

Arapahoe County School District Number Six



2018–2019 *Pocket Guide to Understanding Your School District Budget*



Education Services Center
5776 South Crocker Street
Littleton, Colorado 80120-2012
303-347-3300
www.littletonpublicschools.net

Littleton Public Schools



The Pocket Guide to Understanding Your School District Budget is a look at key features of a school district budget and can be used as a tool to better understand how the district's budget process works.

The Littleton Public Schools (Arapahoe School District #6) budget process is ongoing and includes long-range forecasting and planning. It is developed to strategically focus the district's resources into programs and services that meet the academic needs of its students.

VISION STATEMENT

LITTLETON PUBLIC SCHOOLS:
EXCEPTIONAL COMMUNITY, EXTRAORDINARY
LEARNING, EXPANDED OPPORTUNITY, AND
SUCCESS FOR ALL STUDENTS



MISSION STATEMENT

TO EDUCATE ALL STUDENTS FOR THE
FUTURE BY CHALLENGING EVERY INDIVIDUAL
TO CONTINUOUSLY LEARN, ACHIEVE, AND
ACT WITH PURPOSE AND COMPASSION IN A
SAFE AND SECURE ENVIRONMENT

We're on the Web
www.littletonpublicschools.net

This guide is designed to introduce you to the Littleton Public Schools (LPS) budget and how it works. It will walk you through the basics, covering the budget's main components. You'll learn where the money comes from, how the money is used, how public education affects you as a taxpayer, and how Colorado school finance works.

For more detailed information about the LPS budget, visit www.littletonpublicschools.net under Financial Transparency or contact either the Assistant Superintendent of Business Services/Chief Financial Officer at 303-347-3379 or the Director of Finance and Risk Management at 303-347-3323.

Table of Contents

Budget Snapshot -----	4
Quick Facts -----	5
Understanding Your School District Budget-----	6
Budget Perspectives-----	7
Understanding School Finance in Colorado-----	14
Who Determines How Much Funding Districts Receive? ---	15
How Does Supporting Education Impact Your Taxes? -----	20
Looking at LPS's Budget -----	24
The Funding Driver—Enrollment-----	26
What Factors Affect Revenues? -----	28
Stretching LPS Dollars at Your Local School -----	29
How Has LPS Made Choices?-----	31
2017–2018 Budget Cycle Calendar -----	34

Budget Snapshot

For 2018–2019 Littleton Public Schools has a total budget appropriation of \$258,840,931 funded from state, local, and federal sources.

The LPS budget is used to teach students; transport students to and from school; maintain buildings and grounds; pay teacher, support staff, and administration salaries; provide health and retirement benefits; and furnish training.



As a result of bond and mill levy elections, voters have approved funding which has helped renovate buildings and provide additional instructional support and programs.

At the center of LPS are the students. While the financial health is crucial to maintaining a premier district, the main broader objective is ensuring excellence and equity in education for our students. LPS enjoys a reputation for being a premier district in Colorado and the nation. District schools met or exceeded all performance indicators in 2017 and received an Accredited with Distinction rating. This is the highest academic accreditation rating given by the Colorado Department of Education. LPS has received the rating all seven years it has been offered. Littleton Public Schools continues to be the only district in the Denver metropolitan area to be Accredited with Distinction each year it has been awarded. Only 30 districts of 178 statewide received this rating, placing LPS among the top 17 percent of school districts in the state. Additionally, the Colorado Department of Education has also awards district schools ten John Irwin School of Excellence awards and three Governor's Distinguished Improvement awards.



Quick Facts

Projected Number of Students In 2018–2019		15,161
Elementary Schools		13
Middle Schools		4
High Schools		3
Charters Schools K–8		2
Early Childhood Program		1
Alternative Programs (Options Secondary Program, Phoenix Program, Nova Program, Transition, Voyager On-line Program)		<u>5</u>
Total Number of Schools/Programs		28



*Ethnic Distribution

2017–2018	American Indian/ Native Alaskan	Asian	Black	Hispanic	White	Native Hawaiian or Other Pacific Islander	Two or More Races	Total
PK–Elementary	12	165	77	1,224	4,865	13	302	6,658
Middle Schools	18	107	55	640	2,457	5	157	3,439
High Schools	22	196	66	817	3,876	4	186	5,167
Total	52	468	198	2,681	11,198	22	645	15,264

*Graduation Rate and Dropout Rate

	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017
On-Time Graduation Rate	92.1	90.7	87.5	90.0	90.8
5-Year Completion Rate	95.2	94.3	93.0	93.9	—
Dropout Rate	0.8	0.7	0.9	0.8	0.9

*most current data available

Understanding Your School District Budget

Our Mission

"To educate students for the future by challenging every individual to continuously learn, achieve, and act with purpose and compassion in a safe and secure environment."

The LPS District strategically budgets an annual spending plan which provides quality instruction and educational programs for all students. This rigorous budgeting process ensures that taxpayers' monies are spent efficiently and responsibly, always with the goal of achieving our mission.

Education and schools consistently rank as one of the top areas of interest to citizens as measured by a variety of opinion polls each year; however, school funding and school district budgets are a bit of a mystery.

This guide will provide an overview of how the school funding system works in Colorado and the factors that impact how schools receive the funds needed to produce a high quality education for the students of Littleton Public Schools.

The district has maintained the goal of providing quality education to children while managing the district's resources in a prudent manner. The budget follows the interests of the Board of Education (the Board) and the Littleton community. LPS has an extensive budget process that begins with reviewing the current financial condition, preparing financial projections for the school district, and utilizing assumptions to drive revenue and expenditure forecasts. These projections are presented to various district committees and the Board and are updated quarterly.

Detailed information on the LPS 2018–2019 Adopted Budget is provided at www.littletonpublicschools.net under Financial Transparency.

Information regarding education funding in Colorado can also be found on the following websites.

- Colorado School Finance Project—<http://www.cosfp.org>
- Colorado Department of Education—[http://www.cde.state.co.us/
cdefinance](http://www.cde.state.co.us/cdefinance)
- State of Colorado—<http://www.colorado.gov>

Budget Perspectives

Everyone has an investment in public schools. The public education system adds to our community's quality of life and supports a healthy economy. Businesses are more likely to locate to a community that has good schools to educate the children of its employees and to provide a pool of future employees. Solid school systems also equate to stronger property values.

Development of the annual budget is one of the most important responsibilities of the Board and superintendent. The superintendent must present a budget and Colorado state law requires the Board to adopt a balanced budget prior to July 1, the commencement of the new fiscal year.

A school district budget is complex. It usually is presented from the view of the elected governing body, the Board. In contrast, each constituent views the budget from a more personal vantage point, whether from home, school, district, or community.

The District Perspective

At the district level, the superintendent and staff work closely with the elected Board of Education to ensure the budget plan takes into account all strategic directions. Each year, the Board and the superintendent bear the responsibility of adopting a budget that will ensure quality education for all students and fiscal stability in varying political and economic conditions. LPS faced numerous challenges in the development of the 2018–2019 budget, including:

- A state budget adjustment, or negative factor, of 8.76 percent in 2018–2019 is being utilized to offset the Amendment 23 required inflationary funding increase of 3.4 percent and keep per-pupil revenue (PPR) at \$7,819, an increase of only \$446 from 2017–2018.
- The 8.76 percent negative factor lowered PPR from \$8,570, a loss of \$751 in PPR equivalent to \$11.0 million in program funding for LPS.
- Local property tax revenues are decreasing \$0.4 million due to minimal fluctuations in assessed property values. This increases the state's School Finance Act (SFA) funding obligation to the district.



-
- The increasing costs associated with health insurance, utilities, fuel, and maintenance contracts.
 - Stable versus growing student enrollment limits the district's ability to receive additional state education dollars.

