

Building Bright Futures

2024 BOND FUNDING RECOMMENDATIONS

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Important Note: Projects described in this bond plan and the costs associated may vary due to contingencies, changed circumstances, or changed conditions. Bond project cost estimates are based on 2024 cost data and projected inflation, however, costs reflected in this bond plan will likely change. If a specific project or parts thereof become impractical or cost prohibitive, or if excess funds become available through certain efficiencies, certain other projects may be substituted for, or completed in addition to projects shown in this bond plan provided, however, that any such changes shall be approved by the Board of Education based on recommendations from the Mill Bond Oversight Committee and shall be projects contemplated in the Douglas County School District’s Master Plan.

Message from Superintendent Kane



FOLLOW OUR WORK
[dcsdk12.org/funding](https://www.dcsdk12.org/funding)

Here in the Douglas County School District (DCSD), we have so much to celebrate! The Class of 2024 earned more than \$131 million in scholarships. And, 46 of our schools received an award for academic achievement and growth from the Colorado Department of Education. In addition, for the first time in a decade, **DCSD is the top-scoring school district in the Denver/Metro area!** We are one of the only districts in the country to have met or exceeded our 2019 (pre-pandemic) scores in every subject and grade.

LOOKING TO THE FUTURE

As we celebrate the 2023-2024 school year, it's also important to plan for the future. We are faced with growing challenges in our school district, including capital investment for the future and the need for new schools. We are incredibly thankful to the voters of Douglas County who said yes to a Mill Levy Override (5A) in 2023. This has enabled us to pay our teachers and staff more competitively and to further enhance safety and security in our schools. Unfortunately, however, our Bond initiative (5B) was narrowly defeated. Bond funding is critical in ensuring we have safe and comfortable schools for all of our kids (today and in the future).

Not addressing capital investment needs leads to challenges, including the following.

- This year we used \$20M of reserves for emergency capital needs, **however, the backlog is \$300M which will continue to grow by an average of \$35M per year.** One-time reserves are only a temporary solution.
- **Without capital funding, taxpayer dollars will be expended on avoidable and reactive measures** due to aging infrastructure.
- Without new schools in growing communities, we will be forced to **address overcrowding with mobile classrooms and boundary changes** in existing neighborhoods, moving children further away from their own neighborhood schools.

This is why I, along with members of my Cabinet, are recommending to our Board of Education that a Bond be placed on the 2024 ballot.

This document serves as our Bond Plan for 2024. Throughout the pages of this plan are details of how dollars would be utilized should a potential Bond pass in 2024.

Thank you for taking some time to review this plan to learn more about how our school district is funded and about our needs and challenges. More information is also available on our website at www.dcsdk12.org/funding.

Sincerely,

Erin Kane
Superintendent
Douglas County School District

About the Douglas County School District



OUR MISSION

The mission of the Douglas County School District (DCSD) is to provide an educational foundation that allows each student to reach his or her individual potential.

OUR VISION

The Douglas County School District strives to maximize the potential of every student to pursue his or her chosen endeavor in society, including but not limited to postsecondary education, career, or military service.

LEARN TODAY. LEAD TOMORROW.

DCSD has nine school feeders, each featuring amazing preschool, elementary school, middle school, and high school offerings across Castle Rock, Lone Tree, Highlands Ranch, Parker, and neighboring communities. Families can access the educational options within their schools that best meet the needs of their children. DCSD schools offer a safe, supportive, and inclusive environment where students can discover their strengths and talents and develop their unique potential.



Programs include:

- Postsecondary and Workforce Readiness
- Honors and Advanced Placement Offerings
- Concurrent Enrollment (students earn college credits while in high school)
- Career and Technical Education (preparing students to enter the workforce directly after graduation)
- International Baccalaureate programs
- A variety of sports, clubs and extracurricular activities
- Advanced Placement (such as gifted and talented programs)
- Special Education and related services in alignment with the Individuals With Disabilities Education Act (IDEA) and Colorado's Exceptional Children's Education Act (ECEA)
- Early Childhood Education/Preschool
- Before and After School Programs

DCSD is committed to ensuring that all children have access to the support they need to fulfill their potential and pursue their chosen endeavor in society, whether it's postsecondary education, career, or military service.

Proud to be DCSD

DID YOU KNOW?

