

**NOTICE TO ALL REGISTERED VOTERS OF
ELECTION TO INCREASE TAXES**

**ELIZABETH SCHOOL DISTRICT NO. C-1
(ELBERT COUNTY, COLORADO)**

Local Election Office: 634 S. Elbert Street, Elizabeth, Colorado 80107
Telephone: (303) 646-1836

Election Date and Hours: Tuesday, November 4, 2008 – 7:00 AM to 7:00 PM

Ballot Title and Text of Ballot Issue 3A:

“SHALL ELIZABETH SCHOOL DISTRICT NO. C-1’S TAXES BE INCREASED \$1.2 MILLION ANNUALLY BY A LEVY OF 7.034 MILLS IN THE 2008-2009 BUDGET YEAR AND BY WHATEVER AMOUNT IS RAISED BY A LEVY OF 7.034 MILLS IN EACH BUDGET YEAR THEREAFTER, BUT IN NO EVENT SHALL SUCH TAX INCREASE BE GREATER THAN THE AMOUNT PERMITTED UNDER SECTION 22-54-108, C.R.S., BY THE COLLECTION OF AD VALOREM PROPERTY TAXES TO BE DEPOSITED IN THE DISTRICT’S GENERAL FUND AND EXPENDED FOR EDUCATIONAL PURPOSES DISTRICT-WIDE (INCLUDING CHARTER SCHOOLS) AS FOLLOWS:

- 86% WILL BE USED FOR RETAINING AND ATTRACTING HIGH QUALITY TEACHERS, COUNSELORS AND SUPPORT STAFF;
- 10% WILL BE USED FOR PROVIDING STUDENTS WITH THE CURRICULUM AND INSTRUCTION NECESSARY FOR SUCCESS IN COLLEGE AND THE WORKPLACE; AND
- 4% WILL BE USED FOR UPGRADING TECHNOLOGY AND COMPUTER APPLICATIONS TO PROMOTE STUDENT SUCCESS IN THE 21ST CENTURY;

WITH SUCH TAXES TO BE IN EXCESS OF PROPERTY TAX REVENUES THAT WOULD BE PROVIDED BY THE GENERAL FUND MILL LEVY PERMITTED UNDER STATE LAW WITHOUT SUCH INCREASE AND, TOGETHER WITH REVENUES FROM SPECIFIC OWNERSHIP TAXES ATTRIBUTABLE THERETO AND THE EARNINGS ON SUCH TAXES AND REVENUES, TO CONSTITUTE A VOTER APPROVED REVENUE AND SPENDING CHANGE UNDER, TO BE COLLECTED AND SPENT EACH YEAR WITHOUT LIMITATION BY THE REVENUE AND SPENDING LIMITS OF, AND WITHOUT AFFECTING THE DISTRICT’S ABILITY TO COLLECT AND SPEND OTHER REVENUES OR FUNDS UNDER, ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?”

Fiscal Year Spending Information

Year	Fiscal Year Spending (FYS)*
2004-05 (Actual)	\$21,600,503
2005-06 (Actual)	21,302,792
2006-07 (Actual)	22,823,807
2007-08 (Actual)	23,309,139
2008-09 (Current Year Estimated)	25,012,681
Overall FYS percentage change through 5 years (2004-05 – 2008-09):	15.8%
Overall FYS dollar change through 5 years (2004-05 – 2008-09):	\$3,412,178

* Includes payments on outstanding bonded debt of \$1,921,287 in fiscal year 2004 05; \$1,727,344 in fiscal year 2005-06; \$1,669,024 in fiscal year 2006-07; \$1,753,183 in fiscal year 2007-08; and \$1,753,035 in fiscal year 2008-09.

Fiscal year spending without the tax increase in the ballot issue is estimated to be up to \$25,012,681 in the 2008-09 Fiscal Year. The proposed maximum dollar tax increase in the ballot issue is \$1,200,000 in such Fiscal Year.

