

# *Pocket Guide to Understanding Your School District Budget*

## **2007-2008**

### *Littleton Public Schools*

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The Understanding Your School District Budget guide 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

**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 Littleton Public School budget visit [www.littletonpublicschools.net](http://www.littletonpublicschools.net) under District Information or contact either the Director of Finance and Risk Management at 303-347-3323 or the Chief Financial Officer at 303-347-3330.

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## Littleton Public Schools Budget Snapshot

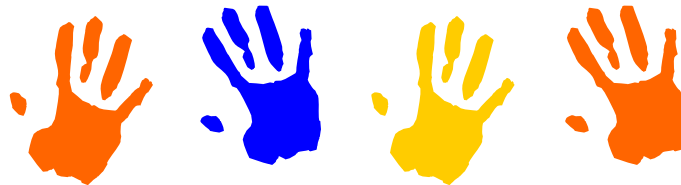
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For 2007-2008 Littleton Public Schools has a budget appropriation of \$191,369,041 funded from state, local, and federal sources.

The Littleton Public Schools budget is used to teach students, transport students to and from school, maintain buildings and grounds, pay teachers, support staff, and administration, 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. Littleton Public Schools enjoys a reputation for being a premier district in Colorado and the nation.



## Littleton Public Schools Quick Facts

**Projected number of students in 2007-2008 15,666**

Number of Schools/Programs	30
Elementary Schools	15
Middle Schools	4
High Schools	3
Charters Schools K-8	2
Early Childhood Facility	1
Alternative Programs	5

(Options, Pathways, Redirection, Transitions, Center for On-Line Learning)



### \*Ethnic Distribution

2006-07	American Indian	Asian	Black	Hispanic	White	Total
PK-Elementary	41	274	149	930	5,208	6,602
Middle Schools	23	79	66	399	3,034	3,601
High Schools	34	157	100	450	4,939	5,680
Total	98	510	315	1,779	13,181	15,883

### \*Graduation Rate and Dropout Rate

	05-06	04-05	03-04	02-03	01-02
Graduation Rate	91.1	97.2	96.1	95.9	94.5
Dropout Rate	2.5	0.4	0.4	0.3	0.6

\*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.”*

The Littleton Public School 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 children 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 and the Littleton community. The district 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 of Education and are updated quarterly.

Detailed information and summary of the Littleton Public Schools 2007-2008 Adopted Budget is provided at [www.littletonpublicschools.net](http://www.littletonpublicschools.net) under District Information/Budget & Finance.

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/index\\_finance.htm](http://www.cde.state.co.us/index_finance.htm)
- State of Colorado—<http://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 an annual budget is one of the most important responsibilities of a Board of Education and superintendent. The superintendent must present a budget and Colorado state law requires the Board to adopt a balanced budget prior to each new fiscal year commencing July 1<sup>st</sup>.

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

### The Home Perspective — Students and Parents

Littleton Public Schools is organized and focused to meet the needs of 15,666 students and manage 27 schools. 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.*

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 2005-2006 pupil attendance rate was 95 percent. LPS has maintained an average attendance rate of at least 95 percent for the past ten years.

**Graduation Rate:** LPS high schools have a graduation rate that is consistently higher than the Colorado average by approximately 10 percent. The 2006 graduation rate for the district was 91.1 percent.

**Student Achievement:** The standardized test scores of LPS students continue to surpass both Colorado and national averages. Test results are presented on pages 135-143 of the 2007-2008 Adopted Budget.

**Other Indicators:**

- The number of LPS graduates to go on to higher education was approximately 90 percent in 2006.
- In 2006 high school seniors were awarded nearly \$17.2 million in college grants and scholarships.
- In 2005-2006 LPS average scores on college entrance tests were above both national and Colorado averages.

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- All LPS schools earned the rating of excellent, high or average by the Colorado Department of Education.
  - In 2006 LPS graduated a total of 31 students who were recognized through the National Merit Scholars program. Six of them were National Merit Scholarship Scholars Finalists.
  - LPS had one Presidential Scholar Candidate and one Boettcher Scholar.

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.

### **The School Perspective — Principals, Teachers, and 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 80% of LPS's \$127 million 2007-2008 budgeted general operating expenditures. 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 allocation based on school enrollment. This allocation pays for classroom budgets, copiers and paper, office supplies, library

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## The District Perspective

The LPS Board of Education is responsible for determining the direction of the district. The 2006-2011 Strategic Plan, as shown below, reflects the priorities of the current Board and aligns with the district's direction.

### *Core Beliefs*

1. A world class 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 superior 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 evaluation of student learning occurs through timely and ongoing analysis of student performance on a variety of assessments.
8. Effective use of technology creates powerful instructional systems and enables students to successfully communicate and compete in a global environment.
9. A premier 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 is critical for long-term success and community confidence.

### *Focus Areas*

1. Enhance instructional systems that maximize student achievement and integrate knowledge and skills relevant to a global 21st century.
2. Expand access to 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. Sustain community and parent engagement 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 most efficiently.
7. Promote and provide an environment that fosters caring, respect, and compassion for others within the school and community.
8. Explore appropriate choices for early childhood and childcare programs.
9. Educate and support staff and community to address increasingly diverse student learning, parent, and community needs, assuring equity of access and opportunity for all students.

