
Littleton Public Schools



2015–2016

Pocket Guide to Understanding Your School District Budget

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Littleton Public Schools

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

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

VISION STATEMENT

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



MISSION STATEMENT

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

We're on the Web
www.littletonpublicschools.net

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

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

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Budget Snapshot

For 2015–2016 Littleton Public Schools has a budget appropriation of \$302,403,035 funded from state, local, and federal sources.

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

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

At the center of LPS are the students. While the financial health is crucial to maintaining a premier district, the main broader objective is ensuring excellence and equity in education for our students. LPS enjoys a reputation for being a premier district in Colorado and the nation. LPS is one of only 27 districts in Colorado and the only Denver metropolitan area school district to be Accredited with Distinction, the highest academic accreditation rating given by the Colorado Department of Education. The district has received this rating for the last five years.



Quick Facts

Projected Number of Students In 2015–2016	15,404
Elementary Schools	13
Middle Schools	4
High Schools	3
Charters Schools K–8	2
Early Childhood Program	1
Alternative Programs (Options Secondary Program, Redirection, Transition, Voyager On-line Program)	<u>4</u>
Total Number of Schools/Programs	27



*Ethnic Distribution

2014–2015	American Indian/ Native Alaskan	Asian	Black	Hispanic	White	Native Hawaiian or Other Pacific	Two or More Races	Total
PK–Elementary	29	198	97	1,220	4,913	8	319	6,784
Middle Schools	17	118	37	571	2,410	3	117	3,273
High Schools	22	176	65	813	3,930	8	198	5,212
Total	68	492	199	2,604	11,253	19	634	15,269

*Graduation Rate and Dropout Rate

	2009–2010	2010–2011	2011–2012	2012–2013	2013–2014
On-Time Graduation Rate	87.2	89.2	90.2	92.1	90.7
5-Year Completion Rate	-	90.2	91.5	92.5	95.2
Dropout Rate	1.0	0.7	0.8	0.8	0.7

*most current data available

Understanding Your School District Budget

Our Mission

“To educate students for the future by challenging every individual to continuously learn, achieve, and act with purpose and compassion.”

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 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 (the Board) 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 and are updated quarterly.

Detailed information of the LPS 2015–2016 Adopted Budget is provided at www.littletonpublicschools.net under Financial Transparency.

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

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



Budget Perspectives

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

Development of an 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 each new fiscal year commencing July 1.

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 Home Perspective — Students and Parents

LPS is organized and focused to meet the needs of 15,404 students and manage 27 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.*

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 2013–2014 pupil attendance rate was 95.47 percent. LPS has maintained an average attendance rate of at least 93.0 percent for the past ten years.

Graduation Rate: LPS high schools consistently have a higher graduation rate than the Colorado average. The 2014 graduation rate for the district was 90.7 percent.

Student Achievement: The standardized test scores of LPS students continue to surpass both Colorado and national averages. Test results are presented on pages 154–161 of the 2015–2016 Adopted Budget.

Other Indicators:

- The number of LPS graduates to go on to higher education was approximately 90.6 percent in 2014.

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- In 2014, high school seniors were awarded approximately \$40.4 million in college grants and scholarships.
 - In 2014, LPS had 13 National Merit Scholarship Finalists, two Presidential Scholar Candidates, one Presidential Scholar Semifinalist, one Nation Hispanic Recognition, and three Boettcher Scholars.

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, & Support Staff

Employees are LPS's most valuable assets. One of the strategic directions of the Board is to develop and implement creative systems of compensation, professional development, and other personnel practices to provide a professional environment that attracts, rewards, and retains quality staff. Personnel costs (salaries and benefits) account for 79.5 percent of the \$147.8 million of budgeted LPS General Fund operating expenditures for 2015–2016. 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 District Perspective

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

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

At the district level, the superintendent and staff work closely with the elected Board of Education to ensure the budget plan takes into account all strategic directions. Each year, the Board and the superintendent bear the responsibility of adopting a budget that will ensure quality education for all students and fiscal stability in varying political and economic conditions. LPS faced numerous challenges in the development of the 2015–2016 budget, including:

- A negative state stabilization factor of 12.13 percent in 2015–2016 which is being utilized to offset the Amendment 23 required inflationary funding increase of 2.8 percent and keep per-pupil revenue (PPR) at \$7,022.
- The 12.13 percent negative factor lowered PPR from \$7,992, a loss of \$970 in PPR equivalent to \$14.4 million in program funding for LPS.
- The increasing costs of Public Employees Retirement Association (PERA) contributions, utilities, fuel, and maintenance contracts.
- Stable versus growing student enrollment limits the district’s ability to receive additional state education dollars.

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.

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 (SFA). This complex set of state laws and constitutional amendments ensures equity in school funding as well as state equalization.