SUMMARIES OF WRITTEN COMMENTS FILED WITH THE ELECTION OFFICER

The following summaries were prepared from comments filed by persons FOR the proposal:

After ridding the District of financial policies and personnel that led to the disastrous budget deficit of 5 years ago, the Elizabeth School District has implemented policies and hired personnel that have erased the deficit (small positive balance today) and earned special recognition from then Treasurer Mike Coffman for its diligence and successful financial turnaround and management. In spite of these efforts, the District is forced to ask for more funds.

Elizabeth C-1, like many Colorado school districts, faces a financial crisis that can only be resolved through passage of a mill levy override because for years the State has been unable to sufficiently fund school districts while pushing more unfunded mandates upon the District. A mill levy override will provide additional local money to be used only by the Elizabeth School District to combat this enduring problem. The money currently received by Elizabeth to fund education from all sources ranks Elizabeth in the bottom 10% of school districts in the entire State of Colorado, considerably less than comparable districts. This funding shortage has real effects upon the District.

Each year Elizabeth loses between 30 and 40 teachers, many to districts with more money to fund better compensation. This is the equivalent of an entire staff at one of the District’s elementary schools. The District also cannot adequately meet technology needs: the high school has a bandwidth capacity of a typical home on DSL or high speed internet service. Textbooks supporting curriculum can only be updated every ten years while knowledge doubles every 3 to 5 years. The funding shortfall causes real hardship to the staff and students of the District.

A successful vote for 3A will allow the District to:

1. Use 86% of the funds to adjust teacher and non-administrative support staff compensation more in line with districts comparable in size and location with Elizabeth.
2. Use 10% of the funds to invest in curriculum and instruction enhancement in the classrooms through such things as additional course offerings, enhanced gifted and talented programs, increased foreign language opportunities, and full year social studies in the middle school.
3. Use the remaining 4% to invest in technology infrastructure and applications through such things as additional computers, enhanced Internet capacity, lcd projectors, document readers, and white boards in the classrooms to meet the demands of a 21st Century education.

Elizabeth has never been granted a mill levy override and for just \$4.67 per month per \$100,000 of residential actual value we can help our students meet the demands of a 21st Century education that will make our community proud and stronger. Vote yes on 3A for a brighter future for all schools within the Elizabeth C-1 District.

The following summaries were prepared from comments filed by persons AGAINST the proposal:

No comments were filed by the constitutional deadline.



DOUGLAS COUNTY SCHOOL DISTRICT, NUMBER RE1

TO: ALL REGISTERED VOTERS

NOTICE OF ELECTION TO INCREASE TAXES AND DEBT ON A REFERRED MEASURE

Douglas County School District, Number Re1
Douglas and Elbert Counties, Colorado

Election Date: Tuesday, November 4, 2008

Election Hours: 7:00 a.m. to 7:00 p.m.

Local Election Office Address and Telephone Number:

Ms. Amy L. Fordyce
Elbert County Clerk and Recorder
215 Comanche St.
P.O. Box 37
Kiowa, CO 80117
Telephone: (303) 621-3127

Ballot Title and Text:

BALLOT ISSUE NO. 3A:

SHALL DOUGLAS COUNTY SCHOOL DISTRICT, NUMBER RE1 TAXES BE INCREASED \$17 MILLION BY A MILL LEVY INCREASE OF NOT MORE THAN 4 MILLS FOR COLLECTION IN 2009 AND BY WHATEVER AMOUNTS AS MAY BE COLLECTED ANNUALLY THEREAFTER FROM A MILL LEVY AT SUCH RATE AS THE BOARD ANNUALLY DETERMINES; PROVIDED THAT THE DISTRICT'S TOTAL MILL LEVY FOR ALL DISTRICT PURPOSES (EXCLUDING THE MILL LEVY FOR TAX ABATEMENTS, REFUNDS AND CREDITS) SHALL NOT EXCEED THE MILL LEVY CAP APPROVED BY THE VOTERS IN 1997 OF 50.657 MILLS UNLESS OTHERWISE AUTHORIZED BY LAW; AND PROVIDED THAT SUCH TAX INCREASE SHALL BE FOR THE PURPOSE OF PROMOTING HIGH STUDENT ACHIEVEMENT AND OTHER EDUCATIONAL PURPOSES, WHICH MAY INCLUDE BUT ARE NOT LIMITED TO:

