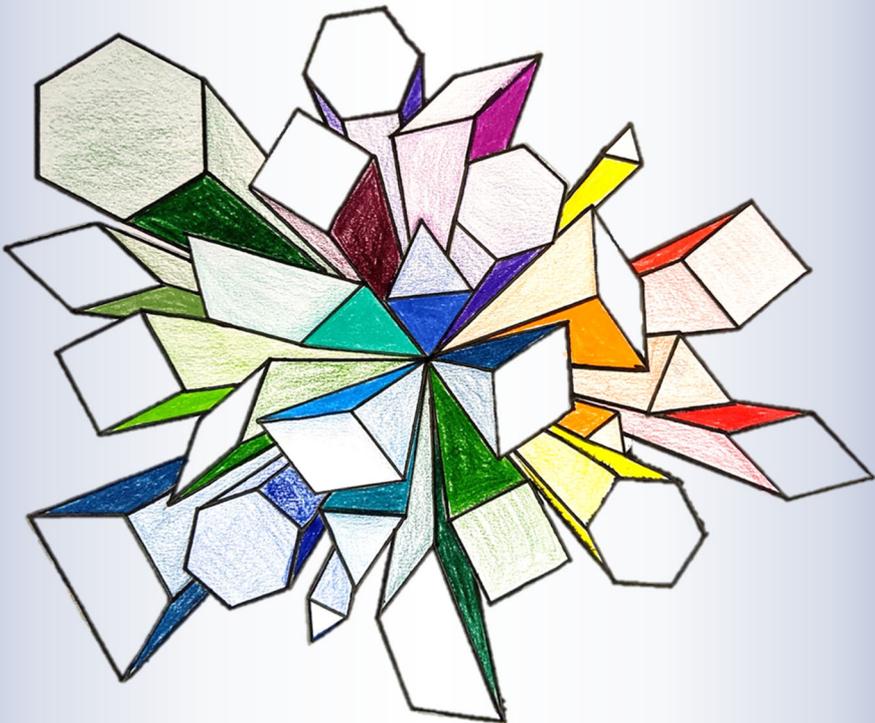


# **Arapahoe County School District Number Six**



## **2021-2022 Pocket Guide to Understanding Your School District Budget**



**Education Services Center  
5776 South Crocker Street  
Littleton, Colorado 80120-2012**



# 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. The annual budget 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](http://www.littletonpublicschools.net)

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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 district’s annual budget, visit [www.littletonpublicschools.net](http://www.littletonpublicschools.net) under Financial Transparency, or contact the Chief Financial Officer at 303-347-3323 or the Director of Finance at 303-347-3333.

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## Budget Snapshot

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For 2021–2022 Littleton Public Schools has a total budget appropriation of \$549,536,720 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, mill levy, and debt-free schools 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. The district strives to meet or exceed all performance indicators the Colorado Department of Education uses to determine academic accreditation ratings for the state’s school districts. The highest accreditation rating given by the Colorado Department of Education is Accredited with Distinction. LPS has received this rating eight times in the nine years it has been offered. The Colorado Department of Education also awarded district schools nine John Irwin School of Excellence awards and one Governor’s Distinguished Improvement award in 2020, and district seniors were offered roughly \$48.9 million in college grants and scholarships.



Additionally in 2020, LPS had four National Merit Scholar Semifinalists, 19 National Merit Commended Scholars, one National Hispanic Scholar Finalist, two College Board National Hispanic Scholars, one Boettcher Scholarship Alternate, and one Daniels Fund Scholarship Recipient.

## Quick Facts

<b>Projected Number of Students In 2021–2022</b>	<b>13,890</b>
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 Services Program, Voyager On-line Program)	<u>5</u>
<b>Total Number of Schools/Programs</b>	<b>28</b>



### \*Ethnic Distribution

2020–2021	American Indian/ Native Alaskan	Asian	Black	Hispanic	White	Native Hawaiian or Other Pacific Islander	Two or More Races	Total
PK–Elementary	23	143	72	987	4,237	13	267	5,742
Middle Schools	7	79	46	587	2,258	6	160	3,143
High Schools	24	150	77	852	3,704	6	214	5,027
Total	54	372	195	2,426	10,199	25	641	13,912

### \*Graduation Rate and Dropout Rate

	2015–2016	2016–2017	2017–2018	2018–2019	2019–2020
On-Time Graduation Rate	90.0	90.8	91.3	93.5	92.3
5-Year Completion Rate	93.9	93.2	93.6	94.9	–
Dropout Rate	0.8	0.9	1.0	0.6	1.0

\*most current data available

# Understanding Your School District Budget

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## 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 2021–2022 Adopted Budget is provided at [www.littletonpublicschools.net](http://www.littletonpublicschools.net) under Financial Transparency.

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

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

## Budget Perspectives

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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, when the new fiscal year commences.

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 Board 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 developing the 2021–2022 budget, including:



- A state budget adjustment, or negative factor, of 7.0 percent in 2021–2022 is offsetting the Amendment 23 required inflationary funding increase of 2.0 percent and putting per-pupil revenue (PPR) at \$8,539, an increase of \$702 from 2020–2021.
- The 7.0 percent negative factor lowered PPR from \$9,174, a loss of \$635 per funded pupil or \$9.1 million in program funding for LPS.
- Local property tax revenues are increasing in 2021–2022 due to reassessment of property values and the November 2020 repeal of the Gallagher Amendment of 1982. This decreases the state's School Finance Act (SFA) funding obligation to the district.

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- The increasing costs associated with utilities, fuel, and maintenance contracts.
  - Decreasing 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.

District voters approved a debt-free schools mill levy override in November 2020 for the sole purpose of funding general facility maintenance needs, new technology, and existing technology upgrades without borrowing money. The \$14.4 million generated by this mill levy in 2021–2022 allows the district to focus the School Finance Act funds it receives more on the educational needs of our students.