For the first time in a decade, **DCSD is the TOP scoring district** in the Denver/Metro area!

DCSD is one of the only districts in the country to have **met or exceeded** our 2019 (pre-pandemic!!) scores in every subject and every grade.

DCSD is one of the only school districts in the state to **increase proficiency levels** across all student subgroups.

DCSD is one of the **national leaders** “blurring the lines” between PK-12, higher education and industry.

DCSD was rated number 11 on the list of the 250 **“most envied school districts”** in the country by Test Prep Insight.



What we want for our students

- ✓ **Excellent Schools:** Each school is a point of pride in our community in which all students can explore their passions and develop their academic and essential skills, abilities, agency, and capacity.
- ✓ **College, Career and Service Pathways:** Multiple pathways for students following high school graduation. Create a pipeline of employees for local industry.
- ✓ **Destination District:** An amazing place to work and go to school.



HOW WE GET THERE

We must ensure that our future students have the same opportunities for success as past students have enjoyed.

We can do this by:

- **Building Additional Career and Technical Education Pathways:** Continuing to invest in pathways, setting our students up for success after high school.
- **Upgrading Aging Schools and Facilities:** Keeping school buildings safe and comfortable for students and staff.
- **Constructing and Expanding Neighborhood Schools:** Building and expanding schools in quickly-growing areas of Douglas County to accommodate growth and reduce overcrowding.
- **Upgrading School Safety and Security:** Continuing to update building security to ensure the school district is adopting the latest recommendations and continuously replacing older equipment.



How our schools are funded

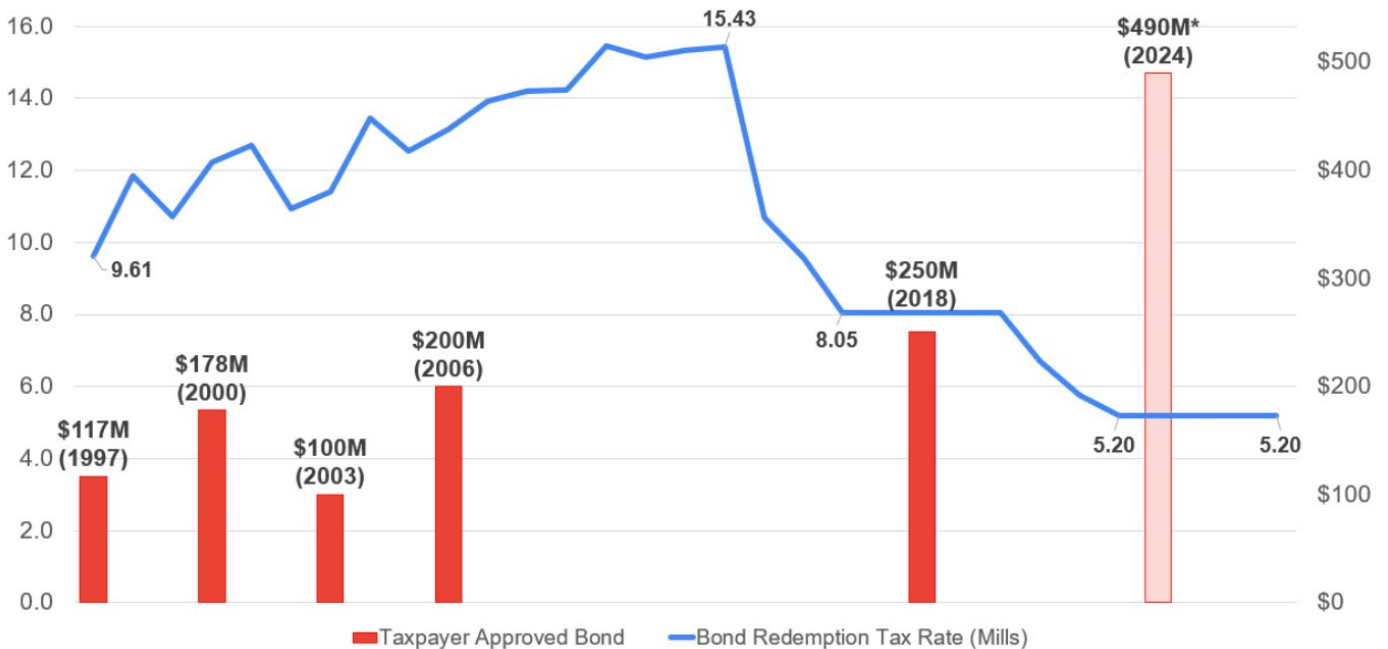
BONDS

Local voter-approved general obligation bonds are used by school districts for capital needs such as constructing new school buildings or additions to existing school buildings, facility repairs and upgrades, security upgrades, classroom equipment, buses, and technology.

