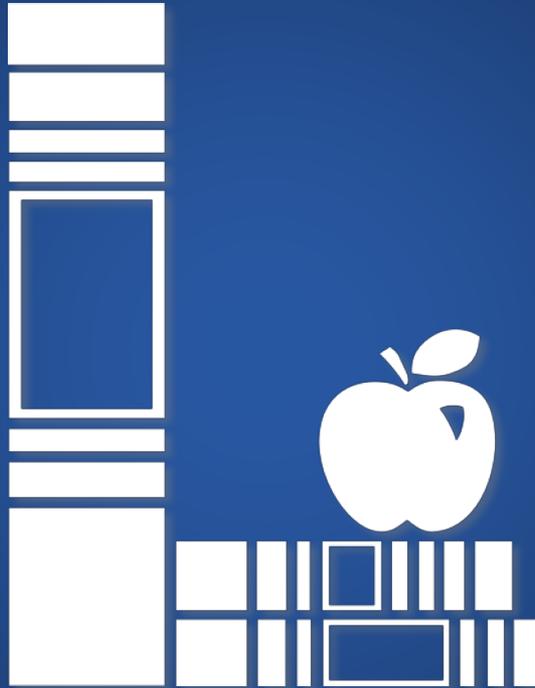


Board of Education Special Meeting/Work
Session
Tuesday, June 11, 2019, 4:30 PM
Lincoln Public Schools District Office 5905 O
Street Lincoln, NE 68510

1. LPS BOARD OF EDUCATION INFORMATION
2. CALL TO ORDER
3. ROLL CALL
4. ANNOUNCE OPEN MEETING ACT POSTING AND
LOCATION
5. 2019-20 PRELIMINARY BUDGET
6. ADJOURNMENT



Lincoln Public Schools

2019-20 Preliminary Budget
Work Session

June 11, 2019

Agenda

- Budget Calendar
- Budget Overview
- Expenditure Information
 - Preliminary Increases
 - Preliminary Reductions
- Revenue Information
 - Review Assessed Valuation Information/Projection
 - Review State Aid Information
- Questions/Feedback

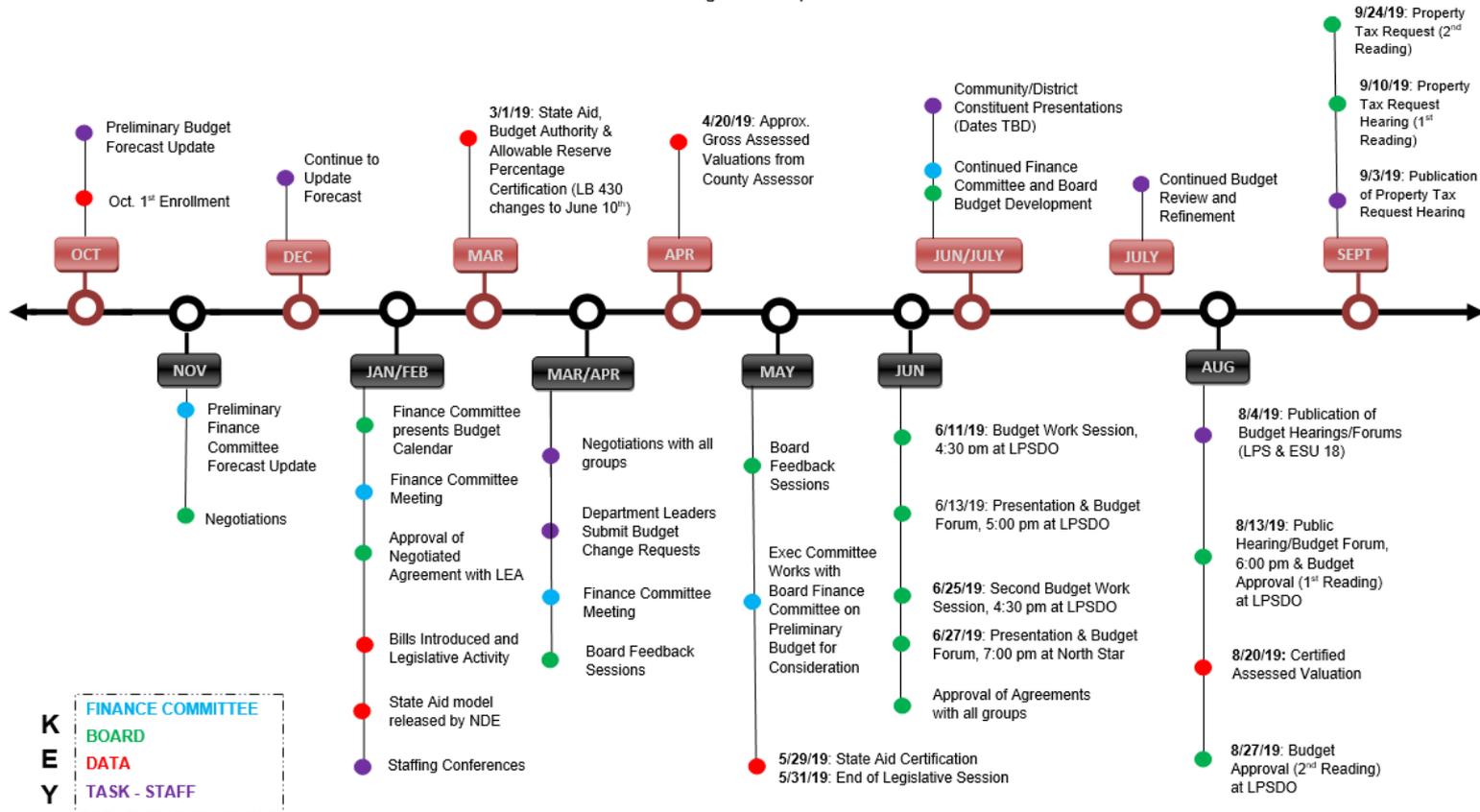
Budget Calendar

2019-20 Tentative Budget Development Calendar Lincoln Public Schools and Educational Service Unit Number 18