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

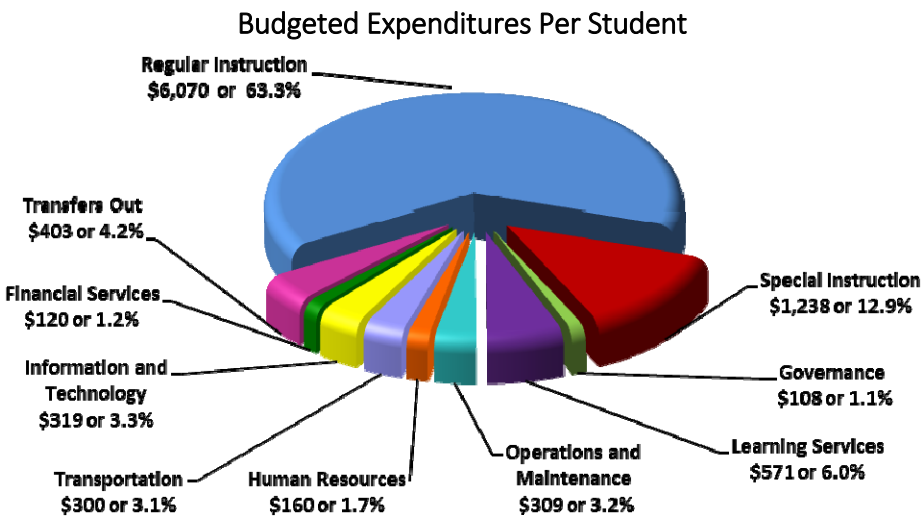
Littleton taxpayers receive an intrinsic value from their investment in public education. Well-educated youth will be prepared for the jobs of the future and leadership roles in our community and country. Today's students will be the leaders and taxpayers for subsequent generations. In addition, the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

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

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

How Does the Typical Student Use \$9,597?

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 2015–2016, the district will fund 15,404 students representing a cost of approximately \$9,597 for each student.



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, including school districts. TABOR’S primary objective is to “restrain the growth of government” as stated in the Colorado Constitution.

Many TABOR provisions 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 by requiring school districts to hold 3.0 percent 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.

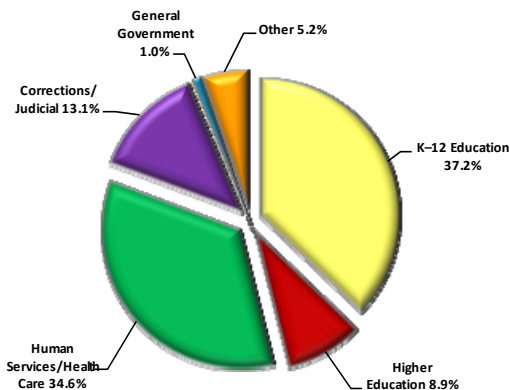
AMENDMENT 23

In November 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 the 178 school districts throughout the state using formulas in the SFA. 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 2015–2016



Source: State of Colorado Joint Budget Committee Appropriations Report

Who Determines How Much Funding Districts Receive?

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

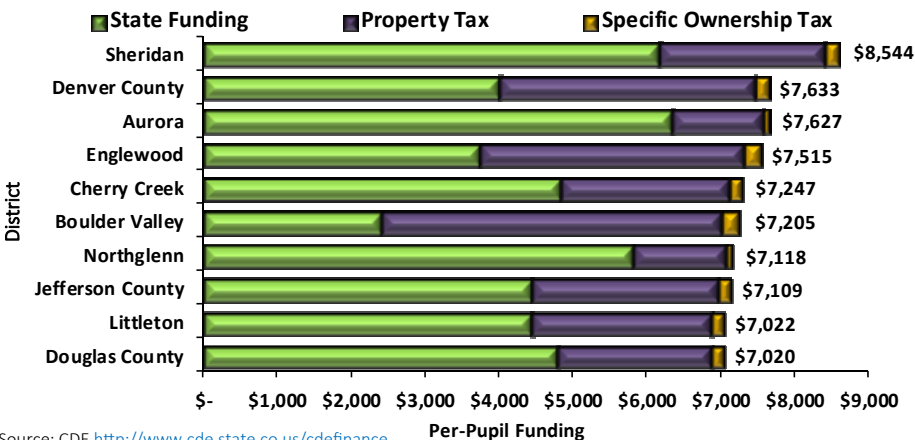
Equity in School Funding

The SFA is aimed at ensuring all children in the state receive an equitable educational experience. The SFA outlines a formula that evaluates various factors and determines the cost for providing an equitable educational experience in each school district. The SFA takes many factors into consideration when assigning a per-pupil amount to a school district, including 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 metropolitan area largely because of these three considerations, as shown in the chart below. In 2015–2016, the average state funding rate is \$7,294 per-pupil. LPS expects to receive \$7,022 in per-pupil revenue for each student in the district. This is an increase of \$257 when compared to the per-pupil funding of \$6,765 in 2014–2015. The negative state stabilization factor, used to legally offset the legally required inflationary increase in funding of 2.8 percent, is negative 12.13 percent.

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, LPS receives more than half of its SFA program revenue from state funding.

