

Discover a World of Opportunity™

SCHOOL BUDGET UPDATE PLANNING FOR 2018-19

Tom Boasberg, Superintendent
Susana Cordova, Deputy Superintendent
Mark Ferrandino, Chief Financial Officer

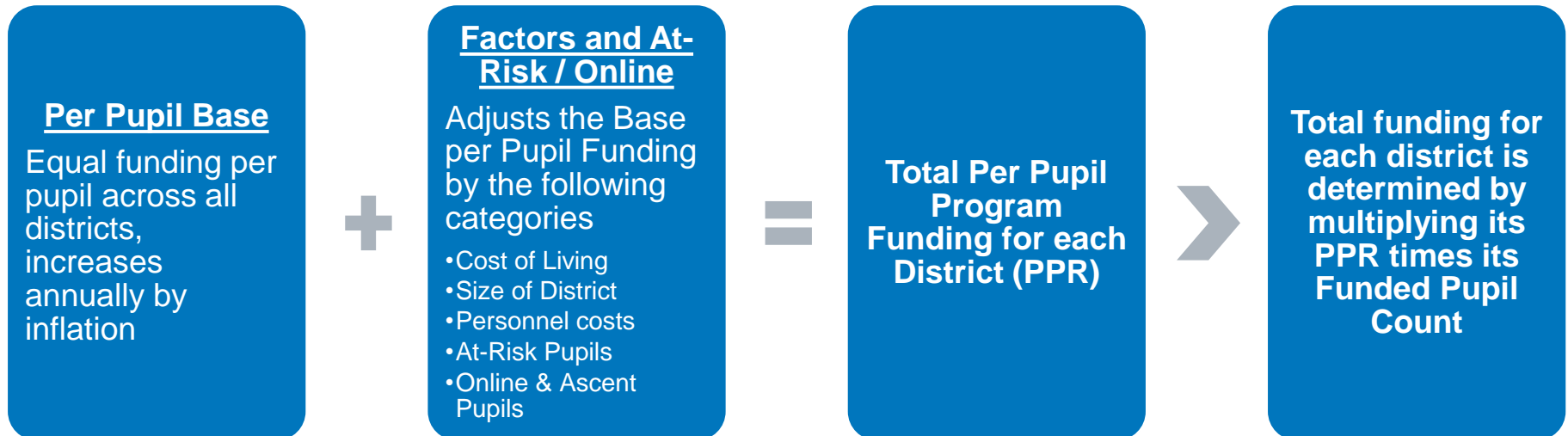


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DPS SOURCES OF FUNDS

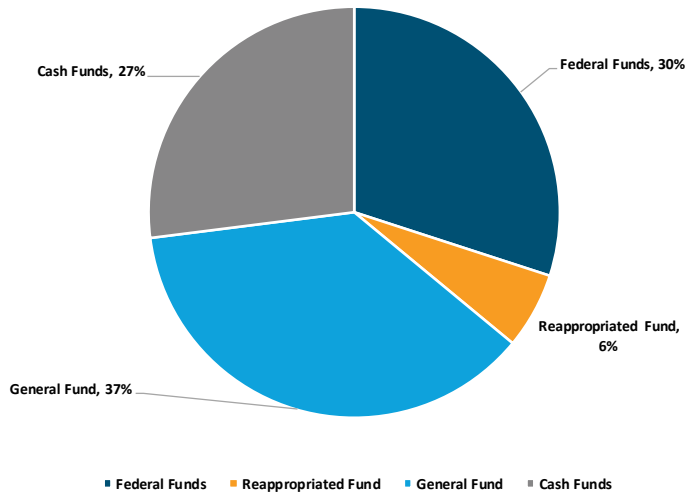
K-12 FUNDING FORMULA

- Amendment 23 and the Colorado School Finance Act outlines the Total Program Funding formula used to determine a per-pupil funding level for each school district
 - The Total Program Funding includes a base amount plus additional factors that vary by district and compensate for financial differences among districts such as cost of living, size of the district, and personnel costs
 - In addition to these factors, additional funding is allocated for At-Risk and Online pupil counts

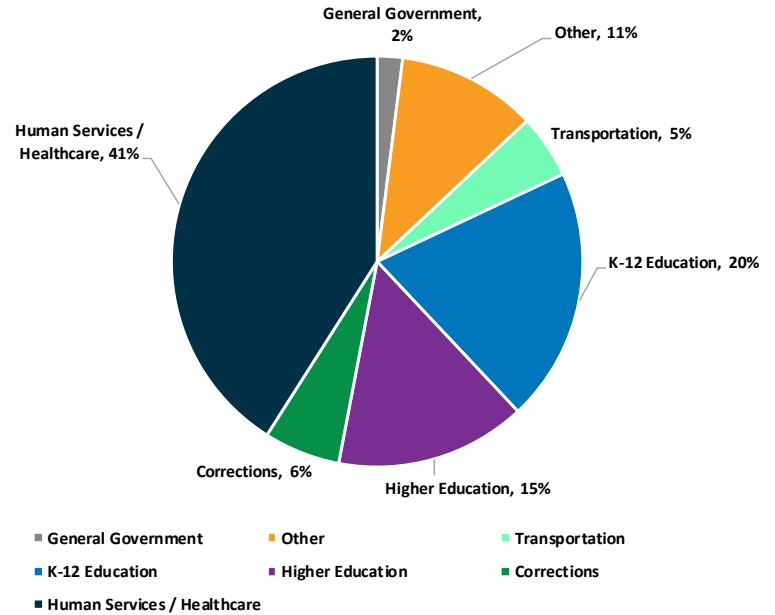


STATE BUDGET

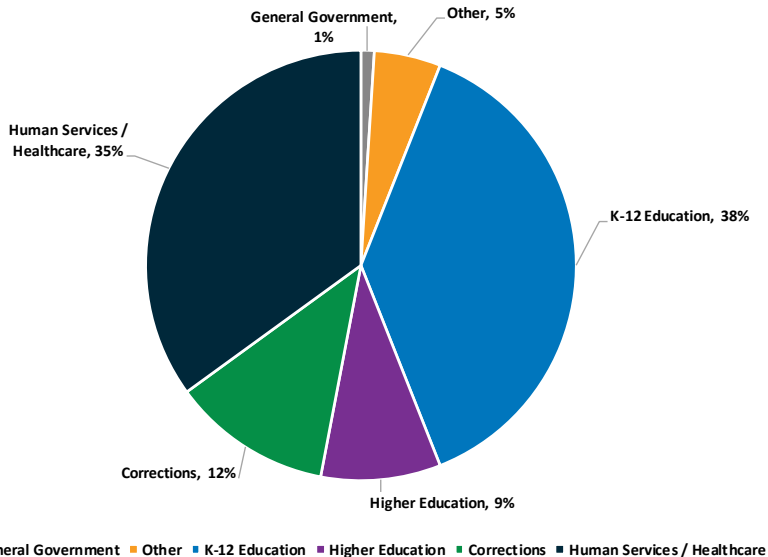
Colorado State Budget Funds



Colorado State Budget Expenditures - All Funds



Colorado State Budget Expenditures - General Fund



K-12 Education accounts for 20% of all State funding, but more than 38% of the General Fund

