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Dear Member:

The Douglas County Federation continues to support its members by remaining an integral part of the decision making process of Douglas County School District. At this time, I wish I could tell you good news. Everyone has heard about the housing crisis across the country and Douglas County is no exception. Families are losing their homes and school districts are impacted. School districts are primarily funded by state and local property taxes.

I have been involved in the on-going conversations concerning the DCSD budget. The District is facing a deficit and will have to move into a budget reduction mode. Several issues factoring in to the deficit include:

- Current and future lower than projected new student enrollment
- State reduction in allocation of vocational/technical reimbursements
- A change in how the Colorado Department of Education counts students
- Lower Consumer Price Index (CPI) projections – this year 2.2%
- Temporary reductions in abatement due to foreclosures
- Increases in Insurance premiums

The Union, along with the District, continues to be focused on remaining competitive with other local school districts in the areas of compensation and benefits. These efforts have become an annual challenge to the budget. The revenue the District receives is much less than what some other Districts receive. For example, because of higher mil levies districts like Cherry Creek receive 20 million more dollars every year. In a District employing more than 6,000 staff, a 1% increase in salaries and benefits equals approximately \$2.8 million in operating funds. DCSD must ensure continued local support for override elections to meet these needs.

The District is considering a change in how it proposes bond/budget elections. The constant cycle of asking voters for their support has created instability in the organization and voter fatigue for County residents. DCSD is investigating different options which would enable the District to further fund expanded programs, allow continued management of growth, and keep DCSD from having to go back to voters for support every few years. Leadership is working within the state to address educational funding.

We are working hard to solve this problem and NO decisions have been made at this point. We will continue to keep you informed. If you have questions, please contact our office. Thank you for your continued support.

Brenda Smith
President