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"> <li>1. A Littleton Public Schools education prepares all students to succeed in a global society.</li> <li>2. Every student is unique and has different abilities, needs, and learning styles that require varying educational techniques and strategies.</li> <li>3. Students learn best when their passions and talents are coupled with high expectations and academic rigor in a safe and caring environment.</li> <li>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.</li> <li>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.</li> <li>6. A comprehensive education provides students with varied learning opportunities that include curricular and extra-curricular offerings.</li> <li>7. Meaningful and appropriate evaluation of student learning occurs through timely and ongoing analysis of student performance on a variety of assessments.</li> <li>8. Effective use of technology as an instructional tool enables students to successfully communicate, learn, and compete in a global environment.</li> <li>9. An LPS education enables students to think critically, work collaboratively, communicate effectively, and act with integrity.</li> <li>10. Students learn best when there are collaborative partnerships that foster thoughtful and relevant learning innovations between school and district leadership.</li> <li>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.</li> </ol>	<ol style="list-style-type: none"> <li>1. Enhance instructional systems and career pathways that maximize achievement for all students and integrate knowledge and skills relevant to 21st century career choices.</li> <li>2. Expand utilization of instructional technology with appropriate use for student achievement while providing the infrastructure for organizational efficiency and effectiveness.</li> <li>3. Provide an educational and work environment that supports professional learning and collaborative work for all staff.</li> <li>4. Promote, sustain, and create quality programs that make Littleton Public Schools the uniquely preferred choice for families inside and outside the District.</li> <li>5. Engage the community and parents as active partners in the objectives, activities, and performance of the school district and its students.</li> <li>6. Optimize the use of district resources and facilities to meet student learning needs while operating the District efficiently.</li> <li>7. Promote and provide a safe environment that fosters caring, respect, and compassion for others.</li> <li>8. Enhance and support quality early childhood and childcare programs.</li> <li>9. Educate and support staff, parents and community to address diverse student learning by providing access and opportunities for all students.</li> <li>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.</li> </ol>

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## 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 82.4 percent of the \$160.1 million of budgeted LPS General Fund operating expenditures for 2021–2022. 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 13,890 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.”

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The district determines, in part, the success of its educational mission through the measurement of student achievement. The following information summarizes some of the student achievement data used.

**Attendance Rate:** The LPS pupil attendance rate was 94.0 percent in 2019–2020. 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 2020 on-time graduation and completion rate for the district was 94.3 percent.

**Student Achievement:** The standardized test scores of LPS students continue to surpass both Colorado and national averages.

**Other Indicators:**

- Approximately 84.0 percent of LPS graduates went on to higher education in 2020.
- In 2020, high school seniors were offered approximately \$48.9 million in college grants and scholarships.
- A large number of LPS high school seniors took college entrance tests in 2019–2020. The average scores were above both national and Colorado averages on the ACT tests and on the SAT tests.
- In 2020, LPS had four National Merit Scholar Semifinalists, 19 National Merit Commended Scholars, one National Hispanic Scholar Finalist, two College Board National Hispanic Scholars, one Boettcher Scholarship Alternate, and one Daniels Fund Scholarship Recipient.

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.

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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.

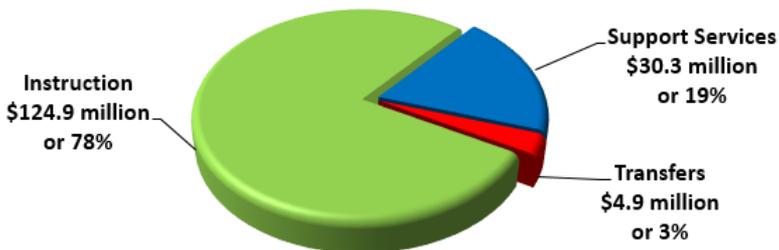


Littleton taxpayers expect the district to be a good steward of their tax dollars. The budgeting process ensures that taxpayers' monies are spent efficiently and responsibly, always with the goal of providing students with a quality education.

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, 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.....**

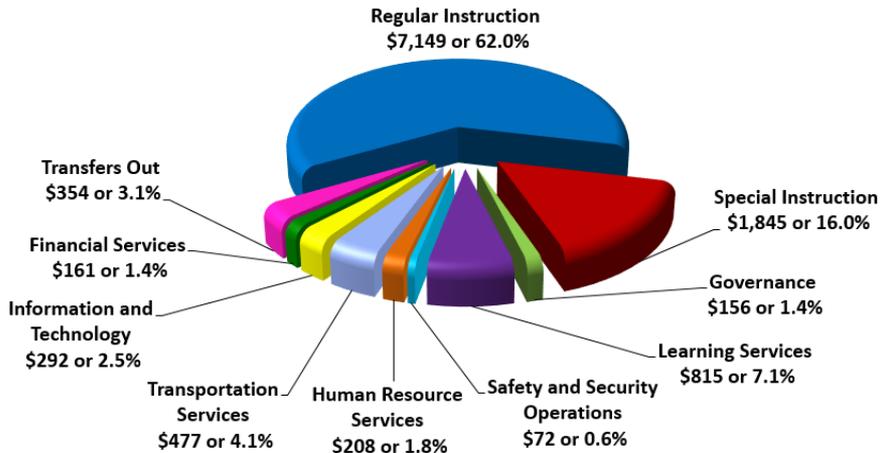
- Approximately \$0.78 is devoted to instruction activities. This includes salaries and benefits, supplies, and other costs related to instruction of students, including school building administration and special student programs.
- Approximately \$0.19 is devoted to support services. The largest areas of expenditure in this component are learning services, operations services, and transportation services.
- Approximately \$0.03 represents transfers to the Capital Projects Fund, Insurance Reserve Fund, and Student Athletics, Activities, and Clubs Fund.