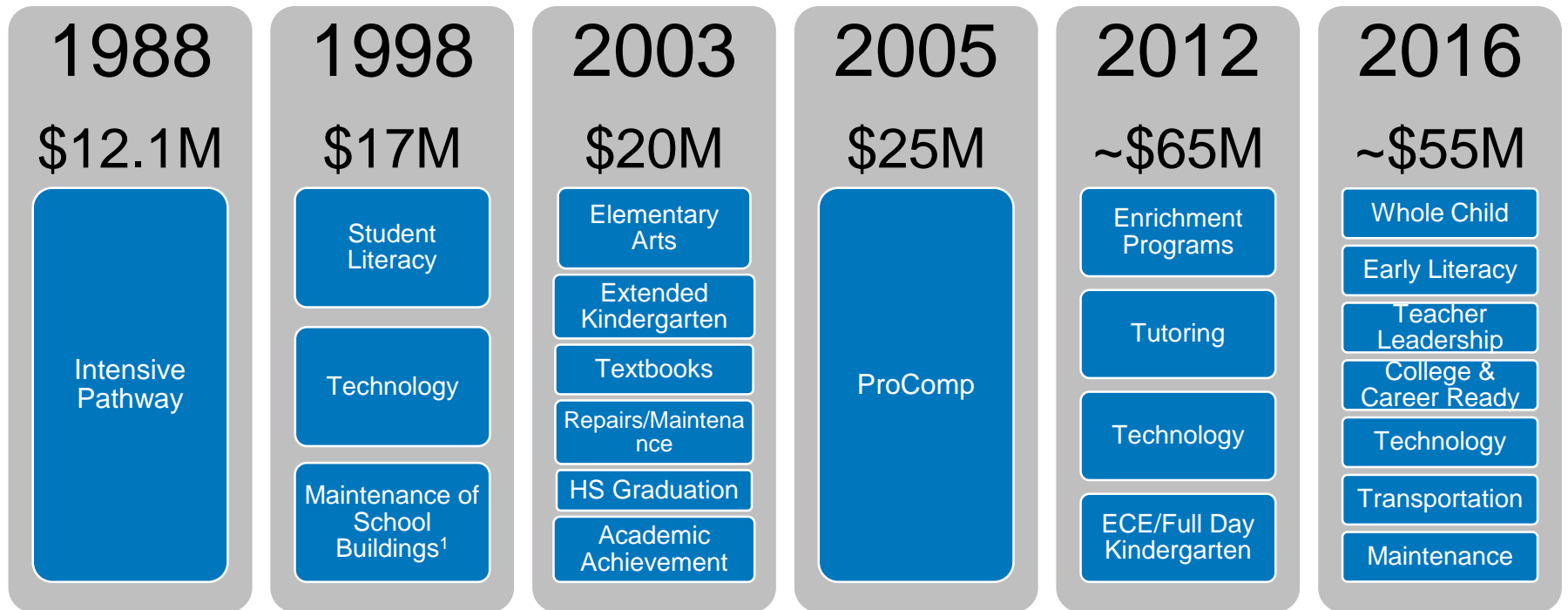
WHAT IS A MILL LEVY?

Local Property Tax Revenue Background

- A “mill” is a tax applied to a property’s assessed valuation
 - The City and County of Denver assess the value of all properties every other year
- Mill Levy amounts are calculated based on the amount of taxes available to collect and Denver’s Assessed Valuation
- Must be certified by the DPS Board of Education each year by December 15th and sent to City and County
- DPS Local Property Tax Revenue includes Mill Levies for:
 - School Finance Act (SFA): 25.41 mills annually determined by School Finance Act
 - Overrides: in addition to the School Finance Act, Overrides can be approved by local voters to raise additional property tax revenues for designated operating expenses
 - By statute, Override mill levy revenue cannot exceed 25%¹ of Total Program revenue
 - Tax Abatement: amount designated by the City and County; based on taxes collected from prior year adjustments, specifically previously uncollectable taxes and property value appeals
 - Bond Redemption: amount to pay voter approved General Obligation Bond debt service payments

¹ 25% plus a flat \$ Cost of Living increase applied in FY01-02

DPS MILL LEVY OVERRIDES



Key Consideration

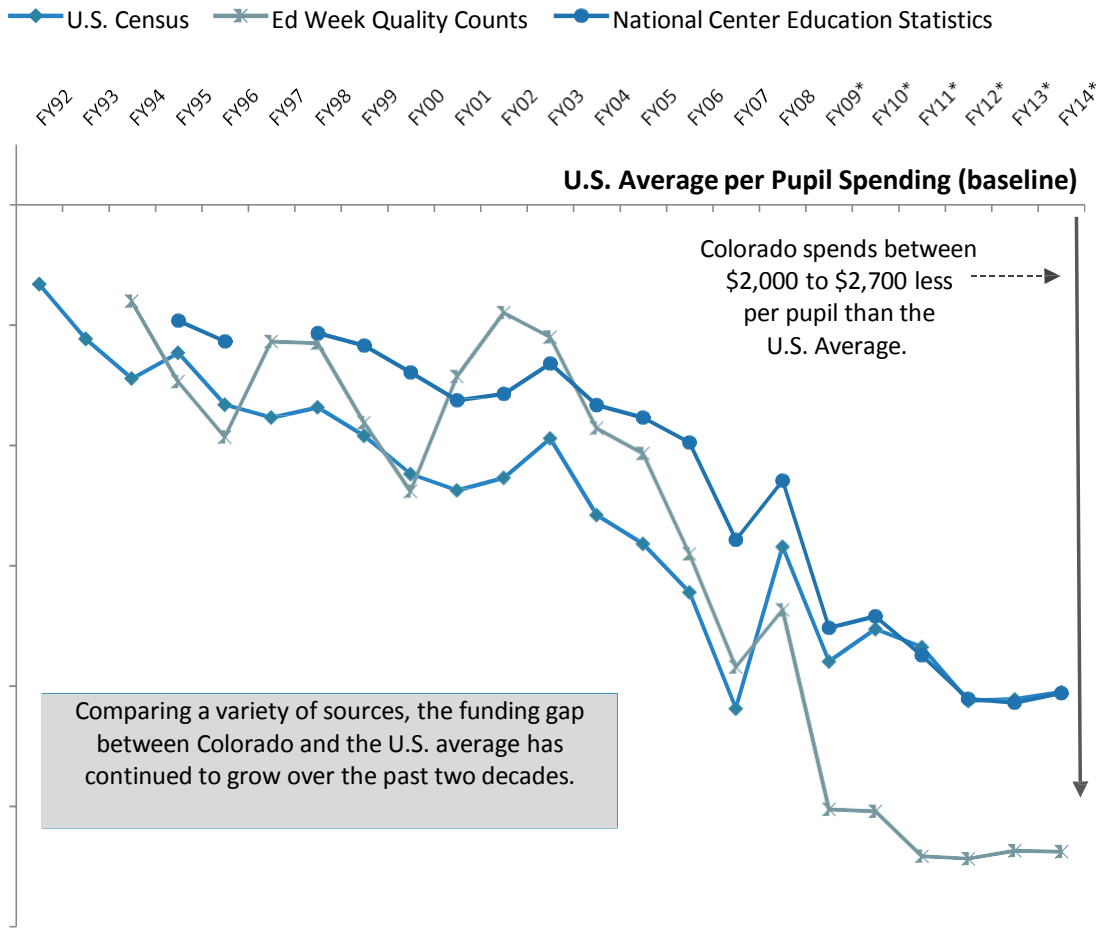
- Mill Levy Override funds are provided directly to school budgets or, in some cases, managed centrally to provide direct services to schools.
- Schools must use funding in accordance with the ballot language and board-approved resolutions. DPS provides charter schools a per student share of eligible Mill Levy Override funding as long as those funds are used as intended.

1. Charters in DPS facilities benefit from this allocation in the same way as district-run schools

COLORADO VS NATIONAL AVERAGE

K-12 Per Pupil Spending

Comparing Colorado to U.S. Average - Trends in Per Pupil Spending
FY 1991-92 to FY 2013-14



For over twenty years, the per pupil spending gap between Colorado and the U.S. average has continued to grow. In the early to mid-90's the gap was less than \$500 per student. By 2013-14 the gap increased to between \$2,000 to \$2,700 per pupil.

Audited data from U.S. Census, Quality Counts, NCES
Chart: Colorado School Finance Project
April 2017

* Negative Factor (mechanism to reduce funding) incorporated in School Finance Act



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DPS USE OF FUNDS

DISTRICT WIDE USE OF FUNDS

The 6 Cost Centers are as follows:

Principal Managed: includes all Principal managed & SBB expenditures and ProComp

Centrally Budgeted School Expenditures & School Support: includes expenses not managed by principals but predominately consists of school based employees that support schools & students directly; i.e. Textbooks, Career Tech Ed, Paid Leaves for Teachers, Principal Performance Compensation, Library Services, Unassigned Teachers, Student Board of Education, Portfolio Management, HR (Recruitment, Teacher Leadership management), FACE, Pupil Records, Assessments, CELT

Center Programs & SEO Services: excludes school based expenses like Mild Moderate teachers, Psychologists, and Social Workers. All Center Programs and Severe Needs are included

Operations: includes Facility related expenses for Utilities, Custodial, Maintenance, Property & Workers Compensation Insurance and other operational costs such as Transportation, Technology Services, and others.

