



# 2024 Debt Free Mill Levy

Poudre School District |

# By the Numbers: 2023-24 School Year

## Teacher recruiting and retention

 **92%**

Retention rate for PSD's teachers and licensed staff. The district has a 78 percent retention for classified staff and 90 percent rate for its administration.

 **9% to 12%**

Average Poudre School District teacher salary is 9 to 12 percent less than similar districts along the northern Front Range, presenting a challenge in recruiting and retaining exceptional teachers.

## Fiscal stewardship

 **\$6.6 million**

Reductions in staffing and operating budgets in schools next year due to declining enrollment.

## Our facilities are aging

 **\$1 billion**

Estimated amount of capital improvements and maintenance needs in school buildings with no dedicated funding to address these needs.

 **\$800,000**

Annual amount available to Poudre School District in its general fund to maintain the district's schools and facilities. An estimated \$1 billion in funding for improvements and maintenance is needed.

 **32**

Number of PSD schools that do not have mechanical cooling, with classroom temperatures reaching well above 85 degrees during the hottest months of the year.

# By the Numbers: 2023-24 School Year

## Our students are succeeding

 **623**

PSD students receiving Career and Technical Education (CTE) industry certifications, showing that they have real-world, job-ready skills for the workplace.

 **98%**

98% of students who take four or more courses in one of PSD's career pathways graduate high school on time.

 **86.9%**

Graduation rate for the class of 2023, the second highest graduation rate for Poudre School District in more than a decade.

 **80%**

Percentage of PSD high school students participating in career and technical education courses, compared to 72 percent state average.

 **66%**

Percentage of PSD graduates earning free college credits.

 **21.6%**

Increase this year in literacy reading scores at the elementary school level. Typical annual increases are closer to 7 percent.

 **16%**

High school students who requested work-based learning opportunities during the 2023-24 school year. 1,106 out of 8,767 high school students earned credit in a work-based learning course this year.

# Understanding School Finance in Colorado



# School District Revenue Sources

- Local Revenue
  - Property Taxes
  - Specific Ownership (S.O.) Taxes
  - Other
- State Revenue
  - Equalization
  - Categorical Funding
- Federal Programs



# Total Program

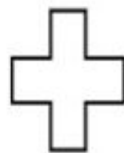
Public School Finance Act (as amended) (C.R.S. Article 54 of Title 22)

Formulaic determination of school district funding across 178 districts

LOCAL



Property and Ownership taxes



STATE



General Fund and State Ed Fund



TOTAL PROGRAM



# Determining Total Program FY25

(C.R.S. 22-54-104)

FY25 Total Program formula:

School Finance Act

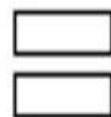


**ENROLLMENT X FACTORS:**



Size, At-risk (free lunch and some emerging bilingual), Cost of Living

**MINUS (Budget Stabilization Factor)**

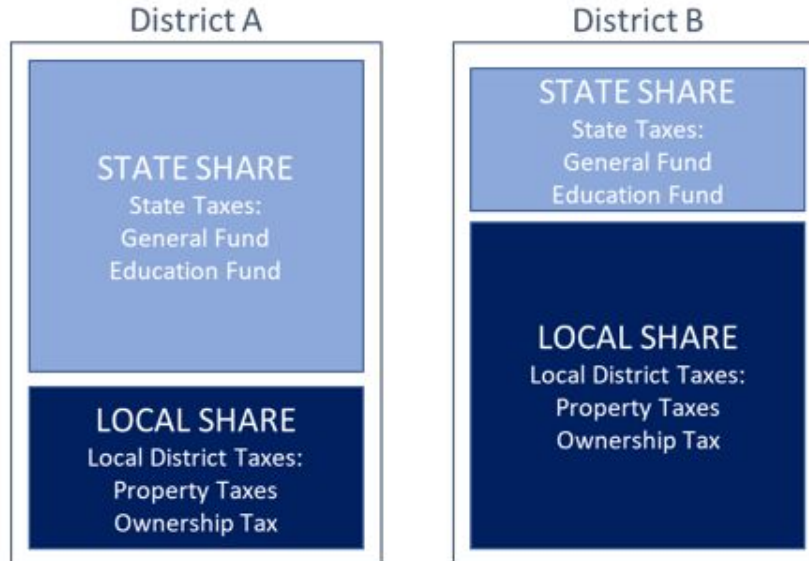


**TOTAL PROGRAM FUNDING**



# Determining State Share

*State Share is provided to each school district whose Local Share is insufficient to fully fund its Total Program*



