2019-20 PUBLIC SCHOOL FINANCE BASED ON SB19-246 & HB19-1262

Statewide	Actual FY2018-19	Projected FY2019-20*	Net Increase
Total Program Funding	\$ 7,739,732,989	\$ 8,155,601,013	\$ 415,868,024
Budget Stabilization Factor**	\$ (672,396,894)	\$ (572,396,894)	\$ 100,000,000
Net Total Program Funding	\$ 7,067,336,095	\$ 7,583,204,119	\$ 515,868,024
Total Funded Pupils	870,085	894,569	24,484
Statewide Average Funding Per Pupil	\$ 8,123	\$ 8,476	\$ 353

**Funding Assumption - Budget Scenario 2.7% Inflation + Enrollment and Budget Stabilization
Factor decrease of \$100 million*

Budget Stabilization Factor is -8.7% for FY 2018-19 and -7.2% for 2019-20

CHERRY CREEK NET TOTAL PROGRAM FUNDING

The adoption of SB19-246 increases estimated Net Total Program Funding for Cherry Creek from **\$427,823,607** in FY2018-19 to **\$458,629,036** in FY2019-20.

This is an **increase of \$30,805,429**, from **\$8,092** to **\$8,441** per pupil, or an **increase of \$349** per pupil.

CHERRY CREEK GENERAL FUND

Revenue Sources (\$ in Millions)	2017-18 Actual	2018-19 Budget	2019-20 Proposed	Inc. (Dec.)
Local Sources	\$268.20	\$273.25	\$288.28	\$15.03
State Sources	290.11	314.38	340.05	25.67
Federal Sources	1.47	1.46	1.46	—
TOTAL REVENUES	559.78	589.09	629.79	40.70
Other Financing Sources				
Extended Child Services Fund	1.43	1.55	1.56	0.01
TOTAL REVENUES/FINANCING SOURCES	\$561.21	\$590.64	\$631.35	\$40.71
TOTAL EXPENDITURES & TRANSFERS	553.54	594.13	654.32	60.19
REVENUES OVER (UNDER) EXPENDITURES	\$7.67	(\$3.49)	(\$22.97)	(\$19.48)

FY 2019-20 PUBLIC SCHOOL FINANCE BASED ON SB19-246 & HB19-1262

Cherry Creek	Actual FY2018-19	Projected FY2019-20*	Net Increase
Total Program Funding	\$ 468,612,595	\$ 494,255,633	\$ 25,643,038
Budget Stabilization Factor* *	\$ (40,788,988)	\$ (35,626,597)	\$ 5,162,391
Net Total Program Funding	\$ 427,823,607	\$ 458,629,036	\$ 30,805,429
Total Funded Pupils	52,869.7	54,334.7	1,465
Funding Per Pupil	\$ 8,092	\$ 8,441	\$ 349

**Funding Assumption - Budget Scenario 2.7% Inflation+ Enrollment with the Budget Stabilization Factor reduction of \$5.2 million; FY19-20 figures are adjusted to reflect Cherry Creek's budget projection for funded pupil growth of 1,465 FTE.*

BUDGET PLANNING & COST INCREASES

SPECIALIZED STAFFING

Budget Investments for Educational Support

Area of Support	FTE	Proposed Amount
Special Education	8.0	\$ 807,440
Advanced Academics/GT	21.8	1,500,000
Professional Learning	—	30,000
Inclusive Excellence	—	100,369
Instruction - Literacy	16.0	2,000,000
Language Support Services	10.0	500,000
Information Systems	—	271,956
Fiscal Services	—	500,000
Security	2.0	76,850
Ed Ops - Innovation	—	100,000
Expulsion Program	—	15,000
Contingency	—	198,385
Subtotal	57.8	\$ 6,100,000
Additional Request		
Mental Health (1 Director+5 Coordinators)	6.0	\$700,000
Total	63.8	\$ 6,800,000

SPECIALIZED STAFFING

- ▶ Special Education
- ▶ Mental Health
- ▶ English Language Services
- ▶ Gifted & Talented
- ▶ Literacy Instruction
- ▶ Security

Elevation (Online High School)	FTE	Expenditure
Educational Support Staff	5.0	\$394,052
Certified Teachers	20.0	\$2,310,760
Operating Expenses	—	\$65,000
TOTAL	25.0	\$2,769,812