The LPS Board of Education is responsible for determining the direction of the district within parameters set forth not only by state laws concerning district accreditation but also by federal legislation. Local goals identified by the school community are also identified and incorporated into planning. The combination of the laws and local input has allowed LPS to develop the district Strategic Plan and goals designed to address and measure student performance. Additionally, the district has established a District Achievement Goal that states, "One hundred percent of LPS students will graduate prepared for meaningful post-secondary opportunities." The success of the district's compliance with the various laws and progress towards its goals are measured via data collected, analyzed, and documented annually.

In addition to supporting learning in the classroom, budget considerations must include the behind-the-scenes support provided throughout the district. Each school site relies on the district to carry out numerous functions so that maximum learning and achievement can occur. These functions range from keeping the district current with state and federal regulations, developing curriculum and instruction to meet state standards, and managing a multimillion dollar budget for the basic operations of the organization.



The Strategic Plan, as shown below, reflects the priorities of the current Board and aligns with the district's direction.

<i>Core Beliefs</i>	<i>Focus Areas</i>
<ol style="list-style-type: none">1. A Littleton Public Schools education prepares all students to succeed in a global society.2. Every student is unique and has different abilities, needs, and learning styles that require varying educational techniques and strategies.3. Students learn best when their passions and talents are coupled with high expectations and academic rigor in a safe and caring environment.4. A quality educational environment requires exceptional teachers, administrators, and staff supported by effective professional development, competitive compensation, and personnel practices that attract and retain the best staff.5. The foundation for education and citizenship is built upon communication and connections with the community, including the active participation of students, staff, and parents.6. A comprehensive education provides students with varied learning opportunities that include curricular and extra-curricular offerings.7. Meaningful and appropriate evaluation of student learning occurs through timely and ongoing analysis of student performance on a variety of assessments.8. Effective use of technology as an instructional tool enables students to successfully communicate, learn, and compete in a global environment.9. An LPS education enables students to think critically, work collaboratively, communicate effectively, and act with integrity.10. Students learn best when there are collaborative partnerships that foster thoughtful and relevant learning innovations between school and district leadership.11. A strong, flexible, and fiscally responsible school district that is adequately funded is critical for long-term success and community confidence; for maintaining strong partnerships with local, state, and national elected officials and neighboring agencies; and for engaging in, shaping, and influencing public policy that affects education services in LPS.	<ol style="list-style-type: none">1. Enhance instructional systems and career pathways that maximize achievement for all students and integrate knowledge and skills relevant to 21st century career choices.2. Expand utilization of instructional technology with appropriate use for student achievement while providing the infrastructure for organizational efficiency and effectiveness.3. Provide an educational and work environment that supports professional learning and collaborative work for all staff.4. Promote, sustain, and create quality programs that make Littleton Public Schools the uniquely preferred choice for families inside and outside the District.5. Engage the community and parents as active partners in the objectives, activities, and performance of the school district and its students.6. Optimize the use of district resources and facilities to meet student learning needs while operating the District efficiently.7. Promote and provide a safe environment that fosters caring, respect, and compassion for others.8. Enhance and support quality early childhood and childcare programs.9. Educate and support staff, parents and community to address diverse student learning by providing access and opportunities for all students.10. Partner with parents and community to expand and enhance programs that address the physical, social, and emotional well-being of students, families, and staff.

The School Perspective — Principals, Teachers, & Support Staff

Employees are LPS's most valuable assets. One of the strategic directions of the Board is to develop and implement creative systems of compensation, professional development, and other personnel practices to provide a professional environment that attracts, rewards, and retains quality staff. Personnel costs (salaries and benefits) account for 79.6 percent of the \$162.7 million of budgeted LPS General Fund operating expenditures for 2018–2019. These personnel costs compensate principals, teachers, and support staff.



The employees of LPS rely on budget decisions that allow them to effectively perform their jobs and provide a quality education to students. The budget funds the necessary equipment, supplies, and training that enable employees to fulfill their job responsibilities and to grow in their profession.

Principals are the managers of their schools and are responsible for making recommendations for hiring staff to carry out the educational programs and for managing the school's non-salary (operating) budget.

Instead of a staff budget, schools receive an allocation of staff positions called full-time equivalents (FTE) so the proper number of teachers and support staff can be obtained to deliver the educational program for each school year. The FTE is based on each school's student enrollment.

Each school receives an operating allocation based on school enrollment. This allocation pays for classroom budgets, copiers and paper, office supplies, libraries, custodial supplies, some special programs, and staff development. Principals work with their staff and school accountability committees to develop a budget to support the school's goals and needs.

The Home Perspective — Students and Parents

LPS is organized and focused to meet the needs of 15,161 students and manage 28 schools and programs. The district's budget must be carefully crafted in a manner to achieve its primary goal, "to educate students for the future by challenging every individual to continuously learn, achieve, and act with purpose and compassion in a safe and secure environment."

The district determines, in part, the success of its educational mission through the measurement of student achievement. The following summarizes student achievement data which the district continues monitoring and reporting.

Attendance Rate: The LPS pupil attendance rate was 95.28 percent in 2016–2017. The district has maintained an average attendance rate of at least 93.0 percent for the past ten years.

Graduation Rate: LPS high schools consistently have higher graduation and completion rates than the Colorado averages. The 2016 graduation rate for the district was 90.8 percent with a five-year completion rate of 93.9 percent.

Student Achievement: The standardized test scores of LPS students continue to surpass both Colorado and national averages. Test results are presented on pages 173–179 of the 2018–2019 Adopted Budget.

Other Indicators:

- Approximately 90.6 percent of LPS graduates went on to higher education in 2017.
- In 2017, high school seniors were awarded approximately \$42.1 million in college grants and scholarships.
- In 2017, LPS had seven National Merit Scholars, one National Merit Scholar Semifinalist, 19 National Merit Commended Scholars, one United States Presidential Scholar Semifinalist, seven College Board National Hispanic Scholars, one Daniels Fund Scholar, and one Boettcher Scholar. Four students were awarded appointments to United States Military Academies.

Parents are closely connected to LPS through their child's school and educational needs. Class size, available programs, and qualifications of teachers and other staff are essential considerations for parents and are important components of the budgeting process.

Community Perspective — Taxpayers

A majority of Littleton constituents are connected to the schools through the taxes paid on their homes, businesses, and vehicles. Littleton residents pay taxes that support schools, whether it is directly through property and specific ownership taxes or indirectly through the cost of taxes businesses pass on in the price of goods, services and rent.

Tax dollars are collected locally for education, but the state legislature determines how much funding each school district receives through the SFA. This complex set of state laws and constitutional amendments ensures equity in school funding as well as state equalization.

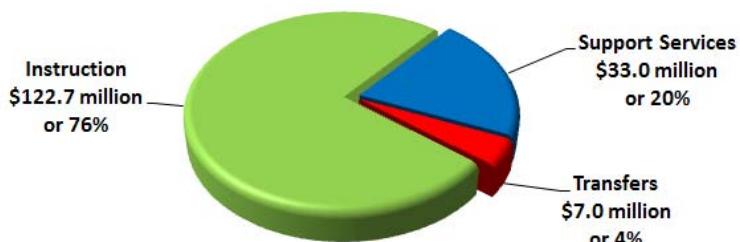
Littleton taxpayers expect the district to be a good steward of their tax dollars. The budgeting process ensures that taxpayers' moneys are spent efficiently and responsibly, always with the goal of providing students a quality education.

Littleton taxpayers receive an intrinsic value from their investment in public education. Well-educated youth will be prepared for the jobs of the future and leadership roles in our community and country. Today's students will be the leaders and taxpayers for subsequent generations. In addition, the public schools contribute to the general economic health of a community and good schools typically equate to higher values for property owners.



For Every Dollar in the LPS General Fund Budget.....