2015–2016 School Finance Act Per-Pupil Funding Summary



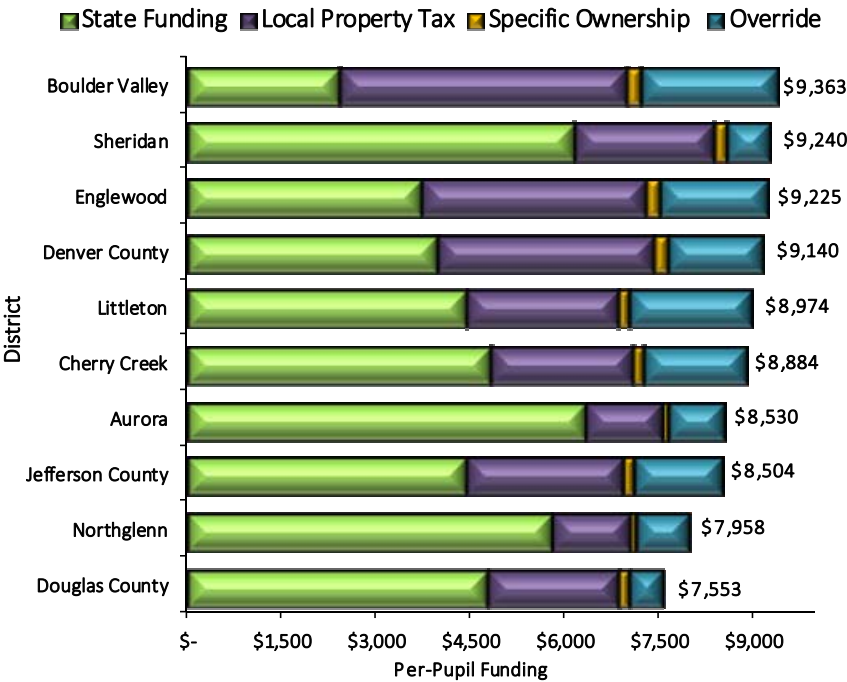
Source: CDE <http://www.cde.state.co.us/cdefinance>

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, 2004, and 2010. Total override funding also includes funding from the state’s fiscal year 1994–1995 hold harmless override provision. The total additional funding is capped by state regulation. All override revenue comes 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 SFA funding the district receives. The following chart shows how the SFA funding is distributed and adds the local override portion.

The override limit districts may use to raise additional local revenue is 25.0 percent of total program funding.

2015–2016 Per-Pupil Funding Summary With Override



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

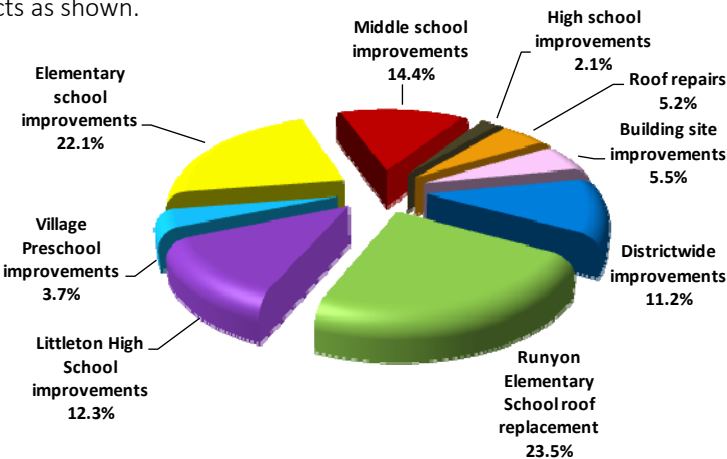
History of LPS Mill Levy Overrides

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

- Preserving teaching positions that would have been cut due to budget constraints.
- Providing textbook acquisition funds for materials for core subject areas.
- Helping reduce class size.
- Upgrading and maintaining technology.
- Providing program funding to meet the needs of students, ensure a well-rounded education, and continue the district’s commitment to academic excellence and accountability.
- Filling budgetary deficits.

Additional Voter Approved Revenues

In November 2013 voters approved \$80 million in general obligation bonds for capital projects necessary to maintain current district facilities. All projects under this bond issue were identified and prioritized by the Capital Improvement Planning Committee and were authorized by the Board of Education. In fiscal year 2015–2016, the district has planned projects estimated to cost \$35,520,258. This expense is divided between various projects as shown.



How Does Supporting Education Impact Your Taxes?

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

Doing the Math

State law sets the property tax assessment rate. In 2015, 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. The General Fund mill levy for 2015 is 48.104 mills. The Bond Redemption Fund mill levy is 8.497 mills. This brings the total 2015 district mill levy total to 56.601 mills.

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

- 7.96 percent of the assessed value is calculated to be \$7,960. This is the amount on which taxes are based.
- One tax mill is equal to \$0.01 of \$10. Therefore, \$7,960 in assessed value multiplied by 0.001 equals \$7.96 per mill for each \$100,000 in home value.
- In 2015, the LPS homeowner's total tax rate is 56.601 mills or \$451 in taxes per year for each \$100,000 in home value.

