

Causes of Uncertainty



- National Recession
- State Fiscal Budget Crisis and Budget Cuts
- Housing market and impact on assessed value
- Amendment 23 compliance, interpretation, and sunset
- Changes or potential impacts from statute changes for Arveschoug-Bird, at-risk funding, declining enrollment districts, and other possible revenue distribution formula modifications
- School finance funding changes based on interim committee work
- State's future tax structure changes
- Funding Cliff Impacts
- Local Mill levy override election possibilities

Range of Futures



- Our financial future is not framed by a single event, but by a number of inter-related events .
- The “High Range” forecast is the scenario of assumptions being presented for planning that results in lower deficits for LPS.
- The “Low Range” forecast is the scenario of assumptions being presented for planning that results in greater deficits for LPS. These deficits could go even higher.

High Range (less deficit) Assumptions

| Forecast Assumptions | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|---|-----------------------------|----------------|--------------------------|----------------|----------------|
| Declining Enrollment | (211.5) | (100.0) | (100.0) | (100.0) | (100.0) |
| Denver/Boulder CPI | 3.9% | 0.0% | 1.5% | 2.0% | 2.3% |
| Amendment 23 | 4.9% | 1.0% | 1.5% | 2.0% | 2.3% |
| Statewide SFA Restricted Reserve Rescissions | \$150 mil | \$200 mil | Permanent PPR Reductions | | |
| Rescission Impact to LPS | \$2.7 mil | \$3.7 mil | \$3.7 mil | \$3.7 mil | \$3.8 mil |
| Net Salary Change (Rates, steps, lanes, & staff reductions) | Steps, lanes, & equivalents | 1.0% | 1.5% | 2.0% | 2.3% |
| Cost Increases | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Health Insurance | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| PERA Increase | 0.9% | 0.9% | 0.9% | 0.9% | 0.0% |
| New On-going | \$0 | \$0 | \$0 | \$0 | \$0 |
| One-time Spending | \$1.1 mil | \$0.1 mil | \$0.1 mil | \$0.1 mil | \$0.1 mil |

Low Range (greater deficit) Assumptions

(Deficits could even be higher than shown here)

| Forecast Assumptions | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|---|-----------------------------|----------------|--------------------------|----------------|----------------|
| Declining Enrollment | (211.5) | (100.0) | (100.0) | (100.0) | (100.0) |
| Denver/Boulder CPI | 3.9% | 0.0% | 1.5% | 2.0% | 2.3% |
| Amendment 23 | 4.9% | 1.0% | 1.5% | 2.0% | 2.3% |
| Statewide SFA Restricted Reserve Rescissions | \$150 mil | \$200 mil | Permanent PPR Reductions | | |
| Rescission Impact to LPS | \$2.7 mil | \$3.7 mil | \$3.7 mil | \$3.7 mil | \$3.8 mil |
| Net Salary Change (Rates, steps, lanes, & staff reductions) | Steps, lanes, & equivalents | 1.0% | 1.5% | 2.0% | 2.3% |
| Cost Increases | .0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Health Insurance | 6.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| PERA Increase | 0.9% | 1.4% | 1.9% | 1.9% | 0.5% |
| New On-going | \$0 | \$0 | \$0 | \$0 | \$0 |
| One-time Spending | \$1.1 mil | \$0.1 mil | \$0.1 mil | \$0.1 mil | \$0.1 mil |

GENERAL FUND 5-YEAR PROJECTIONS

Range of Forecast Uncertainty