The bond passed by Douglas County voters in 2018 enabled DCSD to cover maintenance that had been deferred for many years. However, additional funding is needed to continue to fund maintenance and repairs and to construct new schools in fast-growing areas of the county.

As the school district pays off and restructures debt, the debt payments “step down” in such a way that new debt can be issued (with the approval of taxpayers). Generally, new debt payment fills in the “step down” creating an opportunity to pass new debt without an increase in the mill rate. Because Bonds have not been passed consistently over the years, our school district’s mill rate has ratcheted down dramatically. This current rate is making it challenging to keep up with capital needs.

Taxpayer Approved Debt and Mills Collected for Debt Payments



How new schools are built

Growth DOES NOT pay its own way when it comes to schools.

- **In Colorado, school districts generally have to pass bond initiatives to build schools.**
- Developers are required to provide the land for public schools (but they do not pay for construction of the school building).
- In Douglas County, developers contribute a voluntary “capital fee” for every unit they build.
 - The capital fees are used to cover growth-related expenses (such as mobile classrooms to expand school capacity or adding school zones/crosswalks).
 - Impact fees do not come close to covering the cost of schools (an elementary school is \$60M, a joint middle-high school is \$300M)
- Our county supported seven bonds from 1984 to 2006 in order to build neighborhood schools, the last of which was built in 2010.

Areas of declining enrollment

Douglas County is experiencing decline in some areas.

- Unfortunately, we cannot move schools from areas of decline to areas of growth.
- Continuing to bus students from new communities to existing communities is causing overcrowding, long bus rides for young children and will eventually mean changing boundaries and moving families away from their closest school.
- DCSD is in the process of community engagement and policy development to pair some schools in Highlands Ranch starting in the 2026-2027 school year which will result in additional opportunities for students and more efficient use of funds.
- The bond proposals include funds to improve the destination schools of the paired communities.
- DCSD still needs any future unused school buildings for special education programming and other educational purposes.



Staff recommendations

Option One

\$490 MILLION

Career and Technical Education, Safe and Adequate Learning Spaces for Students and Staff

The bond would be an investment in school safety and security upgrades; Career and Technical Education opportunities for students; and updating, maintaining, equipping, replacing and constructing educational facilities consistent with the district bond plan to provide safe and adequate learning spaces for students and staff, and to reduce overcrowding.

Neighborhood School Construction	\$150M
Capital Renewal and Replacement	\$179M
Transportation	\$8.3M
Growth and Decline	\$20M
Security	\$10M
Career and Technical Education	\$38.2M
Special Education	\$15.3M
Information Technology	\$20M
Athletics and Activities	\$12M
Bond Fees and Contingency	\$37.1M
Total Bond for the Entire District	\$490M

Neighborhood School Construction

New neighborhood elementary schools and an expansion to one existing middle school are needed to accommodate growth.

Neighborhood Elementary School for Sterling Ranch/Solstice	\$60M
Neighborhood Elementary School for RidgeGate	\$60M
Sierra Middle School Expansion	\$30M
Total Neighborhood School Construction	\$150M

Capital Renewal and Replacement

Investments in maintaining the school district's 112 buildings (\$30M-\$35M/year) for 3-5 years.

District Educational Facilities Capital Maintenance	\$158.5M
Charter School Facilities Capital Maintenance	\$14M
Emergency Capital Maintenance Allowance	\$3M
LED Upgrades District-Wide	\$3M
Playground Upgrades	\$0.5M
Total Capital Renewal and Replacement	\$179M

DCSD's 2023-2024 Master Capital Plan estimates the district's capital needs will be \$800M - \$920M over the next five years.

Transportation

Responsible upkeep and replacement of vehicles.