February 26, 2019	Board of Education Meeting – Budget Calendar
March 1	State Aid and 2019/20 Budget Authority (Current Law) Allowable Reserve Percentage Certification (Current Law)
April 20 (approximate)	Abstract of Assessed Valuations from County Assessor
March – June	Executive Committee Works with Board Finance Committee
June 6	End of Legislative Session
June 11	Budget Work Session, 4:30 p.m. at LPSDO
May – July	Community/District Constituent Presentations <ul style="list-style-type: none">➤ Presentation and Budget Forum at LPSDO (June 13 at 5:00 p.m.)➤ Presentation and Budget Forum at North Star High School (June 27 at 7:00 p.m.) Presentations to Various Community/District Constituent Groups Key Communicators Community Curriculum Council LIBA (Lincoln Independent Business Association) LPS Parent Leader Group Lincoln Area Chamber of Commerce Lincoln Neighborhood Alliance
June 25	Second Budget Work Session 4:30 p.m. at LPSDO
August 4	Publication of Budget Hearings/Forums (LPS and ESU 18)
August 13	Public Hearing/Budget Forum (6:00-6:45 p.m.) and Budget Approval (First Reading)
August 20	Certified Assessed Valuation
August 27	Budget Approval (Second Reading/Action)
September 3	Publication of Property Tax Request Hearing
September 10	Property Tax Request Hearing and First Reading
September 24	Property Tax Request (Second Reading)

Budget Development Timeline

2019-20 Tentative Budget Development Milestones



Revised – June 6, 2019

Budget Overview

The 2019-2020 budget continues to invest in meeting the needs of our growing district with growing student needs.

- Increased salary and benefit expenses of \$10.4 million for existing staff
- Staffing for growth and growing needs
- Additional investments to meet the needs of our students with special needs
- Additional investments in mental health supports
- Additional investments in early childhood
- Continues the investment in the Safe and Successful Kids Interlocal

An expenditure budget increase of 3.3% or \$14.8 million.

A revenue budget increase of 1% or \$4 million.

Student Enrollment Information

(Early Childhood and Kindergarten through 12th Grade)
 Estimated 3,255 Additional Students in Five Years



Additional
Estimated
310
Students

	2015-16	2016-17	2017-18	2018-19	2019-20 Projected
Early Childhood	1,488	1,576	1,674	1,716	1,716
Kindergarten - Grade 12	38,460	39,354	40,086	40,295	40,605
Totals	39,948	40,930	41,760	42,011	42,321
Additional Students	882	982	830	251	310



Lincoln Public Schools Strategic Plan

Vision Statement

The overarching vision of Lincoln Public Schools is to prepare ALL students to be college, career, and civic-life ready with a goal of 90% on-time graduation.



Future Ready Global Citizens

LPS supports students as they explore innovative ideas, evaluate societal issues and demonstrate leadership potential. Students are given opportunities to evaluate multiple answers to important questions and are empowered to examine new ways of thinking. LPS graduates are ready for whatever the future has to offer.



Support Academic Success for All Students

LPS students find academic success through authentic learning opportunities, rigorous standards and individualized learning. Graduation alone is not the goal, but rather a graduate who attains core competencies, monitors their own progress, and maintains a love for learning.



Support for Educators

LPS is dedicated to hiring and supporting qualified, passionate and diverse staff. Through the hiring process, teacher induction, mentoring, and enhanced professional development, all students will continue to learn with the support of master teachers.



Family & Community Partnerships

Lincoln is a community that supports young people and public education. LPS partners with community businesses, organizations, non-profits, and post-secondary institutions to extend learning beyond the classroom walls. Family and community engagement is essential for student success and growth. In LPS, we are committed to listening to and working with parents and community partners.



Growth Ready Facilities & Infrastructure

Lincoln is a community that values quality school facilities and invests in safe, comfortable, and secure learning environments for students and staff. LPS is committed to accommodating growth, investing in existing facilities, and ensuring the facility investments are efficient and well maintained.

Assumptions for 2019-20

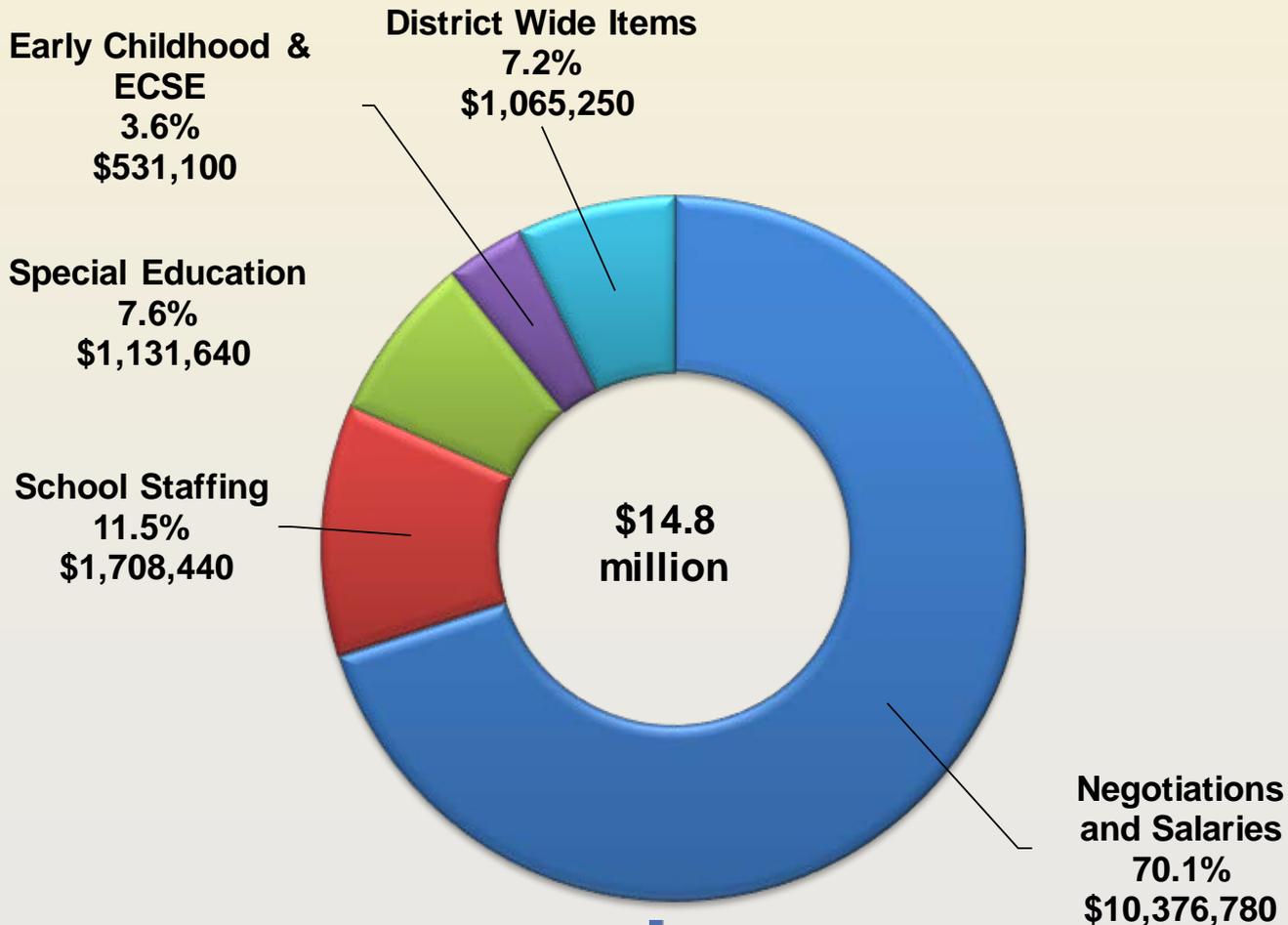
- Negotiated Contracts 3.04%
- Valuation Estimate 6.5%
- Levy \$1.04
- State Aid \$132,995,241
- Student Increase Estimate 310