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At the district level, the superintendent and staff work closely with the elected Board of Education to ensure that 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 2007-2008 budget, including:

- The increasing costs to provide competitive salaries
- The increasing costs of health insurance, Public Employees Retirement Association contributions, utilities, fuel, and maintenance contracts
- Declining versus growing student enrollment
- The cost of expanding state and federal programs

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 multi-million dollar budget for the basic operations of the organization.

### **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 Colorado School Finance Act. 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.

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### **For Every Dollar in the LPS Budget.....**

- Approximately \$.74 is devoted to instruction activities. Included are salaries and benefits, supplies, and other costs related to instruction of students, as well as school building administration and special student programs.
- Approximately \$.23 is devoted to support services. The largest areas of expenditure in this component are learning services, property management services, and transportation services.
- Approximately \$.03 represents transfers to the Insurance Reserve Fund and Student Athletics and Activities Fund.

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.

The success of Littleton Public Schools greatly depends on the LPS community. Non-monetary 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.



## Understanding School Finance in Colorado

### Amendments That Affect School Funding

#### TABOR

Colorado's "Taxpayer's Bill of Rights" – also known as TABOR – sets taxing and spending limits on all levels of government in the state, from special districts such as fire protection and schools, to county and state governments. TABOR's primary objective is to "restrain the growth of government" as stated in the Colorado Constitution.

TABOR has many provisions that impact school funding. The most significant limitations are:

- Requires voter approval of tax increases;
- Limits revenue collections; and
- Limits spending.

TABOR also impacts spending in districts, as the law requires that school districts hold 3% of expenditures in reserves. These reserves can only be spent in an emergency situation, which excludes economic conditions, revenue shortfalls, or salary and fringe benefit increases.

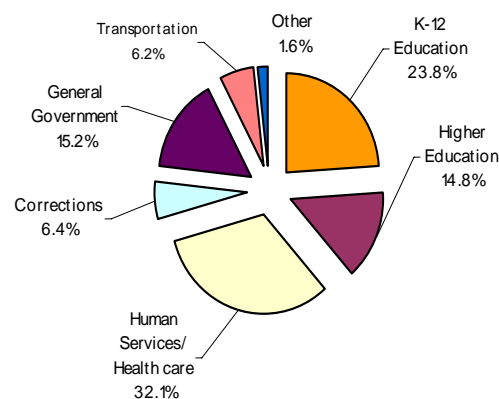
#### AMENDMENT 23

In November of 2000, Colorado taxpayers approved Amendment 23 to the Colorado Constitution. This amendment guarantees increases in funding to public elementary and secondary schools at a rate of inflation plus 1 percent for a total of 10 years. The increase is guaranteed at the rate of inflation thereafter. The goal of this amendment is to restore public education funding back to 1988 levels.

Every homeowner and business owner in Colorado pays property taxes for schools, along with taxes for police, fire and other local public services.

The state government is responsible for funding other 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. The portion allocated for K-12 education is then divided among 178 school districts throughout the state using formulas in the Colorado School Finance Act. These formulas determine how much money each district will receive per pupil as well as how much of that funding is paid by the state and how much is paid through local taxes. After the state determines the funding, each district determines how to fund its local system including every school within the district.

State of Colorado  
General Fund Appropriation  
by Department FY 2007-2008



Source: State of Colorado Joint Budget Committee Appropriations Report

## Who Determines How Much Funding Each School Receives?

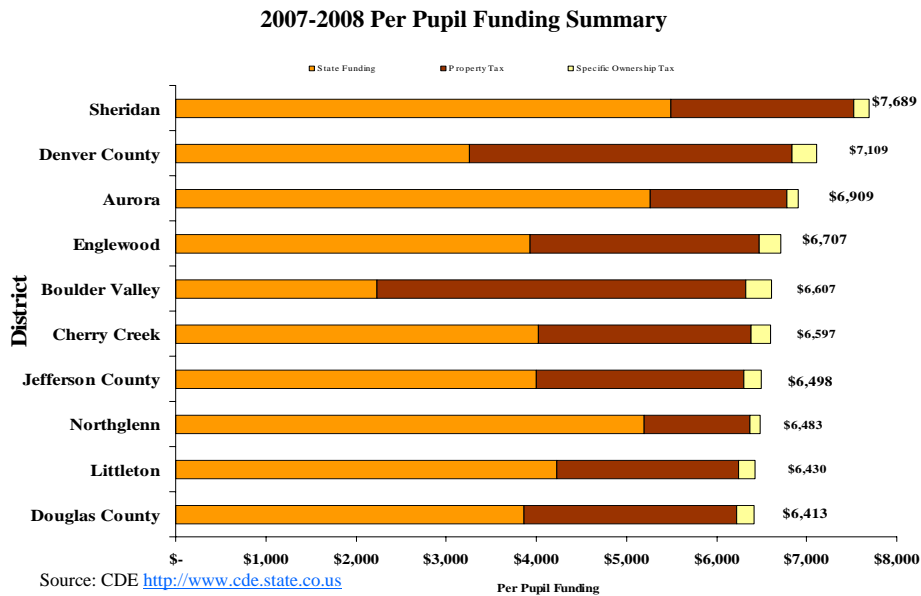
While tax dollars are collected locally for education, the state legislature determines how much funding each school district will receive.