Central: includes Office of Superintendent, Instructional Superintendent team, Legal, Communications, Finance, Planning & Analysis, Accounting, Purchasing, Payables, Payroll, Labor Relations, Grants, Board of Education, Chief Operating Officer

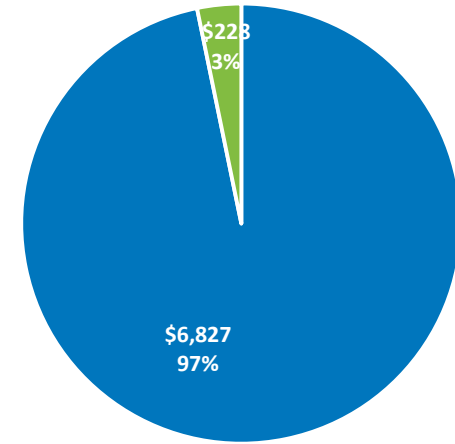
DISTRICT WIDE USE OF FUNDS

Cost Center (in millions)	Total FY17-18 Budget	% of Total Budget	K-12 Per Student Expenditure
<u>School Support</u>			
Principal Managed Resources	\$ 476	62%	7,063
Operations	\$ 118	15%	1,745
Centrally Budgeted School Expenditures & School Supports	\$ 115	15%	1,708
Center Programs & SEO Services	\$ 31	4%	463
<u>Central</u>	\$ 33	4%	497
Grand Total	\$773	100%	11,476
K-12 Projected Students	67,335		

- 96% of expenditures support students with 4% funding Central/Headquarters
 - Nearly all funds directly support students through principal managed, centrally budgeted school expenditures & school supports and center programs & other SEO costs
 - By allocating the vast majority of the 2016 Mill Levy Override directly to schools, central administration decreased from 5% in FY16-17 down to 4% in FY 17-18
- DPS plans to spend ~\$11.5k per K-12 student in 2017-18
- Includes all K-12 district managed General Fund and ProComp expenditures
 - Excludes all Charter expenses and ECE expenditures
 - Excludes all Federal & Private Grants, Capital/Bond, Food Service, and Other Funds
 - All Charter portions of Central, Center Programs and Operations adjusted

SCHOOL USE OF FUNDS PER STUDENT

Category	\$ Per Student	Percent
Instructional	\$ 3,848	54%
Leadership & Community Support	\$ 986	14%
Art & PE	\$ 502	7%
Student Supports	\$ 472	7%
Teacher PD	\$ 410	6%
Mild Moderate	\$ 353	5%
Instructional Tutoring / Intervention	\$ 296	4%
Library & Tech	\$ 196	3%
Total	\$ 7,063	100%



■ Compensation ■ Non-Salary

- Of the \$7,063 per student managed by school leaders (demonstrated on previous slide), Principals use 97% of their school student based allocation to fund staff
- Schools use the principal managed budget overwhelmingly to fund instructional staff (generally classroom teachers ~ 50%)
- Leadership & Community include the principal, administrative staff, community liaisons and other expenses for the general administration of the building
- Student Supports include Whole Child qualifying expenses such as psych, social work, nurse, counselors and other eligible expenses
- Summary is an average of all DPS District Managed Schools; Charters excluded

DPS SPENDING TREND

General Fund Only	FY13-14 Amended Budget Total	FY14-15 Amended Budget Total	FY15-16 Amended Budget Total	FY16-17 Amended Budget Total	FY17-18 Adopted Budget Total	FY13-14 vs FY17-18 CAGR
Schools						
Total School Per Pupil	\$6,149	\$6,334	\$6,514	\$6,822	\$7,501	5.1%
Departments						
Leadership, Teaching & Learning						
Academic and Innovation Office	\$535	\$601	\$537	\$495	\$452	(4.1%)
Student Equity and Opportunity	\$498	\$514	\$546	\$505	\$525	1.3%
Chief Schools Office	\$519	\$582	\$626	\$633	\$546	1.3%
Total Leadership, Teaching & Learning	\$1,553	\$1,697	\$1,708	\$1,632	\$1,524	(0.5%)
Operations						
Transportation	\$260	\$257	\$272	\$289	\$302	3.9%
Department of Technology Services	\$189	\$179	\$189	\$182	\$183	(0.8%)
Facilities Services	\$734	\$736	\$748	\$763	\$811	2.5%
Financial Services	\$365	\$315	\$221	\$216	\$223	(11.6%)
Office of the COO & Other	\$144	\$165	\$158	\$157	\$226	11.9%
Total Chief Operating Officer	\$1,691	\$1,652	\$1,587	\$1,607	\$1,745	0.8%
Total Human Resources	\$108	\$148	\$212	\$302	\$295	28.5%
Other Central Department Services	\$131	\$133	\$175	\$174	\$177	7.9%
Total Departments	\$3,482	\$3,629	\$3,682	\$3,715	\$3,741	1.8%

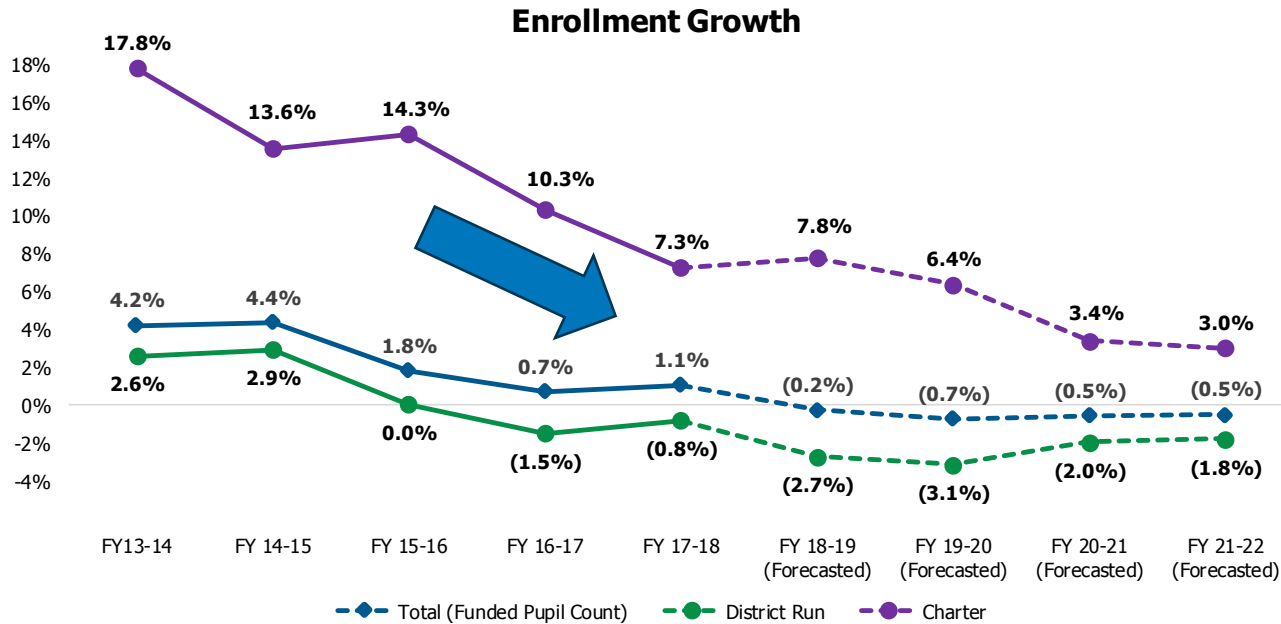
- School budgets have increased by an average of 5.1% per year over the period from FY 13-14 to FY 17-18 on a per pupil basis while Department budgets have increased less than 2%
- Much of the increase from FY 2016-17 to FY 2017-18 for both schools and some departments is due to the implementation of the 2016 Mill Levy Override
- HR increase primarily due to increased payments to teachers through Teacher Leadership & Collaboration