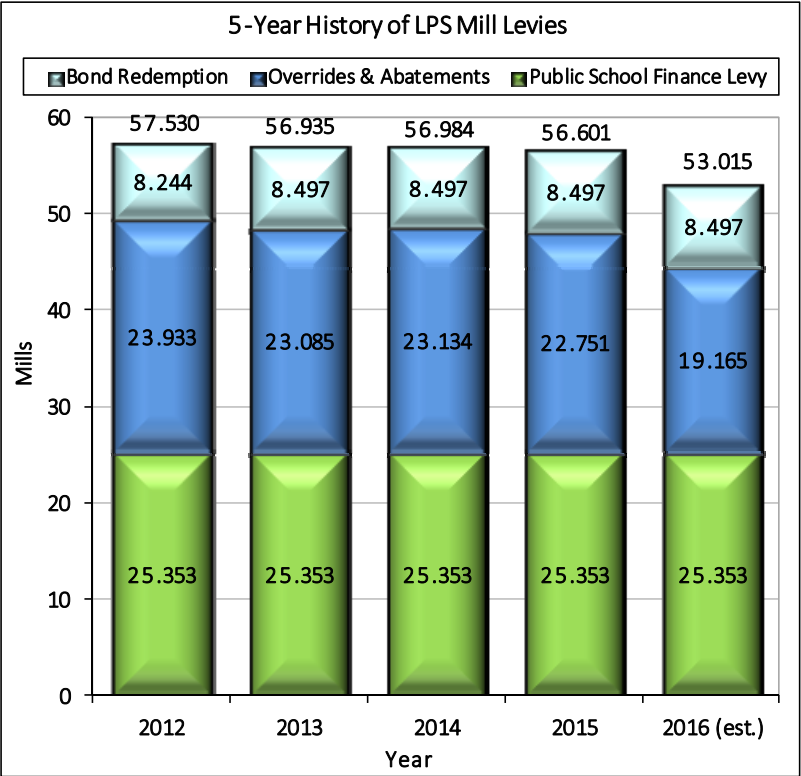
The same calculations based on a 29 percent business rate nets \$1,641 in school taxes for each \$100,000 of taxable business property.

The General Fund mill levy for 2016 is estimated at 44.518 mills, a decrease of 3.586 mills from the 2015 mill levy. In addition to the 25.353 statutory mill levy contained in the SFA, the district levies and collects property taxes for the 1988, 1997, 2004, and 2010 override elections, hold harmless override, and for the recovery of abated taxes. Together these total 19.165 mills for 2016. Voters approved, through override elections, to raise and expend more tax revenue than computed under formula funding in November of 1988, 1997, 2004, and 2010. Final mill levy for the calendar year is certified by the Board by December 15 of each year.

Estimated 2016 taxes for each \$100,000 in home value:

- In 2016, the estimated LPS homeowner's total tax rate is 53.015 mills or \$422 in taxes per year for each \$100,000 in home value.

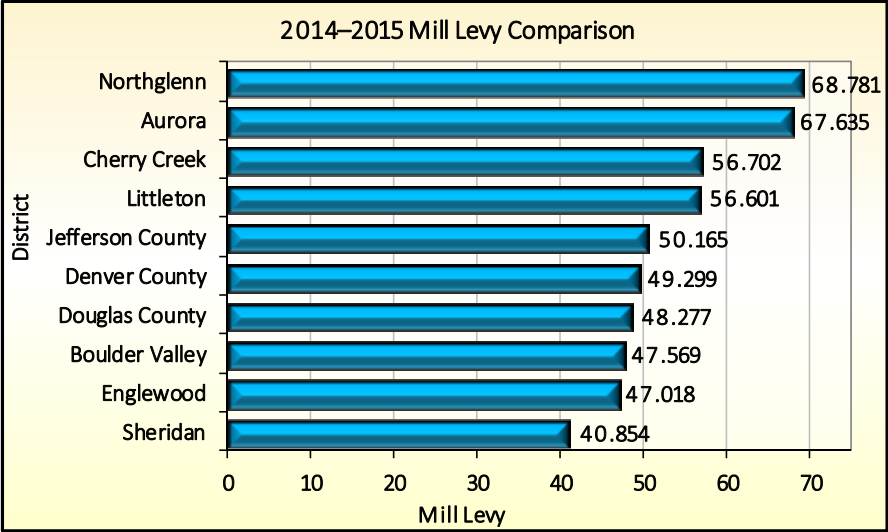
In addition, the 2016 mill levy for the Bond Redemption Fund is projected to be 8.497 mills. This levy provides sufficient property tax revenue to cover the annual debt service on the three outstanding general obligation bonds issues. A summary of the district’s estimated mill levy components for 2016 and the previous four years is illustrated in the graph below.



Source: LPS Financial Services Records of Certified Mill Levies

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

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 chart below depicts current mill levy amounts for metro area school districts for the 2014–2015 school year.



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

What Does it Cost to Raise \$1.0 Million?

State statutes authorize additional local revenue via a general election, not to exceed 25.0 percent of program funding. The maximum LPS could ask district voters to authorize as new override election funding from local property taxes is approximately \$3.9 million. The following table summarizes this override funding calculation.