## How Does the Typical Student Use \$11,529?

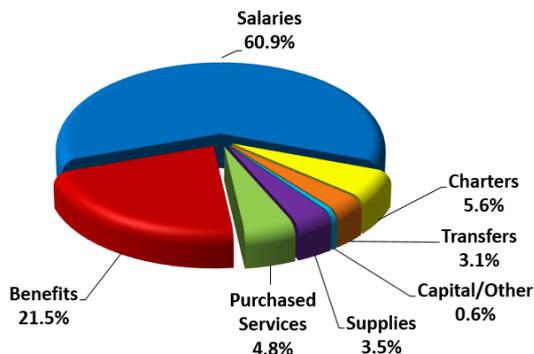
Another way of looking at expenditures is to show how the district's general fund operating budget relates to a typical student. In fiscal year 2021–2022, the district will fund 13,890 students representing a cost of approximately \$11,529 for each student. That expense will be broken out into the following 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 2021–2022, 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

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## Amendments That Affect School Funding

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### 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 each district to hold a minimum of 3.0 percent of its fiscal year spending, excluding bonded debt service, in reserve. This reserve 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

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.

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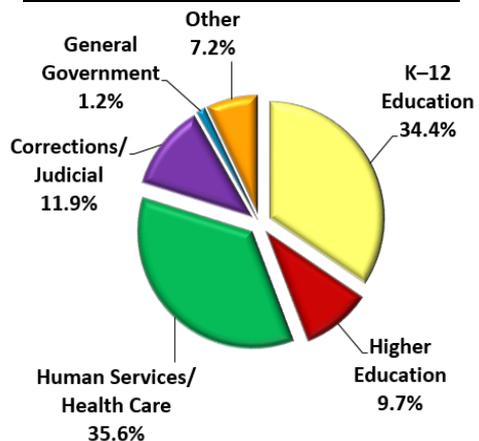
### PRIMARY FUNDING

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.

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State of Colorado  
General Fund Appropriation  
by Department FY 2021–2022

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Source: State of Colorado Joint Budget Committee Appropriations Report

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## Who Determines How Much Funding Districts Receive?

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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.



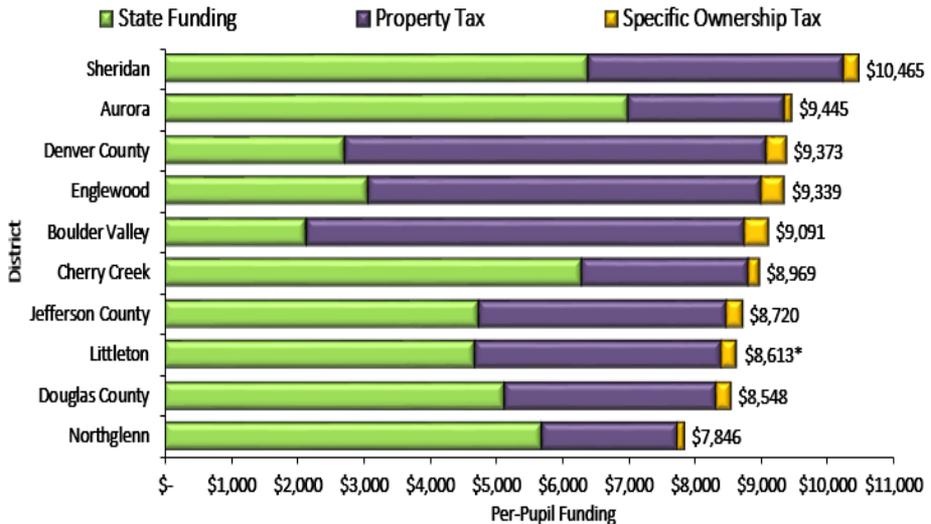
In addition to local property taxes and state funds, districts also receive a portion of their Total Program from vehicle registration fees, known as specific ownership taxes. Although the state determines individual school district funding levels, the amount contributed from the three different sources varies according to local property tax assessed values. 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 2021–2022, the average state funding rate is \$9,323 per-pupil. LPS expects to receive \$8,539 per-pupil revenue from the Colorado Department of Education. This is an increase of \$702, when compared to 2020–2021 funding of \$7,837 per-pupil. The state’s utilizes a budget

adjustment, commonly known as the budget stabilization factor, to offset the legally required inflationary increase in funding of 2.0 percent. The budget stabilization factor is negative 7.0 percent in 2021–2022.

### 2021–2022 School Finance Act Per-Pupil Funding Summary



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

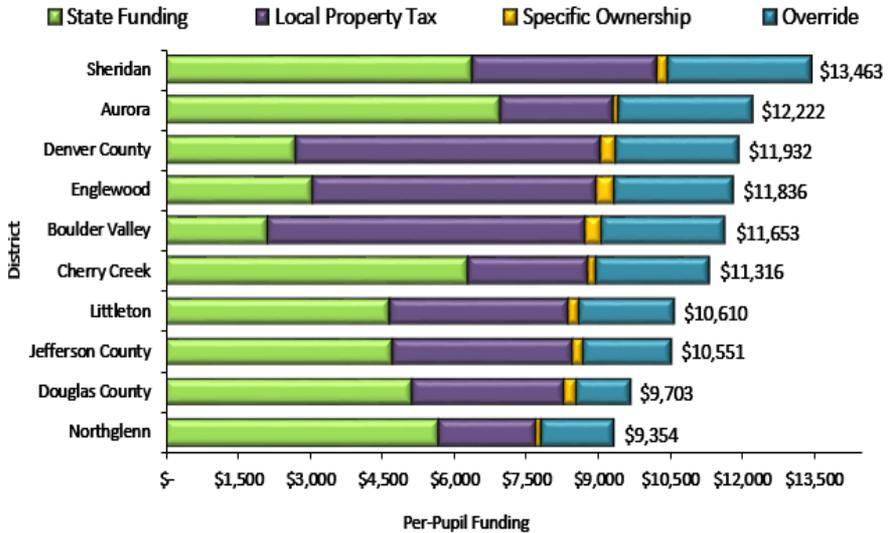
\* The final SFA per-pupil funding amount changed after the development of the district’s Adopted Budget, so the funding amount reflected in the budget differs from the amount shown in the chart above.

