Warm Welcome

As you log-on, please share in the chat who your most impactful teacher was, what grade, and why...
I. Overview of Agenda, Information Items and Meeting Objectives
   • Warm Welcome
   • Where we are in the work
   • Public comment process

II. Background
   • Clarifications of options that require additional explanation
   • Background on funds (General Fund, bond fund, CARES act)
   • Update on legislative action and Proposed Budget
   • 2020-21 Work Group Planning Update

III. Moving from analyze/evaluate to assess/prioritize
   • Small group prioritization discussions
   • Large group report out

VI. Closing and next steps

VII. Public Comment -- e-mail michelle_hix@dpsk12.org
## Suggested Values: For how we work together

<table>
<thead>
<tr>
<th>● Equity</th>
<th>● Integrity</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Open Mindedness</td>
<td>● Open Communication /Transparency</td>
</tr>
<tr>
<td>● Respect</td>
<td>● Curiosity</td>
</tr>
<tr>
<td>● Honesty</td>
<td>● Creativity</td>
</tr>
<tr>
<td>● Community Building</td>
<td>● Student Support/First</td>
</tr>
</tbody>
</table>
Virtual Agreements
Zoom Zoom Zoom

● Keep your camera on
● Mute yourself when you are not speaking
● Unmute yourself when you are speaking
● When slides aren’t projected, keep gallery view so we can see each other
● Raise your hand in your camera so facilitators can call on you and acknowledge your desire to share and contribute to the group
● Commit to active listening of all participants comments, and self regulate other technology
The purpose of small groups are for BAC members to **assess and begin to prioritize** all of options and **share a synthesis** of their analysis as group to compare and contrast in the whole group.

*It is **NOT** to “vote” or anything procedural that would affect final recommendations*
The BAC will function as an **advisory committee** to the board, providing community and staff perspective around budget topics that will lead to recommendations to the board.

The board has **final decision making responsibility** for the annual district budget and provides guidance on how DPS staff implement the budget.

- **Broader Community**
  - Shares public comment and ideas submitted through the DPS website and through BAC

- **Budget Advisory Committee**
  - Shares ideas, reviews options, evaluates options, and makes recommendations

- **Denver Board of Education**
  - Reviews proposed budget with BAC recommendations on May 21, must adopt a budget by end of June
In order to accomplish its purpose, the BAC will prepare a final report for the Board of Education that will do the following.

Present three tiers of options to address the budget gap

**Tier 1:** Options with widespread support that the committee recommends be included in the 2020-21 budget.

**Tier 2:** Options with some support, but also with questions or dissenting opinions, that should be considered for inclusion in the 2020-21 budget if necessary, but only after exhausting the options from Tier 1.

**Tier 3:** Options with little support, which should only be considered after all other Tiers have been exhausted.

Options will be prioritized within the tiers, and comments will be provided on different options, so that if the budget picture improves or worsens, the Board of Education can take appropriate action to include or remove options from the budget.
BACKGROUND
QUESTIONS ON OPTIONS

There is a running Google document set up with questions and answers.
OPTIONS ADDED SINCE MAY 22

Budget options were accepted through May 22. A number of options were added to the summary on the budget web site and are being added to the Google sheet.

- Reduce School Administration and Instructional leaders
- Implement a unified READ Assessment across all schools
- Reduce funding for principal leadership development (RELAY)
- Reduce Career and College Success (CCS) Department
- Adjust school carry forward policy (reserves held at schools)
- Review and reduce third party contracts
- Reduce spending on software and hardware for administration
- Eliminate mileage reimbursement
- Reinstate collect of Food Service lunch debt

Some items cannot be implemented due to legal or other restrictions at this time and, for the sake of time, are not added to the Google sheet: eliminate standardized testing, changes around charter schools (i.e. convert to district run schools)
The reduction in DPS Revenue primarily affects the General Fund. The BAC will primarily focus on the General Fund