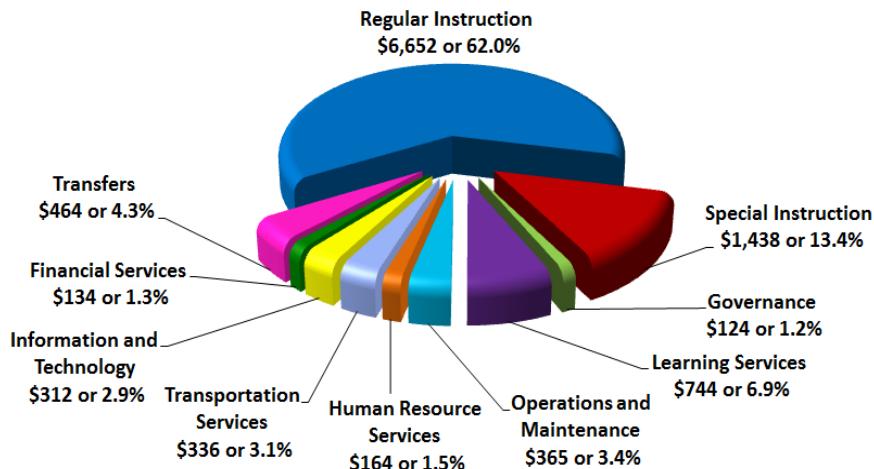
- Approximately \$0.76 is devoted to instruction activities. This includes salaries and benefits, supplies, and other costs related to instruction of students as well as school building administration and special student programs.
- Approximately \$0.20 is devoted to support services. The largest areas of expenditure in this component are learning services, operations services, and transportation services.
- Approximately \$0.04 represents transfers to the Capital Projects Fund, Insurance Reserve Fund, and Student Athletics and Activities Fund.



How Does the Typical Student Use \$10,733?

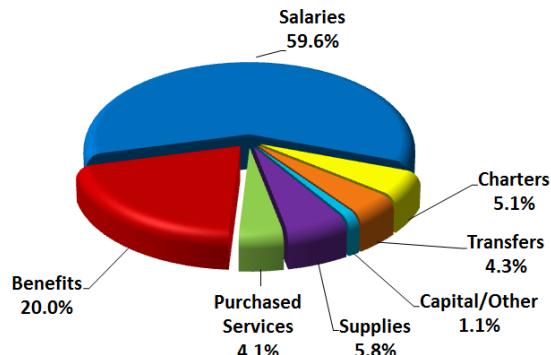
Another way of looking at expenditures is to show how the district's general fund operating budget relates to a typical student. In fiscal year 2018–2019, the district will fund 15,161 students representing a cost of approximately \$10,733 for each student. That expense will be broken out into the following service areas.

Budgeted Expenditures Per Student



Within the service areas above, expenses are further categorized by objects which are used to describe the general service or commodity obtained as a result of the expenditure. In 2018–2019, LPS expects the overall expenditures of the general fund to be spent in the following ways.

Budgeted General Fund Expenditures by Object



Understanding School Finance in Colorado

Amendments That Affect School Funding

TABOR

Colorado's "Taxpayer's Bill of Rights"—known as TABOR—sets taxing and spending limits on all levels of government in the state, including school districts. TABOR's primary objective is to "restrain the growth of government" as stated in Colorado's Constitution.

Many TABOR provisions impact school funding. The three most significant limitations follow.

- Requires voter approval of tax increases
- Limits revenue collections
- Limits spending

TABOR also impacts school district spending by requiring them to hold a minimum of 3.0 percent of its fiscal year spending, excluding bonded debt service, in reserves. These reserves can only be spent in an emergency situation, which excludes economic conditions, revenue shortfalls, or salary and fringe benefit increases.

AMENDMENT 23

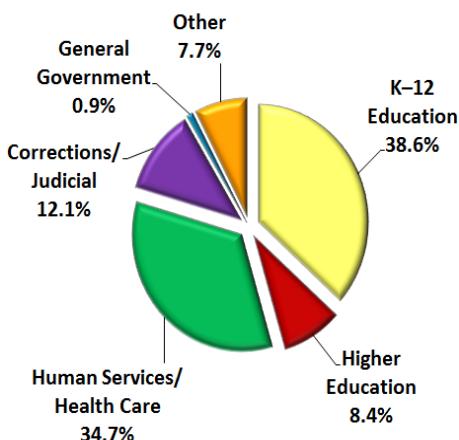
In November 2000, Colorado taxpayers approved Amendment 23 to the Colorado Constitution. This amendment guaranteed increases in funding to public

elementary and secondary schools at a rate of inflation plus 1.0 percent for a total of 10 years. The increase was guaranteed at the rate of inflation after those 10 years. The amendment's goal was to restore public education funding back to 1988 levels.

PRIMARY FUNDING

The state government is responsible for funding public services, such as prisons and transportation, in addition to determining funding for schools. Each year, the budget crafted by the governor and legislature determines how much of the total budget is allocated to education.

**State of Colorado
General Fund Appropriation
by Department FY 2018–2019**



Source: State of Colorado Joint Budget Committee Appropriations Report

Who Determines How Much Funding Districts Receive?

The state legislature determines how much funding each school district will receive per pupil via the SFA funding formula. This funding is known as Total Program.

State Equalization

The SFA formula divides individual district Total Program funding amounts into a Local Share and a State Share. The first part of Total Program comes from the Local Share, which is provided by property taxes paid by homeowners and businesses. Since the ability of districts to actually raise the taxes necessary to cover the Total Program funding varies extensively



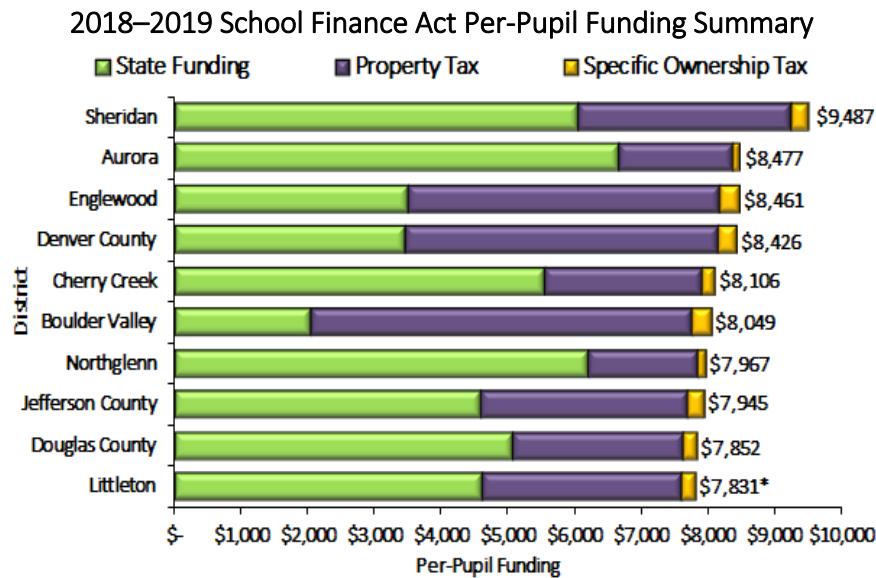
across the state, shortfalls are covered with state funds, the State Share. After the state determines Total Program for all 178 Colorado districts, each one decides how to allocate that funding to best serve its local school system.

In addition to local property taxes and state funds, districts also receive a portion of their Total Program from vehicle registration fees, known as specific ownership tax. Although the state determines individual school district funding levels, the amount contributed from the three different sources varies according to local property tax wealth. As you can see from the chart on the next page, LPS receives more than half of its SFA program revenue from state funding.