### Equity in School Funding

The School Finance Act is aimed at ensuring that all children in the state receive an equitable educational experience. The Act outlines a formula that evaluates various factors and determines the cost for providing an equitable educational experience in each school district. The School Finance Act takes many factors into consideration when assigning a per-pupil amount to a school district. These factors include how many at-risk students a district serves, the cost of living in the community, and the size of the district. LPS receives less funding than other districts in the Metro area largely because of these three considerations. In the chart that follows, this is represented by the total dollar amount for each bar. Littleton Public Schools is expecting to receive \$6,430 per pupil revenue for each student in the district for the 2007-2008 school year.

### State Equalization

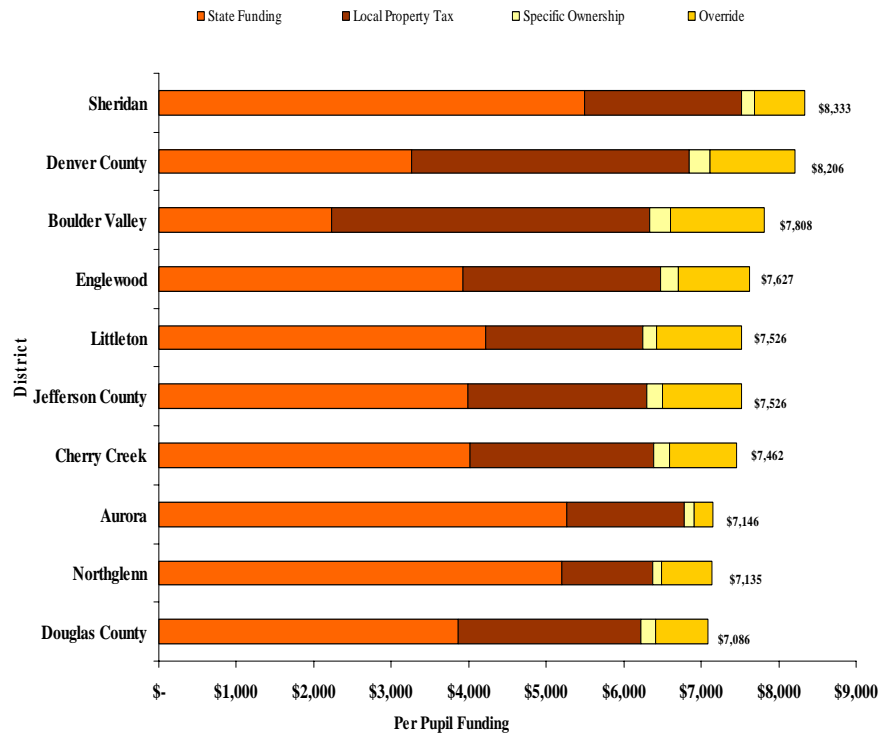
Schools are funded from basically three sources: local property tax, state funds, and vehicle registration fees, known as specific ownership tax. Although the state determines individual school district funding levels, the amount contributed from the three different sources varies according to local property tax wealth. As you can see from the chart below, Littleton Public Schools receives more than half of its revenue from state funding relative to assessed property valuations.



## Local Referenda

Colorado law allows local school districts to ask voters to approve additional funding for their district through an additional mill levy override. Littleton voters approved such overrides in 1988, 1997, and 2004. This additional funding is capped by state regulation. All override revenue come from increased property taxes, no additional state funding occurs. A district's authorization to raise and expend override revenue does not affect the amount of School Finance Act funding the district receives. The following chart shows how the School Finance Act funding is distributed and adds the local override portion.

**2007-2008 Per Pupil Funding Summary**



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

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## **\$6.5 Million Mill Levy Override**

On November 2, 2004, the Littleton Public Schools community approved a \$6.5 million mill levy override. The Board of Education, with input from the community, approved using the mill levy funds for the following:

- Fill deficits for the 2005-2006 thru 2008-2009 school years.
- Preserve more than 70 teaching positions that would have been cut during this period.
- Preserve the district's textbook acquisition funds for core subject area materials.
- Restore the teacher cuts made in 2004, which helps reduce class size.
- Provide supplemental funds for programs that meet the needs of lowest performing students, ensure a well rounded education, and continue the district's commitment to academic excellence and accountability.



## 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. In 2007, homeowners will pay an assessment rate of 7.96 percent of the actual assessed value of their home, while businesses will pay a 29 percent assessment rate.