Cherry Creek Innovation Campus (CCIC)	FTE	Expenditure
Educational Support Staff	17.0	\$916,003
Certified Teachers	30.0	\$3,519,428
-15 FTE Cost Shared with High Schools	—	(\$1,759,714)
Operating Expenses	—	\$751,000
TOTAL	47.0	\$3,426,717

ANALYSIS OF 19/20 ESTIMATED COMPENSATION INCREASE COSTS

DESCRIPTION (\$IN MILLIONS)	ESTIMATED INCREASE
SALARY COSTS:	
Estimated 2.7% Increase for CPI (Teachers, Mental Health, Nurses)	\$7,651,044
Estimated Salary Increase - Experience Step (Teachers, Mental Health, Nurses)	\$5,560,583
Estimated Salary Increase - Educational Attainment - 19/20	\$2,244,268
2.7% Estimated Salary Increase for CPI - Non-teaching Staff	\$2,276,834
Salary Only - Increase in Costs	\$17,732,729
PERA AND MEDICARE COSTS:	
PERA and Medicare Costs - 2.7% Increase for CPI (Teachers, Mental Health, Nurses)	\$1,671,753
PERA and Medicare Costs - Experience Step (Teachers, Mental Health, Nurses)	\$1,214,987
PERA and Medicare Costs - Educational Attainment - 19/20	\$490,373
PERA and Medicare Costs - 2.7% Salary Increase for CPI - Non-teaching Staff	\$497,488
PERA and Medicare Only- Increase in Costs	\$3,874,601
TOTAL SALARY AND BENEFITS COST INCREASES-BASED ON ESTIMATED COMPENSATION	\$21,607,330
110 Retirement Option Savings	(\$960,000)
NET SALARY & BENEFITS COST INCREASES	\$20,647,330

LEGISLATIVE MATTERS

CONSTITUTIONAL AMENDMENTS

GALLAGHER AMENDMENT

The Gallagher Amendment, which was passed in 1982, requires that the residential property share of the total assessed value in the state be stabilized at approximately 45% of the total. However, by limiting the residential share of property taxes, with increasing residential property values, a significant portion of the tax burden continues to be shifted to the commercial and non-residential property owners. The residential assessment percentage, as set for 2019-20 is 7.15%. The non-residential assessment percentage is 29%.

CURRENT LEGISLATION

HB19-1257

The bill authorizes the state to annually retain and spend all state revenues in excess of the constitutional limitation on state fiscal year spending that the state would otherwise be required to refund. The bill is a referendum that will be submitted to the voters at the statewide election to be held on November 5, 2019, and