- MAINTAINING A HIGH QUALITY EDUCATIONAL PROGRAM AND RIGOROUS GRADUATION REQUIREMENTS FOR ALL DISTRICT STUDENTS;
• MAINTAINING COMPETITIVE SALARY AND BENEFIT LEVELS TO ATTRACT AND RETAIN HIGH QUALITY TEACHERS;
• ADDRESSING GROWING STUDENT ENROLLMENT; AND
• MAINTAINING AND ENHANCING TECHNOLOGY IN THE DISTRICT;

AND SHALL SUCH TAX INCREASE BE AN ADDITIONAL PROPERTY TAX MILL LEVY IN EXCESS OF THE LEVY AUTHORIZED FOR THE DISTRICT'S GENERAL FUND, PURSUANT TO AND IN ACCORDANCE WITH SECTION 22-54-108, C.R.S.; AND SHALL THE DISTRICT BE AUTHORIZED TO COLLECT, RETAIN AND SPEND ALL REVENUES FROM SUCH TAXES AND THE EARNINGS FROM THE INVESTMENT OF SUCH REVENUES AS A VOTER APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE LIMITS WHICH WOULD OTHERWISE APPLY UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

BALLOT ISSUE NO. 3B:

SHALL DOUGLAS COUNTY SCHOOL DISTRICT, NUMBER RE1 DEBT BE INCREASED \$395,000,000, WITH A REPAYMENT COST OF NOT TO EXCEED \$772,000,000 AND SHALL DISTRICT TAXES BE INCREASED NOT MORE THAN \$38,000,000 ANNUALLY FOR THE PURPOSE OF PROVIDING SCHOOLS AND CLASSROOMS THROUGHOUT THE COMMUNITY, ENHANCING STUDENT LEARNING OPPORTUNITIES, AND PROVIDING OTHER CAPITAL ASSETS FOR DISTRICT PURPOSES, WHICH MAY INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING:

- DESIGNING AND CONSTRUCTING NEW SCHOOLS;
• PROVIDING EQUIPMENT AND INFRASTRUCTURE INCLUDING, BUT NOT LIMITED TO, TECHNOLOGY AND INTERNET OR NETWORK EQUIPMENT; AND
• RENOVATING, REPAIRING OR MAKING ADDITIONS TO EXISTING SCHOOL BUILDINGS;

AND SHALL THE MILL LEVY BE INCREASED IN ANY YEAR, WITHOUT LIMITATION OF RATE AND IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH DEBT OR ANY REFUNDING DEBT (OR TO CREATE A RESERVE FOR SUCH PAYMENT), SUCH DEBT TO BE EVIDENCED BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, INSTALLMENT SALES AGREEMENTS, LEASE PURCHASE AGREEMENTS OR OTHER MULTIPLE-FISCAL YEAR FINANCIAL OBLIGATIONS BEARING INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 6.5%; SUCH BONDS TO BE SOLD IN ONE SERIES OR MORE, FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT OF SUCH SERIES, ON TERMS AND CONDITIONS, AND WITH SUCH MATURITIES AS PERMITTED BY LAW AND AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE BONDS PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF THE PREMIUM OF NOT TO EXCEED THREE PERCENT; AND SHALL THE DISTRICT BE AUTHORIZED TO ISSUE DEBT TO REFUND THE DEBT AUTHORIZED IN THIS QUESTION, PROVIDED THAT AFTER THE ISSUANCE OF SUCH REFUNDING DEBT THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF ALL DEBT ISSUED PURSUANT TO THIS QUESTION DOES NOT EXCEED THE MAXIMUM PRINCIPAL AMOUNT SET FORTH ABOVE, AND PROVIDED FURTHER THAT ALL DEBT ISSUED BY THE DISTRICT PURSUANT TO THIS QUESTION IS ISSUED ON TERMS THAT DO NOT EXCEED THE REPAYMENT COSTS AUTHORIZED IN THIS QUESTION; AND SHALL SUCH TAX REVENUES AND THE EARNINGS FROM THE INVESTMENT OF SUCH BOND PROCEEDS AND TAX REVENUES BE COLLECTED, RETAINED AND SPENT AS A VOTER APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