School Bus Replacement	\$4.6M
Support Fleet Vehicle Replacement	\$3.7M
Total Transportation	\$8.3M

Growth and Decline

Responding to growth and decline challenges via facility modifications.

Facility Modifications	\$20M
Total Growth and Decline	\$20M

Security

Continuing to update building security to ensure the school district is adopting the latest recommendations and continuously replacing older equipment.

Security Equipment Replacement/Upgrades	\$3.1M
Radio Communication Upgrades	\$3M
Building Upgrades	\$3.9M
Total Security	\$10M

Career and Technical Education

Investments in Career and Technical Education (CTE) offerings for students to improve student access and better meet demand for programming.

Legacy Campus Phase II (6 new CTE pathways)	\$25.2M
Cosmetology Program Expansion (DCHS)	\$4M
Automotive CTE Program Expansion (HRHS)	\$9M
Total Career and Technical Education	\$38.2M

Special Education

Investments in Special Education facilities, school buses and center-based programming.

Specialized Career and Technical Education Capital Improvements	\$2.5M
Additional Center-Based Programming	\$5M
Student Support Center (Parker) Phase III	\$2.1M
Replacement of Special Education School Buses	\$4.7M
Special Education/ADA-Related Improvements	\$1M
Total Special Education	\$15.3M

Information Technology

Investment in regularly refreshing staff and student information technology devices.

Staff and Student Device Refresh	\$20M
Total Information Technology	\$20M

Athletics and Activities

Investment in upgrading athletic and auditorium facilities.

Athletic Facilities Upgrades	\$10.4M
Auditorium Upgrades	\$1.6M
Total Athletics and Activities	\$12M

Bond Fees and Contingency

Contingency (either Bond, Bond Premium, and/or Bond Interest)	\$16.3M
Bond Management Staff and Contractors	\$17.5M
Bond Fee	\$2.4M
Software	\$0.9M
Total Bond Fees and Contingency	\$37.1M