Expenditure Budget Development

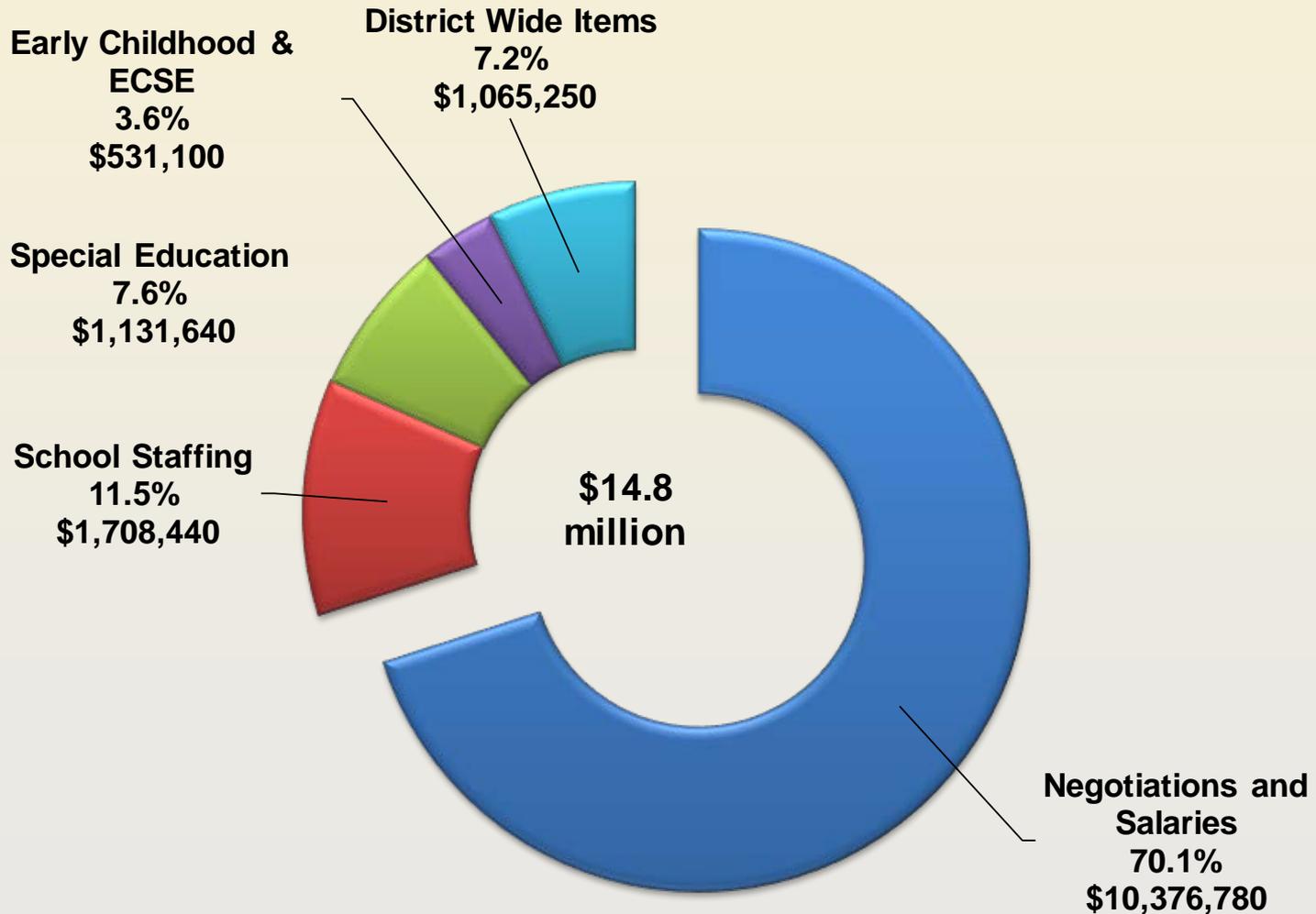
Key Components

- LPS expenditure budget development includes compiling district needs, reviewing existing budget lines, and fine-tuning requests for budget changes when necessary.
- Staffing conferences are conducted to review the staffing plan for each school. The staffing plan includes the review of current class sizes, school sections, incoming students, staff changes, and what will be necessary to serve students in 2019-20. This is a constant process that is monitored as school starts and throughout the school year.
- Departments compile needs and submit budget changes to the budget office for review and consideration.
- Conversations occur at the Board level to discuss community expectations and priorities.