Total program funding FY 2016 before negative state stabilization factor	\$118,164,433
Override limit percentage	x 25%
Additional funding, at 25.0 percent of total program	29,541,108
Plus—cost of living adjustment of 2001	3,157,851
Less—annual tax revenue received from the 1988, 1997, 2004, 2010, and hold harmless overrides	(28,813,581)
Maximum eligible for new override election	\$3,885,378
Maximum mill levy based on estimated assessed valuation of \$1,534,790,310	2.531 mills

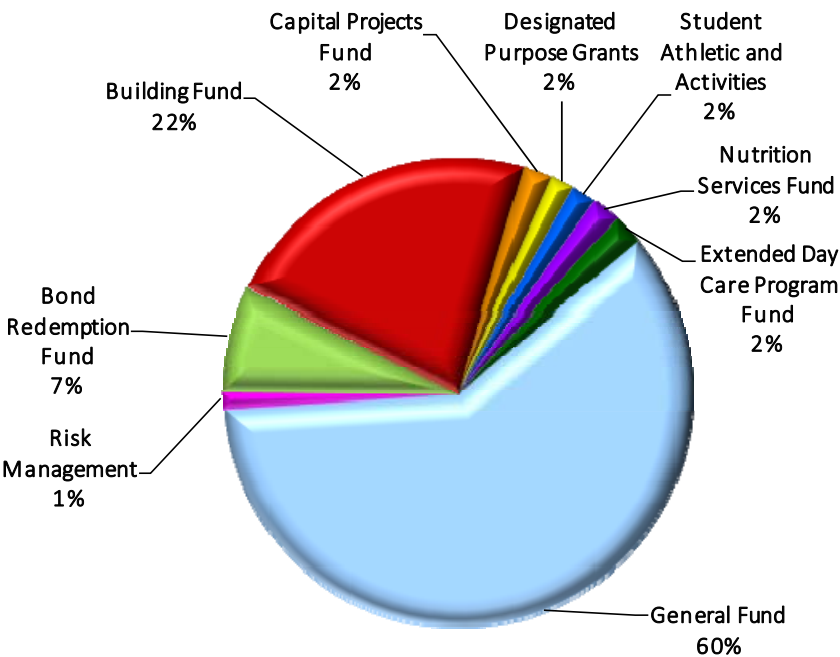
For each million dollars approved by voters in an override election, a property owner within district boundaries would pay approximately \$5.19 per year for every \$100,000 of home value. The calculation is as follows:

Override election funding	\$1,000,000
Divided by assessed property valuation	/ \$1,534,790,310
Equals	0.000652
Multiplied by 1000 (mill factor)	x 1,000
Total mills required for every \$1 million of override funding	0.652mills
Taxpayer home value <small>(actual value determined by county assessor)</small>	\$100,000
Multiply by property tax assessment rate	x 7.96%
Assessed property value	\$7,960
Multiply by mills calculated above	x 0.652
Equals	\$5,190
Divided by 1000 (mill factor)	/ 1,000
Annual taxpayer cost for every \$100,000 of home value	\$5.19



Looking at LPS’s Budget

The LPS budget reflects the costs to educate approximately 15,404 students in 27 schools and programs. The remainder of this document relates primarily to the General Fund, the largest of a variety of funds that comprise LPS’s total budget. Fund accounting demonstrates legal compliance and segregates transactions related to certain government functions or activities. The chart below demonstrates the various funds and the percent appropriated to each fund based on a total 2015–2016 appropriation of \$302.4 million.



- **General Fund (\$181,817,181)**—This is the largest portion of the budget and covers day-to-day operating expenses, including salaries and benefits for employees, textbooks, transportation, facility maintenance, instructional and learning services, and business services. Funding comes from state and local sources, the majority through the SFA.
- **Risk Management Fund (\$3,444,643)**—This fund provides for premiums on insurance, loss control, workers’ compensation, payment of loss or damage to property, administrative insurance

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

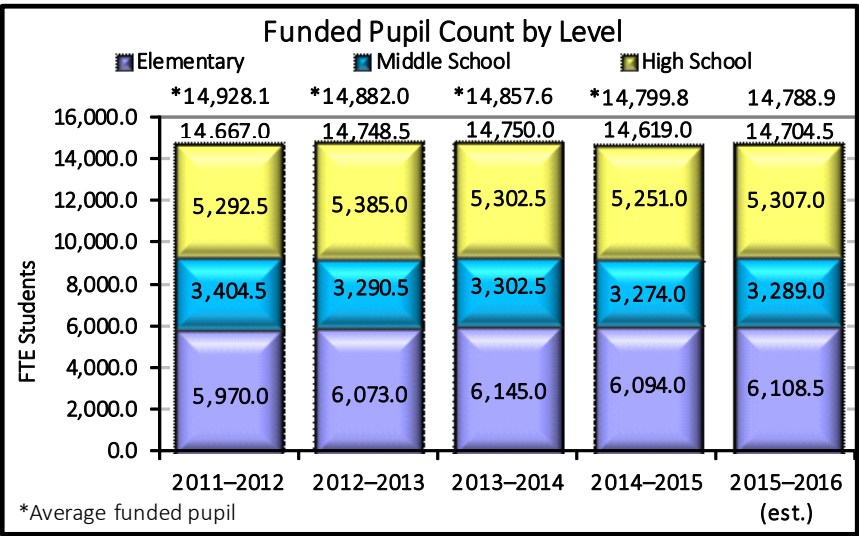
- **Bond Redemption Fund (\$21,837,154)**—This fund provides revenue based on a property tax mill set annually by the Board to satisfy the district's bonded indebtedness.
- **Building Fund (\$67,069,191)**—This fund provides for major capital outlays related to upgrades and remodeling for all district facilities that are funded by voter-approved general obligation bonds.
- **Capital Projects Fund (\$6,092,967)**—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 (\$4,932,606)**—This fund is provided to maintain a separate accounting for fully funded federal, state, and local grant programs that are restricted as to the type of expenditures for which they may be used, and which may have a different fiscal period than that of the district.
- **Student Athletic and Activities Fund (\$5,121,237)**—This fund provides extracurricular activities at the elementary, middle, and high school levels, intramural athletic programs at the middle level, and Colorado High School Activities Association programs and district-sponsored activities at the high school level.
- **Nutrition Services Fund (\$5,828,042)**—This fund provides meals at all of the schools in the district.
- **Extended Day Care Program Fund (\$6,260,014)**—This fund provides for pre-K, K-plus, kindergarten extended day, and before- and after-school care of children attending 12 district elementary schools, as well as The Village preschool at North and the Ames Facility.
- **Student Clubs Fund**—This fund accounts for financial transactions of all schools in the district through individual school student club accounts. 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 SFA determines how much money the school district will receive per pupil, the funded pupil count is the real driver of school funding. The number of full-time students enrolled in a district determines the amount of funding the district receives. The funded pupil count total can be different from the total enrollment because not all students (e.g., kindergarten) attend school on a full-time basis. The count occurs each October 1 and produces the official funded pupil count number.