#### **How the math works for each \$250,000 in home value:**

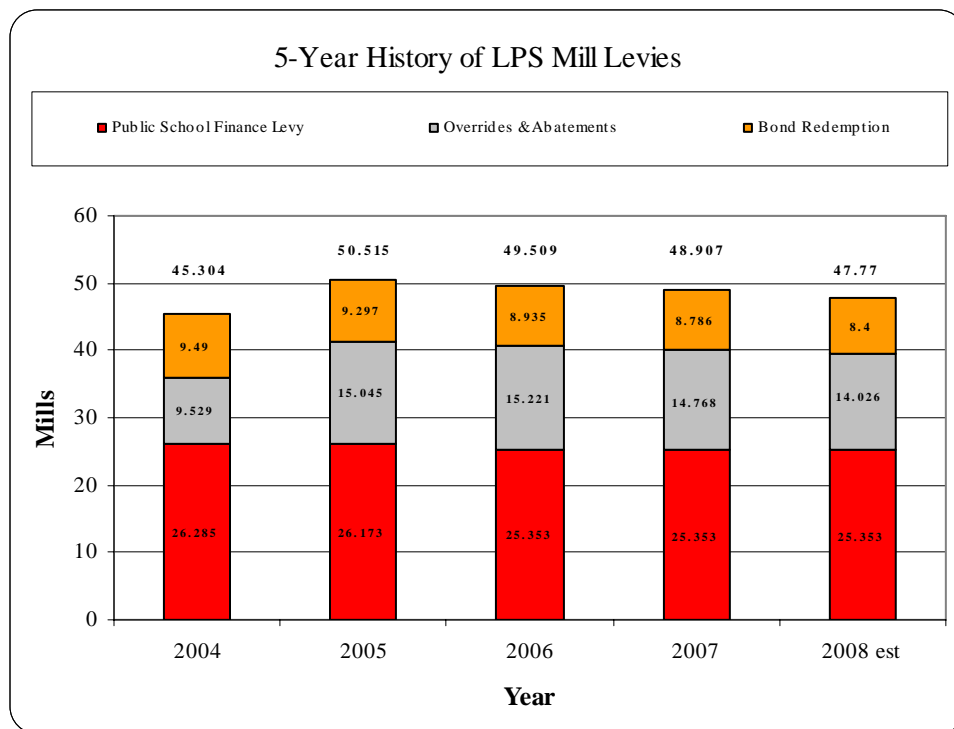
- 7.96 percent of the assessed value is calculated to be \$19,900. This is the amount on which taxes are based.
- One tax mill is equal to 1 cent on \$10. Therefore, \$19,900 in value multiplied by .001 equals \$19.90 per mill for each \$250,000.
- In 2007, the Littleton Public School District estimated tax rate is 48.907 mills or \$973 in taxes per year for the owner of a home valued at \$250,000.

This same formula may be used to calculate property taxes for schools based on a home's assessed valuation.

The same calculations based on a 29 percent business rate nets \$3,546 in school taxes for each \$250,000 of taxable business property.

The General Fund mill levy for 2008 is estimated at 39.379 mills, a slight decrease from the 2007 mill levy of 40.121 mills. In addition to the statutory mill levy contained in the Public School Finance Act of 1994 (as amended), the district levies and collects property taxes for the 1988, 1997, and 2004 override elections, hold harmless override, and for the recovery of abated taxes. Voters approved, through override elections, to raise and expend more tax revenue than computed under formula funding in November of 1988, 1997, and 2004. Final mill levy for the calendar year is certified by the Board of Education by December 15 of each year.

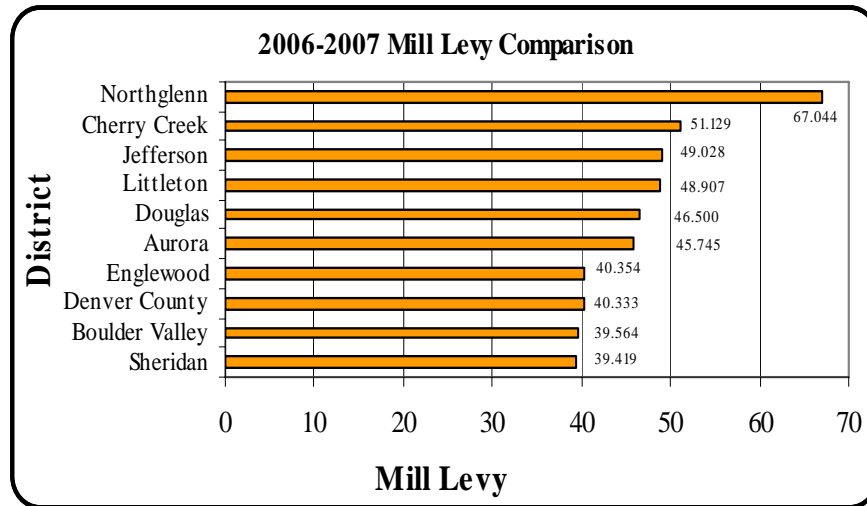
In addition, the 2008 mill levy for the Bond Redemption Fund is projected to be 8.400 mills. This levy provides sufficient property tax revenue to cover the annual debt service on the two outstanding general obligation bonds issues. A summary of the district's estimated mill levy components for 2008 and the previous four years is illustrated in the graph below.



Source: LPS Financial Services Records of Certified Mill

- General Fund Mills are associated with School Finance Act funding.
- Election Mills are mills 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.

One mill raises varying amounts of money for each school district due to differences in property values and therefore assessed valuation within the district. The following chart depicts per pupil funding among districts for the 2006-2007 school year.



