

Lincoln Public Schools

2011-12 Preliminary Budget Budget Forums

June 27 and 29, 2011

Agenda

- Budget Calendar
- Revenue Information
 - Review Funding Sources
 - Review Assessed Valuation Information/Projection
- Expenditure Information
 - Projected Increases
 - Potential Reductions
- Summary of Information
- Questions/Comments/Feedback

Tentative 2011-12 Budget Development Calendar

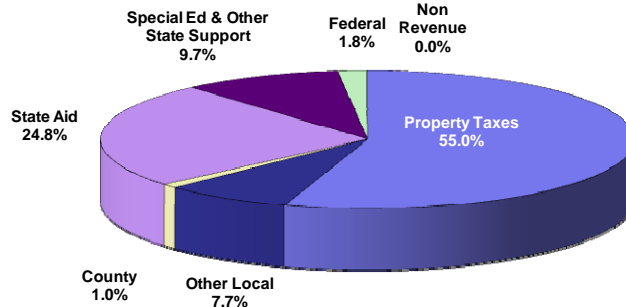
November 9	Budget Discussion with Board of Education
January 31	Finance Committee Meeting to Discuss Draft of Budget Calendar
February 22	Board of Education Meeting – Budget Calendar
April 1	State Aid Certification (Delay per LB18)
Approx. April 10	Gross Assessed Valuations from County Assessor
April 21–May 31	Executive Committee Works with Board Finance Committee
May 17	State Aid Certification (per LB18)
June 20	Budget Work Session, 5:00-7:00 p.m.
May – June	Community/District Constituent Presentations
	★ > Presentation and Budget Forum at Lefler Middle School (June 27 from 7:00-8:00 p.m.)
	★ > Presentation and Budget Forum at Mickle Middle School (June 29 from 7:00-8:00 p.m.)
	> Presentations to Various Community/District Constituent Groups
	Superintendent's Board of Advisors
	Community Curriculum Council
	LIBA (Lincoln Independent Business Association)
	LPS Parent Leader Group
	Lincoln Area Chamber of Commerce
	Lincoln Neighborhood Alliance
June 8	End of Legislative Session
July 1	2011/12 Budget Authority and Allowable Reserve Percentage Certification
July 19	2 nd Budget Work Session
August 7	Publication of Budget Hearings/Forums (LPS and ESU 18)
August 16	Public Hearing/Budget Forum (6:00-6:45 p.m.) and Budget Approval (First Reading)
August 20	Certified Assessed Valuation
August 23	Budget Approval (Second Reading/Action)
September 6	Publication of Property Tax Request Hearing
September 13	Property Tax Request Hearing and First Reading
September 27	Property Tax Request (Second Reading)

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Funding Sources

The general fund or "operating fund" of the district is funded through a combination of local, county, state, and federal funds. The largest source of funding comes from local property taxes.

**2011-12 Preliminary Budget
Revenues by Source**



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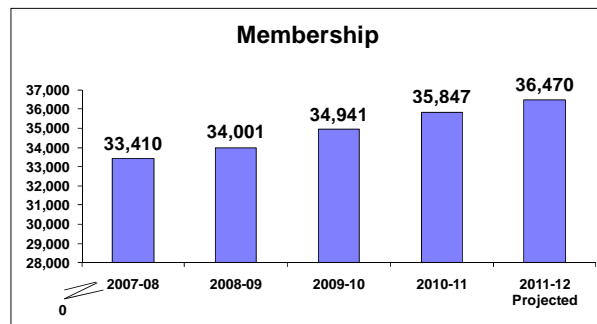
General Fund Sources of Funds Updated 6-24-2011