Equity in School Funding

The SFA is aimed at ensuring all children in the state receive an equitable educational experience. The SFA formula evaluates various factors, including how many at-risk students a district serves, the cost of living in the community, and the size of the district, and determines the cost for providing an equitable educational experience in each school district. LPS receives less funding than other districts in the metropolitan area largely because of these three considerations, as shown in the chart on the next page. In 2018–2019, the average state funding rate is \$8,137 per-pupil. The Colorado Department of Education expects LPS to receive \$7,819 per-pupil revenue. This is an increase of \$446, when compared to 2017–2018

funding of \$7,373 per-pupil. The state's budget adjustment, commonly known as the negative factor is used to offset the legally required inflationary increase in funding of 3.4 percent. It is negative 8.76 percent.



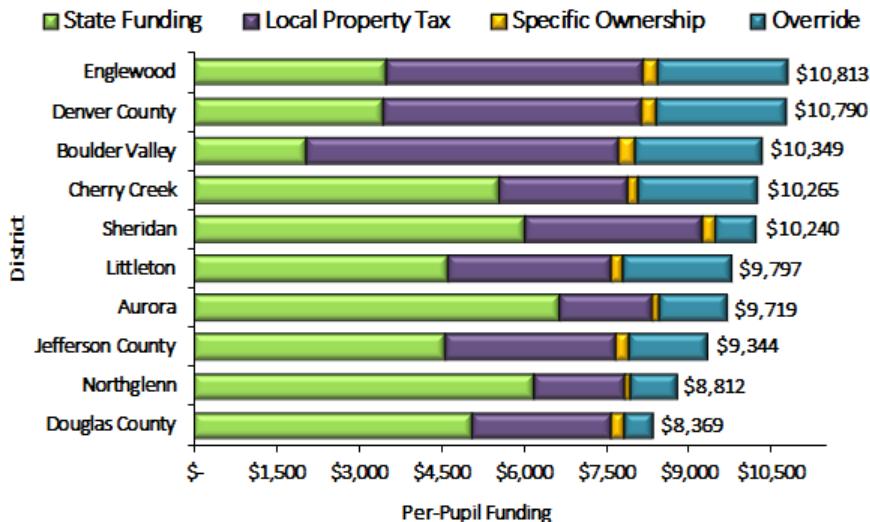
* The final SFA per-pupil funding amount changed after the development of the district's Adopted Budget, so the funding amount reflected in the budget differs from the amount shown in the chart above.

Local Referenda

Colorado law allows local school districts to ask voters to approve supplemental funding for their district through an additional mill levy override. Littleton voters approved such overrides in 1988, 1997, 2004, and 2010, thereby increasing the property taxes for households and businesses within district boundaries. Total override funding also includes funding from the state's fiscal year 1994–1995 hold harmless override provision. While this funding source does not affect the amount of Total Program funding a district receives, it is limited by state law to an amount equal to no more than 25.0 percent of a district's Total Program funding.

The chart on the next page illustrates how override funding can improve the total annual per-pupil funding for districts.

2018–2019 Per-Pupil Funding Summary With Override



Source: CDE <http://www.cde.state.co.us/cdefinance>

History of LPS Mill Levy Overrides

Mill levy overrides are one option the district has for raising sufficient funding to provide the educational resources our students need. LPS receives \$26,498,234 annually from the mill levy overrides approved by voters in 1988, 1997, 2004, and 2010. An additional \$2,315,347 is available from the state's hold harmless provision.

Some of the ways the funds were used include:

- Preserving teaching positions that would have been cut due to budget constraints.
- Providing curriculum acquisition funds for materials for core subject areas.
- Maintaining class size in Grades Kindergarten through 12.
- Upgrading and maintaining technology.
- Providing students with the tools and instruction necessary for success in college, post-secondary education, and the workplace.
- Maintaining adequate numbers of well-qualified teachers.
- Continuing to provide students with a safe environment for successful achievement.

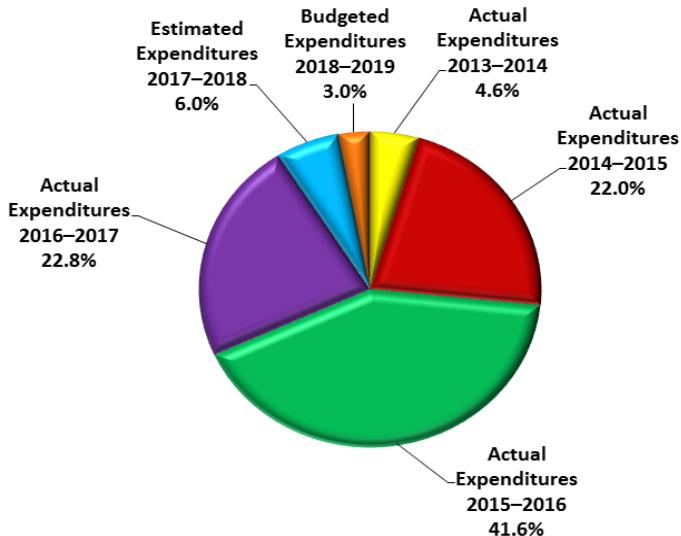


Additional Voter Approved Revenues

In November 2013 voters approved \$80 million in general obligation bonds for capital projects necessary to maintain current district facilities. All projects under this bond issue were identified and prioritized by the Capital Improvement Planning Committee and were authorized by the Board of Education. In order to best facilitate the monetary needs of the planned projects, the bonds were issued in staggered amounts, with the final series of bonds being issued in October 2015. Through careful timing of the issuances, LPS has also been able to capitalize on bond premiums, giving the district an additional \$5.8 million in revenues to apply towards the approved projects.

To date, the district has spent approximately \$83.0 million on the approved projects. Spending has progressed as shown in the chart below.

Six-Year Construction Expenditures of Total Bond Projects



All of the completed projects, as well as the pending projects, are centered around increasing the life of the district's buildings while maintaining a safe and secure learning environment for the communities we serve. Over the past five fiscal years, many of the district's buildings have received the following:

- Replacement of hardware

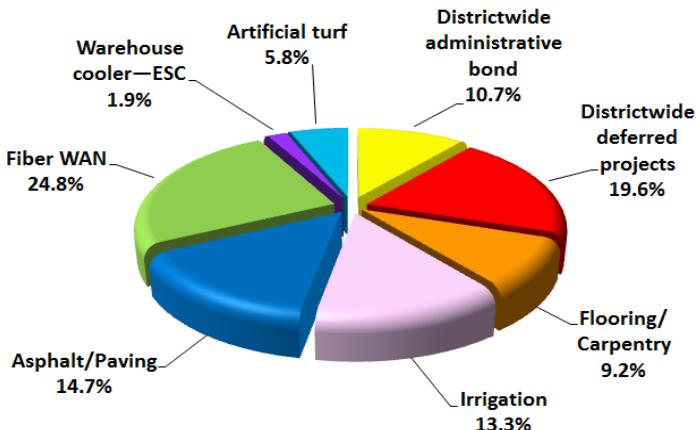
-
- Improvement of classroom heating and cooling
 - Upgraded fire alarms and fire sprinkler additions where needed
 - Expanded technology infrastructure
 - Upgraded mechanical systems

More extensive projects undertaken at specific locations include:

- General roofing repairs
- A roof replacement and internal remodel at Runyon Elementary
- Flooring repairs
- Replacement of boilers and/or chillers
- Parking lot and concrete paving repairs
- Reconfigurations of office, classroom, and restroom spaces
- Replacement of kitchen serving lines
- Grounds resurfacing
- ADA compliance modifications
- Replacement of the bus wash
- A theater refurbish at Littleton High School
- The addition of an athletics complex at Littleton High School
- The addition of a science lab at Sandburg Elementary
- Structural and fencing repairs at the Littleton Stadium

In fiscal year 2018–2019, the district has planned projects estimated to cost \$2,597,875. This expense is divided between the various projects categories shown in the chart above.

2018–2019 Budgeted Bond Projects



How Does Supporting Education Impact Your Taxes?

Local tax money goes to the county treasurer who in turn distributes it to each governmental entity in the county.