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

### What Does it Cost to Raise \$1.0 Million?

State statutes authorize additional local revenue via a general election, not to exceed 20 percent of program funding; less previously authorized override election sums. The maximum LPS could ask district voters to authorize as new override election funding from local property taxes is approximately \$3.6 million. The following table summarizes this override funding calculation.

Total program funding FY 2008	\$98,581,934
Override limit percentage	<u>x 20%</u>
Additional funding, at 20 percent of total program	19,716,387
Plus, cost of living adjustment of 2001	3,157,851
Less, annual tax revenue received from the 1988, 1997, 2004, and hold harmless overrides	(16,813,581)
Less, specific ownership tax revenue related to the previous overrides' mill levies	(2,418,292)
Maximum eligible for new override election	<u>\$3,642,365</u>
<b>Maximum mill levy based on \$1,221,267,969 assessed valuation</b>	<b><u>2.982 mills</u></b>

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A property owner within the boundaries of the district owning a \$250,000 home would pay \$16.30 per year for each million dollars approved by voters in an override election, calculated as follows:

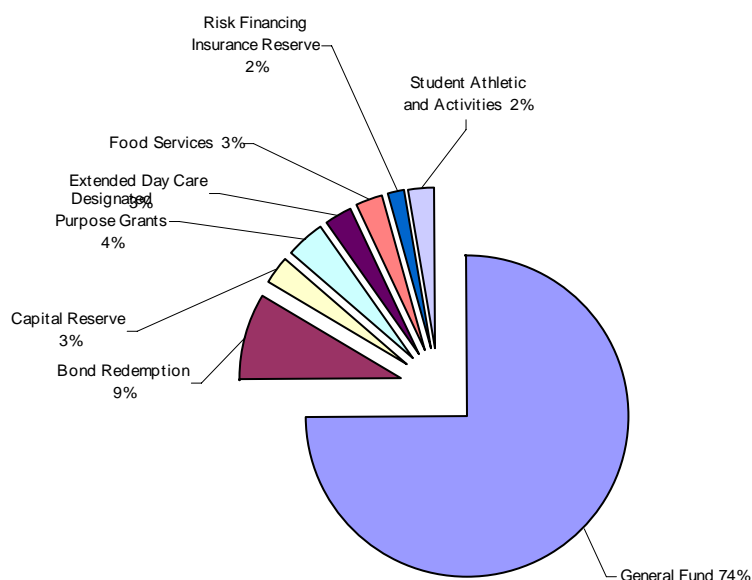
Override election funding	\$1,000,000
Divided by assessed property valuation	<u>\$1,221,267,969</u>
Equals	0.000819
Multiplied by 1000 (mill factor)	<u>x 1,000</u>
Total mills required	.819 mills
Taxpayer home value	\$250,000
Property tax assessment rate	<u>x 7.96%</u>
Property tax assessment	\$19,900
Mills calculated above	<u>x .819</u>
Equals	\$16,298
Divided by 1000 (mill factor)	<u>/1,000</u>
<b>Annual taxpayer cost</b>	<b><u><u>\$16.30</u></u></b>



## Looking at LPS's Budget

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The Littleton Public School District budget reflects the costs to educate approximately 15,666 students in 27 schools. The remainder of this document relates primarily to the General Operating 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 following chart demonstrates the various funds and the percent appropriated to each fund based on a total 2007-2008 appropriation of \$191.4 million.



- **General Fund (\$143,043,180)** — 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 Colorado Public School Finance Act.
- **Bond Redemption Fund (\$16,831,358)** — This fund provides revenue based on a property tax mill set by the Board of Education, annually, to satisfy the district's bonded indebtedness.

