NOTICE TO ALL REGISTERED VOTERS OF ELECTION
TO INCREASE TAXES/TO INCREASE DEBT

JEFFERSON COUNTY SCHOOL DISTRICT NO. R-1
(JEFFERSON AND BROOMFIELD COUNTIES, COLORADO)

Local Election Office: 1829 Denver West Drive, Building #27, Golden, Colorado 80401
Telephone: (303) 982-6801

Election Date: November 2, 2004

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

Ballot Title and Text of Question 3B:

"SHALL JEFFERSON COUNTY SCHOOL DISTRICT R-1'S DEBT BE INCREASED $323.8 MILLION WITH A REPAYMENT COST OF $680.5 MILLION OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL JEFFERSON COUNTY SCHOOL DISTRICT R-1'S TAXES BE INCREASED $48.8 MILLION ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT, ALL FOR THE FOLLOWING PURPOSES:

- CONSTRUCTING ADDITIONS, NEW CLASSROOM SPACE AND REPLACEMENTS FOR 9 DISTRICT HIGH SCHOOLS, SOME OF WHICH ARE APPROACHING 50 YEARS OLD;
- CONSTRUCTING ONE NEW ELEMENTARY SCHOOL AND REPLACING ONE MIDDLE SCHOOL;
- RENOVATING AND REPAIRING ELEMENTARY AND MIDDLE SCHOOL BUILDINGS;
- MAKING LIFE SAFETY IMPROVEMENTS IN DISTRICT BUILDINGS BY RENOVATING, REPAIRING AND/OR REPLACING PLUMBING, ELECTRICAL, LIGHTING AND MECHANICAL SYSTEMS AND ROOFS, UPGRADING SECURITY AND IMPROVING SITE CONDITIONS;

AND OTHERWISE EQUIPPING, IMPROVING, EXPANDING, REPAIRING AND FURNISHING CHARTER SCHOOL AND DISTRICT FACILITIES AND GROUNDS AS PERMITTED BY LAW; WITH SUCH DEBT TO BE IN THE FORM OF GENERAL OBLIGATION BONDS, WHICH BONDS SHALL BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 6.50% AND MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND BE ISSUED, DATED AND SOLD AT, ABOVE OR BELOW PAR, AND AT SUCH TIME OR TIMES AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HEREWITH, AS THE BOARD

OF EDUCATION MAY DETERMINE; AND IN CONNECTION THEREWITH (I) TO INCREASE THE DISTRICT'S AD VALOREM PROPERTY TAXES IN ANY YEAR IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND (II) TO COLLECT AND SPEND THE PROCEEDS OF THE BONDS AND THE REVENUES FROM SUCH TAXES AND THE SPECIFIC OWNERSHIP TAXES ATTRIBUTABLE THERETO AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES WITHOUT LIMITATION BY THE REVENUE AND SPENDING LIMITS OF, AND WITHOUT AFFECTING THE DISTRICT'S ABILITY TO COLLECT AND SPEND ANY 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)***
2000-01 (Actual)	$483,273,700
2001-02 (Actual)	511,055,385
2002-03 (Actual)	596,146,236
2003-04 (Actual)	602,072,110
2004-05 (Current Year Estimated)	600,884,200
Overall FYS percentage change through 5 years (2000-01 - 2004-05):	24.34%
Overall FYS dollar change through 5 years (2000-01 - 2004-05):	$117,610,500

*Does not include payments on bonded debt of $60,277,919 in fiscal year 2000-01; $60,154,213 in fiscal year 2001-02; $59,200,204 in fiscal year 2002-03; $61,200,848 in fiscal year 2003-04; and $60,523,900 in fiscal year 2004-05.

Fiscal year spending without the tax increase in the ballot proposal is estimated to be up to $600,884,200 in the 2004-05 Fiscal Year, assuming no other tax increase is approved. The proposed maximum dollar tax increase in the ballot proposal is $48,800,000 in such Fiscal Year.