Total District Fiscal Year Spending

Table with 2 columns: Fiscal Year, Amount. Rows include 2008-2009 (estimated) \$552,637,237, 2007-2008 (actual) \$473,354,545, 2006-2007 (actual) \$432,411,174, 2005-2006 (actual) \$397,672,476, 2004-2005 (actual) \$356,325,886. Summary rows show overall percentage change from 2004-2005 to 2008-2009 at 55% and overall dollar change at \$196,311,351.

Proposed Tax Increase

District Estimate of the Maximum Dollar Amount of the Proposed Tax Increase For Fiscal Year 2009-2010 (the First Full Fiscal Year of the Proposed Tax Increase):
BALLOT ISSUE NO. 3A: \$17,000,000
BALLOT ISSUE NO. 3B: \$38,000,000
District Estimate of 2009-2010 Fiscal Year Spending Without Proposed Tax Increases: \$583,824,547

Information on District's Proposed Debt

BALLOT ISSUE NO. 3B:
Principal Amount of Proposed Bonds: Not to exceed \$395,000,000
Maximum Annual District Repayment Cost: Not to exceed \$ 38,000,000
Total District Repayment Cost: Not to exceed \$772,000,000

Information on District's Current Debt

Principal Amount Outstanding Debt: \$637,134,745
Maximum Annual Repayment Cost: \$ 69,595,869
Remaining Total Repayment Cost: \$988,722,248

*Excluded from debt are enterprise and annual appropriation obligations.

Summary of Written Comments FOR Ballot Issue No. 3A:

Douglas County School District's goal is to have 100% of its graduates work force and/or college ready. Passage of ballot measure 3A allows DCSD to maintain its status as a high performing system. DCSD students can earn college credit; the District's advancement of concurrent enrollment and expansion of college preparation courses saves college-bound students as much as \$10,000 in college expense at Colorado universities. Work force and college readiness means students can receive Career and Technical education in order to successfully compete for a job; DCSD's Ready Workforce coursework enables students to start college and enter into the workforce at a competitive advantage. 3A allows students to access to ever-improving technology and acquire computer skills at all grade levels. DCSD operates on one of the lowest revenue per student bases in the metro area and is in risk of losing a competitive edge to neighboring districts which are increasingly aggressive in recruiting our best teachers. DCSD receives \$383 less per student than Cherry Creek, \$705 less than Boulder and