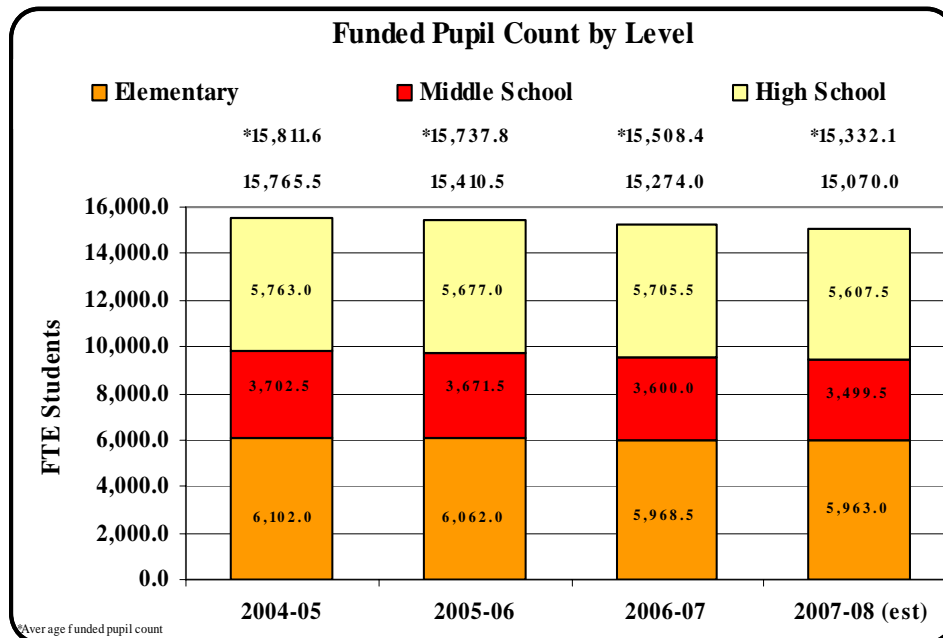
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- **Capital Reserve Fund (\$5,459,401)** — This fund provides for the acquisition of land, construction of new facilities, alterations and improvements to existing structures, and the acquisition of school busses and/or other major capital equipment.
  - **Designated Purpose Grants Fund (\$7,233,929)** — 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.
  - **Extended Day Care Program Fund (\$5,652,615)** — This fund provides for pre-K, K-plus, kindergarten extended day, and before- and after-school care of children attending all 15 district elementary schools, as well as, The Village preschool.
  - **Food Services Fund (\$5,291,760)** — This fund provides meals at all of the schools in the district.
  - **Risk Financing Insurance Reserve Fund (\$3,219,336)** — 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.
  - **Student Athletic and Activities Fund (\$4,637,462)** — 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.
  - **Student Clubs Fund** — This fund accounts for financial transactions of all schools in the district through individual school student club accounts. The district does not record revenue or expenditures, acting only as a trustee of the student club monies. Therefore, the district does not prepare a budget. However, this fund is subject to district accounting policies and audit.

## The Funding Driver — Enrollment

Although the School Finance Act 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 count occurs each October and produces the official funded pupil count number.

The Funding Equation Budgeted 2007-2008	
Per Pupil Revenue (PPR)	\$6,430
Average Funded Pupil Count (FPC) x	15,332.1
<b>School Finance Act Funding</b>	<b><u>\$98,581,934*</u></b>

Due to decreasing enrollment, the Colorado Department of Education allows districts to average funded pupil count as stated in the graph below, which details the 2007-2008 estimated funded pupil counts as well as historical figures. The four most recent fiscal years funded pupil count was averaged as a result of declining enrollment.

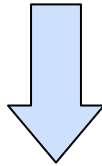


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## Effect of Declining Enrollment

Pupil enrollment is projected to decrease slightly in 2007-2008. Projection of pupil count will lessen in the years to come with a decline at the elementary level due to fewer kindergarten pupils entering the district and declining birth rates. Middle schools are projected to diminish slightly, as lower elementary enrollment advances into grades 6 through 8. High school enrollment remains steady stabilizing secondary enrollment. Total funding is based on the official pupil count; thus, with fewer pupils, district revenue declines. If the declining enrollment continues in future years, it will adversely affect financing and the budget.

**Fewer Students = Fewer Dollars**



### Opportunity Cost in Dollars of 100 Fewer Students

Per Pupil Revenue:	(PPR)	\$6,430.00
<u>Funded Pupil Count:</u>	<u>x (FPC)</u>	<u>&lt;100&gt;</u>
<b>School Finance Act Funding:</b>		<b><u>&lt;\$643,000.00&gt;</u></b>

## What Factors Affect Revenues?

### Resource Highlights

- The Board of Education can make policy decisions on what the district charges for its tuition and fees. Revenue derived from policy decisions comprise only 2.8 percent of total revenue.
- The Littleton electorate has control over passing local property tax increases for school funding, which represents 13.6 percent of LPS's 2007-2008 budgeted revenue. Only the Board of Education can recommend a referendum on the ballot.
- State legislators determine LPS's revenue from the School Finance Act. Littleton voters have some control over who our state representatives are, and how they vote on education issues. This revenue comprises 77.7 percent of LPS's budgeted revenue for 2007-2008. The Board of Education has no control over the School Finance Act.
- Other revenue, including non-equalized specific ownership tax and interest earnings, make up the remaining 5.8 percent of LPS's budgeted revenue, and are controlled primarily by economic factors that are completely outside of LPS's control.

There are a variety of factors that impact the amount of money the district receives in its General Operating Fund from different funding sources. The district and/or its constituents have more control over some factors than others. The graphic below illustrates smaller funding sources are typically the ones the district has more control over. 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 LPS.

In the 2007-2008 school year, the district will receive the following revenue in the General Operating Fund.

<b>CONTROLLABLE REVENUE</b>		
<b>2007 - 2008</b>		
<b>GENERAL OPERATING FUND</b>		
<b>REVENUE SOURCES</b>		
<b>Policy Decisions</b>		
Tuition, Fees, Print Shop	\$ 3,525,491	2.8%
<b>Local Elections</b>		
1988 Mill Levy Override	2,998,234	2.4%
1997 Mill Levy Override	5,000,000	4.0%
2004 Mill Levy Override	6,500,000	5.3%
Hold Harmless	2,315,347	1.9%
<b>School Finance Act</b>		
State Funding	62,335,110	50.4%
Local Property Taxes	30,962,807	25.0%
Specific Ownership Taxes (equalized)	2,859,481	2.3%
<b>Other Revenue</b>		
Other State Revenue Taxes	4,061,858	3.3%
Earnings on Investments	900,000	0.7%
Specific Ownership Taxes (non-equalized)	2,251,705	1.8%
<b>TOTAL</b>	<b>\$ 123,710,033</b>	<b>100.0%</b>
<b>LESS CONTROLLABLE REVENUE</b>		

## Stretching LPS Dollars at Your Local School

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The Littleton Public School District carefully monitors its expenses and how it spends its resources. The Board of Education and district staff take their responsibility as stewards of tax dollars seriously.