*This means that increases in property tax collections do not automatically result in increases to PSD's funding. Voter-approved mill levy overrides are needed to increase funding.*





# PSD is a Floor-Funded District

- Colorado's School Finance Formula includes two primary factors that increase the amount of per pupil funding districts can receive:
  - Size factor for small districts
  - Cost-of-Living factor for metropolitan and rural areas
- PSD does not qualify for either of these factors and as a result is a floor-funded district.

# 2024 Mill Levy Proposal



# 2024 Debt Free Schools Mill Levy

- The Board of Education referred a question for the November election **to provide \$49 million annually**, increasing with the rate of inflation, to maintain the district's schools as part of the state's Debt Free Schools Act.
- If passed, the mill levy would:
  - Create a **dedicated revenue source** to improve and extend the useful life of the district's buildings.
  - **Allow the district to re-prioritize more of its general fund** for recruitment and retention, classroom resources, career and technical education, and neighborhood schools.

# 2024 Debt Free Schools Mill Levy

- **Attracting and retaining the best teachers and staff** by maintaining competitive salaries and providing necessary classroom materials.
- **Providing the well-rounded education that today's students will need for tomorrow's jobs and careers**, including classrooms for career, technology, and skilled trades that provide students with real world job skills and providing books, technology, facilities and other materials needed for students to develop these skills.
- **Supporting small, neighborhood schools** to provide students individual attention and the greater sense of community they need to learn and thrive.
- **Maintaining and improving school buildings and facilities** to ensure secure, healthy, and comprehensive learning environments by replacing outdated electrical, plumbing, and HVAC systems and addressing repairs and renovations to extend the useful life of buildings.
- **Providing arts, music, library, and physical education supplies and facilities so students receive a well-rounded education.**

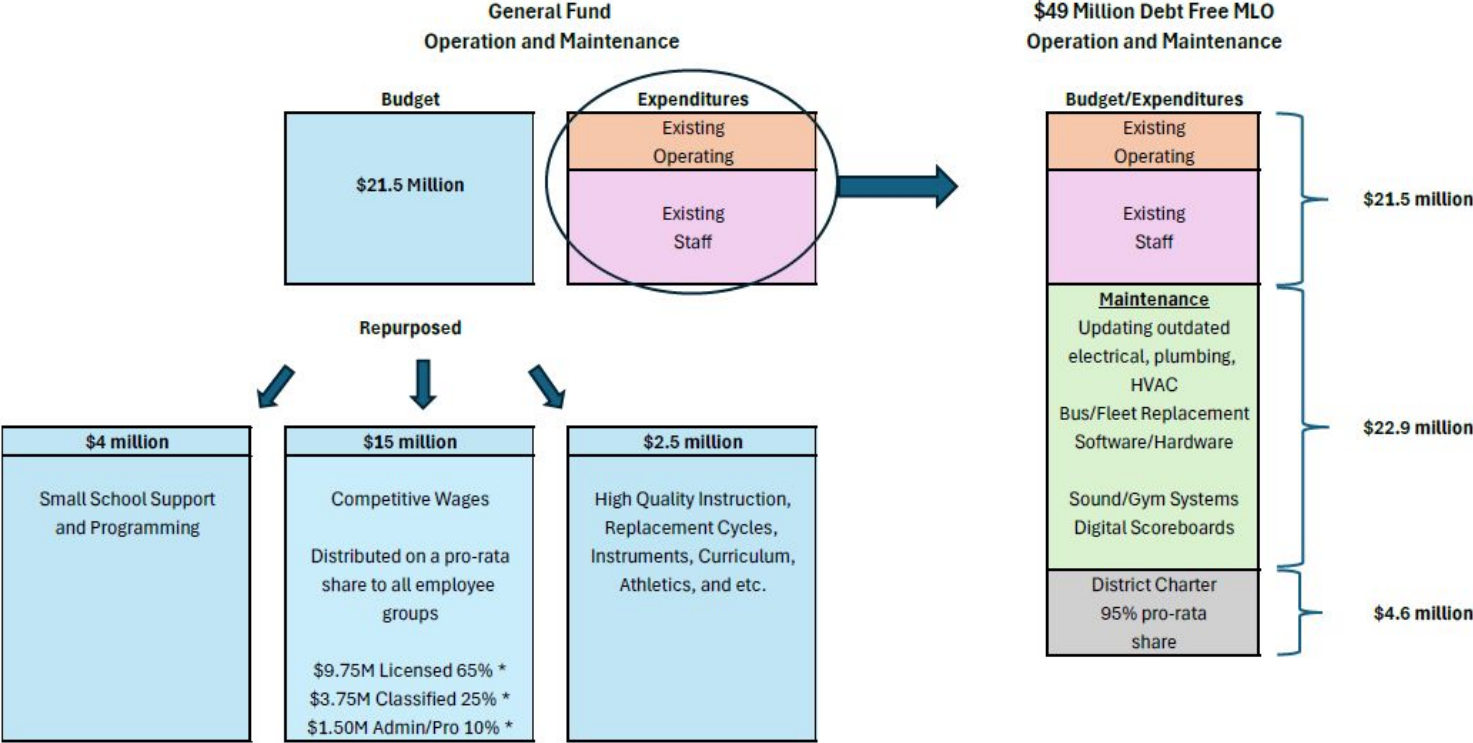
# What is the Debt Free Schools Act?