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DISTRICT WIDE FINANCIAL OUTLOOK

FINANCIAL DRIVERS



ENROLLMENT

- DPS is expected this fall to see our first enrollment decline since 2004; enrollment declines are likely through at least 2021-- and this impacts our budget, which is based largely on per-pupil funding we receive from the state.
- Lower birth rates and rising housing costs have resulted in a decline in the number of school-aged children
- This ends a period of rapid growth that produced a 32% increase in students since 2004

STATE & FEDERAL BUDGETS

- Downward pressure from re-assessment of residential property taxes could impact the state's willingness to fund K-12 education in future years
- Changes in census poverty rates could result in declines in federal funding to Denver through Title programs, especially Title I
- Adjustments to PERA employer and employee contribution rates could impact DPS budget in upcoming years

POVERTY

- As the Denver economy has improved, we are seeing a change in the number of Free & Reduced Lunch eligible students

*Excludes ECE enrollment

5-YEAR FORECAST – INCLUDING RECOMMENDED REDUCTIONS

Assuming \$3.5M of Reductions to Base Expenses

	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Revenue						
Total Program Revenue Baseline ¹	\$952,989	\$978,937	\$1,007,139	\$1,028,519	\$1,047,224	\$1,063,814
Change in Formula Revenue	\$30,758	\$21,639	\$15,258	\$14,864	\$13,080	\$17,022
Change in 2012 & 2016 MLO	\$6,788	\$4,529	\$5,551	\$5,418	\$4,231	\$4,263
Tuition & Other Revenue Increases	(\$11,599)	\$215	\$1,258	\$1,343	\$1,054	\$1,054
Total Program Revenue	\$978,937	\$1,005,321	\$1,029,206	\$1,050,145	\$1,065,589	\$1,086,152
Expense						
Expense Baseline ²	\$922,176	\$992,272	\$1,016,171	\$1,036,443	\$1,052,654	\$1,069,784
Enrollment and Purchasing Power Expense Changes	\$25,119	\$22,395	\$18,295	\$14,098	\$14,557	\$15,267
DCTA New Compensation Agreement	\$4,713	\$0	\$0	\$0	\$0	\$0
Teacher Leadership & 2016 MLO programs	\$37,032	\$3,533	\$1,105	\$1,207	\$1,144	\$926
Mill Levy Equalization	\$1,132	\$1,381	\$373	\$406	\$429	\$0
Grant Cliffs	\$0	\$0	\$0	\$0	\$0	\$0
Footprint Expansion	\$1,611	\$602	\$0	\$0	\$0	\$0
Centrally Managed Programs	(\$11)	(\$4,512)	\$0	\$0	\$0	\$0
Total Expense	\$991,772	\$1,015,671	\$1,035,943	\$1,052,154	\$1,068,784	\$1,085,978
Net Change in Fund Balance	(\$12,835)	(\$10,350)	(\$6,737)	(\$2,010)	(\$3,196)	\$174
Fund Balance	\$ 109,683	\$99,333	\$92,596	\$90,586	\$87,390	\$87,565
10% of Revenue	\$97,894	\$100,532	\$102,921	\$105,014	\$106,559	\$108,615
Fund Balance remaining to 10% of Revenue	\$11,790	(\$1,199)	(\$10,324)	(\$14,428)	(\$19,168)	(\$21,050)

¹ Includes all General Fund revenue sources (Program Funding, Specific Ownership Taxes, ECE Tuition and Mill Levy Overrides)

- \$3.5 of reductions are noted in "Centrally Managed Programs" and are in addition to \$1M of reductions already assumed

STATE OF THE STATE

Overall Economic Update

- Colorado's economy is one of the strongest in the nation and economic growth is expected to continue at a moderate pace through 2019
- Unemployment remains strong at 2.7% across the state and will continue to stay low due to the increasingly tight labor force
- Federal tax reform (Tax Cuts and Jobs Act) is expected to increase State revenues over current projections, however, will continue to be under the TABOR Referendum C cap for the near future
- Residential assessment rate is expected to drop from 7.2% in FY 2018 to 6.11% in FY 2019

Budget Impacts

FY 2017-18

- Decrease of State Equalization expense from Adopted Budget of \$110M
- \$12.9 attributable to lower than forecasted pupil counts
- \$97M attributable to higher local share (property tax collected)
- Governor's proposed supplemental budget includes \$12.9M for additional K-12 funding or less than 12% of the additional funds available, while continuing to withhold more than \$850M of funding from Colorado schools annually

FY 2018-19

- December Governor's budget request (proposal) for 2018-19 released Jan 2:
- Increases funding for K-12 education by enrollment and inflation
- Increases categorical expenses by inflation
- Reduces the Budget Stabilization Factor (Negative Factor) by \$100M
- \$30M increase over previous proposal (December 2017)
- Likely tied to proposed PERA changes that increase contribution rates for both employees and employers (see next slide)

PROPOSED PERA CHANGES

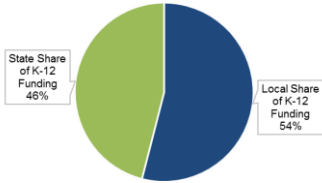
In an effort to help improve PERA's risk profile and funding status, Colorado PERA is preparing to make a recommendation to the State Legislature in the 2018 legislative session that will impact all PERA membership. The recommended changes include:

1. Increase member and working retiree contribution rates by 3%, from 8% to 11%
 - Impact of over \$20M from district-run and charter school employee take-home pay
2. Increase employer contribution rates by 2%
 - Increase of ~\$12M to district expenditures, and ~\$1.5M to charter schools
3. Redefining PERA-includable salary from net pay to gross pay, including payments made to employees for health insurance coverage & benefit programs
 - DPS pays over \$52M annually in flex benefits to employees which would now be subject to the employee and employer contribution rates
 - Impact of over \$5M from employees net pay
 - Increase of \$11M to district expenditures
4. Additional reductions to benefit payouts for current and future retirees, including:
 - Reducing the Annual Increase from a cap of 2% to a cap of 1.5%
 - Suspending the Annual Increase for 2 years
 - Change Annual Increase waiting period from 1 year to 3 years
 - Increasing the Highest Average Salary calculation used for annual benefit eligibility calculation from 3 years to 5 years

IMPACT OF GALLAGHER AND TABOR

K-12 Education Funding

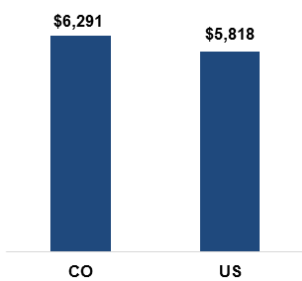
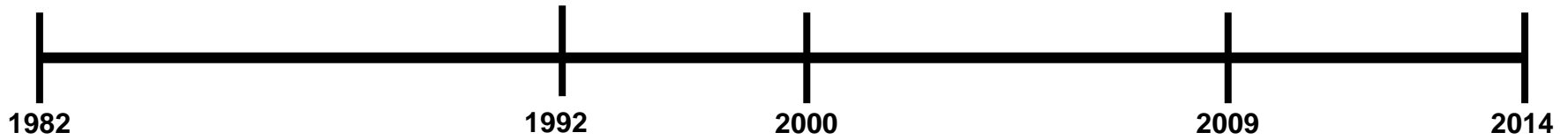
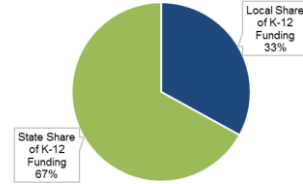
Gallagher Amendment passes maintaining a proportional relationship between revenue raised from business and residential property taxes (55% / 45%)



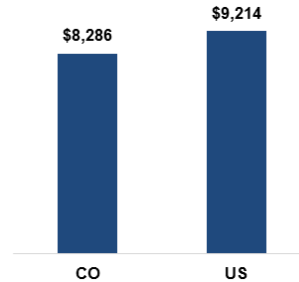
TABOR passes establishing limits on revenues and the ability of elected officials to increase revenue or change property assessment rates