\$1,105 less than Denver, and several of these districts are themselves asking for more override revenue in this election. Yet Douglas County's median family income - \$100,119 - is the highest in Colorado: over \$16,000 higher than Cherry Creek, \$9,000 higher than Boulder and \$45,000 higher than Denver. The combined annual tax impact of this mill levy and bond issue is \$118 per year on the average home. This represents one tenth of one percent of our median family income. Research has indicated that up to 10% of a home's value is attributed to the high quality of its school district; now more than ever the quality of DCSD's education system is even more important toward maintaining our property values. An important element of the election is that it maintains educational choice programs. DCSD cut \$21.4M from its 2008-09 Budget and additional cuts of \$16.1M for the 2009-10 school year are estimated. The state doesn't fund K-12 education adequately; without local support for 3A and 3B DCSD will not be able to maintain its status as a high performing district. 3A enables DCSD to continue its tradition of excellence by maintaining competitive salaries to retain and recruit the best teachers. Research has demonstrated that quality teachers are the most significant factor in assuring student achievement. DCSD maintains the most rigorous graduation requirements in the state. The District's student achievement in standardized tests is among the top three of the state's 178 school districts. DCSD offers world languages like French, Spanish and Chinese in our elementary schools. The District's reading intervention program has shown marked success in raising the scores of the lowest non-proficient first grade readers such that 78% of these readers are now achieving expectations of the No Child Left Behind law. About 6% of District students attend charter schools and the mill levy revenues will be shared pro-rata with these students as well as among those students attending district-operated magnet schools.

Summary of Written Comments AGAINST Ballot Issue No. 3A:

The School District's request is a significant tax increase, and should not be disguised as "pennies a day." In fact it is a 10% tax increase (4 mil increase over current 46.5). Stating the increase is 33c a day hides the real tax increase, which actually is a couple of hundred dollars per year per property.

Significant growth in the county's tax base has occurred. This growth in assessed value should have provided needed monies for school costs. The assessed value's have grown by 10.8%, so why is another 10% increase in the mil levy needed. Normal budget growth with the existing mil levy provides sufficient funds to operate the schools given the significant increase in the tax base.

The taxpayers supported the elections of 1989, 1997, 2003, and 2006. It's time to take a tax increase holiday and not increase taxes on residents at a time that their own incomes may not be increasing at a 15.8% rate over two years.

Growth has been phenomenal in recent years. The average teacher's salary is \$61,835 plus benefits costing 24.5% (source 2007-2008 School District Budget Executive Summary). Since teachers work 75% of the year (9 months), annualization of this nine-month salary is \$82,446. It is time to hold the line on salary increases. The District says the median household income in 2004 was \$94,658, and this often represents two people in the household working for an average of \$47,329 per taxpayer's income versus the teacher's salary of \$82,446.

DCSD has increased its employee count from 4,347 in 2005-06 to 5,034 in 2007-08 (15.8% increase in 2 years). Teachers have been needed to provide a continuing level of services to residents and students. The new facilities and staff needed are a result of new demand for services, which have been caused by population growth in the county, fueled by the growth in housing built by developers who have made enormous profits. There is no reason a significantly high cost developer "tap fee" on new housing should be ignored versus the current proposal of taxing existing county residents for new growth. Developers are profiting from their projects, and they should be assessed a fee to pay for the infrastructure needs which result from their projects.

Developers should be forced as part of their development approval process by the County Commissioners to construct new elementary schools, etc., not just donate land and leave it up to the District to then construct and pay for the school buildings needed in the growth areas. For every 400 new homes approved by the County, one new school should be paid for by those developers who have profited by expanding the housing in the county and the resultant population increase.

DCSD has previously stated that no tax increase would be needed to retire bonds. Now the District is asking for a tax increase. There needs to be District recognition and disclosure to voters that building more schools ultimately costs a lot of increased taxes.

Summary of Written Comments FOR Ballot Issue No. 3B:

While TABOR requires two separate questions, DCSD's request for \$395M in General Obligation Bonds and \$17M in Override revenues are both paid for by a single tax increase of four mills and in no event can the total mills increase beyond the voter authorized 50.657 mil levy cap set by Douglas County voters