### 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.

## 2021–2022 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 threatened by budget constraints.
- Maintaining adequate numbers of well-qualified teachers.
- Providing curriculum acquisition funds for core subject areas.
- Maintaining class size in Grades Kindergarten through 12.
- Providing students with the tools and instruction necessary for success in college, post-secondary education, and the workplace.
- Continuing to provide students with a safe learning environment.
- Filling budgetary deficits.

Additionally, in November 2020, voters approved a Debt-Free Schools Mill Levy Override. In 2021–2022, it will generate approximately \$14.4 million for general facility operations and maintenance, new technology, and existing technology upgrades.

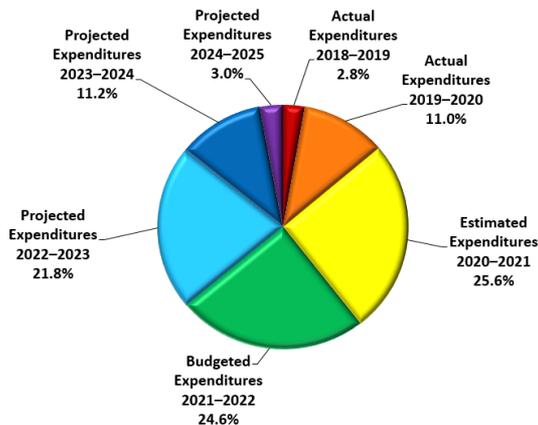
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## Other Voter Approved Revenues

In November 2018 voters approved \$298.9 million in general obligation bonds for capital projects including the replacement of three schools, the creation of a new career and technical education and innovation center, replacement of instructional furniture districtwide, and maintaining other district facilities. All projects under this bond issue were identified and prioritized by the Long-Range Planning Committee and were authorized by the Board of Education. The bonds were sold in January 2019 allowing the district to capitalize on bond premiums, giving an additional \$60.8 million in revenues to apply towards the approved projects.

The district is estimating total expenditures of \$94.9 million in fiscal year 2020–2021 with an additional \$90.9 million in budgeted expenditures for 2021–2022. Due to delays caused by the COVID-19 pandemic, work is expected to conclude in fiscal year 2024–2025. The chart below shows how project spending is expected to occur.

### Seven-Year Construction Expenditures of Total Bond Projects



The projects being undertaken will replace schools that no longer meet the needs of students or the safety, access, and efficiency standards our community expects of LPS facilities. The major projects included in the bond package are as follows:

- Replacement of Newton Middle School and addition of junior stadium.
- Replacement of Ames Facility with Dr. Justina Ford Elementary School.
- Renovate the former Schomp Automotive property across from

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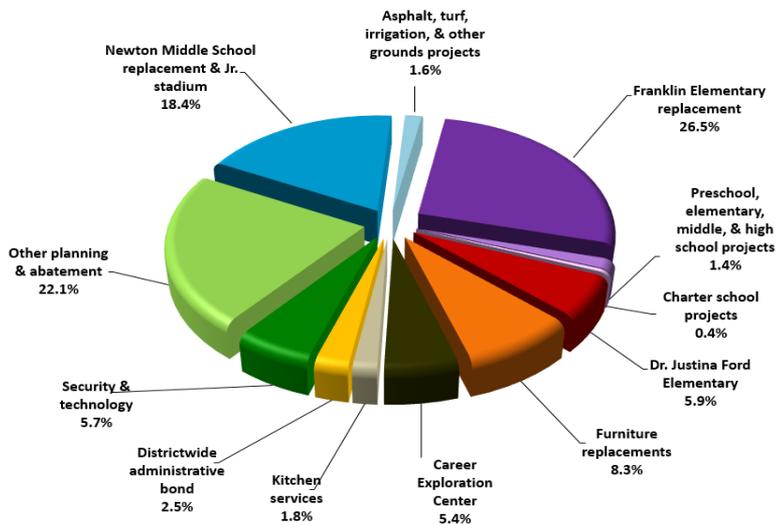
Littleton High School to create a Career Exploration Center (CEC) for the district.

- Build a new elementary on the Franklin Elementary School campus to better serve the Highland and Franklin communities.
- Build a new elementary on the Moody Elementary School campus to better serve the Moody and East communities.
- Replace outdated instructional furniture districtwide.
- Repurposing of Highland and East Elementary Schools.

More extensive projects undertaken districtwide include:

- ADA compliance modifications
- Security improvements
- Artificial turf projects at middle and high schools
- Irrigation/xeriscaping and play equipment improvement
- HVAC, electrical, and lighting improvements and upgrades
- Transportation health and safety
- Technology improvements
- Kitchen upgrades

### 2021–2022 Budgeted Bond Projects



In fiscal year 2021–2022, the district has planned projects estimated to cost \$90,862,663. This expense is divided between the various projects categories shown in the chart above.

## How Does Supporting Education Impact Your Taxes?

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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. Effective 2021 homeowners will pay an assessment rate of 7.15 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 2021 is 40.618 mills, the Operations and Technology Fund Levy is 6.000 mills, and the Bond Redemption Fund mill levy is 18.126 mills. This brings the total 2021 district mill levy total to 64.744 mills.