Amendment 23 passes establishing minimum increase in "base" per pupil funding by at least the rate of inflation and with the goal of catching K-12 funding up to 1988-89 levels adjusted for inflation

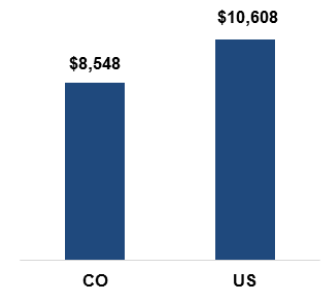
Due to the declining local dollars and lower state revenues as a result of the Great Recession, Legislators introduce the "negative factor" reducing K-12 funding by ~\$1B per year



In the early 1980s Colorado spent ~\$500 more per student than the national average



By 2000, Colorado was spending ~\$900 less per student than the national average



The latest figures show that Colorado spends ~\$2,500 less per student than the national average

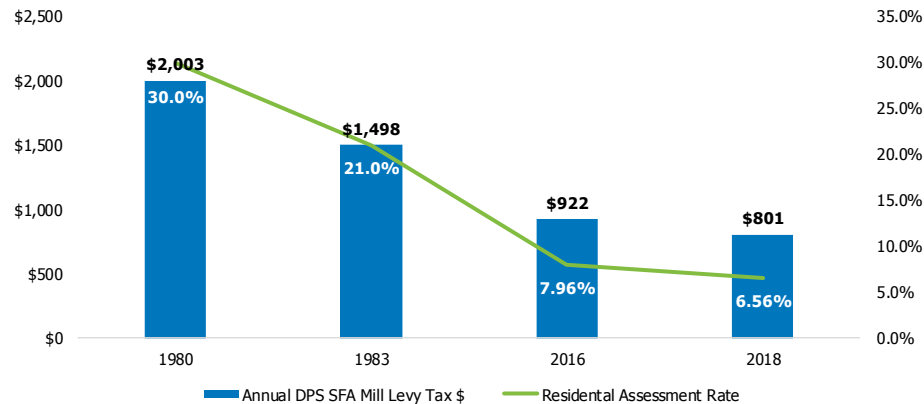
Source: Colorado Fiscal Institute

IMPACT OF GALLAGHER AND TABOR

Property Taxes

- The Gallagher Amendment, passed in 1982, fixes the ratio of taxes collected from Commercial and Residential property at 55% and 45% respectively
 - Fixed the assessment rate for Commercial property at 29% meaning the residential assessment rate is adjusted to maintain the overall ratio
- TABOR, passed in 1992, requires that voters need to approve all tax increases including the residential assessment rate
 - The combined effect of Gallagher and TABOR has reduced the assessment rate on Residential property from 30% in 1980 to an estimated 6.56% for 2018

Impact of Gallagher and TABOR on Residential Assessment Rates and DPS Funding



	1980	1983	2016	2018
Average Assessed Value in 2018 dollars ¹	\$137,572	\$130,894	\$235,075	\$249,100
Residential Assessment Rate	30.0%	21.0%	7.96%	6.56%
2017 Denver Public Schools Mills ²	48.54	54.50	49.28	49.04
Annual DPS SFA Mill Levy Tax \$	\$2,003	\$1,498	\$922	\$801
Percent of Assessed Value Invested in DPS	1.46%	1.14%	0.39%	0.32%

Average Assessed Value in 2018 dollars¹

Residential Assessment Rate

2017 Denver Public Schools Mills²

Annual DPS SFA Mill Levy Tax \$

Percent of Assessed Value Invested in DPS

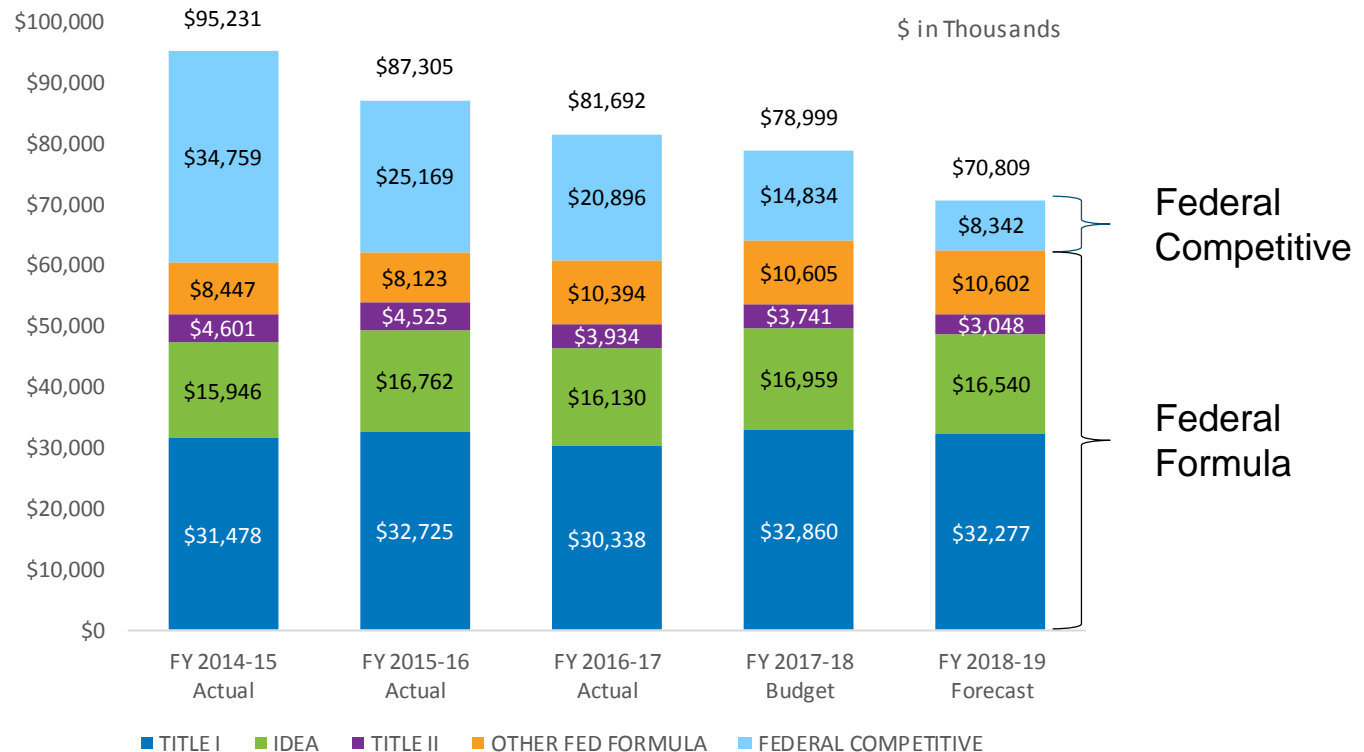
¹Assumes 2018 ratio between home price and assessed valuation of ~65% remains constant across all years

² 2016 and 2018 include the implied Mills required to cover State Equalization and excludes all Mill Levy Overrides

- Since 1980, Gallagher and TABOR have resulted in the implied share of a homeowner's value invested in DPS has reduced more than 78% from 1.46% to 0.32%

CHANGES TO FEDERAL FUNDING

FY 2014-15 to Projected FY 2018-19



- FY 2018-19 Federal funding projected to decrease 10% YOY
- \$6.5M reduction in competitive funding includes:
 - Cliffs in TIF/TQ, Career Connect, I3, and 21st Century totaling \$4.7M
 - Decrease of \$1.2M in School Improvement Grants due to changes in federal accountability
- Demographic changes reduce Formula funding by \$1.9M
 - Additional \$3.0M potential decrease if Title II is eliminated