The ballot proposal for bonded debt includes the following:

Principal Amount:	$323,800,000
Maximum Annual Repayment Cost:	up to $48,800,000 in any fiscal year
Maximum Total Repayment Cost:	up to $680,500,000 (maximum principal and interest over the life of the debt)

The current bonded debt for the District is as follows:

Principal Balance:	$480,085,000
Maximum Annual Repayment Cost:	$61,123,625
Remaining Total Repayment Cost:	$641,887,218

SUMMARIES OF WRITTEN COMMENTS FILED WITH THE ELECTION OFFICER

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

ELVIS was the rage…you could cruise 16th street downtown...IKE was President. It was a great time—and it was also when many Jeffco schools were built! And many more were constructed during the Kennedy-Johnson years.

And now they need replacement, expansion and renovation. For Jeffco to continue to be the safe, vibrant, thriving home we all want it to be, we need to VOTE **YES on 3B** for physical improvements to our schools. We have millions of dollars invested in our infrastructure. These are not maintenance issues; this is significant construction of new school space to replace structures that are 30-40-50 years old!

Jeffco Schools have been frugal with our money and continue to do more with less.

FACT: We have the fewest central administrators per student of *any* metro district.
FACT: We have 85,000 students, and receive the fewest operating dollars per student of any metro district.
FACT: Jeffco Homeowners pay an average of $27/month for educating children.
(That's less than the average monthly cable bill)

YES on 3B will:

- Replace, renovate or expand 9 high schools and 3 middle schools.
- Build 1 new elementary and make renovations to 14 others.
- Cost ONLY 73 cents a month per $100,000 of home value.
  (Because we've paid off other bonds this plan can be completed for pennies)

Maintaining quality schools is the best insurance available for maintaining the investment in a home.

Please vote **YES on 3B.**

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

Despite already declining enrollment and projected further declines in enrollment within the district, Jeffco built new schools with the last bond monies that remain more than half empty. In

fact, they have purchased advertisements offering FREE BUSING for Douglas County students to boost enrollment at one of the buildings. Jeffco is requesting additional capacity when capacity exists in nearby schools. Jeffco refuses to reassess configurations of schools to maximize use of existing buildings and instead is asking for additional money to expand schools during declining enrollment. In one area alone this is an unneeded bond request of ~$40 Million dollars.

Jeffco does not use capital reserve monies as intended to maintain its buildings. The minimum $262 per student collected annually is to be used for capital expenses for long-term capital improvements. Jeffco is funding yearly operational budget items from a costly 20-year bond and Jeffco asks voters for more money to "fix" the problem every 5 - 6 years.

R-1 intends to demolish schools that received additions/improvements as recently as 1998-2003, part of the 1997 twenty-year bond. R-1 will be destroying work for which the taxpayers have not yet finished paying! R-1 needs to learn how to design and maintain its buildings appropriately to avoid unnecessary expenditures of our dollars!

When Jeffco builds or expands a school, it uses a predetermined formula to purchase new equipment and supplies. Replacement facilities include costs in the bond to replace all existing furniture, computers, sports equipment, etc., rather than using existing equipment available in the county. Using such a formula can inflate the costs by a factor of 30!

Jeffco's Proposed Capital Investment plan for 2005-2010 calls for expenditures which are not capital investments. Jeffco is planning to use the Bond to finance building maintenance and minor upgrades which should be funded from annual budgets. At least $150 million of the $324 million bond would be used for this routine maintenance. This mismanagement and budget fiasco would cost Jeffco residents unnecessary interest payments. Tax dollars are precious and should not be wasted in this way.

More than 20 years ago the school board promised the business community that in exchange for its support on a bond issue, which included capital repairs to a number of schools, that the school district would thereafter maintain a capital improvements budget which would provide funds to take care of minor improvements and repairs to existing schools. The school board has never established adequate funding as promised and continues to violate their obligations to the community to establish proper funding to pay for the capital improvements for minor repairs and improvement that they are proposing to fund with this new bond issue. The bond issue should be rejected and they should fulfill their promises to provide funding out of existing revenues for these repairs.