Summary of Preliminary Expenditure Considerations for 2019-20



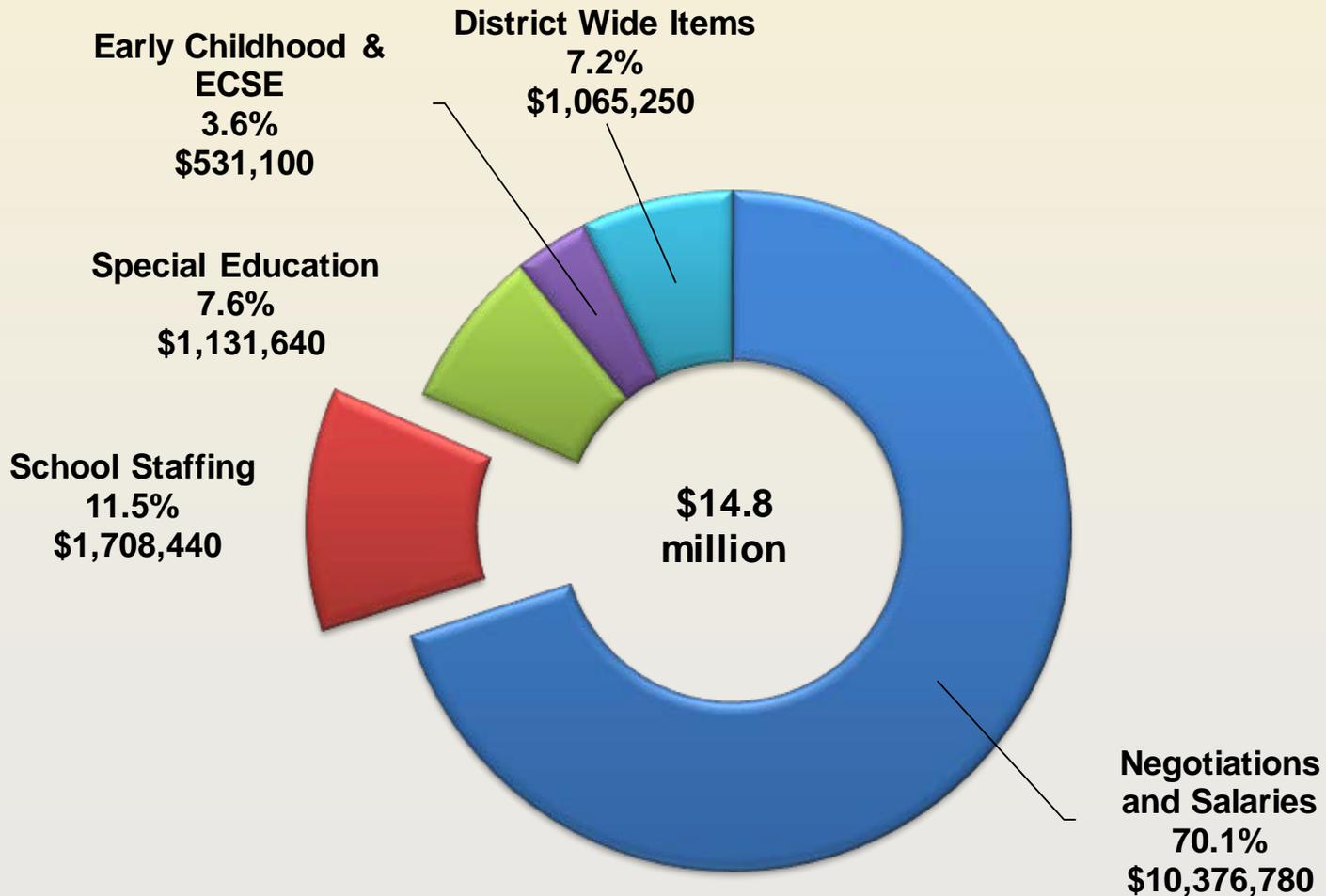
Negotiations and Salaries



Negotiations and Salaries

Area	Amount
Negotiations 3.04% Total Package Increase	\$11,931,269
Budget to Actual Staffing	-1,554,489
Total	\$10,376,780