Revenue	2010-11 Budget	2010-11 Projected with Education Jobs Funds State Aid	2011-12 Preliminary
Revenue Used from Education Jobs Funds			\$6,864,725
Property Taxes	\$168,325,416	\$168,325,416	\$170,757,094
State Aid	\$81,059,532	\$81,059,532	\$70,053,560 *
State Aid-Education Jobs Funds (2010)	\$0	\$6,864,725	
Special Ed Receipts	\$29,713,630	\$29,713,630	\$30,408,640
Other Receipts	\$30,512,478	\$30,512,478	\$32,247,000
Total Revenue	\$309,611,056	\$316,475,781	\$303,466,294
Revenues Used from Cash Flow	\$4,806,534	\$4,806,534	\$10,500,141
Carry Over Due to Education Jobs Funds		\$6,864,725	
One Time Expenditures Placed on Hold			-\$6,370,970
Net Utilization of Cash Flow			\$4,129,171
Total Available	\$314,417,590	\$314,417,590	\$320,831,160
Estimated Levy	\$1.042397	\$1.042397	\$1.050000

*\$6,864,725 State Aid - Education Jobs Funds received in 2010-11 mid-year after budget adopted. The guidance from NDE suggested that the funds be expended and receipted in the 2010-11 fiscal year on approved expenditures and carry-over the fund balance into 2011-12 to reduce the effect of the loss of State Fiscal Stabilization Funds (SFSF).

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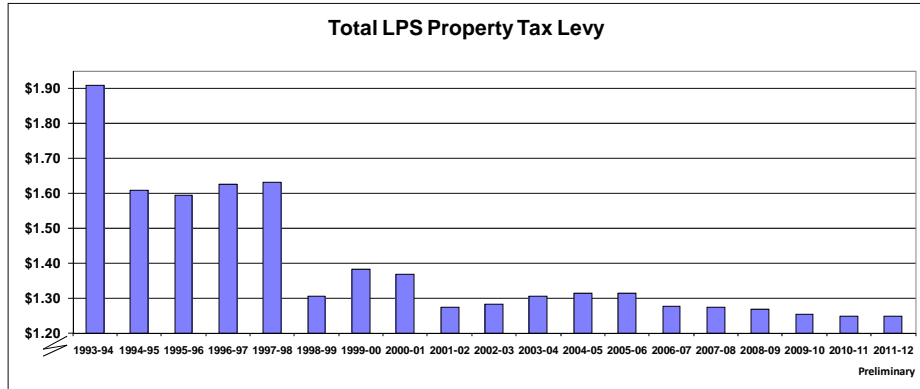
Student Enrollment Information (Early Childhood Special Education, Excite, and Kindergarten through 12th Grade)



	2007-08	2008-09	2009-10	2010-11	2011-12 Projected
Headstart (ExCite)	593	668	774	846	846
Early Childhood Special Ed	474	417	410	466	466
Kindergarten - Grade 12	32,343	32,916	33,757	34,535	35,158
Totals	33,410	34,001	34,941	35,847	36,470

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History of LPS Property Tax Levy



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Estimated Property Tax Rate

Fund	2010-11 Actual Rate	2011-12 Estimated Rate	Estimated Change
General Fund	\$1.042397	\$1.050000	\$0.007603
Building Fund	\$0.000000	\$0.000000	\$0.000000
Bond Fund	\$0.161268	\$0.159202	(\$0.002066)
Qualified Capital Purpose Fund	\$0.042542	\$0.037005	(\$0.005537)
Total	\$1.246207	\$1.246207	\$0.000000

Educational Service Unit #18	\$0.014957	\$0.015000	\$0.000043
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Estimated General Fund Levy Not Utilized \$0.007603 \$0.000000

Note: The 2010-11 rates are estimated until Lincoln Public Schools receives the certified valuation figure from the Lancaster County Assessor on August 20, 2011.

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Property Taxes

What is the estimated cost to a homeowner if the home's assessed value is \$145,550?

2010-2011
\$1,813.85



\$151.15
per month

2011-2012 Estimated
\$1,813.85



\$151.15
per month

\$0
change
per year

Note: Per the county assessor's office, in 2010 the average assessed value for residential property was \$145,550.