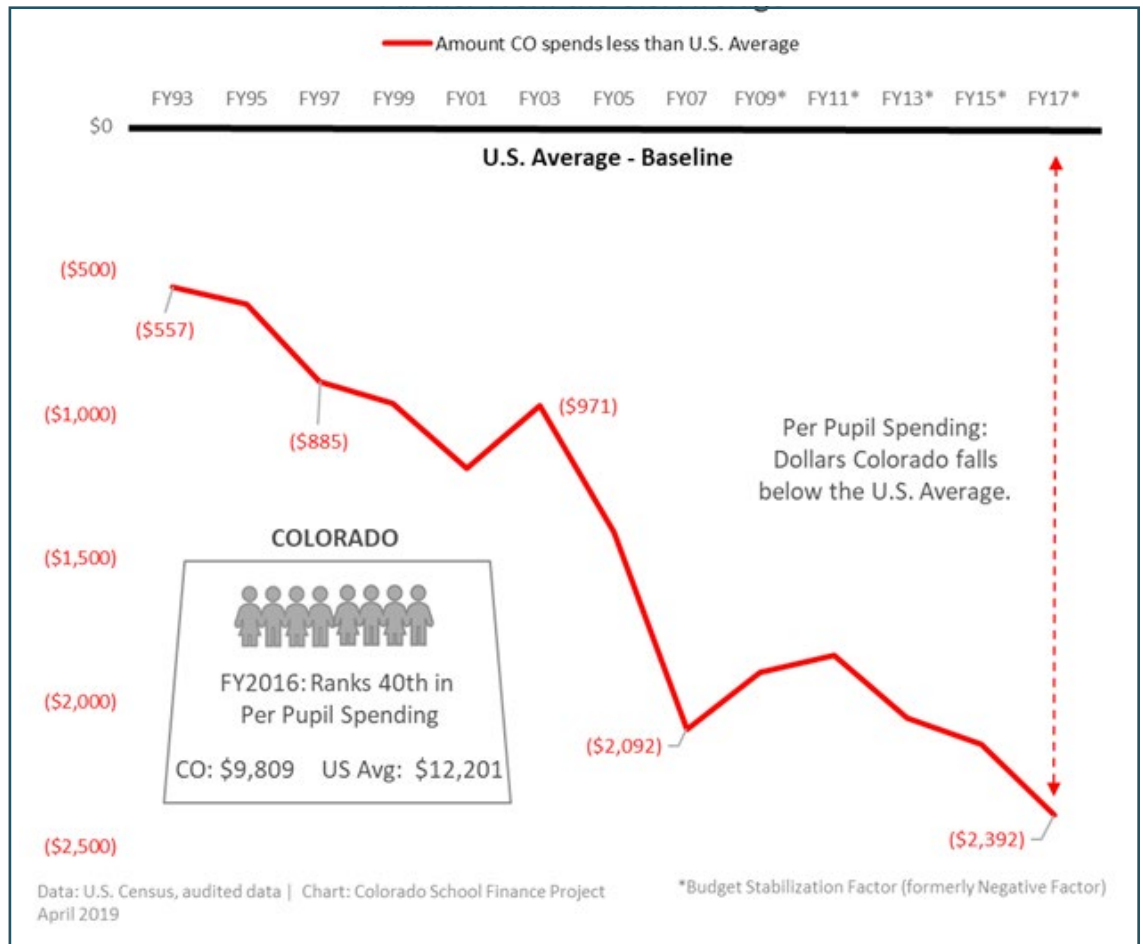
approval of the ballot title at the election constitutes a voter-approved revenue change to the constitutional limitation on state fiscal year spending. If approved by the voters, an amount of money equal to the state revenues retained under this measure is designated as part of the general fund exempt account.

HB19-1258

The bill is contingent on voters approving a related referred measure to annually retain and spend state revenues in excess of the constitutional spending limit. If the measure passes, in years when the state retains and spends revenue under the authority of the measure, there will be additional revenue in the general fund exempt account. **Section 1** of the bill requires 1/3 of this money in the account to be allocated to each of the purposes approved by voters, which are:

- ▶ Public schools;
- ▶ Higher education; and
- ▶ Roads, bridges, and transit.

Colorado Per Pupil Spending Continues to Fall Further from the National Average



EDUCATIONAL PLANNED RESOURCES

STUDENT ACHIEVEMENT

CHERRY CREEK SCHOOL DISTRICT NO. 5 SUMMARY OF EXPENDITURES AND RESERVES BY FUND FOR APPROPRIATION

	2018-19	2019-20			
Fund	Revised Appropriation	Expenditures And Transfers	Reserves	Total Appropriation	Percent Change
Operating Fund					
General Fund	\$625,030,900	\$654,315,600	\$30,560,000	\$684,875,600	9.6%
Special Revenue Funds					
Designated Purpose Grants	28,920,000	29,400,000		29,400,000	1.7%
Extended Child Services	20,494,000	15,349,300	460,500	15,809,800	(22.9%)
Pupil Activities	17,114,274	16,782,000	503,460	17,285,460	1.0%
Food Services Fund	19,817,561	18,922,600	317,905	19,240,505	(2.9%)
Total Operating/ Special Revenue Funds	711,376,735	734,769,500	31,841,865	766,611,365	7.8%
Building Fund	114,418,295	69,567,900		69,567,900	(39.2%)
Bond Redemption Fund	58,400,200	59,179,200		59,179,200	1.3%
Capital Reserve Fund	37,231,200	27,510,000	825,300	28,335,300	(23.9%)
Total Building, Debt Service and Capital Project Funds	210,049,695	156,257,100	825,300	157,082,400	(25.2%)
TOTAL - ALL FUNDS:	\$921,426,430	\$891,026,600	\$32,667,165	\$923,693,765	0.2%

DESIGNATED PURPOSE GRANTS FUND

Federally funded grants are accounted for separately in the Designated Purpose Grants Fund rather than the General Fund. Grant revenue from federal, state and local/private sources are for district costs budgeted to be incurred for specific program purposes.

