

# THE STATE OF THE LPS BUDGET: MOVING FORWARD IN A PANDEMIC

**LITTLETON**  
**PUBLIC**   
**SCHOOLS**

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# ONGOING BOND PROJECTS

**LITTLETON**  
**PUBLIC**   
**SCHOOLS**

## ELEMENTARY SCHOOL AT AMES



## NEWTON MIDDLE SCHOOL FLYOVER





# ONGOING BOND PROJECTS





# LPS BUDGET CHALLENGES: HOW DID WE GET HERE?



# BUDGET STABILIZATION FACTOR: IMPACT TO LPS

2009–2010 (Year 1: mid-year cut)	\$	(2,410,957)
2010–2011 (Year 2: state budget stabilization factor)		(10,949,491)
2011–2012 (Year 3: negative factor)		(13,829,263)
2012–2013 (Year 4: negative factor)		(17,791,090)
2013–2014 (Year 5: negative factor)		(17,343,058)
2014–2015 (Year 6: negative factor)		(14,917,613)
2015–2016 (Year 7: negative factor)		(13,965,917)
2016–2017 (Year 8: negative factor)		(13,703,273)
2017–2018 (Year 9: negative factor)		(13,548,124)
2018–2019 (Year 10: budget stabilization factor)		(10,886,553)
2019–2020 (Year 11: budget stabilization factor)		(9,112,586)
2020–2021 (Year 12: budget stabilization factor; projected)		(18,511,691)
<b>Total Lost Revenue 2009–2021</b>	<b>\$</b>	<b>(156,969,617)</b>
<b>Statewide Total Impact to Education 2009–2021</b>	<b>\$</b>	<b>(9,313,576,848)</b>



## LACK OF STATE FUNDING DRIVING LPS BUDGET CUTS AND LOCALLY PASSED ELECTIONS

1988	\$3 million mill levy passed to supplement the general fund
1992–1993	\$1.7 million in cuts
1993–1994	\$2.6 million in cuts
1994–1995	\$1.3 million in cuts
1995	\$44.3 million bond election passed for capital improvements only (cannot supplement general fund)
1995–1996	\$3 million in cuts
1997	\$5 million mill levy passed to supplement the general fund
2001–2002	\$3 million in cuts
2002	\$85.4 million bond election passed for capital improvements only (cannot supplement the general fund)
2004–2005	\$3.5 million in cuts
2004	\$6.5 million mill levy passed to supplement the general fund



## LACK OF STATE FUNDING DRIVING LPS BUDGET CUTS AND LOCALLY PASSED ELECTIONS (CONTINUED)

2008–2009	\$1.5 million in cuts; \$1.5 million from reserves; \$532,000 mid-year rescission
2009–2010	\$4 million in cuts
2010–2011	\$7.5 million in cuts
2010	\$12 million mill levy passed to supplement the general fund
2011–2012	Largest cuts to K–12 funding in Colorado history; mill levy funds used to backfill more than \$5 million in cuts from the state
2013	\$80 million bond election passed for capital improvements only (cannot supplement the general fund)
2018	\$298 million bond election passed for capital improvements and new construction (cannot supplement the general fund)
2020–2021	\$4.2 million in cuts
2021–2022	\$12 million in cuts projected





## 2020–2021 UNFUNDED COVID-19 COSTS (ESTIMATED)

TOPS Program	\$	4,500,000–5,000,000
PPE, signage, furniture storage containers, dumpsters, HVAC supplies, and additional utility costs	\$	300,000–500,000
Healthy Family and Workplace Act	\$	250,000–500,000
Employee COVID-19 testing (estimated total for six months)	\$	150,000
Nutrition services and SACC employee costs if continue to pay during remote learning (\$500,000/month)	\$	6,000,000
Other unknown costs		?