### School Funding

Each of the district's schools is allocated resources on the basis of per-pupil funding. This funding is designated through formulas, which cover the cost of staffing, supplies, equipment, and staff development.

### School Staffing

Staffing is allocated through a weighted staffing formula, which ensures that staffing is distributed to schools equitably. 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.

Schools may allocate their staff differently depending on the needs of their student population. This flexibility encourages the collaborative input of local school advisory committees. The staffing levels for 2007-2008 are as follows:

<b>Elementary School:</b>	1.0 point/24.50 students, plus 2.55 points for office staff, plus 5.00 to 7.25 points for support programs based on enrollment
<b>Middle School:</b>	5.321 points/100 students + 6.48927 (admin/secretarial)
<b>High School:</b>	5.808 points/100 students

Per-pupil allocation for instructional supplies and equipment is shown below:

<b>Elementary School:</b>	\$123.52 per pupil + \$5,348/school
<b>Middle School:</b>	\$125.60 per pupil + \$14,012/school
<b>High School:</b>	\$124.43 per pupil + \$63,445/school

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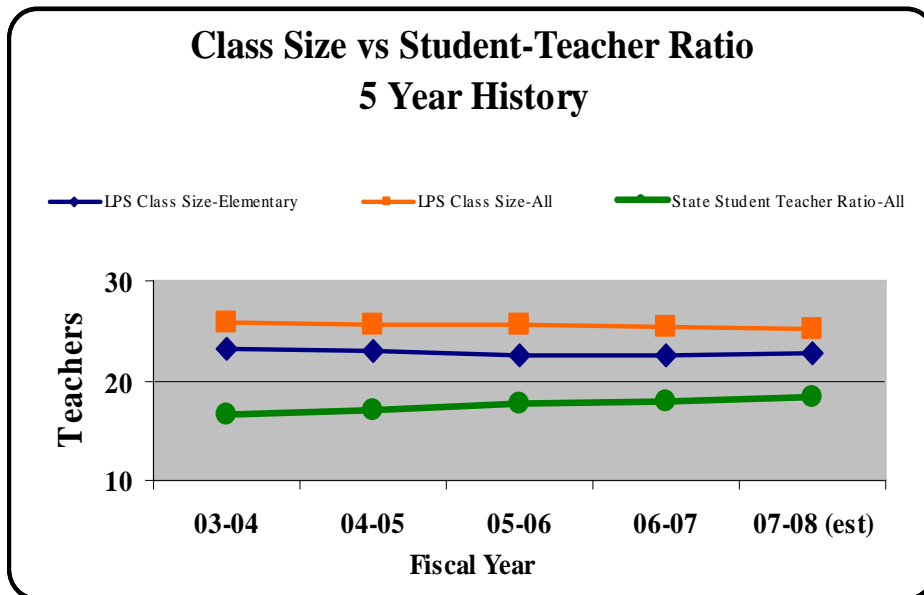
## General Fund - Expenditures by Service Area

	2007-2008 Budget	% of	% of
		Total	Expenditures
<b>Regular Instruction</b>			
Elementary and Preschool	\$30,624,414	21.41%	24.11%
Charter Schools	5,963,257	4.17%	4.69%
Middle Schools	17,208,476	12.03%	13.55%
High Schools	<u>26,955,575</u>	<u>18.84%</u>	<u>21.22%</u>
Subtotal	80,751,722	56.45%	63.57%
<b>Special Instruction</b>			
Special Education	12,635,206	8.83%	9.95%
Vocational Education	<u>980,182</u>	<u>0.69%</u>	<u>0.77%</u>
Subtotal	13,615,388	9.52%	10.72%
<b>Governance</b>	<u>1,146,818</u>	<u>0.80%</u>	<u>0.90%</u>
<b>Support Components at Education Services Center</b>			
Instructional Services	11,177,419	7.81%	8.80%
Property Management Services	4,689,206	3.28%	3.69%
Human Resource Services	1,896,500	1.33%	1.49%
Transportation Services	4,535,007	3.17%	3.57%
Information Technology Services	4,283,045	2.99%	3.37%
Finance Services	<u>1,560,995</u>	<u>1.09%</u>	<u>1.23%</u>
Subtotal	28,142,172	19.67%	22.16%
<b>Transfers</b>	<u>3,365,646</u>	<u>2.35%</u>	<u>2.65%</u>
Subtotal, Expenditures & Transfers	127,021,746	88.80%	100.00%
<b>Reserves</b>	<u>16,021,434</u>	<u>11.20%</u>	
<b>Total Appropriation</b>	\$143,043,180	100.00%	

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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 on-going professional development. Student-teacher ratio includes classroom teachers plus other certified and instructional positions. Class-size is sometimes referred to as face-to-face ratio in a classroom.