The Funding Equation		
	Budgeted 2015–2016	Without Negative State Factor
Per-Pupil Revenue (PPR)	\$7,022	\$7,992
Average Funded Pupil Count (FPC)*	x 14,788.9	x 14,788.9
School Finance Act Funding	<u>\$ 103,850,454</u>	<u>\$ 118,192,889</u>

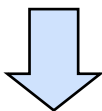
Due to fluctuating enrollment, the Colorado Department of Education allows districts experiencing decreases to average funded pupil count as shown in the graph below, which details the 2015–2016 estimated funded pupil counts as well as historical figures. The four prior fiscal years’ funded pupil count was averaged as a result of declining enrollment.



Effect of Declining Enrollment

In 2015–2016, overall pupil enrollment is projected to increase slightly, and pupil counts are forecasted to continue to remain level into the foreseeable future, with minor fluctuations annually. Current legislation allows districts with fluctuating or declining enrollment to utilize a maximum five-year averaging option to calculate the funded pupil count. Student count averaging is intended to ease the immediate financial impact of declining enrollment, and districts can utilize averaging to mitigate current enrollment declines. SFA funding is based on the funded pupil count; thus, with fewer pupils, district revenue declines. LPS anticipates not averaging in 2015–2016.

Fewer Students = Fewer Dollars



Opportunity Cost in Dollars of 100 Fewer Students

Per-Pupil Revenue:	(PPR)	\$7,022.00
Funded Pupil Count Reduction:	x (FPC)	<100>
School Finance Act Funding:		<u><\$702,200.00></u>

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 2015–2016, the district expects approximately 20 percent, equivalent to about 3,081 students, to enroll from out-of-district. Over the last nine years, out-of-district choice enrollment has increased by 980 students.

What Factors Affect Revenues?

Resource Highlights

- The Board can make policy decisions on what the district charges for its tuition and fees. Revenue derived from policy decisions comprise only 3.1 percent of 2015–2016 total revenue.
- The Littleton electorate has control over passing local property tax increases for school funding, which represents 19.8 percent of LPS’s budgeted revenue. Only the Board can recommend a referendum on the ballot.
- State legislators determine LPS’s revenue from the SFA. Littleton voters have some control over who our state representatives are and how they vote on education issues. This revenue comprises 71.3 percent of LPS’s 2015–2016 budgeted revenue. The Board has no control over the SFA.
- Other revenue, including non-equalized specific ownership tax, interest earnings, and federal grants 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 impacting the amount of money the district receives in its General Fund from 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 2015–2016. 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.

2015–2016 GENERAL FUND REVENUE SOURCES		
Policy Decisions		
Tuition, Fees, Print Shop	\$ 4,470,848	3.1%
Local Elections		
1988 Mill Levy Override	2,998,234	2.1%
1997 Mill Levy Override	5,000,000	3.4%
2004 Mill Levy Override	6,500,000	4.5%
2010 Mill Levy Override	12,000,000	8.2%
Hold Harmless	2,315,347	1.6%
School Finance Act		
State Funding	62,282,389	42.8%
Local Property Taxes	38,911,539	26.7%
Specific Ownership Taxes (equalized)	2,656,526	1.8%
Other Revenue		
Other State Revenue Taxes	4,399,883	3.0%
Earnings on Investments	63,363	0.1%
Specific Ownership Taxes (non-equalized)	2,963,154	2.0%
Federal Grants	980,000	0.7%
TOTAL	\$ 145,541,283	100.0%
LESS CONTROLLABLE REVENUE		

Stretching LPS Dollars at Your Local School

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

School Staffing

Staffing is allocated through a weighted staffing formula, which ensures that staffing is distributed to schools equitably as determined primarily by enrollment projections. Weighted staffing points are based on a full-time position, which equates to 1.0 full-time equivalency (FTE), worth the average teacher salary plus benefits. School staffing points for 2015–2016 were unchanged from the previous year’s levels.