- Grants Special Revenue Fund – Philanthropic and Federal Grants. Grants are provided for a specific use. There is likely no impact to current grants, however, future grants revenue will be impacted. CARES funding will be accounted for in the Grants fund.
- Bond Redemption Fund – Long Term Obligations for DPS Bonds. DPS has a dedicated Mill Levy stream to cover the obligation
- Building Fund – Direct Capital Expenses Funded Through Bonds. The revenue in this fund has already been received, and the projects planned will be completed on the Construction schedule
- Capital Reserve Fund– Direct Capital Expenses Typically Funded with General Funds and Local Revenue. Proposed “Budget Options” could have impacts on this fund – but only by reducing the General Fund contribution to Capital Reserve.
- Food Service Fund – Food and Nutrition Services (FNS) operations; FNS long term operations may be impacted by decisions related to the start of school
- Private Purpose Trust Fund and Government Permanent Fund
OTHER UPDATES

- Legislative update
- 2020-21 work group planning
- 2020-21 Proposed Budget
  - Posting today and being presented to the Board of Education on Monday to meet statutory requirements
  - This is not the budget that will be recommended to the Board.
  - Figures in this version are the same as the 2019-20 budget
MOVING FROM EVALUATE TO ASSESS/PRIORITIZE
Summary of Initial Survey Responses

- Bell time adjustments (up to 15 minutes)
- One-time CARES Act support
- Reduce spending on travel
- Furlough days, with the exception of low-wage workers
- 0% COLA for all employees, with the exception of low-wage employees
- 2020 Mill Levy Override (requires Board and voter approval)
- Central administration building consolidation
- Re-organize central departments (ongoing review of efficiency of all)
- Review and reduce third-party contracts
- Reduce or limit sports and activities during COVID
- Reduce funding for principal leadership development (RELAY)
- Maintain hiring freeze for non-school based staff
- 1% pay reduction for non-school employees, with the exception of low-wage
- Reduce spending on software and hardware for administration
- Eliminate standardized testing (would need federal and state waivers and)
- Eliminate performance incentives to schools based on SPF (would be cut to
- 1% pay reduction for non-school employees
- Shift General Fund expenditures to bond (requires Board, and voter approval)
- Provide early retirement incentives for PERA
- One-time usage of district reserves
- Implement unified READ Assessment across schools
- Reduce frequency of curriculum changes and purchases
- 0% COLA for all employees

Tier 1  Tier 2  Tier 3
Summary of Initial Survey Responses

- Eliminate mileage reimbursement
- Reduce spending on supplies
- Modify Amendment 64 to allow BEST funds to be used for operational costs
- Reduce school administration and instructional leaders (coaches, deans, etc.)
- Furlough days
- Reduce health benefit credits, with the exception of low wage workers
- Reduce one-time incentives (largely for principals)
- Freeze Step increases (years of service)
- Increase charter administration fee (could require contractual or legislative changes)
- Reduce allocations to charter schools (would require legislative change)
- School mergers
- Pursue sponsorships
- Realign school carry forward policy (reserves held at schools)
- Eliminate transportation with the exception of transportation for Special Education
- Convert charter schools into district run schools (would require legislative change)
- Increase class sizes
- Reduce Career and College Success Department
- Mandate utilization of paid time off
- Reinstate collection of Food Service lunch debt
- Convert to a year round school year
- Convert to a 4 day school week
- Delay implementation of increases in pay for low wage workers currently...
BREAKOUT GROUPS

Options have been loaded into Balancing Act tool. A small number of options were excluded for one of the following reasons:

- Not currently legally allowable
- Total impact is less than $1 million
- Cannot realize savings in FY20-21
- Very high degree of variability

Use Balancing Act for initial prioritization into Tiers in breakout groups

Over the next week, everyone will have the opportunity to do an individual version of Balancing Act, which we will tabulate before the next meeting.
Whole Group Report Out

Share Out the **guiding questions:**

- Are there areas of alignment and convergence?
- Where do we need more information?
- Where do we diverge?
CLOSING ANNOUNCEMENTS/NEXT STEPS