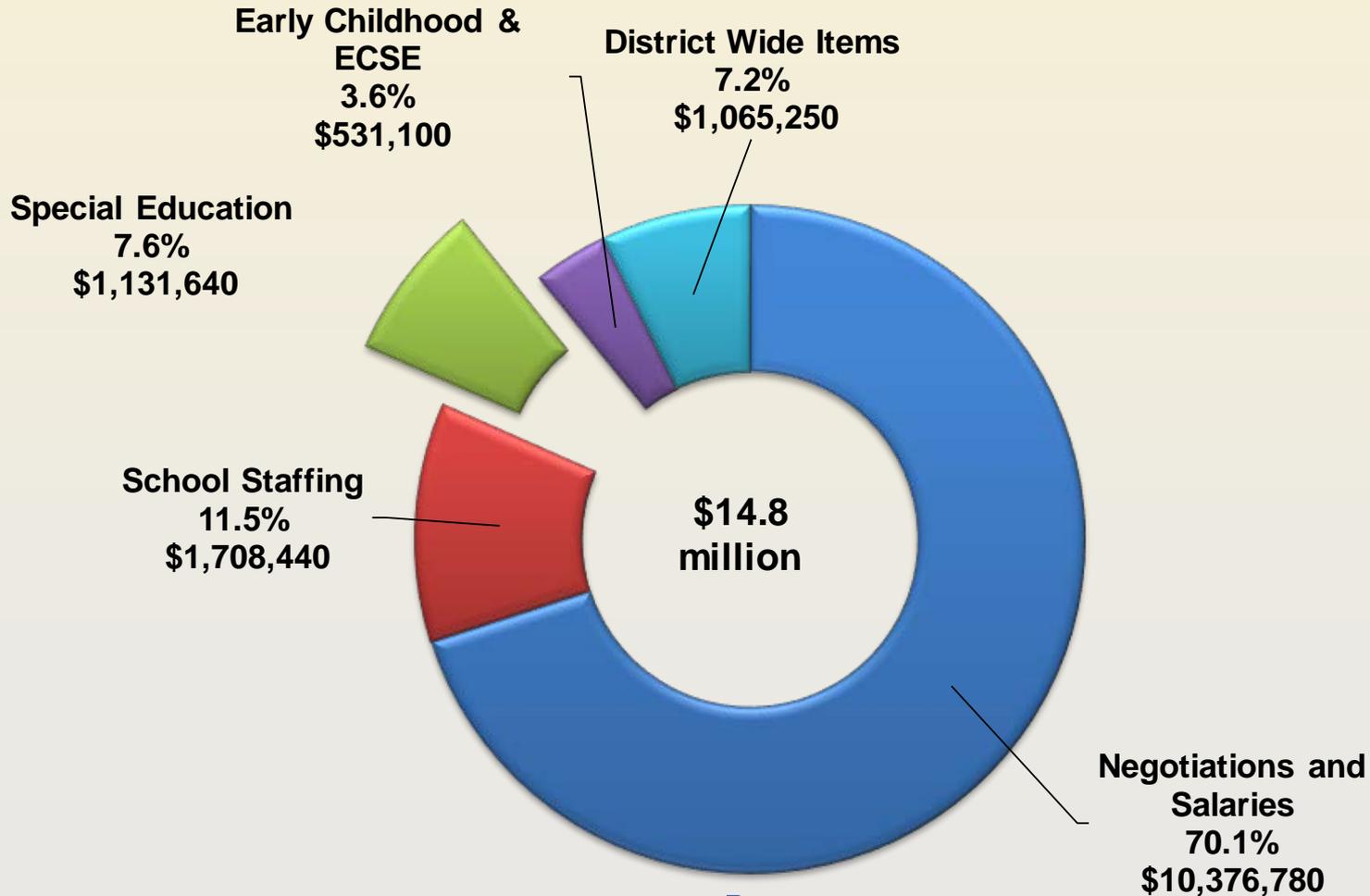
School Staffing



School Staffing

Area	Amount
Regular Education Staffing	\$1,140,000
Decrease Curriculum Implementation	-300,000
Add music teacher at Don Sherrill Education Center	66,230
Add art teacher at Nuernberger Education Center	66,230
Add librarian to serve Don Sherrill, Nuernberger, and Yankee Hill	66,230
Increase for Navigator position	78,250
Increase team leader and coordinator stipends to meet expenditures	38,930
Increase Coordinator .05 FTE (related to internal transfer)	4,310
Student Services (Counselors/Nurses/Social Workers)	548,260
Total	\$1,708,440

Special Education

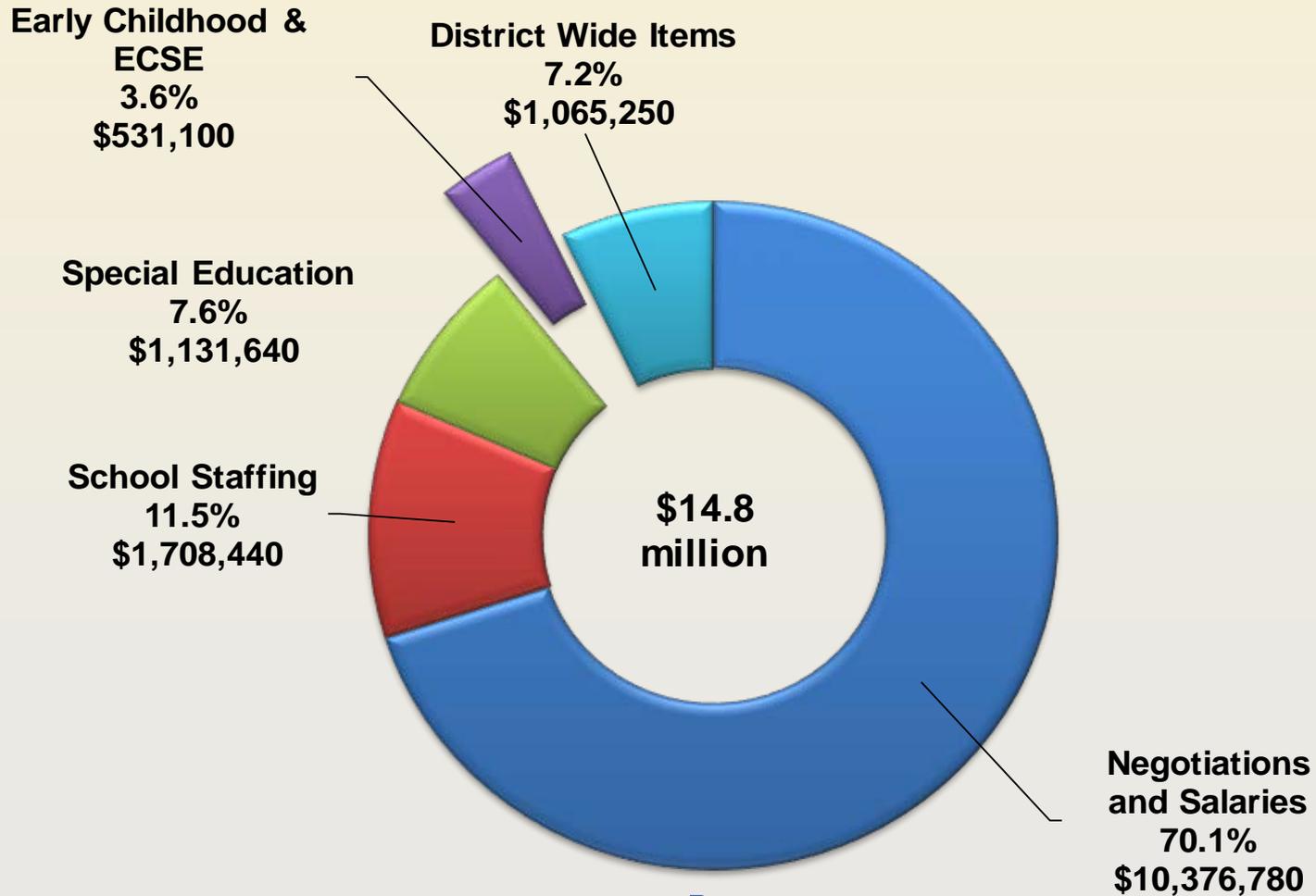


Special Education

Area	Amount
3.0 Speech/Language Pathologist (1 per level)	\$198,690
3.0 Psychologist plus Psychologist Extra Days (1 per level)	225,810
1.0 Coordinator at Moore Middle School	90,130
1.0 Assistant Coordinator at Northeast	83,180
1.8 Occupational Therapist (0.6 per level)	239,310
Concussion Management Team Leader Stipend	6,490
Increase for Principals at Don Sherrill and Yankee Hill*	288,030
Total	\$1,131,640

* Special Education staff currently paid for by IDEA grant funds are moving to the General Fund to increase capacity for Early Childhood Special Education staff to be paid for out of the IDEA grant funds.