- Created by the Colorado State Legislature in 2016 for school districts to collect **ongoing funding for maintenance and infrastructure needs**
- Allows districts to **move away from relying on bonds**, which require districts to pay interest on debt, to finance ongoing costs
- **More fiscally responsible way to fund maintenance**, particularly since maintaining our buildings will always be a need

## How will the money be spent?

- **\$21.5 million** in qualifying expenses (i.e. building maintenance and infrastructure) will be allocated to the mill levy and the equivalent amount will be repurposed in the general fund to be used for salaries, classroom materials, career and technical education, and neighborhood schools
- **\$22.9 million** will be dedicated to building maintenance, repairs, and replacement cycles
- **\$4.6 million** is the state-required pro-rata share for PSD-authorized charter schools

# How will the money be spent?



\* Equivalent to a 5% increase across all employee groups, however employee groups may apply the actual increase based on their specific needs.

# How will the money be spent?

- Five-Year Maintenance Plan for Facilities Projects
  - To be updated regularly and on five-year intervals
- HVAC/air conditioning upgrades
- Salary support for all staff
- Small school support to stabilize budgets
- Curricular fees
- Curricular programming and services
- Preventative maintenance
- Replacement cycles

## Poudre School District considering 2024 Mill Levy Ballot Question



The Board of Education is considering a question for the November election to provide up to \$49 million annually to maintain the district's schools as part of the state's Debt Free Schools Act. The district's proposal is focused on attracting and retaining the best teachers and support staff by maintaining competitive salaries and providing necessary classroom materials, while providing resources to maintain our schools to extend their useful lives.

The following table shows how the proposed mill levy would benefit students, classrooms and schools across the district.

Overview - Possible Mill Levy Impacts by School (if referred to ballot and passed)								
Schools	Facilities Projects <i>(in first five years)</i>	Air Conditioning* <i>(May not occur in first five years)</i>	Salary Support for All Staff	Small School Support to Stabilize Budget	Coverage of Curricular Fees	Curricular Programming and Services <i>(i.e. Arts, Music, Physical Education, Athletics, Technology, Books/Library Materials)</i>	Preventative Maintenance <i>(i.e. Concrete/Asphalt, Interior/Exterior Maintenance, small plumbing/electrical/HVAC)</i>	Replacements Cycles <i>(i.e. athletics, networking, signage, video scoreboards, sound systems/theater, security cameras/servers, bus and support fleet)</i>
Bacon Elementary	Chiller, RTUs	Already Installed	✓	✓	✓	✓	✓	✓
Bamford Elementary		Already Installed	✓	✓	✓	✓	✓	✓
Bauder Elementary	Boilers, Condensing Units, Roofing, RTU	✓	✓	✓	✓	✓	✓	✓
Beattie Elementary	Hot Water Pumps, Lighting, RTUs, Playground	✓	✓	✓	✓	✓	✓	✓

Please visit: <https://www.psdschools.org/community/2024-mill-levy> for more information about what each school/department can expect from the mill.