EXTENDED CHILD SERVICES FUND

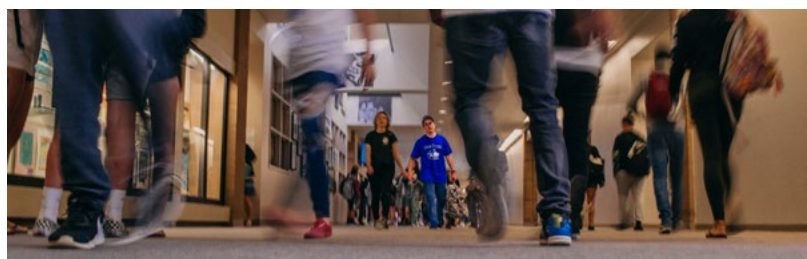
The Extended Child Services (ECS) Fund is used to budget and account for the self-supporting financial activities of Preschool Education, Before and After School, academic and non-academic Summer School recreational and Instrumental Music programs.

PUPIL ACTIVITIES FUND

This fund accounts for the self-supporting financial activities associated with elementary school, middle school and high school extracurricular activities. The sale of athletic and activity tickets, fundraising events, user and club fees and fundraising generates revenue.

FOOD SERVICES FUND

The Food Services Fund accounts for the financial activities related to preparation of school lunches and for the breakfast program.



BUILDING FUND

The Building Fund is used to account for the facility construction expenditures, which are primarily financed by the proceeds of school bond issues.

BOND REDEMPTION FUND

This fund provides for the payment of outstanding principal and interest on the district's general obligation bonds. Property tax revenue is collected during the calendar year, while the expenditures for principal and interest on debt are appropriated for the fiscal year July 1st – June 30th. The principal payments are made on December 15th each year.

CAPITAL RESERVE FUND

The Capital Reserve Fund is used for building repair, major maintenance, and equipment acquisition. It excludes insurance and risk-related expenditures.

DISTRICT OVERVIEW FOR OUR STUDENTS

STAFFING

- ▶ One Certified Staff Member for every 18.75 student FTE
- ▶ Class size reduction - K-3
- ▶ Reading, At-Risk
- ▶ Special Education staffed by formulas based on services provided

- ▶ English Language Learner, Gifted and Talented
- ▶ Full-Day Kindergarten at all Elementary Schools

School supply allocation per student to cover cost of materials

Revenue Sources (All Funds)	(in Millions)
Property Taxes	\$318.62
State Equalization	315.99
Specific Ownership Taxes	24.80
Other Local Revenue	56.40
Other State Revenue	27.29
Federal Revenue	31.52
Transfers In	20.50
Total Revenue & Transfers	\$795.12
Funds Available	\$1,044.42

Budgeted Expenditures & Transfers (All Funds)	(in Millions)
General Fund	\$654.32
Designated Purpose Grants Fund	29.40
Extended Child Services Fund	15.35
Pupil Activities Fund	16.78
Food Services Fund	18.92
Building Fund	69.57
Bond Redemption Fund	59.18
Capital Reserve Fund	27.51
Total Expenditures & Transfers	\$891.03
Appropriated Reserves	\$32.66
Total Appropriation	\$923.69

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 4.8% of General Fund budget. The following table illustrates the level of reserves and the estimated calculation.

FISCAL YEAR 2019-20 (ESTIMATED AT JUNE 30, 2020)

DESCRIPTION	RESERVE AMOUNT	% OF GF BUDGET
TABOR Reserve	\$19,060,000	3.0%
Board Designated Policy Reserve	19,060,000	3.0%
Non-spendable Reserve	1,750,000	0.2%
Committed and Assigned Reserve	9,750,000	1.4%
Unassigned Reserves	11,881,400	1.8%
TOTAL ESTIMATED GENERAL FUND RESERVES	\$61,501,400	9.4%
FY2019-20 GENERAL FUND BUDGET EXPENDITURES & TRANSFERS	\$654,315,600	



“I’m excited for the future of the Cherry Creek School District. We are at a promising moment for the more than 55,000 students currently enrolled, and for our entire community. At Cherry Creek Schools, the demands of an ever changing world are steering our approach to excellence. We’re drawing on a proud tradition of more than 65 years of inspiring students to think, to learn, to achieve and to care and finding a strategy that fits the demands of 21st-century learning.”

SUPERINTENDENT DR. SCOTT SIEGFRIED



Dedicated to Excellence
Cherry Creek Schools