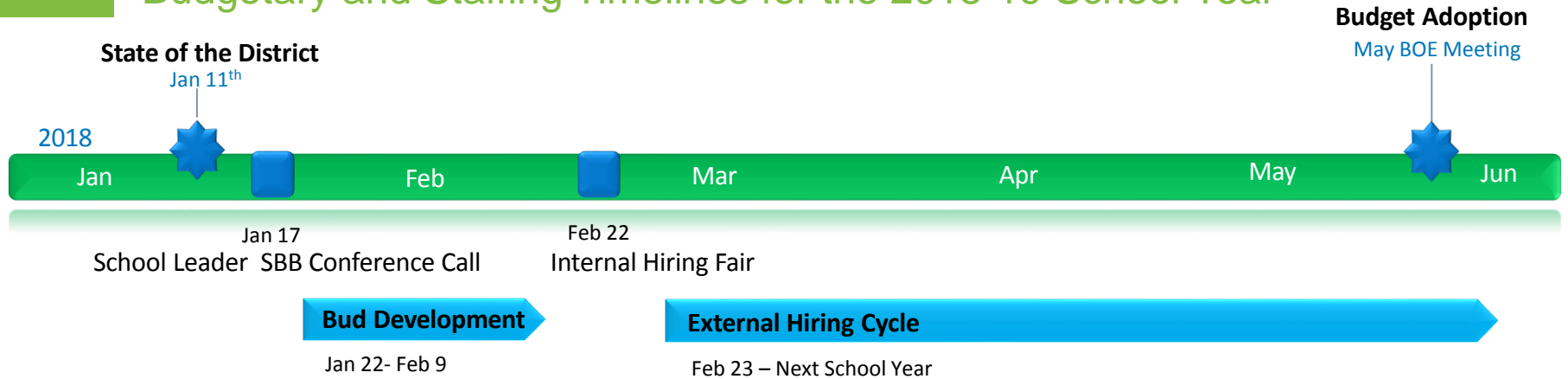


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FY 18-19 PROPOSED SCHOOL BUDGET CHANGES

SCHOOL TIMELINES

Budgetary and Staffing Timelines for the 2018-19 School Year



- School Leaders develop budgets for the upcoming year in late January and early February so that DPS can be the first school district hiring school positions
- During the State of the District presentation, the financial outlook and programmatic priorities for the upcoming school year are summarized & discussed with the Board of Education
- The Board of Education is scheduled to adopt the budget in May. By that time, School Leaders and Department leaders will have already created their budgets for the upcoming year and will be hiring for vacant or new positions on their teams

IMPROVEMENTS TO SCHOOL BUDGETING

Positive Changes for Schools Leaders & Students Each Year



- Funds Follow Students
- Fund our Highest Priorities
- Increase Flexibility
- Transparency to School Leaders & Community
- More Predictability

SBB Formulas and Base Allocations

- Increase Base Allocation to Maintain Purchasing Power
- Improve Direct Certified Weight from 2017-18 to include all students of High Poverty & Weight High Concentrations of Poverty
- AN Centers 0.5 FTE & add'l Mental Health funds

Tiered Supports Predictability

- Repurpose existing resources to provide predictable funding at Tiered Schools for at least three years
- Eliminate funding cliffs created when schools improved from Red or Orange to Yellow or Green

Central to Schools ~\$23M

- Center Programs (\$17M)
- ECARE (3.1M)
- Portions of SEO Budget Assistance for Mental Health and Mild/Moderate funded via formula (\$3M)

- DPS implemented Student Based Budgeting (SBB) for the 2007-08 School Year
- The values that drove the changes at that time guide the improvements we make each year

SBB BASE SUMMARY

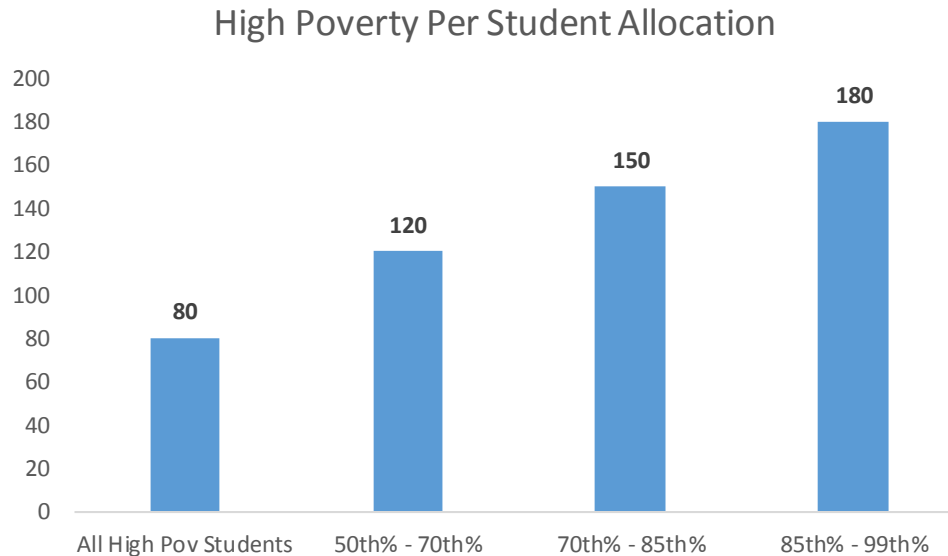
FY 2018-19

	FY 2017-18 Funding ¹	FY 2018-19 Funding	Description
Base Per Pupil	\$4,051 for all schools K-12 (K=1.0)	\$4,283 for all schools K-12 (K=1.0)	The base funding for all students. This amount has been adjusted in coordination with changing compensation for teachers tied to inflation to maintain purchasing power at sites
Student Based ELL Weight	\$400 per student	\$431 per student	Additional funds for each student identified as CELA
Free and Reduced Lunch Supplemental Funds	\$471 for Elementary \$508 for Secondary	\$498 for Elementary \$537 for Secondary	Additional funds for each student eligible for free or reduced lunch
Direct Certify Supplemental Funds	\$80 per DC Student	\$80 per Adj. DC Student + Progressive Funding for High Concentrations	Additional funds for student identified as direct certified and additional funding for high concentration of DC students
Gifted & Talented Per Pupil	\$120 per student	\$130 per student	Additional funds for each student identified as Gifted & Talented
Targeted Interventions	\$100,000-\$250,000 SPF "Orange" and "Red" per school	Tiered Funding Approach 3-5 Year Phased Funding	Additional funding for schools scoring "Red" or "Orange" on the School Performance Framework
Performance Allocation	\$65 -\$115 per student	\$65 -\$115 per student	Per student funding for school wide improvement on the SPF: \$65 per student - SPF Blue \$95 per – growth to Orange \$100 per – growth to Yellow \$105 per – growth to Green \$115 per – growth to Blue
Supplemental Base for Center Programs	\$7480 x Number of Center Programs at the school	\$7480 x Number of Center Programs at the school	Additional funding based on the number of center programs in a school
English Language Learners	ELA Para Hours ESL Teachers TNLI Teachers	ELA Para Hours ESL Teachers TNLI Teachers	Based upon the number of projected Spanish speaking ELA students
Mild Moderate	\$0	\$800 per student above typical caseload at a school	Add'l funds for high concentrations of Mild Moderate students

1- Funding levels from 2017-18 are based on the Adopted 2017-18 Budget and do not reflect compensation increases to teachers negotiated in Summer 2017

- Primary changes to SBB per pupil amounts and weights are increases to maintain purchasing power

INCREASE TO DIRECT CERTIFICATION WEIGHT: FOCUS ON HIGH CONCENTRATIONS



Proposal: Increase the Direct Certification Weight in schools with **high concentrations** of High Poverty

- Tiered increase would add an estimated \$1M to SBB for school year 1819
- Proposal would deploy add'l ~\$500k to schools in the top 15th percentile of High Poverty students at an average of \$17k per school
- Schools receiving the highest amount of additional funding would include Trevista, Cheltenham, Pl Bridge, Barnum, West EC, Goldrick, McGlone, and Fl Pitt Waller – all with add'l allocations estimated to be greater than \$20k

MILD MODERATE BUDGET ASSISTANCE

Allocate 50% of \$1.7M Mild Moderate Budget Assistance in formula

50% Remains
Budget Assistance

- Roughly half of the original budget assistance amount remains available on a request basis
- This totals ~\$850k