I. Background material and pre-work will be sent by close of business on Wednesday.

II. Finance Office hours Tuesdays 11:00-12:00, or email jim_carpenter@dpsk12.org or charles_carpenter@dpsk12.org with questions.
   ○ Example: Bell Time Savings (contracts), and/or go over any contract over 1 M.
APPENDIX

DETAILED INFORMATION ABOUT BUDGET LEVERS
After collecting responses from the DPS community, suggestions to address the upcoming revenue shortfall were grouped into 11 categories for review:

- Compensation Adjustments
- Work Year Adjustments
- Department Organizational Structure Adjustments
- School Operational Adjustments
- School Mergers
- Charter Schools
- Operational Efficiencies
- Usage of Reserves
- PERA Adjustments
- Additional Revenue Options
- Other Miscellaneous Adjustments
# COMPENSATION ADJUSTMENTS

## No Pay Increases & Delaying Low-Wage Pay Increases

### Trade Offs

- 0% COLA and freezing DCTA Steps & Lanes can put financial pressure on employees experiencing increasing expenses
- Delaying low-wage increases impacts our employees with the highest needs
- Spreading the expense savings of no pay increases across all employees reduces the potential for eliminating positions

### Other Considerations

- Providing 0% COLA and freezing steps & grades for DCTA reduces future earning potential without additional revenue to provide additional COLA or steps & grades
- Employee PERA Contribution Rate is increasing by 1.25% in July 2020
- Pay Freezes provides expense savings beyond Year 1, reducing the potential and/or size of future pay freezes or reductions
- DPS needs to show that we value low-wage workers in times of economic hardship
- Requires negotiating new bargaining agreements

### DPS VALUES

Pay Freezes value shared sacrifice and contributions of colleagues across the organization as opposed to personal compensation and eliminating specific roles

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% COLA</td>
<td>$12M</td>
<td>0% COLA for all DPS employees</td>
</tr>
<tr>
<td>Freeze DCTA Steps</td>
<td>$9M</td>
<td>Freeze DCTA Step progression for 1 year</td>
</tr>
<tr>
<td>Freeze DCTA Grades</td>
<td>$2M</td>
<td>Freeze DCTA Grade progression for 1 year</td>
</tr>
<tr>
<td>Delay Low-Wage Increases</td>
<td>$1.5M</td>
<td>Delaying low-wage worker increases until January</td>
</tr>
</tbody>
</table>
COMPENSATION ADJUSTMENTS
Pay Reductions and Incentive Reductions

### DPS VALUES
Pay Reductions value shared sacrifice and contributions of colleagues across the organization as opposed to personal compensation and eliminating specific roles

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% Pay Reduction for Non-School employees</td>
<td>$2M</td>
<td>Weighted towards higher-wage employees</td>
</tr>
<tr>
<td>1% Pay Reduction for All Employees</td>
<td>$6M</td>
<td>Weighted towards higher-wage employees</td>
</tr>
<tr>
<td>Reduction of one-time incentives (non-ProComp)</td>
<td>Minimal</td>
<td>Incentives such as PDU’s and executive leadership incentives were eliminated in FY20</td>
</tr>
</tbody>
</table>

### Trade Offs
- Reducing pay will put financial pressure on employees experiencing increasing expenses
- Spreading the expense savings of no pay reductions across all employees reduces the potential for eliminating positions
- Providing pay reductions reduces future earning potential without additional revenue to provide additional COLA

### Other Considerations
- Pay Reductions can be implemented to targeted employee groups based on wage level to ensure Equity across employee groups and avoid impacting low-wage workers
- Employee PERA Contribution Rate is increasing by 1.25% in July 2020
- Majority of one-time incentives were reducing in FY20, any additional incentive reductions would impact school-based employees
- Pay Reductions provides expense savings beyond Year 1
- Requires negotiating new bargaining agreements
## Compensation Adjustments

### Other Compensation Adjustments

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandating utilization of Paid-Time Off (PTO)</td>
<td>Variable</td>
<td>DPS is reviewing potential impacts of mandating PTO usage.</td>
</tr>
<tr>
<td>Reduce Health Benefit Credits for Employees not enrolled in DPS</td>
<td>$6M to $8M</td>
<td>Eliminates benefit credits paid to &quot;grandfathered&quot; employees who joined the district before July 2018 who are not enrolled in a DPS benefit plan. All new employees who do not enroll in DPS benefits do not receive a Health Benefit Credit.</td>
</tr>
</tbody>
</table>

### DPS Values

Other Compensation Adjustments value shared sacrifice and contributions of colleagues across the organization as opposed to personal compensation and eliminating specific roles.