Doing the Math

State law sets the property tax assessment rate. In 2018 homeowners will pay an assessment rate of 7.20 percent of the actual assessed value of their home, while businesses will pay a 29.0 percent assessment rate. The General Fund mill levy for 2018 is 42.669 mills. The Bond Redemption Fund mill levy is 8.497 mills. This brings the total 2018 district mill levy total to 51.166 mills.

How the math works for each \$100,000 in home value:

- 7.20 percent of the assessed value is calculated to be \$7,200. This is the amount on which taxes are based.
- One tax mill is equal to \$0.01 of \$10. Therefore, \$7,200 in assessed value multiplied by 0.001 equals \$7.20 per mill for each \$100,000 in home value.
- In 2018, the LPS homeowner's total tax rate is 51.166 mills or \$368 in taxes per year for every \$100,000 in home value.

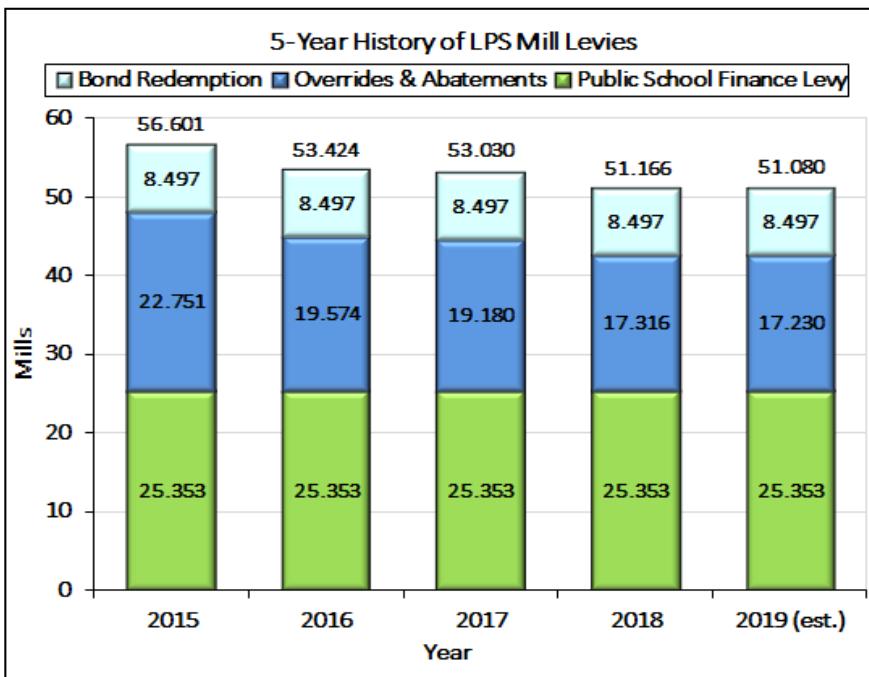
The same calculations based on a 29.0 percent business rate nets \$1,484 in school taxes for each \$100,000 of taxable business property.

The General Fund mill levy for 2019 is estimated at 42.583 mills, a decrease of 0.086 mills from the 2018 mill levy. On top of the 25.353 statutory mill levy contained in the SFA, the district levies and collects property taxes for the 1988, 1997, 2004, and 2010 override elections, hold harmless override, and for the recovery of abated taxes. Together these total 17.230 mills for 2019. Voters approved the increase and expenditure of property tax revenues via the override elections to provide the district's students and ultimately the community with a quality educational system. The final mill levy for the calendar year is certified by the Board by December 15 of each year.

Estimated 2019 taxes for each \$100,000 in home value:

- In 2019, the estimated LPS homeowner's total tax rate is 51.080 mills or \$368 in taxes per year for each \$100,000 in home value.

In addition, the 2018 mill levy for the Bond Redemption Fund is projected to be 8.497 mills. The estimated 2019 bond levy is expected to remain the same. This levy provides sufficient property tax revenue to cover the annual debt service on the three outstanding general obligation bonds issues. A summary of the district's estimated mill levy components for 2019 and the previous four years is illustrated below.



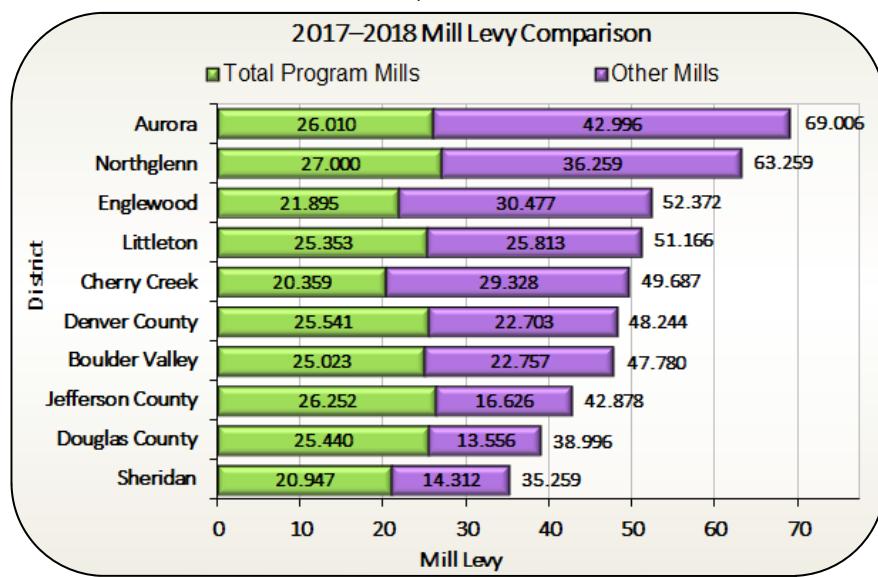
Source: LPS Financial Services Records of Certified Mill Levies

- General Fund mills are associated with SFA funding.
- Election mills are levies for additional funding in the form of overrides approved by voters.
- Abatement mills are related to assess valuation appeals.
- Bond Redemption mills are capital construction mill levies approved by voters.



The amount of money one mill raises varies from district to district due to differences in property values and the subsequent assessed valuation within the districts. While every district has a set mill levy used to raise the Total Program portion of the district's School Finance Act funding, each is allowed to ask their voters to approve additional funding. This funding can come in many different forms, the most common of which are override mills, bond redemption mills, and transportation mills. There are several other less common voter-approved options available to districts as well.

The chart below depicts the mill levy amounts for metro area school districts for the 2017–2018 school year.



Source: <http://www.cde.state.co.us/cdefinance/sfmilllevy>

What Does it Cost to Raise \$1.0 Million?

As previously mentioned, a district's total available override funding is capped at an amount not to exceed 25.0 percent of Total Program funding prior to the inclusion of the negative state stabilization factor for the fiscal year. However, the authorized amount used in the calculations also must reduce that Total Program funding by the amount of any previously authorized override election sums and any specific ownership

tax counted towards the override. The maximum LPS could ask district voters to authorize as new override election funding from local property taxes in fiscal year 2018–2019 is approximately \$5.7 million. The following table summarizes this override funding calculation.