Early Childhood and ECSE

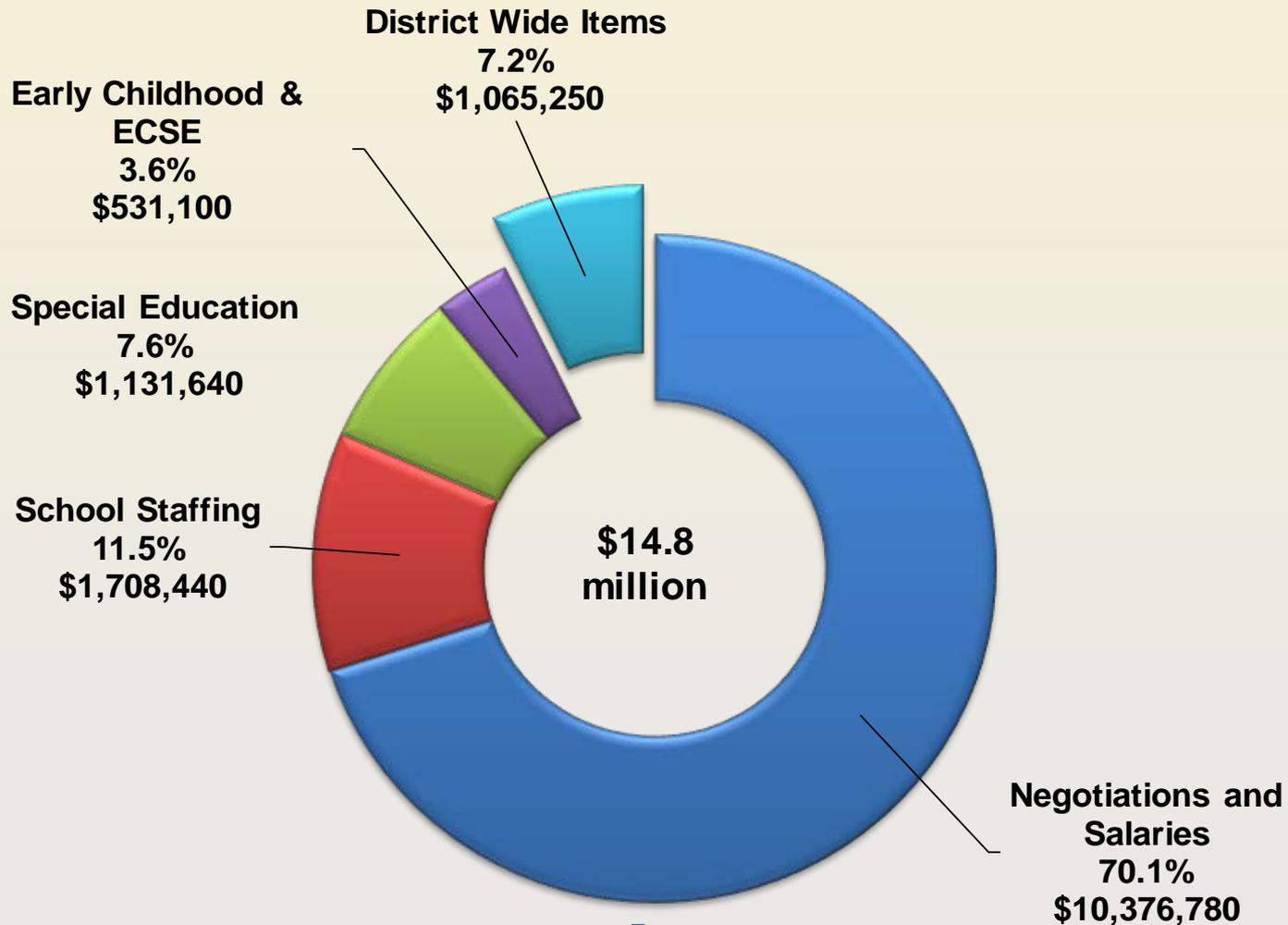


Early Childhood and ECSE

Area	Amount
Addition of 3 new classrooms at existing locations	\$356,650
Maintain existing full-day NDE Continuation Grant (2 classrooms)	174,450
Total	\$531,100

ECSE Funded by IDEA Grant (not included in General Fund Totals)	Amount
Addition of 3 new classrooms at existing locations	\$143,200
Homebased Speech Language Pathologists	141,460
Additional days to support .5 FTE ECSE Coordinator	3,370
Total	\$288,030

Districtwide Items



Districtwide Items

Area	Amount
1.0 Electrical FTE	\$101,540
Additional Transportation routes	670,350
Safe and Successful Kids contract increase	\$41,120
Risk Management – increase in insurance premiums	146,340
TCA – increase in contracted services for 1.5 Health Science & E-Learning and increase in optional period	105,900
Total	\$1,065,250

2019-20 Budget Considerations

Preliminary Expenditure Changes

Not Funded

Area	
Additional staffing for growth	\$60,000
Increase summer school	210,620
Increase at Park Middle School (Administrator)	86,350
ECSE SLP licenses with DHHS	1,500
Increase 8 Special Education Teachers	529,860
Additional 2 classrooms for Early Childhood	203,130
Additional Individual Success Program	318,720
Increase to continue and expand Graduation Pathways Programs	104,050
Increase 3 Elementary Counselors	198,700
Increase 2 Social Workers	133,120