### Trade Offs

- Mandated PTO usage may provide long-term savings by reducing payout of vacation time for employees leaving the district, however savings are variable and minimal.
- Eliminating Benefit Credits for “grandfathered” employees impacts only certain employees, and would be realized as a reduction in pay.
- Benefit Credit amounts vary by bargaining group, so these individuals would be impacted anywhere from $3k to $5k per individual.

### Other Considerations

- Change in PTO policy could result in a one-time expense increase in FY21 to pay out current balances.
- Savings from eliminating benefit credits is highly variable, depending on how many grandfathered employees who aren’t enrolled in DPS benefits decide to enroll in DPS benefits to continue receiving the credit.
- Increased enrollment in DPS health benefit plans has historically reduced health plan premium expense or premium expense increases impacted all enrollees.
- Requires negotiating new bargaining agreements.
WORK YEAR ADJUSTMENTS
Furlough Days & other Work Year Adjustments

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furlough Day</td>
<td>$4M per Day</td>
<td>Assuming All DPS Employees participate</td>
</tr>
<tr>
<td>Work Year reduction for year-round employees</td>
<td>Variable</td>
<td>Variable impact depending on the employee groups eligible to reduce to 215-day work year</td>
</tr>
</tbody>
</table>

DPS VALUES
Work Year Adjustments value shared sacrifice and contributions of colleagues across the organization as opposed to personal compensation and eliminating specific roles

Trade Offs
- Reduces employee’s annual pay, while providing additional days off
- Spreading a pay reduction through furlough days reduces the potential for eliminating positions

Other Considerations
- Furlough days and work year adjustments can be applied in varying amounts to ensure Equity across all employee groups
- Permanently adjusting work years for eligible employees to 215 days provides savings beyond FY21
DEPARTMENT ORGANIZATIONAL STRUCTURE ADJUSTMENTS

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reorganization or Reduction of Central Departments</td>
<td>Variable</td>
<td>DPS continually evaluates the impact that every department has on ensuring the highest level of student success. The organizational structure of all programs &amp; departments, including but not limited to SPF, AR&amp;D, LEAP, LEAD, Academic Coaches, CELT, Portfolio and Communications will continue to be reviewed by district leadership to address the needs of the District and the impact on students.</td>
</tr>
<tr>
<td>Implement a Hiring Freeze</td>
<td>Up to $2M</td>
<td>DPS has already implemented a hiring freeze for all non-school employee positions</td>
</tr>
<tr>
<td>Reduce frequency of Curriculum changes and purchases</td>
<td>up to $5.5M</td>
<td>Reduced purchasing of student kits &amp; notebooks for FY20-21</td>
</tr>
</tbody>
</table>

DPS VALUES

Department Organizational Structure Adjustments values reducing expenditures not directly managed by School Leaders

Trade Offs

- Implementing layoffs and position reductions in Departments would impact support that Schools and School Leaders receive
- Limiting frequency & volume of Curriculum purchasing directly impacts student learning

Other Considerations

- As one of the Denver’s largest employers, layoffs have an impact on the local economy
- Some Curriculum will need to be updated to enhance remote learning potential
- Certain curriculum is outdated and needs to be updated to enhance student learning
Reductions under $1M:

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce Funding for Leadership Development (RELAY)</td>
<td>$380k</td>
<td>DPS reduced the majority of RELAY expenses in FY19-20</td>
</tr>
<tr>
<td>Reduction to Career and College Success Department</td>
<td>$330k</td>
<td>Reducing non-salary expenditures</td>
</tr>
</tbody>
</table>