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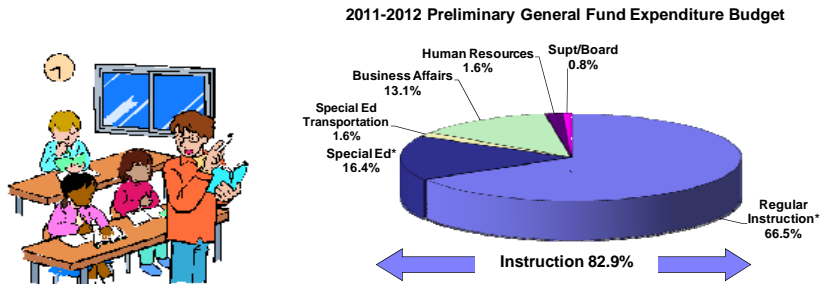
Assessed Valuation Information

■ 2010-11 Assessed Valuation	\$ 16,311,040,532
■ 2010-11 Projected Abstract Increase	.81%
■ 2010-11 Actual increase	.87%
■ 2011-12 Assessed Valuation Projected	\$ 16,426,848,920
■ 2011-12 Projected Abstract Increase	.71%
■ Projected Increased Revenue due to Valuation Increase	\$ 2,431,678
■ Levy at \$1.05	

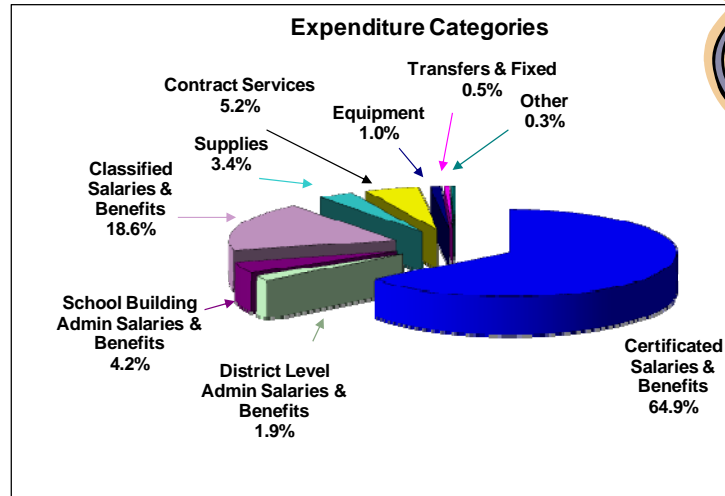
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Where does the money go?

LPS spends the majority of the operating budget on instruction. This includes money for teachers, counselors, media specialists, nurses, principals, office staff, paraeducators, supplies and equipment. The rest of the budget is for business affairs (maintenance, custodial, transportation, etc.), human resources, and the superintendent's office/board of education areas.



*Flexible funding budgets (\$1.8 million) were moved from special ed to regular instruction budgets for 2011-12 in order to be in compliance with Nebraska Department of Education's annual financial reporting requirements.



2011-2012 Preliminary General Fund Expenditure Budget: \$320,831,160

2011-12 Budget Considerations

Projected Expenditure Increases (Updated 6-24-11)

■ Previously Negotiated Contracts	\$6,899,600*
■ 2.97% Package Increase	
■ New/Renovated Facility Increases	\$ 869,930
■ (Dawes, Kahoa, Zeman, Hawthorne)	
■ New School Start-up Costs	\$ 747,550
■ (Kloefkorn Elementary, Roper 4-5 Center, DDSEC)	
■ Diesel and Gas Fuel Increases	\$ 130,000

*Estimated

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2011-12 Budget Considerations

Identified District Needs
(Not Currently Planned for Funding)

■ Student Growth	\$5,286,000*
■ Staffing (600 Additional Students)	
■ Supplies and Materials	\$ 52,500
■ Materials for Teachers, Training, Substitutes, and Implementation	\$ 315,000
■ Start up/Operational Costs not funded	\$ 651,520

*Estimated

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2011-12 Budget Considerations Potential Expenditure Decreases