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

- 7.15 percent of the assessed value is calculated to be \$7,150. This is the amount on which taxes are based.
- One tax mill is equal to \$0.01 per \$10 of assessed value. Therefore, \$7,150 in assessed value multiplied by 0.001 equals \$7.15 per mill for each \$100,000 in home value.
- In 2021, the LPS homeowner's total tax rate is 64.744 mills or \$463 in taxes per year for every \$100,000 in home value.

The same calculations based on a 29.0 percent business rate nets \$1,876 in school taxes for each \$100,000 of taxable business property.

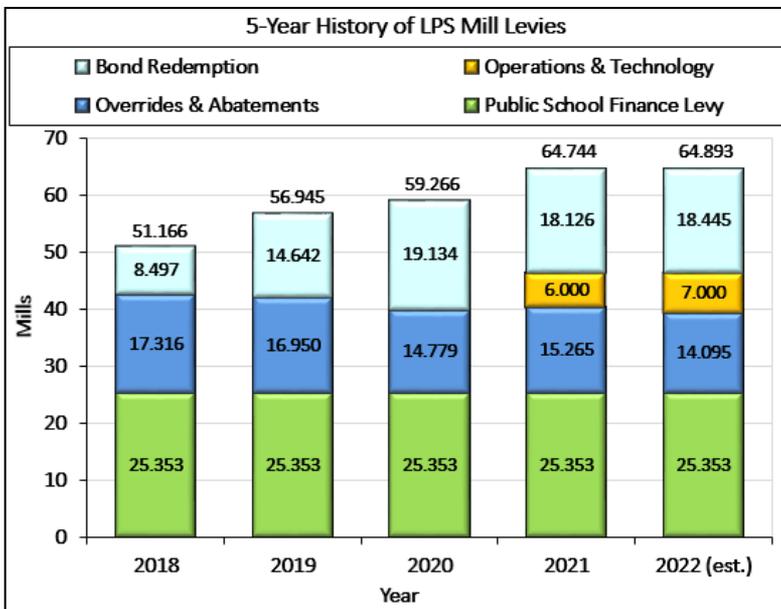
The General Fund mill levy for 2022 is estimated at 39.448 mills, a decrease of 1.170 mills from the 2021 mill levy. On top of the 25.353 Public School Finance Act Levy, the district levies and collects property taxes for the 1988, 1997, 2004, and 2010 override elections, hold harmless override, and for the recovery of abated taxes. Together these total 14.096 mills for 2022. Voters approved the increase and expenditure of property tax revenues via mill levy 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 2022 taxes for each \$100,000 in home value:**

- In 2022, the estimated LPS homeowner's total tax rate is 64.893 mills or \$464 in taxes per year for each \$100,000 in home value.

In November 2020, district voters approved a debt-free schools mill levy override which funds the Operations and Technology Fund. The mill levy for this fund is 6.000 mills, and the estimated mill levy for 2022 is expected to be 7.000 mills.

In addition, the 2021 mill levy for the Bond Redemption Fund is projected to be 18.126 mills. The estimated 2022 bond levy is expected to be 18.445 mills. This levy provides sufficient property tax revenue to cover the annual debt service on the five outstanding general obligation bonds issues. A summary of the district’s estimated mill levy components for 2021 and the previous four years is illustrated below.

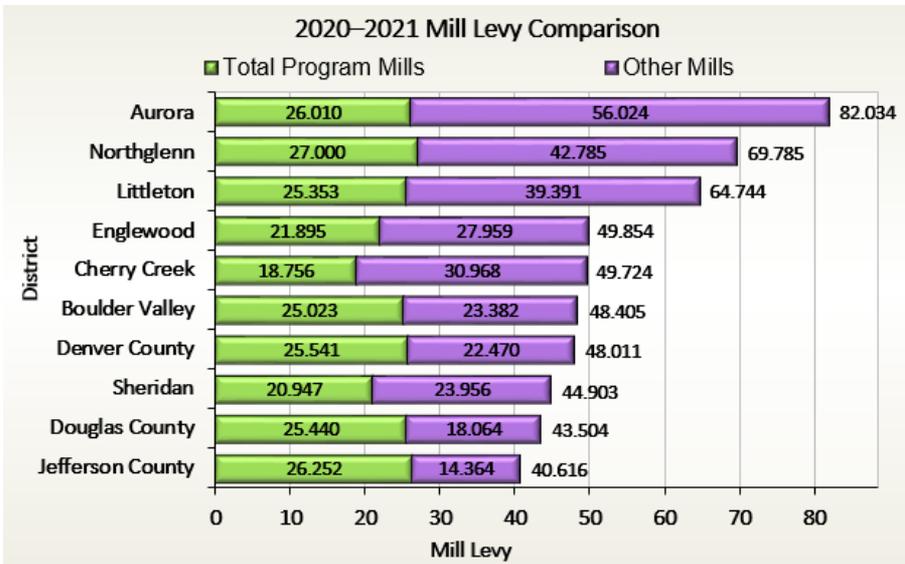


Source: LPS Financial Services Records of Certified Mill Levies

- 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.
- Operations and Technology mills are debt-free schools mill levy override approved by voters.
- 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 SFA 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, debt-free schools mill levy override 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 2020–2021 school year.



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

### 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 2021–2022 is approximately \$7.2 million. The following table summarizes this override funding calculation.