DPS VALUES

Department Organizational Structure Adjustments values reducing expenditures not directly managed by School Leaders

**Trade Offs**

- Reducing RELAY impacts professional development for School Leaders

**Other Considerations**

- RELAY expenditures were reduced from ~$980k to $980k in FY20
  - Career and College Success already planning on making large reductions in FY21
## School Year Adjustments

### Trade Offs

- In order to achieve material savings by implementing a 4-day work week, work years and work hours by staff would need to be reduced.
- Implementing a Year-Round school schedule would increase costs for school-based staffing and costs to operate buildings.

### Other Considerations

- Experience from other districts that have implemented a 4-day work week has resulted in minimal savings due to fixed operating expenditures.
- With district enrollment projected to remain flat or decline, currently there is no need for additional seating capacity that implementing Year-Round school could provide.

### DPS VALUES

School Operational Adjustments values streamlining school operations to ensure all resources are contributing towards student success.

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convert to a 4-day School Week or Implement Remote Learning Days</td>
<td>Variable</td>
<td>Variable impact depending on associated change or lack of change to school employee work years or daily hours. Savings could potentially be realized through reduced building operation expenses</td>
</tr>
<tr>
<td>Convert to Year-Round School Year</td>
<td>$0</td>
<td>Extend School to Year-Round programming while maintaining current number of school days</td>
</tr>
</tbody>
</table>
SCHOOL OPERATIONAL ADJUSTMENTS

School Staffing Adjustments

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce School Administration &amp; Instructional Leaders</td>
<td>Variable</td>
<td>Variable depending on individual schools current administration staffing and evaluation of school needs</td>
</tr>
<tr>
<td>Increased Class Sizes</td>
<td>Variable</td>
<td>Variable depending on individual school staffing</td>
</tr>
</tbody>
</table>

DPS VALUES

School Operational Adjustments values streamlining school operations to ensure all resources are contributing towards student success

Trade Offs

- Reducing the number of Administrators and Leaders in schools may reduce support for teachers and students and have an impact on overall school success

- Increasing class sizes results in a reduction of teacher staff and potential negative impacts on student success

Other Considerations

- Administrative staff varies for each school location depending on staffing needs determined by the school leader to best serve the students and community

- By implementing a standard school leadership staffing model, certain schools would be impacted more than others
## SCHOOL OPERATIONAL ADJUSTMENTS

### SPF and Testing Adjustments

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminate SPF Framework Allocations to Schools</td>
<td>up to $2.2M</td>
<td>Eliminate SPF Framework and shift to CDE FPS, reduces $2.2M in funding to schools for performance</td>
</tr>
<tr>
<td>Implement a unified READ Assessment across all schools</td>
<td>Variable</td>
<td>Variable depending on cost of universal assessment vs. current school-chosen assessment program</td>
</tr>
<tr>
<td>Eliminate Standardized Testing</td>
<td>Up to $750k</td>
<td>Would require legislative action from the Colorado Department of Education</td>
</tr>
</tbody>
</table>

### DPS VALUES

School Operational Adjustments values streamlining school operations to ensure all resources are contributing towards student success

### Trade Offs

- Eliminating all performance funding to schools for DPS SPF would reduce school budgets, resulting in a reduction of school resources
- Eliminating standardized testing would require legislative action, and would eliminate the ability to track students growth in academic areas

### Other Considerations

- Currently DPS SPF is utilized by analyzing detailed student performance in all academic areas, and used to design curriculum to improve areas of need
- Costs to implement unified READ Assessments across all schools may vary depending on what assessment provider is chosen
SCHOOL OPERATIONAL ADJUSTMENTS

Athletics

DPS VALUES

School Operational Adjustments values streamlining school operations to ensure all resources are contributing towards student success

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully reduced or limited sports activities &amp; excursions</td>
<td>Up to $5M</td>
<td>Variable depending on timing of resuming sports activities</td>
</tr>
</tbody>
</table>