in 1997. The four mil's revenues are split between the override and the bond's debt service; as assessed valuation increases countywide, so will the revenues. DCSD is able to offset the cost of the new debt given existing debt is being paid off. DCSD has doubled in enrollment since 1997 (from 27,275 to approximately 55,000 students) and continues to grow at over 2,000 students per year. Growth makes the bonds a necessity. Development does not pay its own way; an increase in assessed valuation simply means the state pays less. Courts have ruled that developers cannot be forced to pay for new schools. Each school district is responsible for paying for and building its own schools. This bond election provides for: 10 new elementary schools; 1 addition each to a middle and high school; 12 major renovations to 4 high, 1 middle and 7 elementary schools; and 28 other capital projects (roofs, mechanical systems, fields). In addition, technology improvements for all schools is assured at \$100 per student for technology equipment plus a wide area network will be installed. The District will build larger elementary school prototypes so fewer buildings are constructed, which saves future capital and operating costs. The new schools are highly efficient conserving water and energy. This bond election reduces the number of elementary schools on year-round schedules and thus make it easier on families with multi-aged children and reduces operating and administrative costs that come with year-round schools. If we do not build new schools, the number of schools on year-round calendars will increase as will class size. Douglas County Schools are community assets; over 1,300 community organizations have used the District schools since 2005; in the 2007-2008 school year, over 66 community groups spent over 51,000 hours in District schools; 23 churches use District schools. If 3A passes and 3B fails, the District won't have the space to house the new students and class size will increase dramatically and all of our elementary schools will eventually be on 4-track. If 3A fails and 3B passes, we will have the space to house new students but won't have the operating dollars to attract and retain the highest quality staff. The combined annual tax impact of this mill levy and bond issue is \$118 per year on the average home. This represents one tenth of one percent of our median family income. Furthermore, research has indicated that up to 10% of a home's value is attributed to the high quality of its school district; in this time of declining real estate values, the quality of our education system is even more important in maintaining our property values.

Summary of Written Comments AGAINST Ballot Issue No. 3B:

DCSD's request for \$395M of debt represents a significant tax increase, but no mention of the potential mil levy is in the ballot proposal, rather an open ended "up to \$38M" a year of taxation is mentioned. In fact proposal 3A's \$17M equates to a 4 mil levy, then \$38M would equate to an 8.94 mil levy or possibly higher if bond interest costs are added into the amount. This potential increase is hidden from the voters. DCSD has previously stated that no tax increase would be needed to retire bonds. Now they are asking for a tax increase to support \$38M annually. 3B needs to have District recognition and disclosure to voters that building more schools ultimately costs a lot of increased taxes. Significant growth in the County's tax base has occurred, and this growth in assessed value should have provided needed monies to pay for school costs. The assessed values have grown by 10.8%, so why is another significant increase in the mil levy on top of normal growth needed. DCSD's taxpayers have supported the elections of 1989, 1997, 2003, and 2006. It's time to take a tax increase holiday and not increase taxes on residents at a time that their own incomes may not be increasing at a 15.8% rate over two years. Growth has been phenomenal in recent years. Average teacher salary is \$61,835 plus benefits costing 24.5% (source 2007-2008 School District Budget Executive Summary). Annualization of this nine-month salary is \$82,446. It is time to hold the line on salary increases, as the economy is tight. DCSD says the median household income in 2004 was \$94,658, and this often represents two people working for an average of \$47,329 per taxpayer's income versus the teacher's salary. DCSD has increased its employee count from 4,347 in 2005-06 to 5,034 in 2007-08. Teachers and staff have been needed to provide a continuing level of services to District residents and students, but more importantly the growth of the counties population. The new facilities and staff needed are a result of new demand for services, caused by population growth in the County, fueled by the growth in housing built by developers who have made enormous profits. There is no reason a significantly high cost developer "tap fee" on new housing should be ignored versus the current proposal of taxing existing county residents for new growth. Developers are profiting from these projects; they should be assessed a fee to pay for the infrastructure needs. Developers should be forced as part of their development approval process by the County to construct new elementary schools, etc, not just donate land and leave it up to the District to then construct and pay for the school buildings needed in the growth areas. For every 400 new homes approved by the County, one new school should be paid for by those developers who have profited by expanding the housing in the county and the resultant population increase.