Cost to taxpayers

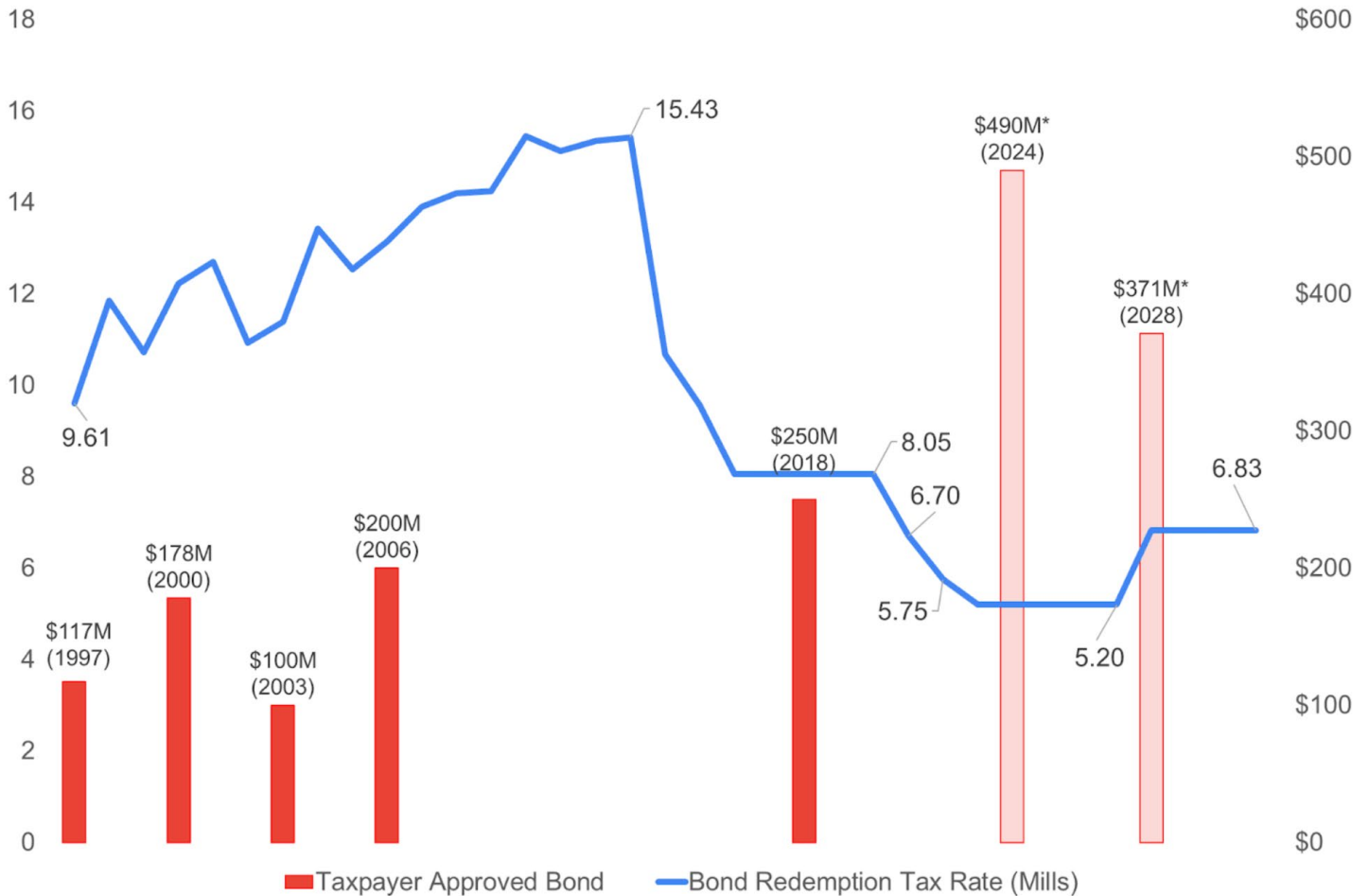
Option One

A \$490M bond would not increase current tax rates.

COST TO RESIDENTS

- Current mill rate will remain the same.
- Homeowners will not see a property tax increase.

To complete the Master Capital Plan (1-5 years), the next bond would be a tax increase of 1.6 mills*.



*Calculations assume 2% annual increase in assessed value and 2% per year inflation; the average home in Douglas County is \$780K.