Trade Offs

- Results in the loss of athletic programs that are important to students and the community
- Savings would be realized through transportation, coaching staff, athletic venue operations and maintenance
- Any savings realized would be one-time only, with the expectation to resume athletics in the future

Other Considerations

- Depends entirely on when athletic programs are allowed to resume after COVID-19
**SCHOOL MERGERS**

Merging Schools to improve academic programming & create efficiencies

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Mergers</td>
<td>$500k/School</td>
<td>Combining school locations to reduce administrative &amp; building operation expenses. Variable impact depending on enrollment &amp; number of schools merged</td>
</tr>
</tbody>
</table>

**DPS VALUES**

School Mergers values providing larger suite or programming for all students, creating administrative and operational efficiencies in areas such as School Leadership, Custodial and Utilities

**Trade Offs**

- May not be implemented until FY21-22
- Requires strong community engagement

**Other Considerations**

- Student and employee experience may be enhanced by being part of a larger school with access to more resources
- Savings are variable, with merging smaller schools producing the most budget savings
## Adjustments to Charter School Operations & Funding

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convert all Charter Schools into District-Run Schools</td>
<td>$0</td>
<td>Would not reduce costs as the District would absorb all revenues and expenditures currently allocated to Charter Schools, also currently not legal under State provisions</td>
</tr>
<tr>
<td>Reduce Allocation to Charter Schools</td>
<td>$0</td>
<td>State law dictates how Charter Schools are funded by School Districts. Any reduction in funding to Districts results in a similar reduction to Charter Schools, creating similar budget adjustments &amp; expense reductions</td>
</tr>
<tr>
<td>Increase Charter Administration Fee</td>
<td>$0</td>
<td>State law dictates how Charter Schools can be charged administration fees. DPS charges administrative fees based on actual administrative expenditures, which has traditionally been around 3%-4% of PPR. While the state limit is 5%, DPS would not be able to increase this amount without increasing central administrative expenditures</td>
</tr>
</tbody>
</table>

### DPS VALUES

Charter Schools values ensuring all students have access to strong learning environments

### Trade Offs

- State Law dictates how Charter Schools are Funded

### Other Considerations

- Any per pupil loss in revenue for DPS is passed through as a per pupil loss at Charter Schools
OPERATIONAL EFFICIENCIES
Bell-time Adjustments and Transportation

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bell-time Adjustments</td>
<td>Up to $4M</td>
<td>DPS is currently reviewing options regarding eligible schools and associated impact to making these adjustments. If bell times are moved 15 min. for High Schools only, savings drops to $2.5M</td>
</tr>
<tr>
<td>Eliminate Transportation for all non-SPED students</td>
<td>$8M to $15M</td>
<td>DPS is currently reviewing options regarding reducing transportation services to non-SPED students, researching the potential savings of variable vs. fixed costs associated with current routes</td>
</tr>
</tbody>
</table>

DPS VALUES
Operational Efficiencies values streamlining operational processes ahead of principal and school community autonomy, reducing the need for reductions in other areas

Trade Offs
- Re-aligning schools to a standard bell-time schedule reduces the flexibility a school leader and school community currently have to design autonomous schedules for students
- Eliminating Transportation for all non-SPED students will reduce access for some students to attend schools outside of their walk zone

Other Considerations
- Bell-time adjustment savings are created through transportation efficiencies, therefore eliminating transportation eliminates bell-time adjustment savings
- Transportation retains multiple fixed costs for buses, therefore reducing riders per route does not strongly impact total expense
## Operational Efficiencies

### Bell-time Adjustments and Transportation

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Admin Building Consolidation</td>
<td>Variable</td>
<td>DPS is currently reviewing options regarding costs of leases, property values, and other impacts of consolidating admin buildings with increased remote work from central admin staff</td>
</tr>
</tbody>
</table>

### DPS Values

Operational Efficiencies values streamlining operational processes ahead of principal and school community autonomy, reducing the need for reductions in other areas.

### Trade Offs

- While savings would certainly be realized, shifting to planned full-time remote working and/or shared temporary workspace office setups may require some up-front building remodel and incremental technology expenses.