Total program funding fiscal year 2022 before state's negative budget stabilization factor	\$131,261,010
Override limit percentage	x 25%
Additional funding, at 25.0 percent of total program	<u>32,815,253</u>
Plus—cost of living adjustment of 2001	3,157,851
Allowable tax override	<u>35,973,104</u>
Less—annual tax revenue received from the 1988, 1997, 2004, 2010, and hold harmless overrides	<u>(28,813,581)</u>
Maximum eligible for new override election	\$7,159,523
<b>Maximum mill levy based on estimated assessed valuation of \$2,062,209,635</b>	<b><u>3.472 mills</u></b>

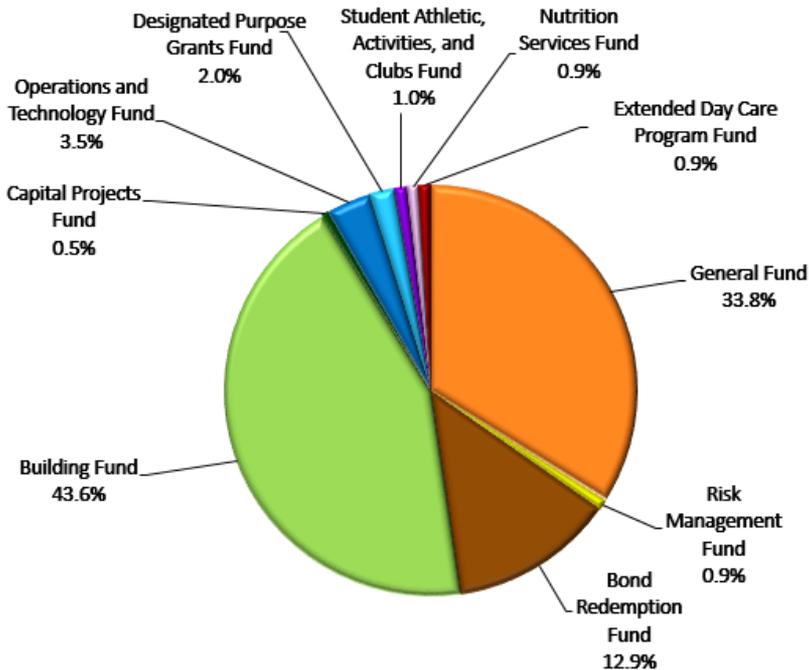
For each million dollars approved by voters in an override election, a property owner within district boundaries would pay approximately \$3.47 per year for every \$100,000 of home value. The calculation is as follows:

Override election funding	\$1,000,000
Divided by assessed property valuation	<u>/ \$2,062,209,635</u>
Equals	0.000485
Multiplied by 1000 (mill factor)	<u>x 1,000</u>
Total mills needed for each \$1 million of override funding	0.485 mills
Taxpayer home value <small>(actual value determined by county assessor)</small>	\$100,000
Multiply by property tax assessment rate	<u>x 7.15%</u>
Assessed property value	\$7,150
Multiply by mills calculated above	<u>x 0.485</u>
Equals	\$3,468
Divided by 1000 (mill factor)	<u>/ 1,000</u>
<b>Annual taxpayer cost for every \$100,000 of home value</b>	<b><u>\$3.47</u></b>

## Looking at LPS’s Budget

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The LPS budget reflects the costs to educate approximately 13,890 students in 28 schools and programs. The remainder of this document relates primarily to the General Fund, the primary operating fund out 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 2021–2022 appropriation of \$549.5 million.



- **General Fund (\$185,972,467)**—This is one of 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 (\$4,840,376)**—This fund provides for premiums on insurance, loss control, workers’ compensation, payment of loss or damage to property, administrative insurance

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

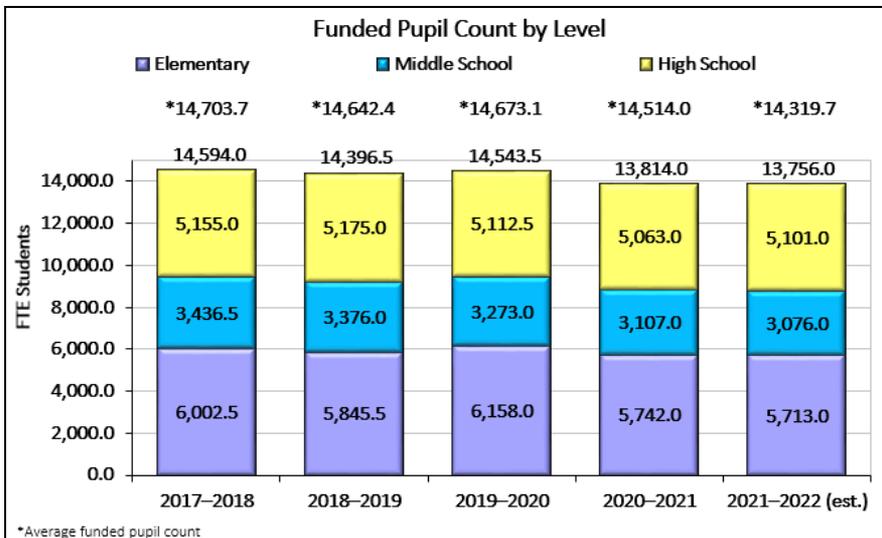
- **Bond Redemption Fund (\$71,014,565)**—This fund provides revenue based on a property tax mill set annually by the Board to satisfy the district’s bonded indebtedness.
- **Building Fund (\$239,570,630)**—This fund provides for major capital outlays related to upgrades and remodeling for all district facilities that are funded by voter-approved general obligation bonds.
- **Capital Projects Fund (\$2,958,414)**—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.
- **Operations and Technology Fund (\$19,259,951)**—This fund is provided to account for revenues generated from the debt-free schools mill levy override approved by voters in November 2020. It is used to record general operation and maintenance expenses for the district’s properties.
- **Designated Purpose Grants Fund (\$10,865,908)**—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, Activities, and Clubs Fund (\$5,281,083)**—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. It also accounts for any financial transactions related to running individual, student-funded school clubs run at various locations within the district’s schools.
- **Nutrition Services Fund (\$4,900,361)**—This fund provides meals at all of the schools in the district.
- **Extended Day Care Program Fund (\$4,872,965)**—This fund provides for pre-K, and before- and after-school care of children attending 12 district elementary schools, as well as The Village preschools located at North and Highland with other preschool programs at Moody, Hopkins, and Wilder.