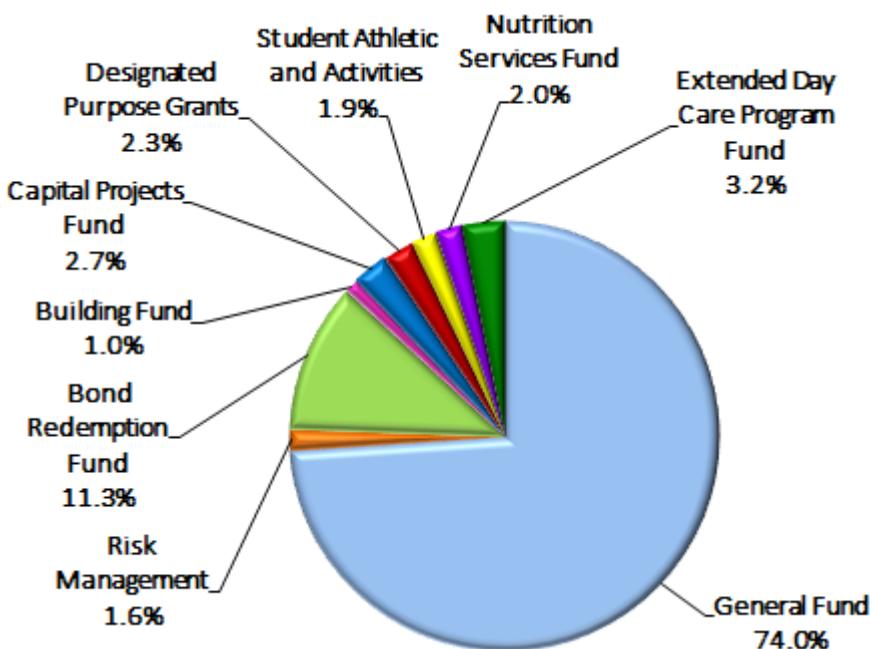
Total program funding fiscal year 2019 before state's negative budget adjustment	\$125,518,582
Override limit percentage	x 25%
Additional funding, at 25.0 percent of total program	31,379,646
Plus—cost of living adjustment of 2001	3,157,851
Allowable tax override	34,537,497
Less—annual tax revenue received from the 1988, 1997, 2004, 2010, and hold harmless overrides	(28,813,581)
Maximum eligible for new override election	\$5,723,916
Maximum mill levy based on estimated assessed valuation of \$1,705,998,684	3.355 mills

For each million dollars approved by voters in an override election, a property owner within district boundaries would pay approximately \$4.22 per year for every \$100,000 of home value. The calculation is as follows:

Override election funding	\$1,000,000
Divided by assessed property valuation	/ \$1,705,998,684
Equals	0.000586
Multiplied by 1000 (mill factor)	x 1,000
Total mills needed for each \$1 million of override funding	0.586 mills
Taxpayer home value (actual value determined by county assessor)	\$100,000
Multiply by property tax assessment rate	x 7.2%
Assessed property value	\$7,200
Multiply by mills calculated above	x 0.586
Equals	\$4,219
Divided by 1000 (mill factor)	/ 1,000
Annual taxpayer cost for every \$100,000 of home value	\$4.22

Looking at LPS's Budget

The LPS budget reflects the costs to educate approximately 15,161 students in 28 schools and programs. The remainder of this document relates primarily to the General Fund, the largest of a variety of funds that comprise LPS's total budget. Fund accounting demonstrates legal compliance and segregates transactions related to certain government functions or activities. The chart below demonstrates the various funds and the percent appropriated to each fund based on a total 2018–2019 appropriation of \$258.8 million.



- **General Fund (\$191,397,988)**—This is the largest portion of the budget and covers day-to-day operating expenses, including salaries and benefits for employees, textbooks, transportation, facility maintenance, instructional and learning services, and business services. Funding comes from state and local sources, the majority through the SFA.

Risk Management Fund (\$4,195,005)—This fund provides for premiums on insurance, loss control, workers' compensation, payment of loss or damage to property, administrative insurance

expenses, legal claims against the district which have been settled, and judgments rendered against the district for injury.

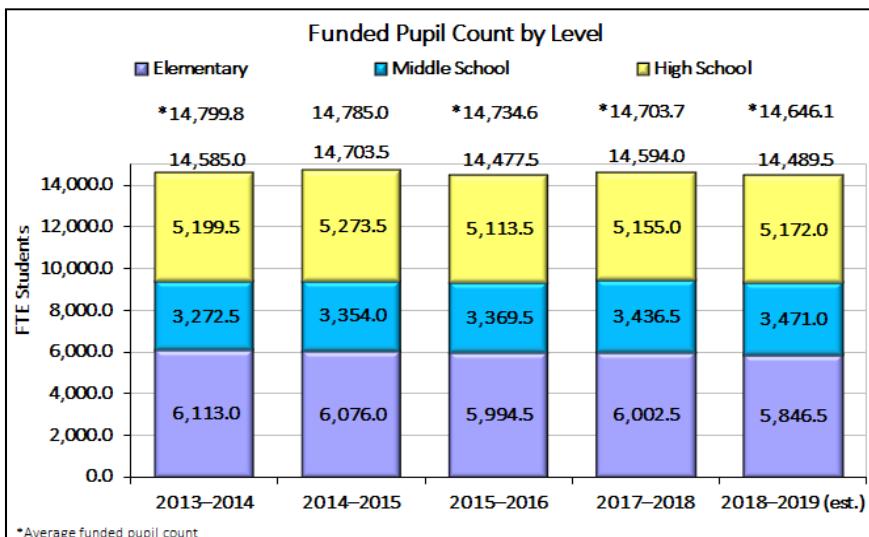
- **Bond Redemption Fund (\$29,220,929)**—This fund provides revenue based on a property tax mill set annually by the Board to satisfy the district's bonded indebtedness.
- **Building Fund (\$2,597,875)**—This fund provides for major capital outlays related to upgrades and remodeling for all district facilities that are funded by voter-approved general obligation bonds.
- **Capital Projects Fund (\$7,045,270)**—This fund provides for the acquisition of land, construction of new facilities, alterations and improvements to existing structures, and the acquisition of school busses and/or other major capital equipment.
- **Designated Purpose Grants Fund (\$5,995,152)**—This fund is provided to maintain a separate accounting for fully funded federal, state, and local grant programs that are restricted as to the type of expenditures for which they may be used, and which may have a different fiscal period than that of the district.
- **Student Athletic and Activities Fund (\$4,944,231)**—This fund provides extracurricular activities at the elementary, middle, and high school levels, intramural athletic programs at the middle level, and Colorado High School Activities Association programs and district-sponsored activities at the high school level.
- **Nutrition Services Fund (\$5,198,828)**—This fund provides meals at all of the schools in the district.
- **Extended Day Care Program Fund (\$8,245,653)**—This fund provides for pre-K, K-plus, kindergarten extended day, and before- and after-school care of children attending 12 district elementary schools, as well as The Village preschool at North and the Ames Facility.
- **Student Clubs Fund**—This fund accounts for financial transactions of all schools in the district through individual school student club accounts. Since the district acts as a trustee of student club monies and does not record revenue or expenditures, the district does not prepare a budget. However, this fund is subject to district accounting policies and audit.

The Funding Driver—Enrollment

Although the SFA determines how much money the school district will receive per pupil, the funded pupil count is the real driver of school funding. The number of full-time students enrolled in a district determines the amount of funding the district receives. The funded pupil count total can be different from the total enrollment because not all students (e.g., kindergarten) attend school on a full-time basis. The annual student count occurs at the beginning of October and produces the official funded pupil count number.

The Funding Equation		
	Budgeted 2018–2019	Without Negative State Factor
Per-Pupil Revenue (PPR)	\$7,819	\$8,570
Average Funded Pupil Count (FPC)*	x 14,646.1	x 14,646.1
School Finance Act Funding	\$ 114,518,032	\$ 125,517,077

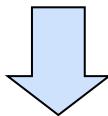
Due to fluctuating enrollment, the Colorado Department of Education allows districts experiencing decreases to average funded pupil counts in order to mitigate the effects of declines on funding. The graph below details the 2018–2019 estimated funded pupil counts as well as historical figures. LPS typically utilizes averaging in order to provide a more level



Effect of Declining Enrollment

In 2018–2019, overall pupil enrollment is projected to decrease slightly, and pupil counts are forecasted to continue to remain level into the foreseeable future, with minor fluctuations annually. Current legislation allows districts with fluctuating or declining enrollment to utilize a maximum five-year averaging option to calculate the funded pupil count. Student count averaging is intended to ease the immediate financial impact of declining enrollment, and districts can choose to utilize averaging or not to mitigate current enrollment declines. SFA funding is based on the funded pupil count; thus, with fewer pupils, district revenue declines. LPS utilizes averaging to alleviate the SFA funding decreases caused by enrollment fluctuations.