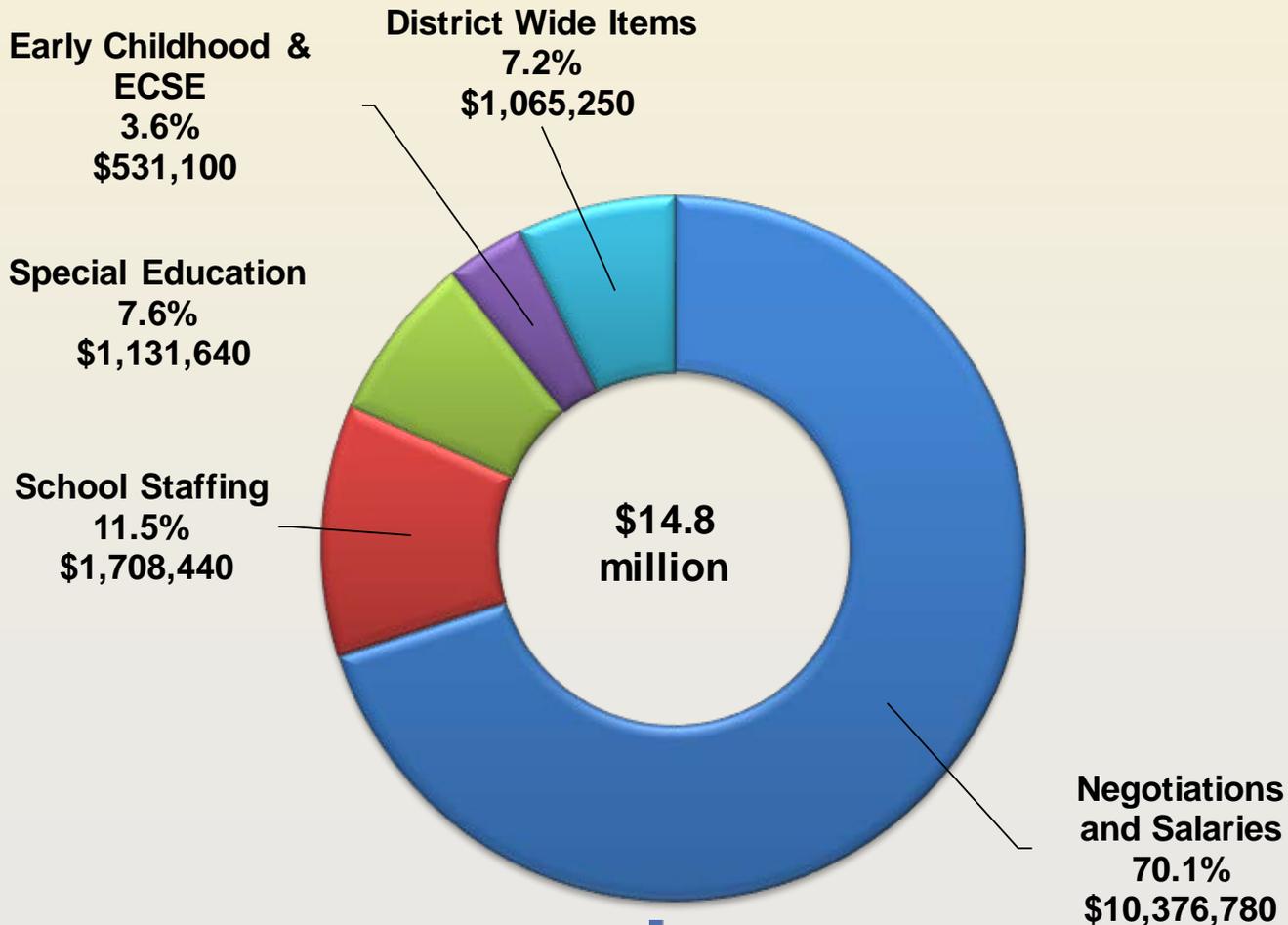
2019-20 Budget Considerations Preliminary Expenditure Changes **Not Funded cont'd.**

Area	
Increase AED replacement and equipment	\$36,600
Increase for additional health office supplies	1,000
Music Band Uniform Cleaning	25,000
Repair Account for CTE	36,000
Increase Gifted Mentor Budget	230,000
Increase Supply Allocation for school library books	147,120
Increase contracted services with ESU for Data Integration Developer	88,260
Increase staffing for Grounds, Building Crafts, and HVAC	379,270
Four additional vehicles for additional Operations staff	100,000

2019-20 Budget Considerations Preliminary Expenditure Changes **Not Funded cont'd.**

Area	
Additional Operations contracted services	\$500,000
Transportation increase for oil due to additional 21 buses	20,000
CLC increase contract for curriculum specialist	2,120
Additional sports performance coaches	304,100
Add Assistant Speech and Varsity Assistant Wrestling Coaches	13,840
Increase activity transfer for speech and drama	5,200
Wellness Champion stipends at each building	35,140
Communications Liaison at each building	35,140
TCA convert Coordinator position to AP position	26,770
Total	\$3,831,610