## The Funding Driver—Enrollment

Although the SFA determines how much money a 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 a district receives. The funded pupil count total can be different from the total enrollment because not all students 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 2021–2022	Without Negative State Factor
Per-Pupil Revenue (PPR)	\$8,539	\$9,174
Average Funded Pupil Count (FPC)*	<u>x 14,319.7</u>	<u>x 14,319.7</u>
<b>School Finance Act Funding</b>	<b><u>\$ 122,271,909</u></b>	<b><u>\$ 131,368,928</u></b>

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 2021–2022 estimated funded pupil counts as well as historical figures. LPS typically utilizes averaging in order to provide a more level funding base from year to year.

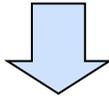


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## Effect of Declining Enrollment

In 2021–2022, 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 also allows districts with fluctuating or declining enrollments 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)	\$8,539
<u>Funded Pupil Count Reduction:</u>	<u>x (FPC)</u>	<u>&lt;100&gt;</u>
<b>School Finance Act Funding:</b>		<b><u>&lt;\$853,900&gt;</u></b>

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 2021–2022, the district expects approximately 18.5 percent, equivalent to about 2,570 students, to enroll from out-of-district. Over the last ten years, out-of-district choice enrollment has fluctuated from year to year but typically remained fairly consistent overall. However, due to the impact of COVID-19, out-of-district enrollment saw a decrease of 218 students from the prior year.

## 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 2.1 percent of 2021–2022 total revenue.
- The Littleton electorate has control over passing local property tax increases for school funding. This revenue represents 17.4 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 2021–2022, SFA funding comprises 74.1 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 6.4 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 2020–2021. 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.

2021–2022 GENERAL FUND REVENUE SOURCES		
<b>Policy Decisions</b>		
Tuition, Fees, Print Shop	\$ 3,470,464	2.1%
<b>Local Elections</b>		
1988 Mill Levy Override	2,998,234	1.8%
1997 Mill Levy Override	5,000,000	3.0%
2004 Mill Levy Override	6,500,000	3.9%
2010 Mill Levy Override	12,000,000	7.3%
Hold Harmless	2,315,347	1.4%
<b>School Finance Act</b>		
State Funding	66,912,462	40.5%
Local Property Taxes	52,283,201	31.7%
Specific Ownership Taxes (equalized)	3,076,246	1.9%
<b>Other Revenue</b>		
Other State Revenue	5,729,037	3.5%
Earnings on Investments	110,000	0.1%
Specific Ownership Taxes (non-equalized)	4,349,268	2.6%
Federal Grants	300,000	0.2%
<b>TOTAL</b>	<b>\$ 165,044,259</b>	<b>100.0%</b>

## Stretching LPS Dollars at Your Local School

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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 2021–2022 were restored to 2019–2020 levels after temporary reductions associated with the COVID-19 pandemic’s economic slowdown in 2020–2021.

Schools allocate their staff differently depending on the needs of their student population. This flexibility encourages the collaborative input of local school advisory committees.

### 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 2021–2022, 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:

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

Extra funding is provided to various schools for the following:

- The LINK program — helps incoming freshmen transition to high school.
- International Baccalaureate (IB) program supplement for Littleton High School.
- Centennial Academy for Fine Arts Education (CAFÉ) program.
- Where Everybody Belongs (WEB) link program.
- Title I schoolwide grant funding at East, Centennial, and Field elementary schools.
- Extended instructional school days at Field and Centennial elementary schools.

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## General Fund—Expenditures by Service Area

	2021–2022 Budget	% of Total	% of Expenditures
<b>Regular Instruction</b>			
Elementary and Preschool	\$37,531,549	20.18%	23.44%
Charter Schools	9,039,706	4.86%	5.64%
Middle Schools	17,911,142	9.63%	11.18%
High Schools	32,614,254	17.54%	20.37%
Districtwide Fees and Gifts	<u>2,200,000</u>	<u>1.18%</u>	<u>1.37%</u>
Subtotal	99,296,651	53.39%	62.01%
<b>Special Instruction</b>			
Special Education	24,517,613	13.18%	15.30%
Career and Technical Education	<u>1,113,027</u>	<u>0.60%</u>	<u>0.70%</u>
Subtotal	25,630,640	13.78%	16.00%
<b>Governance</b>			
	<u>2,157,340</u>	<u>1.16%</u>	<u>1.35%</u>
<b>Support Components at Education Services Center</b>			
Learning Services	11,320,563	6.09%	7.07%
Safety and Security Operations	1,005,147	0.54%	0.63%
Human Resource Services	2,888,889	1.55%	1.80%
Transportation Services	6,629,220	3.56%	4.14%
Information Technology Services	4,061,372	2.18%	2.54%
Finance Services	<u>2,236,428</u>	<u>1.20%</u>	<u>1.40%</u>
Subtotal	28,141,619	15.13%	17.57%
<b>Transfers</b>			
	<u>4,916,302</u>	<u>2.64%</u>	<u>3.07%</u>
Subtotal, expenditures and transfers	160,142,552	86.11%	<u>100.00%</u>
<b>Reserves (Beginning of Year)</b>			
	<u>25,829,915</u>	<u>13.89%</u>	
<b>Total Appropriation</b>	<u>\$185,972,467</u>	<u>100.00%</u>	

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## 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.