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 base staffing levels for 2015–2016 are as follows:

Elementary School:	1.0 point/27.87 students, plus 2.55 points for office staff, plus 5.00 to 8.50 points for support programs based on enrollment
Middle School:	4.675 points/100 students + 6.48927 (admin/secretarial)
High School:	5.102 points/100 students

School Funding

Each of the district’s schools is allocated resources on the basis of per-pupil funding. For fiscal year 2015–2016, the base allocation for resources remained the same as last fiscal year. This funding is designated through formulas, which cover the cost of staffing, supplies, equipment, and staff development.

The base per-pupil allocation for instructional supplies and equipment is shown below:

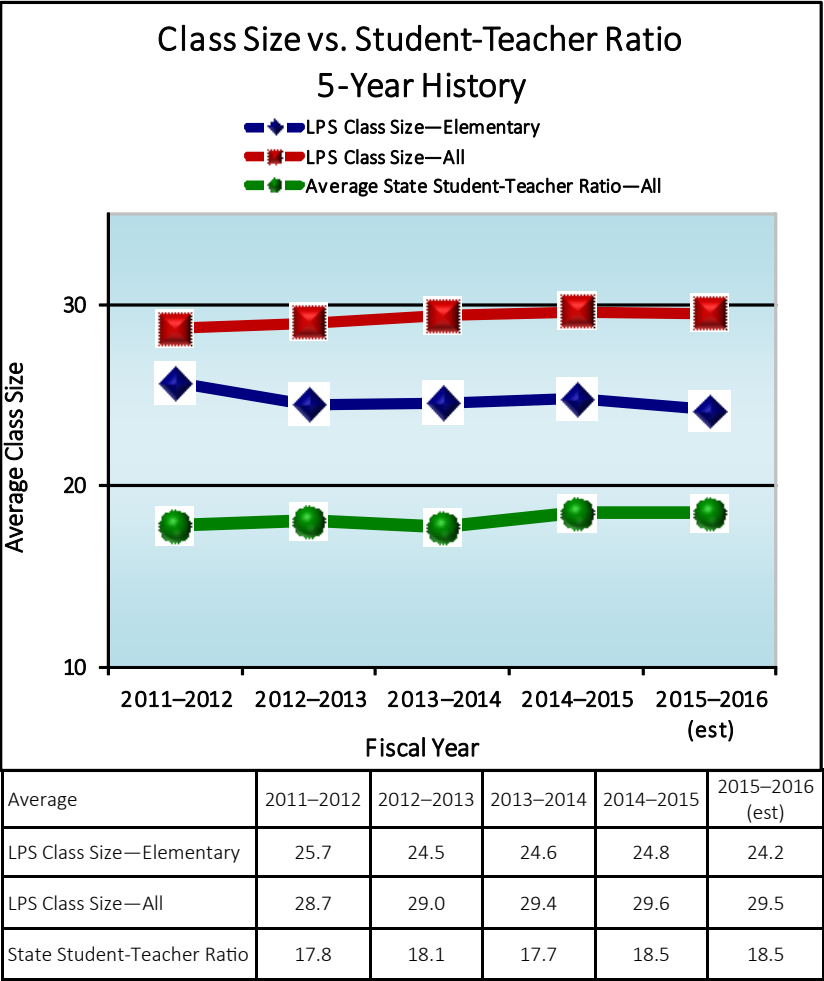
Elementary School:	\$106.67 per pupil + \$5,348/school
Middle School:	\$108.54 per pupil + \$14,012/school
High School:	\$107.49 per pupil + \$63,445/school

General Fund—Expenditures by Service Area

	2015–2016 Budget	% of Total	% of Expenditures
Regular Instruction			
Elementary and Preschool	\$36,382,353	20.01%	24.61%
Charter Schools	7,761,279	4.27%	5.25%
Middle Schools	17,174,883	9.45%	11.62%
High Schools	30,384,653	16.71%	20.55%
Districtwide Fees and Gifts	<u>1,800,000</u>	<u>0.99%</u>	<u>1.22%</u>
Subtotal	93,503,168	51.43%	63.25%
Special Instruction			
Special Education	18,055,980	9.93%	12.21%
Career and Technical Education	<u>1,013,260</u>	<u>0.56%</u>	<u>0.69%</u>
Subtotal	19,069,240	10.49%	12.90%
Governance	<u>1,660,113</u>	<u>0.91%</u>	<u>1.12%</u>
Support Components at Education Services Center			
Learning Services	8,800,973	4.84%	5.96%
Operations and Maintenance	4,763,623	2.62%	3.22%
Human Resource Services	2,466,678	1.36%	1.67%
Transportation Services	4,598,295	2.53%	3.11%
Information Technology Services	4,913,352	2.70%	3.33%
Finance Services	<u>1,850,402</u>	<u>1.02%</u>	<u>1.25%</u>
Subtotal	27,393,323	15.07%	18.54%
Transfers	<u>6,200,227</u>	<u>3.41%</u>	<u>4.19%</u>
Subtotal, expenditures and transfers	147,826,071	81.31%	<u>100.00%</u>
Reserves (Beginning of Year)	<u>33,991,110</u>	<u>18.69%</u>	
Total Appropriation	<u>\$181,817,181</u>	<u>100.00%</u>	

How Has LPS Made Choices?