# Why Does PSD Need This Mill?

- **\$1 billion in maintenance needs and \$800,000 per year to address them.**
  - ~\$650-700 million to maintain in-building mechanical systems
    - Additionally, millions of dollars in funding are needed to maintain exterior items like irrigation, asphalt, playgrounds, etc. These items are not included in \$650-700 million estimate.
    - This estimate also does not include the cost of design and installation. These are estimates for materials and equipment only.
  - ~\$250-300 million in HVAC upgrades to air conditioning 32 schools without it
  - ~\$6.4 million to install solar, where feasible

*NOTE: The above estimates are based on known costs and systems today. We anticipate increasing needs as well as emergent needs overtime.*

- **There is insufficient existing budget to create replacement cycles for curricular materials, arts and athletics equipment, etc.**
- **There is insufficient existing budget to renovate classroom spaces.**
- **PSD must compete with neighboring districts to attract and retain the best teachers and staff and we are already paying staff below market rates.**

# What is the impact to taxpayers if the measure passes?

Residential Home Value	Tax Increase per Year	Tax Increase per Month
\$300,000	\$75.63	\$6.30
\$400,000	\$100.84	\$8.40
\$500,000	\$126.05	\$10.50
\$600,000	\$151.26	\$12.60
\$700,000	\$176.47	\$14.70



For businesses, which are assessed at a rate of 27.9% compared to 6.7% for residential properties, the tax increase would be \$113.92/year per \$100,000 of non-residential value.

# What is the impact to taxpayers if the measure fails?

Residential Home Value	Tax Decrease per Year	Tax Decrease per Month
\$300,000	-\$110	-\$9.16
\$400,000	-\$147	-\$12.25
\$500,000	-\$184	-\$15.33
\$600,000	-\$220	-\$18.33
\$700,000	-\$258	-\$21.50



For businesses, which are assessed at a rate of 27.9% compared to 6.7% for residential properties, the tax decrease would be \$166/year per \$100,000 of non-residential value.

# How is PSD demonstrating fiscal responsibility to taxpayers?

- The district cut **\$6.6 million in staffing and operating budgets last year** to balance the district's decreasing budget.
- Continual monitoring for opportunities to create **financial efficiencies** in our system.
  - 86% of district budget is staffing.
  - Reductions to budget result in reductions to staff, programming, and services.
- Seeking a mill, not a bond, to provide an **ongoing and sustainable source of revenue for costs that will be ongoing year over year into the future.**

# What happens if the mill fails?

- The district has \$800,000 in annual funding to support repairs and maintenance in our schools.
  - Once this is spent, programs and staffing will need to be cut to pay for necessary repairs and maintenance.
- There will be insufficient funding to replace curricular and classroom materials, like art supplies, musical instruments, athletic equipment, school buses, etc.
- There will be insufficient funding to renovate buildings to respond to changing future needs.
- There will be insufficient funding to provide extra support to small neighborhood schools.
- Taxes paid by home and business owners collected for PSD will decrease.

# Pro and Con Statements

## Those who support the mill levy say:

- PSD needs an ongoing, sustainable source of funding to pay for building maintenance, which is needed annually, and to fund necessary replacement cycles for things like school buses, musical instruments, curricular materials, physical education and athletic equipment, technology, and security equipment, etc.
- PSD's teachers and staff should be paid at market rates to attract and retain top talent to support our students.
- PSD needs funding to renovate classrooms and buildings to ensure that these spaces are adequately equipped, safe, and productive learning environments to best prepare students for the future.

## Those who do not support the mill levy say:

- Taxes are already high for residents and businesses in the district and should not be increased any more.
- PSD has already received funding from local voters, for example in a bond measure in 2016 and in a mill levy override for increases to teacher and classified salaries in 2019. The district does not need additional funding.
- It would have been more fiscally responsible for PSD to close under-enrolled schools before asking voters for additional funding.