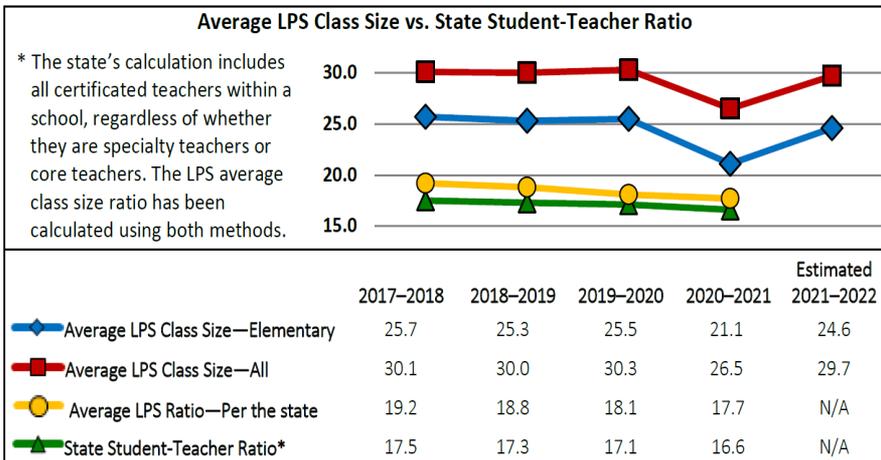
In order to meet the primary goal of educating students, the district uses a weighted staffing formula driven by enrollment projections to provide an equitable division of resources.

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	4.50–8.50 points
Middle School	4.675 per 100 students	6.66567 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>

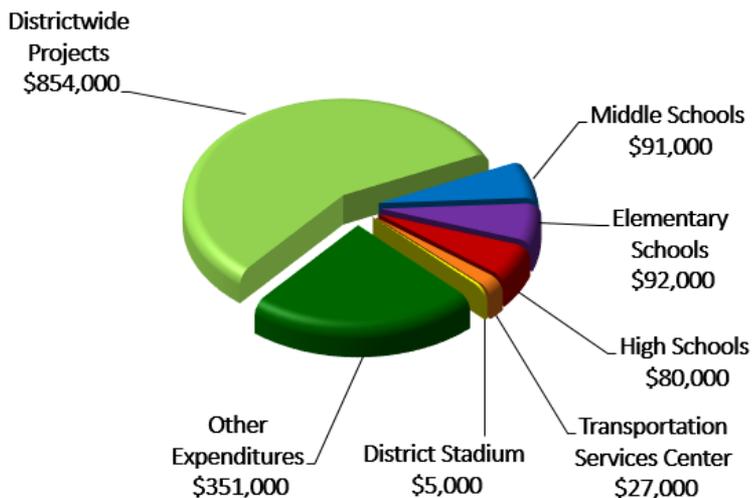
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## Facilities Projects

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 will be included in the Operations and Technology Fund budget. This year, LPS has selected projects in areas including fence replacement, fire code compliance, carpet/floor repair, exterior door replacement, exit device replacement, custodial equipment, tree trimming/replacement, plumbing fixture and irrigation updates, environmental response, playground refurbishment, and ADA improvements. The following chart breaks down the 2021–2022 maintenance projects' budgeted amount of \$1,500,000.

2021–2022 Facilities Projects



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.

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## 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](http://www.littletonpublicschools.net), click on District Information, and look on the Community Support page.



## 2021–2022 Budget Cycle Calendar

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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 to 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 2020
2	Facility projects planning team holds stakeholder meetings on on-going capital needs and new requests.	Fall 2020
3	Long-range budget forecast discussions with the Board of Education.	August 2020–April 2021
4	Review of facility project requests and application of priority matrix to identify greatest needs.	November 2020– December 2020
5	Final reviews and approval of proposed capital projects completed for inclusion in budget document.	January 2021–March 2021
6	Distribute budget development materials to principals and budget managers.	February 19–26, 2021
7	Budget materials due to financial services for preparation of proposed budget.	April 2, 2021
8	Budget process update given to the Board of Education.	April 22, 2021
9	Review draft of proposed budget document, with illustrations and presentation materials, and modify as appropriate.	May 6, 2021
10	Present the proposed budget to the Board of Education and make available to public and media. Establish date for public comment on budget.	May 27, 2021
11	Provide newspaper with public notice of proposed budget and final adoption by the Board of Education.	May 27 and June 3, 2021
12	Adoption of budget by the Board of Education.	June 10, 2021
13	Receive preliminary assessed valuation figure from Arapahoe County Assessor.	August 25, 2021
14	Official pupil membership count day.	October 1, 2021
15	Receive final assessed valuation from the county assessor.	December 10, 2021
16	Final day to certify mill levies and property tax collection figures to county commissioners.	December 15, 2021

## How to Contact State Officials

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### 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

Lisa Escárcega—1<sup>st</sup> Congressional District  
Angelika Schroeder—2<sup>nd</sup> Congressional District  
Joyce Rankin—3<sup>rd</sup> Congressional District  
Debora Scheffel—4<sup>th</sup> Congressional District  
Steve Durham—5<sup>th</sup> Congressional District  
Rebecca McClellan—6<sup>th</sup> Congressional District  
Karla Esser—7<sup>th</sup> Congressional District

### Governor of Colorado

Jared Polis  
200 East Colfax Avenue, Room 136  
Denver, CO 80203  
Governor's Office Front Desk: 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

COVER ART—By Tameryn Weeda, Grade 5 Peabody Elementary School.  
PAGE TWO—*Top to bottom*: East Elementary School and Moody Elementary School.  
PAGE FOUR—*Bottom*: East Elementary School.  
PAGE FIVE—*From left to right*: Field Elementary School and Moody Elementary School.  
PAGE SEVEN—Peabody Elementary School.  
PAGE EIGHT—*Clockwise from top*: Centennial Elementary School, Hopkins Elementary School, and The Village @ Highland Preschool.  
PAGE TEN—Moody Elementary School  
PAGE TWELVE—Euclid Middle School  
PAGE FIFTEEN—The Village North Preschool  
PAGE TWENTY—Hopkins Elementary School  
PAGE TWENTY-ONE—Hopkins Elementary School.  
PAGE THIRTY-THREE—Hopkins Elementary School.