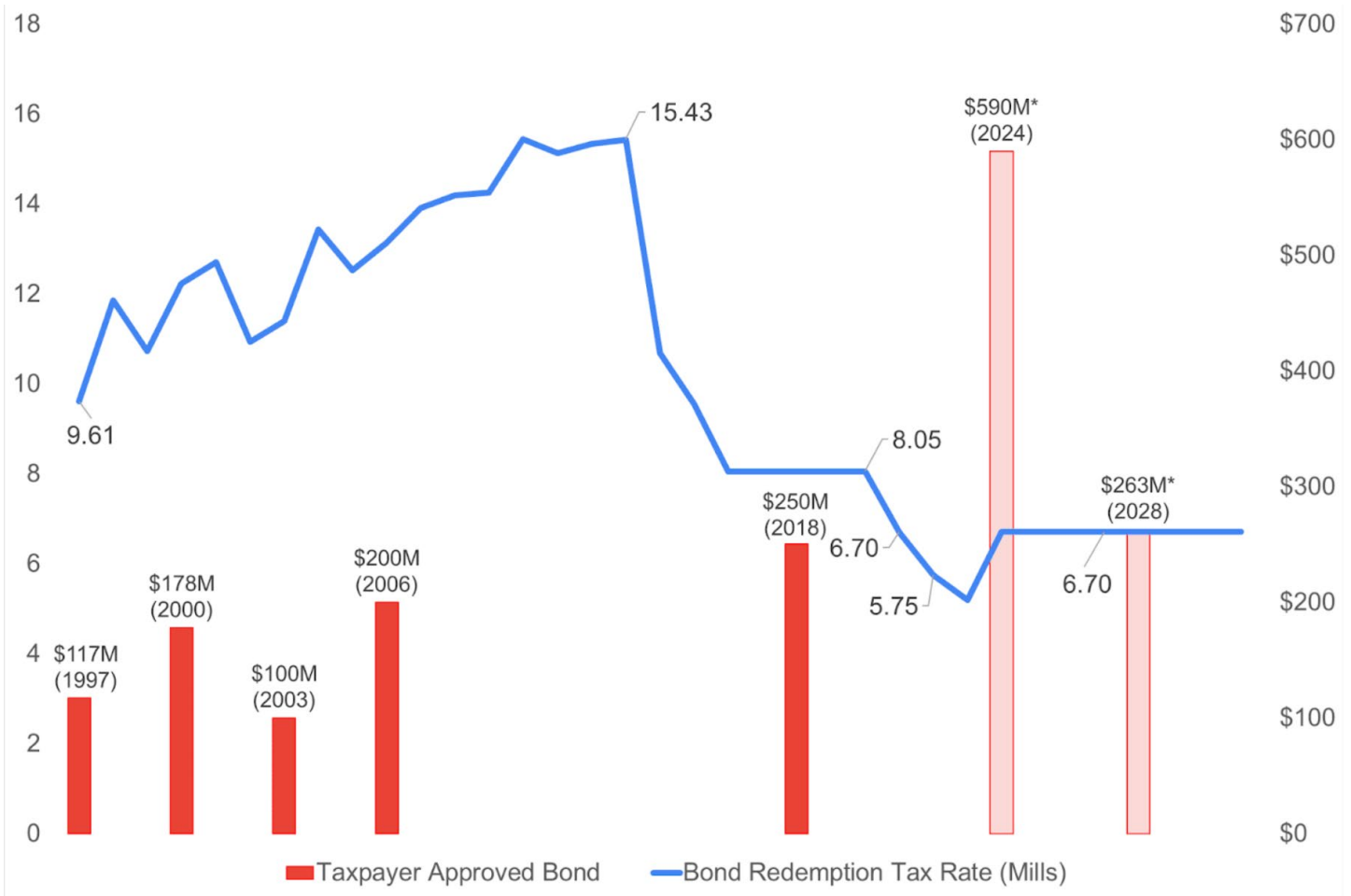
Option Two

A \$590M bond would result in an expected increase of approximately 1.5 mills.

COST TO RESIDENTS

- Current mill rate would increase by approximately 1.5 mills.
- For an average home valued at \$780,000 the cost would be \$73 per year or \$6 per month.

To complete the Master Capital Plan (1-5 years), the next bond would be a zero tax increase*.



*Calculations assume 2% annual increase in assessed value and 2% per year inflation; the average home in Douglas County is \$780K.

Accountability/Transparency

MILL BOND OVERSIGHT COMMITTEE (MBOC)

The Douglas County School District has a Mill Bond Oversight Committee (MBOC) made up of citizens from across our community. The MBOC meets regularly to monitor the progress of the improvements and programs being implemented and ensure that MLO/Bond expenditures are in alignment with ballot language approved by voters. The MBOC is looking for new members – if you are interested in volunteering your time to be part of the important committee, visit the [MBOC page](#) on our website.

FISCAL RESPONSIBILITY

DCSD's Budget and Accounting departments work to provide accurate financial budgeting, reporting and analysis to DCSD leadership and community stakeholders, as well as the Federal and State government, on a timely basis.

Our goal is to ensure that we are using our resources as effectively as possible for our students, schools and community.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)

DCSD received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its annual budget document for the fiscal years beginning July 1, 2004 through 2010, and 2014 through 2017. In order to qualify for this award, the government's budget must be judged proficient as a policy document, a financial plan, an operations guide and a communications device. The District's budget documents for the budget years beginning July 1, 2011 through 2013 and for the budget years beginning July 1, 2018 through 2023 were not submitted for awards due to needs identified by the GFOA review for the fiscal year 2018 budget submittal and beyond.

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL (ASBO)

DCSD's 2014-2015 and 2019-2020 budget documents received the Meritorious Budget Award from the Association of School Business Officials International (ASBO). The District's budget documents for 2020-2021 were not submitted for awards due to staff capacity as a result of COVID-19. The 2021-2022 and 2023-2024 budget documents again received the Meritorious Budget Award from ASBO and the District intends to submit the 2024-2025 budget document for award consideration.

DCSD'S BOND RATING

Moody's – Aa1 General Obligation Bond Rating

- Obligations rated Aa1 are judged to be of high quality and are subject to very low credit risk.
- DCSD continues to maintain healthy reserve levels, although this level is dependent upon the passage of mill levy overrides to supplement state funding.
- The Aa1 credit rating qualifies DCSD for a low interest rate in all borrowing, thus saving taxpayers money.

How each school would benefit

PROJECT LIST BY SCHOOL

[View \\$490M option](#)

[View \\$590M option](#)