	2003-04	2004-05	2005-06	2006-07	2007-08 (est)
LPS Class Size-Elementary	23.1	22.9	22.6	22.5	22.7
LPS Class Size-All	25.8	25.5	25.5	25.3	25.1
State Student Teacher Ratio	16.5	17.1	17.8	17.9	18.3

\*Source for State Student-Teacher Ratio is CDE Websites.

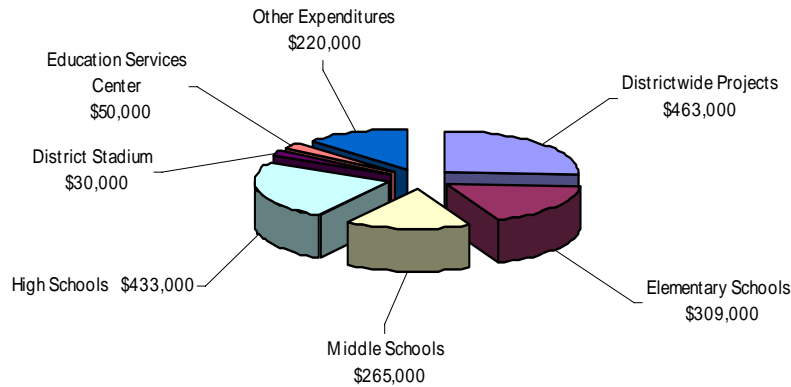
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## Facilities Projects

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

Each year the Board of Education reviews a list of prioritized facilities projects to determine which are to be included in the Capital Reserve Fund budget. This year, the District 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 2007-2008 facilities projects budgeted amount of \$1,770,000.

### 2007-2008 Facilities Projects



As with any home or office building, the amount that the District spends on its facilities depends on many factors. The Board of Education 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 Littleton Public Schools is everybody's business, and each citizen within the District can have a say in budgeting decisions. You may share your opinions with the Board of Education 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 of Education in making decisions regarding district issues, activities, and programs. Littleton Public Schools believes that parents are key partners in their child'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 committees and how to join one, please visit the LPS website at [www.littletonpublicschools.net](http://www.littletonpublicschools.net) and click on District Information.



## 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 of Education, 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.

<b>Step</b>	<b>Activity/Description</b>	<b>Date</b>
1	Budget calendar established by financial services.	September 28
2	Long-range budget forecast discussions with Board of Education.	November-January
3	Distribute budget development materials to principals and budget managers.	February 8
4	Capital Reserve Fund projects approved by Board of Education.	February 21
5	Budget materials due to financial services for preparation of proposed budget.	April 4
6	Review draft of proposed budget document, with illustrations and presentation materials, and modify as appropriate.	April 25
7	Financial Advisory Committee discussion of priority budget expenditure categories to be forwarded to District Accountability Committee.	May 1
8	Present the proposed budget to the Board of Education and make available to public and media. Establish date for public comment on budget.	May 29
9	Approval of the use of Amendment 23 funds by the Board of Education.	May 29
10	Provide newspaper with public notice of proposed budget and final adoption by the Board of Education.	June 2
11	Adoption of the budget by the Board of Education.	June 26
12	Receive preliminary assessed valuation figure from Arapahoe County Assessor.	August 25
13	Official pupil membership count day.	October 1
14	Receive final assessed valuation from county assessor.	December 11
15	Certify mill levies and property tax collection figures to county commissioners.	December 15

## How to Contact State Officials

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### State Board of Education

201 East Colfax Ave.  
Denver, CO 80203  
303-866-6809  
(Fax 303-866-6938)

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

Dwight Jones – Commissioner of Education  
Elaine Gantz Berman – 1<sup>st</sup> Congressional District  
Evie Hudak – 2<sup>nd</sup> Congressional District  
Pamela Jo Suckla – 3<sup>rd</sup> Congressional District  
Bob Schaffer – 4<sup>th</sup> Congressional District  
Peggy Littleton – 5<sup>th</sup> Congressional District  
Randy DeHoff – 6<sup>th</sup> Congressional District  
Karen Middleton – 7<sup>th</sup> Congressional District  
Jared Polis – Member-At-Large

### Governor of Colorado

136 State Capitol  
Denver, CO 80203-1792  
Capitol: 303-866-2471

[http://www.state.co.us/gov\\_dir/governor\\_office.html](http://www.state.co.us/gov_dir/governor_office.html)

Colorado General Assembly website for House Representative and Senate information, including member homepages and legislation information, can be found at

<http://www.leg.state.co.us/>

#### ON THE COVER

Top Left: Samuel Katz, Elliot Luke, Conner Alles, Jacob Schoot, Doron Burks, Jacob Fields, Scott Hansen, Joel Boomer (Euclid Middle School); *Photos by Dan Nanney*  
Bottom Left: Brittanie Smith, Alisha Pastorini (Moody Elementary School).  
Middle Right: James Craig, Emily Pippis (Transitions)  
*Photos by Dan Nanney*