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

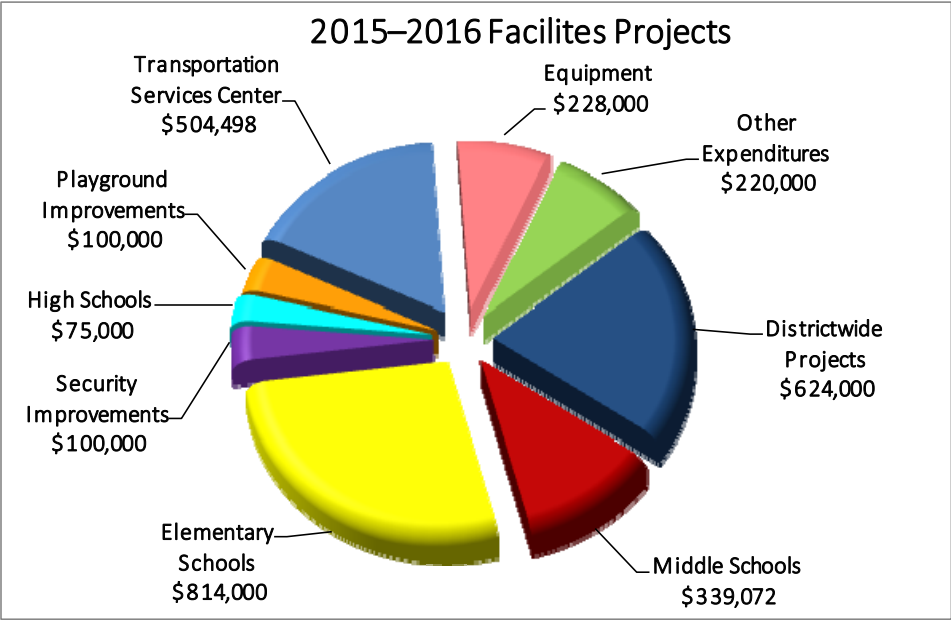


*Source for State Student-Teacher Ratio is <http://www.cde.state.co.us/cdereval/staffcurrent>

Facilities Projects

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

Each year the Operations and Maintenance Department reviews a list of prioritized facilities projects to determine which are to be included in the Capital Projects Fund budget. This year, LPS has selected projects in areas including flooring replacement, fire code compliance, concrete/asphalt replacement, environmental response, energy management, playground refurbishment, and ADA improvements. The following chart breaks down the 2015–2016 facilities projects’ budgeted amount of \$3,004,570.



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

Have a Say

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

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

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



2015–2016 Budget Cycle Calendar

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

Step	Activity/Description	Date
1	Budget calendar established by financial services.	August 2014
2	Long-range budget forecast discussions with the Board of Education.	August 2014–April 2015
3	Distribute budget development materials to principals and budget managers.	February 13–27, 2015
4	Budget materials due to financial services for preparation of proposed budget.	April 3, 2015
5	Budget process update given to the Board of Education.	April 9, 2015
6	Review draft of proposed budget document, with illustrations and presentation materials, and modify as appropriate.	May 8, 2015
7	Present the proposed budget to the Board of Education and make available to public and media. Establish date for public comment on budget.	May 28, 2015
8	Provide newspaper with public notice of proposed budget and final adoption by the Board of Education.	May 28 and June 4, 2015
9	Adoption of budget by the Board of Education.	June 11, 2015
10	Receive preliminary assessed valuation figure from Arapahoe County Assessor.	August 26, 2015
11	Official pupil membership count day.	October 1, 2015
12	Receive final assessed valuation from the county assessor.	December 10, 2015
13	Final day to certify mill levies and property tax collection figures to county commissioners.	December 15, 2015

How to Contact State Officials

State Board of Education

201 East Colfax Avenue

Denver, CO 80203

303-866-6817

Fax: 303-830-0793

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

Elliott Asp—Interim Commissioner of Education

Elizabeth Burdsall—Interim Director of State Board Relations

Valentina Florez—1st Congressional District

Angelika Schroeder—2nd Congressional District

Marcia Neal—3rd Congressional District

Pam Mazanec—4th Congressional District

Steve Durham—5th Congressional District

Debora Scheffel—6th Congressional District

Jane Goff—7th Congressional District

Governor of Colorado

John W. Hickenlooper

136 State Capitol

Denver, CO 80203-1792

Capitol: 303-866-2471

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

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/>

STUDENTS FEATURED IN PHOTOS FROM THE FOLLOWING SCHOOLS

THE COVER—*From top left to right:* The Village at Ames Preschool, The Village North Preschool, Hopkins Elementary School, Lenski Elementary School, Hopkins Elementary School, Hopkins Elementary School, Euclid Middle School, Goddard Middle School, Goddard Middle School, Euclid Middle School, Goddard Middle School, Arapahoe High School, Heritage High School, Heritage High School, Littleton High School, and Heritage High School.

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

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

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

PAGE SIX—Hopkins Elementary School.

PAGE EIGHT—Euclid Middle School.

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

PAGE TWENTY-NINE—Runyon Elementary School.