- Recurring Expenditures

■ Assistant Superintendent Position	\$ 192,850
■ Budget to Actual Personnel	\$ 570,960
■ Transportation-Goodrich at Dawes	\$ 172,000
■ Remove Start-up Costs for Dawes	\$ 952,380
■ Depreciation Transfer for Equipment & Custodial Overtime	<u>\$ 345,320</u>
	\$ 2,233,510

- One-Time Expenditure Reductions/Holds

■ Technology	\$ 1,634,050
■ Implementation (33%)	\$ 780,755
■ Insurance Fund Transfer	\$ 2,515,450
■ Equipment Purchases (50%)	\$ 841,315
■ Annual Maintenance Contracted Services (33%)	<u>\$ 599,400</u>
	\$ 6,370,970

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Implications of One-Time Reductions/Delays

- Technology
 - 5 year cycle moves to 6 years
 - Slower/less productive equipment
 - Higher maintenance costs
- Implementation
 - Delay English 9 & 10 textbook adoption
 - Delay Spanish 3 & 4 textbook adoption
 - Delay French 3 & 4 textbook adoption
 - Delay Physical Science adoption
- Insurance Fund Transfer
 - Reduce Insurance Fund reserve
 - Require study for any further reductions/delays
- Equipment Purchases
- Annual Maintenance Contracted Services
 - Delay roof replacements
 - Delay painting and carpet replacements
 - Delay Preventative Maintenance HVAC Equipment
 - Delay Building Level Projects

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Preliminary General Fund Expenditure Summary Updated 6-24-2011

2010-2011 Budget	35,847 Students	\$ 314,417,590
Reductions:		
Assistant Superintendent Position		(\$ 192,850)
Budget to Actual Personnel		(\$ 570,960)
Transportation-Goodrich at Dawes		(\$ 172,000)
Remove Start-up Costs for Dawes		(\$ 952,380)
Depreciation Transfer for Equipment & Custodial Overtime		<u>(\$ 345,320)</u>
Reductions from 2010-11 Budget		(\$ 2,233,510)
Additions and New Needs:		
Estimated negotiated salary & health insurance for 2011-12		\$ 6,899,600 *
New/Renovated Facility Increases		\$ 869,930
New School Start-up Costs		\$ 747,550
Diesel and Gasoline Fuel Increases		<u>\$ 130,000</u>
Additions and New Needs Total		\$ 8,647,080
Reductions and Additions Total		\$ 6,413,570
2011-2012 Preliminary Budget	36,470 Students	\$ 320,831,160
		2.04% Increase
*Estimated		

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Preliminary 2011-12 Summary Updated 6-24-11

Projected Expenditures		
2010-11 Expenditure Budget		\$314,417,590
Projected 2011-12 Increases		
Previously Negotiated Contracts	\$ 6,899,600	
New/Renovated Facility Increases	\$ 869,930	
New School Start-up Costs	\$ 747,550	
Diesel and Gas Fuel Increases	\$ 130,000	
Total Projected Increases	\$ 8,647,080	
Projected 2011-12 Expenditure Budget without Funding Growth		\$ 323,064,670
2011-12 Recommended Reductions		
Recurring Expenditure Reductions		
Assistant Superintendent Position	\$ 192,850	
Budget to Actual Personnel	\$ 570,960	
Transportation for Goodrich at Dawes	\$ 172,000	
Start-up Costs for Dawes	\$ 952,380	
Depreciation Transfer for Equipment & Custodial Overtime	\$ 345,320	
Total Recurring Expenditure Reductions	\$ 2,233,510	
Preliminary 2011-12 Expenditure Budget		\$ 320,831,160
Projected Revenues		
2011-12 Projected Revenues at \$1.05		\$300,466,294
State Aid Education Jobs Funds (2010-11)		\$ 6,864,725
One Time Expenditures will not be Spent in 2011-12 - Placed on Hold		
Computers for Staff/State Assessment/Infrastructure-100%	\$ 1,634,050	
Maintenance Contracted Services-33%	\$ 599,400	
Implementation/Textbooks-33%	\$ 780,755	
Transfer to the Insurance Fund-100%	\$ 2,515,450	
Equipment Purchases-50%	\$ 841,315	
Total One Time Expenditure Reductions	\$ 6,370,970	
Utilization of Cash Flow		\$ 4,129,171
Projected Resources for 2011-12		\$320,831,160
Summary of Information for 2011-12		
How are we going to pay for the 2011-12 Expenditures?		
Projected Revenue	\$ 300,466,294	
State Aid Education Jobs Funds (2010-11)	\$ 6,864,725	
Projected One Time Expenditures on Hold	\$ 6,370,970	
Utilization of Cash Flow	\$ 4,129,171	
Total	\$ 320,831,160	
What makes up the 2011-12 Preliminary Budget?		
Expenditure Budget for 2010-11	\$ 314,417,590	
Projected Increases	\$ 8,647,080	
Projected Reductions	\$ (2,233,510)	
Preliminary Expenditure Budget for 2011-12	\$ 320,831,160	
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How Does LPS Compare?