Fewer Students = Fewer Dollars



Opportunity Cost in Dollars of 100 Fewer Students

Per-Pupil Revenue: (PPR) \$7,819

Funded Pupil Count Reduction: x (FPC) <100>

School Finance Act Funding: <\$781,900>

The ability of the district to attract students from outside of the district's official boundaries helps LPS maintain funding levels; however, enrollment declines in future years will adversely affect financing and the budget. In 2018–2019, the district expects approximately 19 percent, equivalent to about 2,881 students, to enroll from out-of-district. Over the last ten years, out-of-district choice enrollment has increased by 505 students.

What Factors Affect Revenues?

Resource Highlights

- The Board can make policy decisions on what the district charges for fees and tuition. Policy decision revenues comprise only 2.9 percent of 2018–2019 total revenue.
- The Littleton electorate has control over passing local property tax increases for school funding. This revenue represents 18.4 percent of LPS's budgeted revenue. Only the Board can recommend a ballot referendum.
- State legislators determine the district's SFA revenue. Littleton voters have some control over who our state representatives are and how they vote on education issues. In 2018–2019, SFA funding comprises 73.1 percent of budgeted revenue. The Board has no control over the SFA.
- Other revenues are controlled primarily by economic factors completely outside of LPS's control. They make up the remaining 5.6 percent of revenue and include categorical funding, interest earnings, non-equalized specific ownership tax, and federal grants.

A variety of factors impact the amount of money the district receives in its General Fund from the different funding sources. The district and/or its constituents have more control over some factors than others. The graphic below illustrates the General Fund revenues the district will receive and their sources in 2018–2019. For example, the district or the schools can control what kind of fundraising projects are selected and how the proceeds are to be used. At the other end of the spectrum, the district has no control over how many children live in our district and attend our schools. It is important to note that fewer students mean fewer dollars for the district.

2018–2019 GENERAL FUND REVENUE SOURCES		
Policy Decisions		
Tuition, Fees, Print Shop	\$ 4,478,424	2.9%
Local Elections		
1988 Mill Levy Override	2,998,234	1.9%
1997 Mill Levy Override	5,000,000	3.2%
2004 Mill Levy Override	6,500,000	4.1%
2010 Mill Levy Override	12,000,000	7.7%
Hold Harmless	2,315,347	1.5%
School Finance Act		
State Funding	67,720,733	43.2%
Local Property Taxes	43,179,537	27.6%
Specific Ownership Taxes (equalized)	3,545,114	2.3%
Other Revenue		
Other State Revenue	4,721,000	3.0%
Earnings on Investments	300,000	0.1%
Specific Ownership Taxes (non-equalized)	3,157,692	2.0%
Federal Grants	752,912	0.5%
TOTAL	\$ 156,668,993	100.0%

Stretching LPS Dollars at Your Local School

LPS carefully monitors its expenses and how it spends its resources. The Board and district staff take their responsibility as stewards of tax dollars seriously.

School Staffing

Staffing is allocated through a weighted staffing formula, which ensures that staffing is distributed to schools equitably as determined primarily by enrollment projections. Weighted staffing points are based on a full-time position, which equates to 1.0 full-time equivalency (FTE), worth the average teacher salary plus benefits. School staffing points for 2018–2019 were unchanged from the previous year’s levels.

Schools allocate their staff differently depending on the needs of their student population. This flexibility encourages the collaborative input of local school advisory committees. The base staffing levels for 2018–2019 are as follows:

Elementary School:	1.0 point/27.87 students, plus 2.55 points for office staff, plus 4.75 to 8.50 points for support programs based on enrollment
Middle School:	4.675 points/100 students + 6.66567 (admin/ secretarial)
High School:	5.102 points/100 students

School Funding

Each district school is allocated resources on the basis of per-pupil funding. This funding is determined through formulas, which cover the cost of staffing, supplies, equipment, and staff development. For fiscal year 2018–2019, the base allocation for resources remained the same as last fiscal year. The base per-pupil allocation for instructional supplies and equipment is shown below:

Elementary School:	\$106.67 per pupil + \$5,348/school
Middle School:	\$108.54 per pupil + \$14,012/school
High School:	\$107.49 per pupil + \$63,445/school

General Fund—Expenditures by Service Area

	2017–2018 Budget	% of Total	% of Expenditures
Regular Instruction			
Elementary and Preschool	\$37,869,391	19.79%	23.27%
Charter Schools	8,330,336	4.35%	5.12%
Middle Schools	19,388,528	10.13%	11.91%
High Schools	33,063,597	17.27%	20.32%
Districtwide Fees and Gifts	<u>2,200,000</u>	<u>1.15%</u>	<u>1.35%</u>
Subtotal	100,851,852	52.69%	61.97%
Special Instruction			
Special Education	20,568,749	10.75%	12.64%
Career and Technical Education	<u>1,238,465</u>	<u>0.65%</u>	<u>0.76%</u>
Subtotal	21,807,214	11.40%	13.40%
Governance	<u>1,884,413</u>	<u>0.98%</u>	<u>1.16%</u>
Support Components at Education Services Center			
Learning Services	11,278,236	5.89%	6.93%
Operations and Maintenance	5,527,872	2.89%	3.40%
Human Resource Services	2,480,281	1.30%	1.53%
Transportation Services	5,097,052	2.66%	3.13%
Information Technology Services	4,732,511	2.47%	2.91%
Finance Services	<u>2,033,212</u>	<u>1.06%</u>	<u>1.25%</u>
Subtotal	31,149,164	16.27%	19.15%
Transfers	<u>7,035,302</u>	<u>3.68%</u>	<u>4.32%</u>
Subtotal, expenditures and transfers	162,727,945	85.02%	<u>100.00%</u>
Reserves (Beginning of Year)	<u>28,670,043</u>	<u>14.98%</u>	
Total Appropriation	<u>\$191,397,988</u>	<u>100.00%</u>	

How Has LPS Made Choices?

The influence of a highly qualified teacher cannot be overstated. In fact, research continues to confirm the greatest gains in the classroom can be made through a mix of instructional strategies including high quality teachers, strong parental support, adequate facilities, class size, and ongoing professional development.

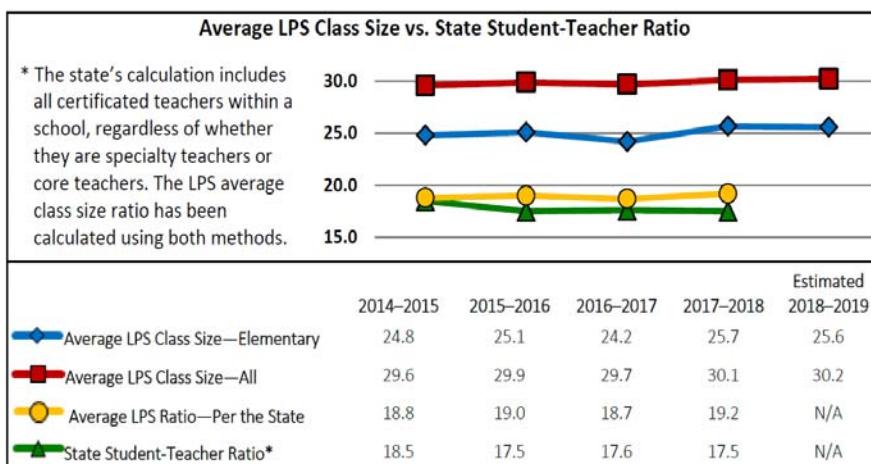
In order to meet the primary goal of educating students, the district uses a weighted staffing formula driven by enrollment projections to provide an equitable division of resources.