### Other Considerations

- Real estate market for large office buildings may be shifting due to other businesses also moving to remote work setups.
- Some locations will be necessary to store technology setups (i.e. server rooms), or require a shift in current setup if sold.
** USAGE OF RESERVES**
Utilizing current Reserve balances to fund FY21 Expenditures

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-time usage of District Reserves</td>
<td>up to $34M</td>
<td>One-time usage will not solve ongoing budget shortfalls beyond FY21</td>
</tr>
<tr>
<td>Realign School Carryforward Policy</td>
<td>up to $3M</td>
<td>Adjustments to the Carryforward Policy to limit total Carryforward amount</td>
</tr>
</tbody>
</table>

**DPS VALUES**
Usage of Reserves maintaining operational programming and compensation ahead of reducing financial reserves

**Trade Offs**
- Using reserves is a one-time budget solve, does not solve for ongoing revenue losses
- Reducing district reserves potentially will impact DPS’ credit rating, increasing the cost of future debt issuances
- Carryforward amounts are variable by school, with any savings upfront savings likely being offset by additional spending in future years

**Other Considerations**
- $34M assumes reducing reserve target by 3%, from 10% to 7%
- Reductions to school carryforward could reduce schools ability to manage staffing levels to due enrollment changes
PERA ADJUSTMENTS
Delaying Additional PERA Contribution & Early-Retirement Incentives

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delay PERA .5% Auto-Adjust Contribution Increase</td>
<td>$3.5M</td>
<td>Requires Legislative Action from the State and PERA</td>
</tr>
<tr>
<td>Provide Early Retirement Incentives for PERA</td>
<td>Variable</td>
<td>DPS is currently evaluating the potential one-time expense vs. long-term savings to offer early retirement to eligible employees</td>
</tr>
</tbody>
</table>

DPS VALUES
PERA Adjustments value FY20-21 compensation and continued investment into programming above long-term health of the pension

Trade Offs
- Delaying PERA’s Auto-Adjust increase of .5% increases the number of years until 100% Funding
- Providing incentives to retire early for PERA creates long-term savings, with potentially large FY21 expense impacts to purchase years of service for eligible employees

Other Considerations
- Recent economic downturns also have strong negative impacts on the health of the pension, reducing the contribution rate would increase those impacts
- PERA Contribution rate adjustments require legislative action
- Cost of incentives to purchase years of service potentially outweigh savings received from employee turnover
- Experience of other metro districts providing early retirement incentives produced very limited savings
### ADDITIONAL REVENUE OPTIONS

2020 Mill Levy, 2020 Bond, CARES Act Revenue

#### Trade Offs

- 2020 Mill Levy Override and 2020 Bond require voter approval
- CARES Act and additional COVID-19 support funding is one-time funding and must be directly tied to COVID-19 expenditures, which does not solve long-term revenue shortfalls

#### Other Considerations

- Recent economic downturns may impact voter support of additional Mill Levy or Bonds

#### DPS VALUES

Additional Revenue Options values providing additional resources for students and avoiding further reductions

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
<th>$ Impact</th>
<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 Mill Levy</td>
<td>$10M for current expenditure backfill, any additional to be invested into new programs</td>
<td>Requires voter approved passage of a 2020 Mill Levy Override</td>
</tr>
<tr>
<td>Shift General Fund Capital Expenditures to 2020 Bond</td>
<td>$3.7M</td>
<td>Requires voter approved passage of a 2020 Bond</td>
</tr>
<tr>
<td>CARES Act &amp; Additional COVID-19 Support from Government</td>
<td>Variable</td>
<td>Funding from CARES Act expected, currently reviewing details &amp; submission process to receive funds</td>
</tr>
</tbody>
</table>
## ADDITIONAL REVENUE OPTIONS
### 2020 Mill Levy, 2020 Bond, CARES Act Revenue