50% Formula
Funding

- Determine average Mild Moderate caseload
- For schools with greater than average case load, distribute on per student basis*
- \$850k deployed via formula

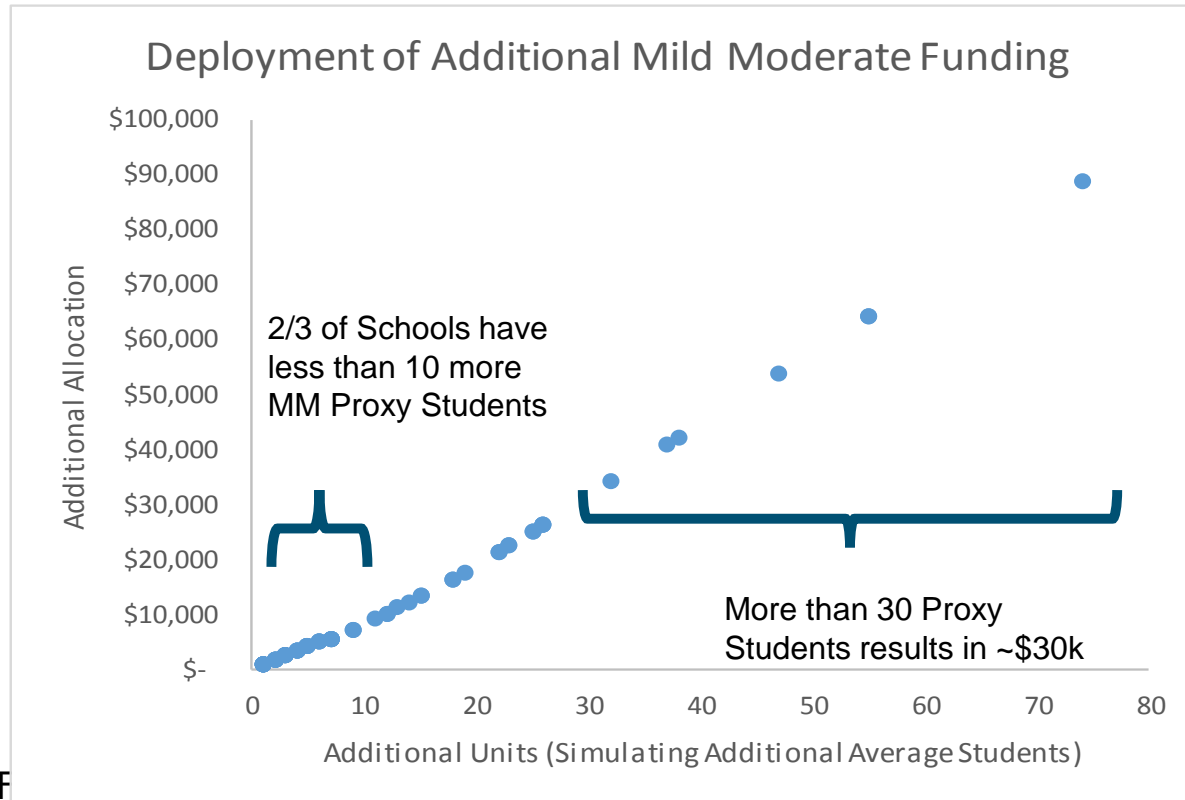
Formula Funding – Measuring the total minutes of Mild Moderate Services provided at a school

- Measure the total number of Mild Moderate minutes at a school in December (this is the data provided to the state on an annual basis). This information is used to determine the schools with greater than average caseloads
- Schools with higher than typical caseloads will be funded on a formula basis for additional minutes they serve above the average
- *The average student requires 278 minutes of mild moderate services; Every 278 minutes of Mild Moderate time above average results in a "Proxy Student" for purposes of this calculation
- Not updated at Fall Adjustments; schools are eligible to apply for Budget Assistance

Detailed Formula– Using the average minutes per student to simulate addition Mild Moderate students

- 1-10 "Proxy Students": \$800 ea
- 11-20 "Proxy Students": \$1050 ea
- 20+ "Proxy Students": \$1300 ea

MILD MODERATE WEIGHTED FUNDING



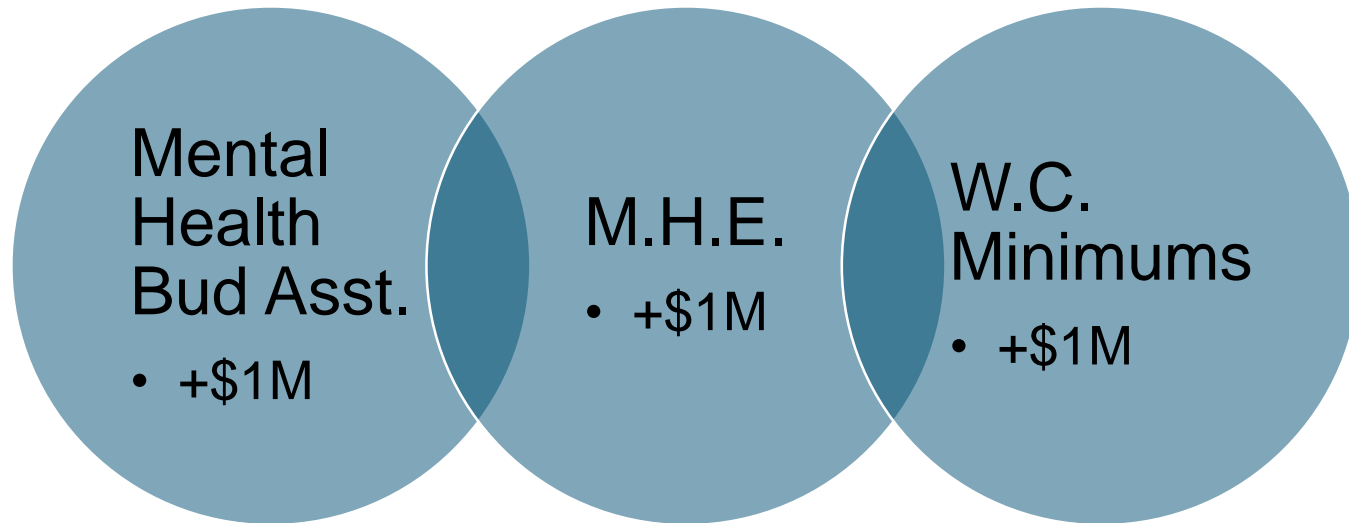
Because no Mild Moderate student is the same, the funding is deployed based on total minutes. Each “Proxy Student” is 278 minutes, which is the average amount of minutes needed for a Mild Moderate student.

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- Most schools with greater than average need cluster between have 1-10 Proxy students, and those schools will receive ~\$10k or less
- Having 20 or more “Proxy Students” would likely result in the need of at least one 50% FTE or potentially 1.0 FTE. This cost would be \$30-\$60k, and the resources provided would likely be less than the need.
- Hamilton, Hill, Kepner Beacon, Skinner, Bruce Randolph, Abe Lincoln, Thomas Jefferson all receive more than \$30k from model

MENTAL HEALTH SUPPORTS

Allocating Centrally held funds to schools for Mental Health



Mental Health Budget Assistance & Mental Health Expansion (M.H.E.) Deployed Via Formula