Individual schools may allocate their staff depending on the needs of their student population. Extra staffing is provided for literacy support, at-

	Instructional Staffing Points	Administration Staffing Points	Additional Support Points
Elementary	1.0 per 27.87 students	2.55 points	4.75–8.50 points
Middle School	4.675 per 100 students	6.666567 points	—
High School	5.1022 per 100 students	—	—

risk support, micro technicians, health assistants, mental health support, and other support programs. The chart above outlines the district's staffing formula.

Class size is sometimes referred to as face-to-face ratio in a classroom. The LPS student-teacher ratio is presented in the graph below.

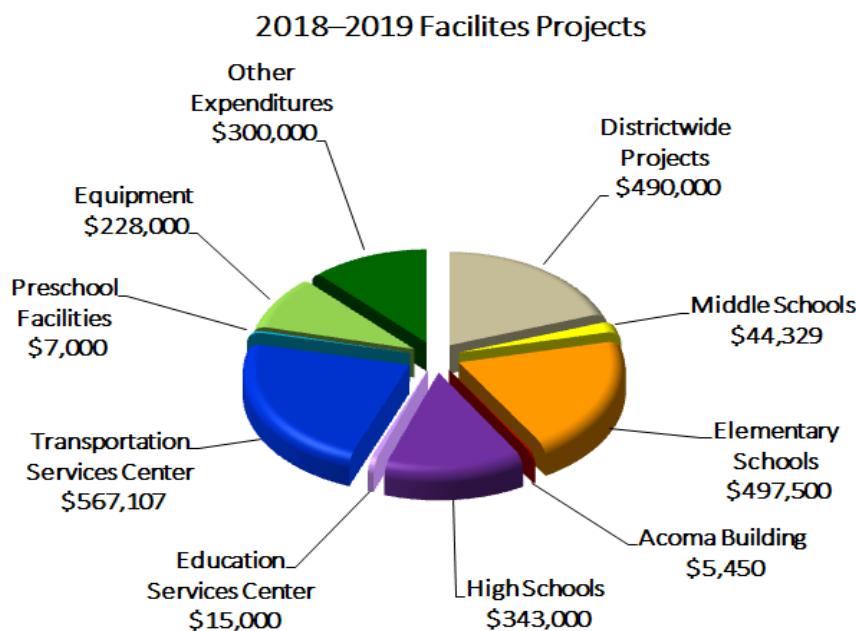


*Source for State Student-Teacher Ratio is <http://www.cde.state.co.us/cdereval/staffcurrent>

Facilities Projects

As always, the continued safety and security of our students is of primary concern to LPS. Past projects have included site improvements, building remodeling, and mechanical/electrical systems upgrades.

Each year the Operations and Maintenance Department reviews a list of prioritized facilities projects to determine which are to be included in the Capital Projects Fund budget. This year, LPS has selected projects in areas including flooring replacement, fire code compliance, concrete/asphalt replacement, environmental response, energy management, playground refurbishment, and ADA improvements. The following chart breaks down the 2018–2019 facilities projects' budgeted amount of \$2,497,386.



As with any home or office building, the amount that LPS spends on its facilities depends on many factors. The Board uses criteria such as the number and size of schools and facilities along with the age of the buildings to assist in determining priorities. Various state and federal guidelines for safety, security, and accessibility also figure into the decisions.

Have a Say

The success of LPS greatly depends on the community. Nonmonetary contributions, such as the support our community members continue to give, the leadership they demonstrate, and the confidence they have in the education we are providing for all our children are essential to the success of our public school system.

To help ensure that LPS's financial goals are met and to provide the best possible education for LPS students, the district encourages community participation. Each citizen within the district can have a say in budgeting decisions. You may share your opinions with the Board by attending any of the scheduled Board meetings.

If you are the parent of an LPS student, you can also participate by joining one of the district's various accountability committees which assist the Board in making decisions regarding district issues, activities, and programs. LPS believes that parents are key partners in their children's education, and encourages them to find out more information about participating in the decision making of the district. For more information on the district's accountability committees and how to join one, please visit the LPS website at www.littletonpublicschools.net, click on District Information, and look on the Community Support page.



2018–2019 Budget Cycle Calendar

Each year, the district develops a budget cycle calendar to identify the major activities in the preparation and implementation of the budget. The identification of these major steps and activities provides the Board, staff, and general community with the opportunity to be involved and/or follow the budget-making process and be more cognizant of their role in the process as it affects the finished product.

Step	Activity/Description	Date
1	Budget calendar established by financial services.	August 2017
2	Long-range budget forecast discussions with the Board of Education.	August 2017–April 2018
3	Distribute budget development materials to principals and budget managers.	February 9–23, 2018
4	Budget materials due to financial services for preparation of proposed budget.	April 4, 2018
5	Budget process update given to the Board of Education.	April 26, 2018
6	Review draft of proposed budget document, with illustrations and presentation materials, and modify as appropriate.	May 7, 2018
7	Present the proposed budget to the Board of Education and make available to public and media. Establish date for public comment on budget.	May 31, 2018
8	Provide newspaper with public notice of proposed budget and final adoption by the Board of Education.	June 7 and June 14, 2018
9	Adoption of budget by the Board of Education.	June 28, 2018
10	Receive preliminary assessed valuation figure from Arapahoe County Assessor.	August 24, 2018
11	Official pupil membership count day.	October 3, 2018
12	Receive final assessed valuation from the county assessor.	December 11, 2018
13	Final day to certify mill levies and property tax collection figures to county commissioners.	December 15, 2018

How to Contact State Officials

State Board of Education

201 East Colfax Avenue

Denver, CO 80203

303-866-6817

Fax: 303-830-0793

<http://www.cde.state.co.us/cdeboard>

Katy Anthes, Ph.D.—Commissioner of Education, Secretary
to the Board of Education

Elizabeth Cordial—Director of State Board Relations

Valentina Florez—1st Congressional District

Angelika Schroeder—2nd Congressional District

Joyce Rankin—3rd Congressional District

Debora Scheffel—4th Congressional District

Steve Durham—5th Congressional District

Rebecca McClellan—6th Congressional District

Jane Goff—7th Congressional District

Governor of Colorado

John W. Hickenlooper

136 State Capitol

Denver, CO 80203-1792

Capitol: 303-866-2471

<https://www.colorado.gov/governor>

Colorado General Assembly website for House Representative and
Senate information, including member homepages and legislation
information, can be found at
<https://leg.colorado.gov/>

STUDENTS FEATURED IN PHOTOS FROM THE FOLLOWING SCHOOLS

ON THE COVER—*Top row from left to right:* Powell Middle School; Littleton High School; Powell Middle School; Twain Elementary School; and Options Secondary Program. *Bottom row from left to right:* Lenski Elementary School; Heritage High School; Euclid Middle School; Highland Elementary School; and Goddard Middle School.

PAGE TWO—*Left to right:* Field Elementary School and Euclid Middle School.

PAGE FOUR—*Left to right:* Heritage High School, The Village at Ames Preschool, and Euclid Middle School.

PAGE FIVE—*From left to right:* The Village at Ames Preschool, Arapahoe High School, and Lenski Elementary School.

PAGE SEVEN—Hopkins Elementary School.

PAGE EIGHT—*Clockwise from top left:* The Village North Preschool, Euclid Middle School, Heritage High School, and Littleton High School.

PAGE TEN—Goddard Middle School

PAGE TWELVE—Euclid Middle School

PAGE FIFTEEN—The Village North Preschool

PAGE SEVENTEEN—Goddard Middle School

PAGE TWENTY—Hopkins Elementary School

PAGE TWENTY-ONE—Hopkins Elementary School.

PAGE THIRTY-THREE—Runyon Elementary School.