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
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<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receive Sponsorships</td>
<td>Variable</td>
<td>Potential sponsors suggested include Denver Professional Sports Teams and Educational corporations such as Scholastic, McGraw Hill, etc. Revenue dependent on participation &amp; awards</td>
</tr>
<tr>
<td>Modify Amendment 64 to allow for Operational School Funding</td>
<td>Variable</td>
<td>Allow funding currently directed to the BEST Program currently restricted to capital funding for schools to be allowed for operations expenditures. Requires legislative action from the State of Colorado</td>
</tr>
<tr>
<td>Charge Tuition for Half-Day Kindergarten for Non-FRL students</td>
<td>up to $5M</td>
<td>Currently not legal after funding implementation for Full-Day Kindergarten, requires legislative action</td>
</tr>
</tbody>
</table>

### DPS VALUES

Additional Revenue Options values providing additional resources for students and avoiding further reductions

### Trade Offs

- Sponsorships while very helpful and appreciated tend to be short-term and may be minimal to affect current budget shortfalls
- Modifying Amendment 64 and Full-Day Kindergarten funding to allow collection of tuition requires legislative action by the State

### Other Considerations

- The State is currently considering utilizing reserves from the BEST Fund in FY21 to support School Finance Act Funding
- Remote learning situations in FY21 may reduce parent’s willingness to pay tuition for half-day kindergarten
OTHER MISCELLANEOUS ADJUSTMENTS

Reduction of non-salary expenditures

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
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<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review &amp; Reduce 3rd Party Contracts</td>
<td>Variable</td>
<td>DPS is currently reviewing opportunities to reduce third party contracts</td>
</tr>
<tr>
<td>Reduce spending on Supplies</td>
<td>Variable</td>
<td>DPS is currently reviewing the impact of reducing supplies including paper, food, mailings and office equipment</td>
</tr>
<tr>
<td>Reduce spending on Travel</td>
<td>Up to $1M</td>
<td>Does not reduce travel for students</td>
</tr>
</tbody>
</table>

DPS VALUES

Additional Revenue Options values reducing expenditures to ensure resources for students and avoid further reductions

Trade Offs

- All non-essential contracts are currently being reviewed and for student impact and need
- Remote Learning and remote working will reduce the amount of supplies utilized by both schools and central office, while utilizing lessons-learned from FY19-20 remote learning & work to reduce waste and fully utilize technology solutions
- Travel will also be reduced due to current travel restrictions and emphasis on prioritizing spending to best meet student needs

Other Considerations

- Certain 3rd Party contracts such as technology subscriptions, fire & safety system contracts, construction projects, etc. are considered a necessity for school district operations
- While expenses for supplies such as paper & office equipment will be reduced, other supplies may be necessary to implement new remote learning and work environments
OTHER MISCELLANEOUS ADJUSTMENTS
Additional Reductions Less than $1M

<table>
<thead>
<tr>
<th>Budget Recommendation</th>
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<th>DPS Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce spending on software &amp; hardware for administration</td>
<td>$500k</td>
<td>DPS is currently moving to the Google platform which will reduce individual department software expenditures. Reductions in hardware &amp; equipment will have a minimal impact based on current DPS hardware replacement policies.</td>
</tr>
<tr>
<td>Eliminate mileage reimbursement expenses</td>
<td>Up to $300k</td>
<td>Reducing mileage reimbursements for all schools &amp; departments</td>
</tr>
<tr>
<td>Reinstall collection of Food Service lunch debt</td>
<td>Variable up to $260k</td>
<td>Reduce allocation to schools to fund unpaid student lunch debt</td>
</tr>
</tbody>
</table>

DPS VALUES
Additional Revenue Options values reducing expenditures to ensure resources for students and avoid further reductions

Trade Offs

- Remote Learning & work may suffer if hardware expenses are decreased and devices not updated
- Assuming schools are fully operational in FY21, eliminating Mileage Reimbursement impacts employees who regularly visit schools as part of their position
- Reinstalling collection of Food Service lunch debt may impact students of high need during a difficult economic time

Other Considerations

- Mileage reimbursement will decrease naturally with any implementation of remote learning or remote work