Savings Measures		Budgeted Savings	2020–2021 BUDGET REDUCTIONS
Department staffing reductions			
Retirements	\$	842,036	
Eliminations		706,196	
Current vacant positions (not planning to fill)		178,573	
Staffing reduction 0.5 FTE (secondary) and 0.25 FTE (elementary)		658,125	
One-day reduction year-round classified staff		22,366	
Two-day reduction year-round administrative staff		133,302	
One-day reduction other administrative staff		27,321	
One-day reduction certified staff		352,976	
Reduction of transfer to Capital Projects/Risk Management Fund		750,000	
Nutrition Services payment for overhead		100,000	
Increase SACC overhead from 4% to 7%		134,448	
Reduction of transfer to Athletic and Activities Fund		250,000	
Drivers Ed increase contribution to General Fund		50,000	
Eliminate Energy Manager software		11,323	
Eliminate Skyview software		6,300	
<b>Total</b>	<b>\$</b>	<b>4,222,966</b>	
Facility rental fees (estimated; therefore not included in total)	\$	130,000	

# 2021–2022 FINANCIAL PROJECTIONS\*

	2021-2022 Projection 1% PPR Increase No Change to BS Factor	2021-2022 Projection 1% PPR Increase \$5 Mill BS Reduction		2021-2022 Projection 1% PPR Increase No Change to BS Factor	2021-2022 Projection 1% PPR Increase \$5 Mill BS Reduction
Beginning Fund Balance	\$16,914,703	\$16,914,703	<b>Composition of Fund Balance:</b>		
			Unassigned Fiscal Stability	\$0	\$0
Revenues	156,730,725	156,730,725	Unassigned Board Policy	1,979,632	0
SFA Increase	1,120,558	1,120,558	Restricted TABOR	5,060,000	2,039,632
Budget Stabilization Reduction	0	(5,000,000)	Non-Spendable Inventory	\$475,288	\$475,288
Budgeted Revenue	157,851,283	152,851,283	Total Fund Balance	<u>\$7,514,920</u>	<u>\$2,514,920</u>
Expenditures	165,920,022	165,920,022			
Health Insurance Increase	1,331,044	1,331,044			
Budgeted Expenditures	167,251,066	167,251,066			
Net Change in Fund Balance	(9,399,783)	(14,399,783)			
	120 staff positions 7% of GF staff	184 staff positions 11% of GF staff			
Ending Fund Balance	<u>\$7,514,920</u>	<u>\$2,514,920</u>			

\*Information on this slide is changing frequently and may be different from one virtual presentation to the next.



## POSSIBLE 2021–2022 BUDGET BALANCING OPTIONS (TO DEMONSTRATE MAGNITUDE OF BUDGET CRISIS)

Reduction Possibilities	Estimated Savings
Shorten school year and reduce all employee pay by 10 days	\$ 6,000,000
Reduce transportation services by 50%	3,100,000
Reduce teacher support and instructional coaches	2,800,000
Reduce safety, security, and social and emotional services by 50%	1,000,000
Further reduce all employee pay by 2%	2,200,000



## POSSIBLE 2021–2022 BUDGET BALANCING OPTIONS (TO DEMONSTRATE MAGNITUDE OF BUDGET CRISIS) (CONTINUED)

Program Reduction Possibilities	Estimated Savings
Increase class size by changing the staffing formula by 5% or a reduction of 30 full-time equivalents (FTEs)*	\$ 2,900,000
Reduce or eliminate the Options Secondary, Phoenix, Voyager, and NEXT programs	4,100,000
Reduce one FTE at each school for specials/electives (music, art, PE, etc.)	2,000,000
Eliminate district subsidy and increase fees for athletics and activities (football, marching band, softball, etc.)	1,600,000
Reduce or eliminate The Village preschool programs	1,400,000
Reduce or eliminate gifted and talented education (G/T)	1,000,000
Reduce or eliminate CTE (career/tech ed) programs	550,000

\*One FTE is approximately equal to one teacher or two para-educators



# POSSIBLE 2021–2022 BUDGET BALANCING OPTIONS (CONTINUED)

## Revenue generation possibilities

- ❖ Wait for the State of Colorado to increase funding to K–12 (highly unlikely)
- ❖ Wait for a statewide election to increase funding to K–12 (highly unlikely)
- ❖ Placement of a debt-free schools mill levy override on November ballot
  - Passage would generate ≈ \$12M
  - Allows LPS community's input and involvement in the decision