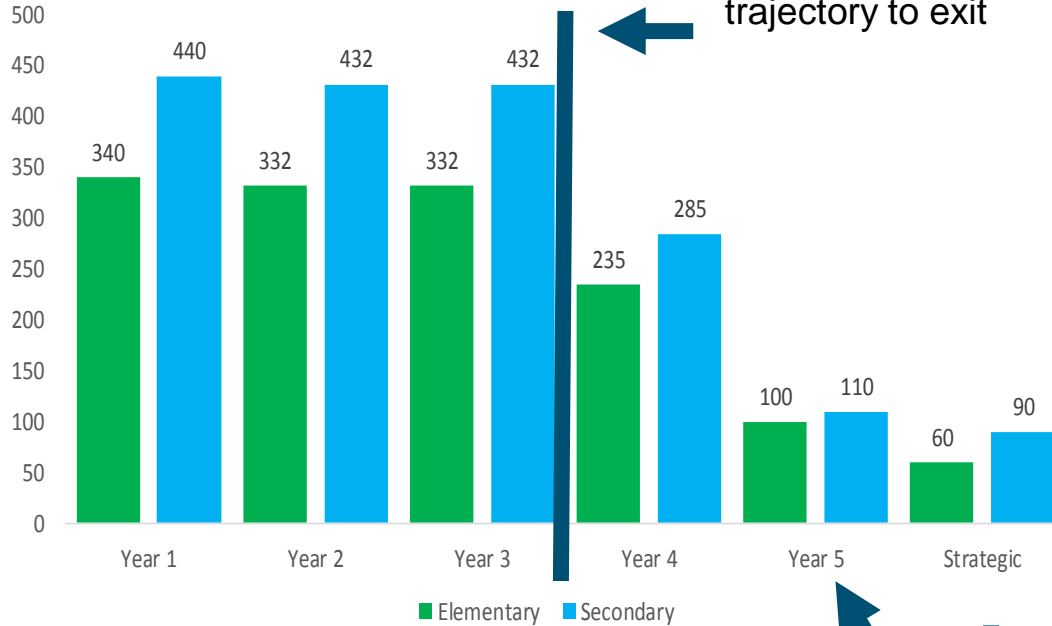
- The change will add \$2M of funding to the overall Whole Child Weights. This will result in each most schools receiving a 25% increase to their Whole Child Allocation each year through SBB Allocations
- \$500k of Mental Health Budget Assistance will be held centrally and deployed on a request basis
- **Schools that received Budget Assistance or Mental Health Expansion in lump sums may see a decrease in overall Mental Health and Whole Child funding, but that the loss of funding has been constrained to not exceed \$20k compared to 2017-18 regardless of enrollment change**

Whole Child Minimums

- The minimum allocation of Whole Child funds has been increased from \$16k to \$47k. This is the equivalent of an increase from 1 day (0.2 FTE) to 3 days (0.6 FTE)
- Prior to 2016 Mill Levy and allocation of Whole Child funds, schools were required to staff 2+ days of Mental Health (0.4 FTE). With the additional funding, all schools will have enough resources to fund 5 days a week of Mental Health Professionals (1.0 FTE)
- **All schools will be required to staff 5 days a week of Mental Health services. Exceptions will need to be approved through SEO**

TIERED SUPPORTS FRAMEWORK: RECOMMENDED MINIMUM FUNDING

in thousands



After year 3, evaluate if intensive school is on trajectory to exit

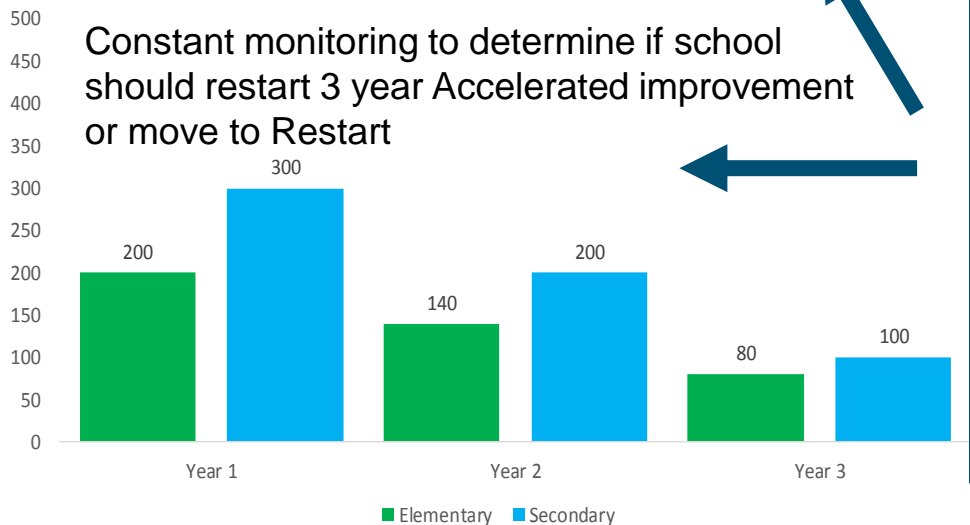
RESTART / REDESIGN (Highest Priority Intensive Schools)

- Intensive Funding for Restart/Redesign
- Provides reliability for school leaders over five year period
- Total commitment of \$1.3M to \$1.7M

ACCELERATED IMPROVEMENT (All Other Intensive Schools)

- Schools identified as “Intensive” but not identified for Restart
- Reliable funding, phasing out over three years
- Improves ability for schools to plan and execute and improvement plan without the major investment needed for Restart / Redesign
- Great deal of flexibility to re-asses school needs & total funding commitment
- Total commitment of \$420k-\$600k

Constant monitoring to determine if school should restart 3 year Accelerated improvement or move to Restart



TIERED SUPPORTS FRAMEWORK: BUSINESS RULES

1. Tiered Supports Replaces Targeted Intervention Funding

- Funding for “Red/Orange Schools” is replaced by the New Tiered Supports Funding model
- No school will receive less funding in 2018-19 than it would have under previous model

2. Performance Funding is Unchanged

- *Growing to Green, Maintaining Green* and all other business rules remain unchanged for the performance funding allocation

3. Year Over Year Reductions in Tiered Funding are Capped at \$50k for Year 1; \$100k for Year 2

- Some schools in 2017-18 were funded at levels above what the Tiered model would dictate. For those schools, during 2018-19, reductions in Tiered Funding are capped at \$50k
- Performance funding is included in the calculation for the \$50k change

4. What Funding Sources are considered Tiered Funding Sources?

- Considered Tiered Funding: Instructional Deans, Budget Assistance, PITA, Targeted Intervention (Red/Orange), Performance
- NOT Considered Tiered Funding: Fall Budget Assistance, Mental Health or Mild Moderate Budget Assistance, ELO, Small School, TLC, Mental Health Expansion

5. Can Tiered Schools apply for Budget Assistance?

- *Any school can apply for Budget Assistance. The Tiered model puts great strains on the overall amount of Budget Assistance available. Awards to Tiered Schools will be dramatically reduced as a result of the Tiered funding model.*

TIERED SUPPORTS FUNDING MODEL

SPECIFIC SCHOOLS

Intensive Program & Year	Schools
Restart & Redesign Schools (5 years of support)	
Year 1	John Amesse, Greenlee, Lake, Smith, Hallett, Stedman
Year 2	Beach Court
Year 3	McAuliffe at Manual, Goldrick, Intl Academy of Denver at Harrington, Valverde, Schmitt, Kepner Beacon, Bear Valley Int'l, NCAS
Year 4	Manual, West Early College
Year 5	Cheltenham, Columbine, Fairview , Castro, Oakland
Accelerated Improvement Schools (3 years of support)	
Year 1	DCIS Montbello, Hamilton
Year 2	Joe Shoemaker, MSLA, Abraham Lincoln
Strategic Tier Schools	Schools
Evaluated annually	Barnum, High Tech Early College, Collegiate Prep Academy, Merrill, College View, Cowell, Denver Discovery, Kunsmiller MS/HS, West Leadership, DCIS Baker

- Tiers are published on our website at <http://tieredsupports.dpsk12.org>

OTHER CHANGES – CENTRAL TO SCHOOLS

Center Programs

- Funding for teacher and paraprofessional positions will be allocated in school budget forms
- All business rules related to other general fund positions will apply to Center Program Teachers and paraprofessionals
- Funding **DOES NOT HAVE FLEXIBILITY**; resources must be used to support programmatic needs of Center Program students
- All AN Centers will be funded with additional 0.5 FTE for Behavior Coach at Elementary Schools

ECARE

- ECARE funds for additional Kindergarten paras will be deployed in School Budgets through SBB
- Funds will be deployed on a per student based on the number of Kindergarten students and will not be adjusted in the Fall
- Funds must be used to support Kindergarten paras in each Kindergarten classroom



QUESTIONS?