- LPS is ranked 232th out of 253 school districts in Nebraska in per pupil spending.
- LPS currently Spends \$ 9,159 per pupil compared to the State of Nebraska average of \$10,099.
- LPS annually spends less than the state average by \$32.5 million.
- The current levy and expenditure limitations do not allow LPS to spend at the State average.

*2009-10 data is the latest available from the Nebraska Department of Education.

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Questions?

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Need more information or want to share comments?

Look at our web site and see the
budget book and work session materials at
<http://www.lps.org/about/budget/>

Please contact Mark Shepard
at 436-1635 or by
e-mail at mshepar@lps.org

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Projected Expenditures

2010-11 Expenditure Budget \$314,417,590

Projected 2011-12 Increases

Previously Negotiated Contracts	\$	6,899,600	
New/Renovated Facility Increases	\$	869,930	
New School Start-up Costs	\$	747,550	
Diesel and Gas Fuel Increases	\$	130,000	
Total Projected Increases		8,647,080	\$

Projected 2011-12 Expenditure Budget without Funding Growth \$ 323,064,670

2011-12 Recommended Reductions

Recurring Expenditure Reductions

Assistant Superintendent Position	\$	192,850	
Budget to Actual Personnel	\$	570,960	
Transportation for Goodrich at Dawes	\$	172,000	
Start-up Costs for Dawes	\$	952,380	
Depreciation Transfer for Equipment & Custodial Overtime	\$	345,320	
Total Recurring Expenditure Reductions		2,233,510	\$

Preliminary 2011-12 Expenditure Budget **\$ 320,831,160**

Projected Revenues

2011-12 Projected Revenues \$303,466,294

State Aid Education Jobs Funds (2010-11) \$ 6,864,725

One Time Expenditures will not be Spent in 2011-12 - Placed on Hold

Computers for Staff/State Assessment/Infrastructure-100%	\$	1,634,050	
Maintenance Contracted Services-33%	\$	599,400	
Implementation/Textbooks-33%	\$	780,755	
Transfer to the Insurance Fund-100%	\$	2,515,450	
Equipment Purchases-50%	\$	841,315	
Total One Time Expenditure Reductions		6,370,970	\$

Utilization of Cash Flow **\$ 4,129,171**

Projected Resources for 2011-12 **\$320,831,160**

Summary of Information for 2011-12

How are we going to pay for the 2011-12 Expenditures?

Projected Revenue		\$ 303,466,294	
State Aid Education Jobs Funds (2010-11)		\$ 6,864,725	
Projected One Time Expenditures on Hold		\$ 6,370,970	
Utilization of Cash Flow		\$ 4,129,171	
Total		\$ 320,831,160	

What makes up the 2011-12 Preliminary Budget?

Expenditure Budget for 2010-11		\$ 314,417,590	
Projected Increases		\$ 8,647,080	
Projected Reductions		\$ (2,233,510)	
Preliminary Expenditure Budget for 2011-12		\$ 320,831,160	