DEBT-FREE  
SCHOOLS MILL  
LEVY OVERRIDE

LITTLETON  
PUBLIC   
SCHOOLS



# DEBT-FREE SCHOOLS MILL LEVY BALLOT LANGUAGE

IN ORDER TO MAKE MORE GENERAL FUND REVENUES AVAILABLE FOR THE PURPOSES DESCRIBED BELOW, SHALL ARAPAHOE COUNTY SCHOOL DISTRICT NUMBER SIX (LITTLETON PUBLIC SCHOOLS) TAXES BE INCREASED BY \$12,000,000 IN 2020 FOR COLLECTION IN 2021 AND BY SUCH AMOUNTS IN ANY YEAR THEREAFTER AS MAY BE RAISED FROM A MILL LEVY OF UP TO 11 MILLS, PROVIDED THAT THE MILL LEVY FOR THE FIRST YEAR SHALL NOT EXCEED 6 MILLS AND NO MILL LEVY INCREASE FROM YEAR TO YEAR THEREAFTER SHALL EXCEED ONE MILL IN ANY PARTICULAR YEAR, AND PROVIDED FURTHER THAT SUCH MILL LEVY MAY BE INCREASED ANNUALLY SUCH THAT THE AMOUNT OF REVENUE PRODUCED BY SUCH MILL LEVY REFLECT THE PERCENTAGE INCREASE IN INFLATION, WITH THE EFFECT THAT MORE GENERAL FUND REVENUES WILL BE AVAILABLE FOR PURPOSES SUCH AS:

CONTINUING TO ATTRACT AND RETAIN QUALITY TEACHERS;

MAINTAINING SCHOOL COUNSELING FOR MENTAL HEALTH AND SUICIDE PREVENTION;

PROVIDING CAREER, TECHNOLOGY, AND SKILLED TRADES CLASSES THAT PROVIDE STUDENTS WITH REAL WORLD JOB SKILLS SUCH AS HEALTH CARE, SKILLED TRADES AND COMPUTER SCIENCE;

AND SHALL SUCH ADDITIONAL REVENUES FROM THIS TAX INCREASE, IMPOSED PURSUANT TO AND IN ACCORDANCE WITH SECTION 22-54-108.7, C.R.S., BE DEPOSITED INTO THE SUPPLEMENTAL CAPITAL CONSTRUCTION, TECHNOLOGY AND MAINTENANCE FUND AND USED FOR ONGOING CASH FUNDING FOR CAPITAL CONSTRUCTION, NEW INSTRUCTIONAL TECHNOLOGY, EXISTING TECHNOLOGY UPGRADES, AND MAINTENANCE NEEDS OF THE DISTRICT; AND SHALL THE DISTRICT BE AUTHORIZED TO INCREASE SUCH MILL LEVY BEGINNING IN TAX COLLECTION YEAR 2022 AND ANNUALLY THEREAFTER TO OFFSET PROPERTY TAX REFUNDS OR ABATEMENTS OR REDUCTIONS IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE ASSESSED VALUATION?

# PROJECTED PROPERTY TAXES TO RAISE \$12M

Debt-Free Schools  
Operational Mill Levy Override  
Projected 5.955 Mills

Actual property value	\$100,000	\$300,000	\$500,000	\$700,000
Annual property taxes (7.15%)	\$42.58	\$127.73	\$212.89	\$298.05
Cost per month	\$3.55	\$10.64	\$17.74	\$24.84

# HOW TO CALCULATE PROPERTY TAXES

(this information is also located on the district's [Budget Matter\\$](#) page)

## Formula

actual property value x assessment rate (set by the state)\* = assessed value (AV)  
AV x 1 mill levy (\$1 for every \$1,000 of AV) = property tax  
property tax x number of mills = additional property tax due to mill levy override

\* residential rate is 7.15%; non-residential rate is 29%

## Example Home

\$100,000 x 7.15% = \$7,150.00 assessed value (AV)  
\$7,150.00 x 0.001 = \$7.15 property tax  
\$7.15 x 5.955 mills = \$42.58 additional property tax





*Littleton is home to one of the top-ranked school districts in Colorado. Without passage of a local mill levy override, Littleton Public Schools will be forced to make severe cuts to programs impacting every student. With looming budget cuts of \$12 million in the 2021-2022 school year, there are no other options. We understand that this is not the most ideal time, economically and otherwise, to ask for help, but a quality education is what we have come to expect from LPS and we want to ensure that continues. More than ever, we need to come together as a community in support of 4C and keep our schools strong.*

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# QUESTIONS