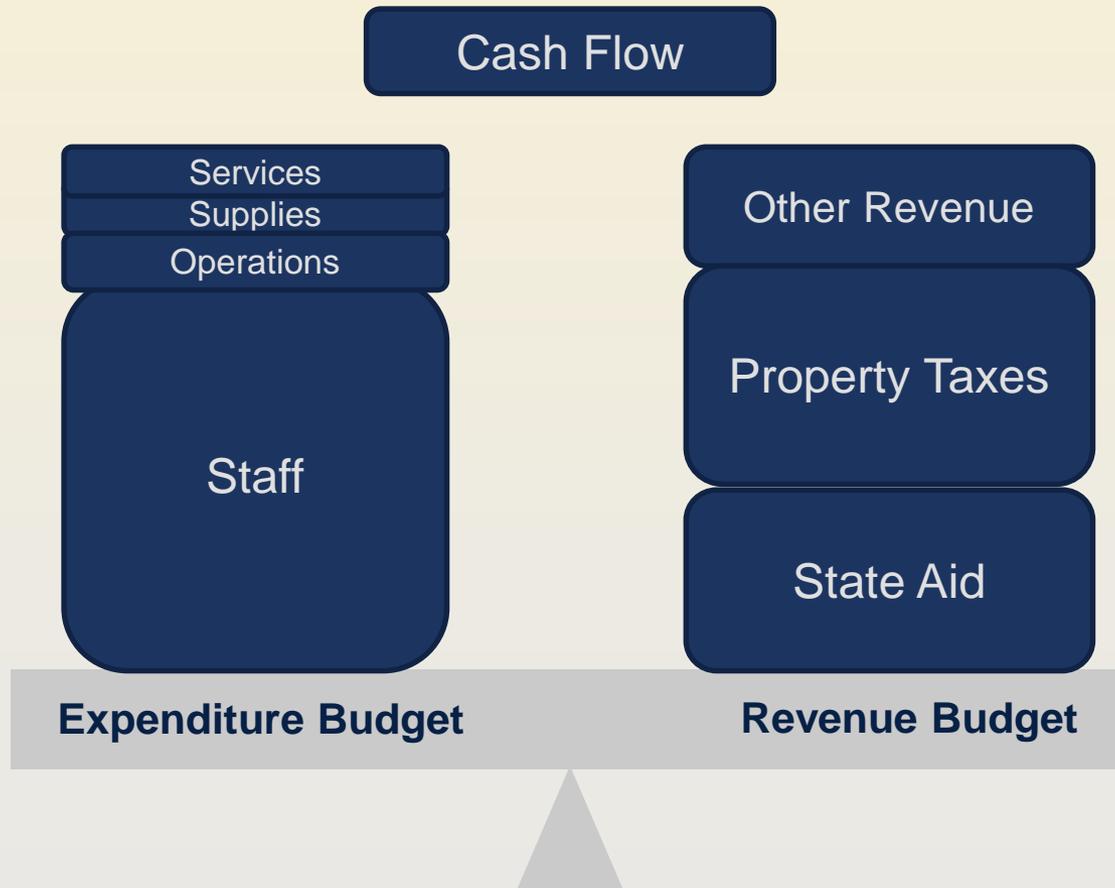
Summary of Preliminary Expenditure Considerations for 2019-20



Summary of Preliminary Expenditure Considerations for 2019-20

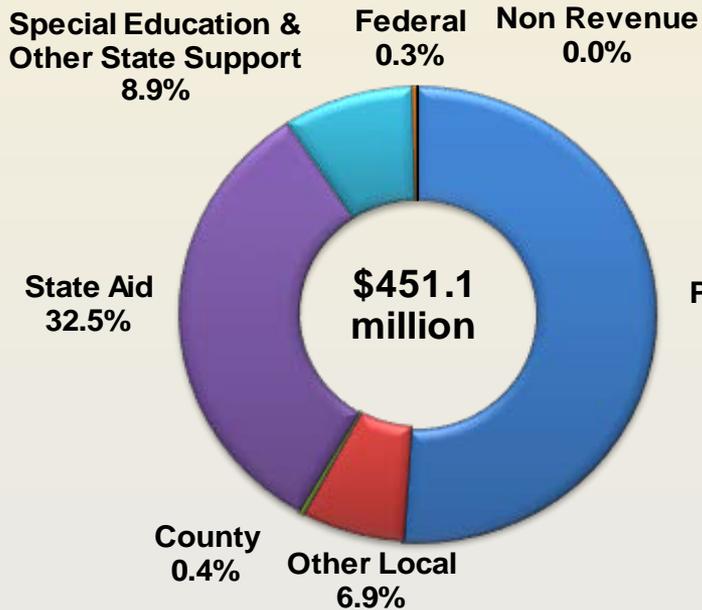
Area	Amount
Negotiations and Salaries	\$10,376,780
School Staffing	1,708,440
Special Education	1,131,640
Early Childhood and Early Childhood Special Education	531,100
Districtwide Items	1,065,250
Total	\$14,813,210

Two Budgets Built Together in Balance

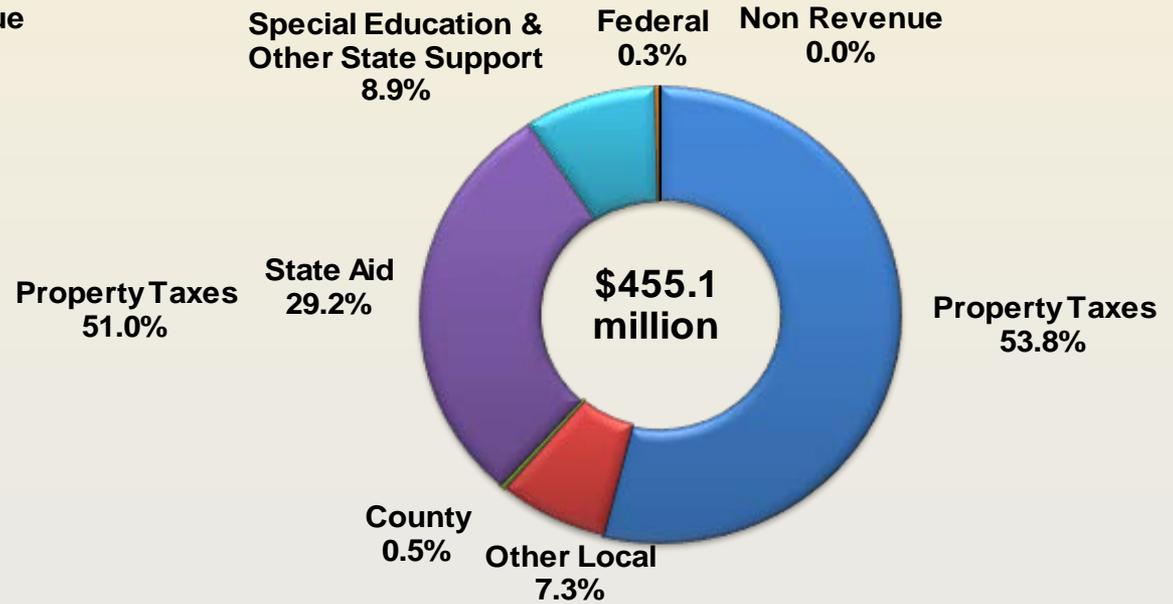


General Fund Sources of Funds

2018-19 Budget



2019-20 Preliminary



State Aid

School Year	Amount
2014-15	\$110,771,864
2015-16	\$127,876,651
2016-17	\$126,425,026
2017-18	\$126,696,350
2018-19	\$146,654,723
2019-20	\$132,995,241

State Equalization Aid Formula

Needs

Average Daily Membership
X
Basic Funding
plus allowances/adjustments

Resources

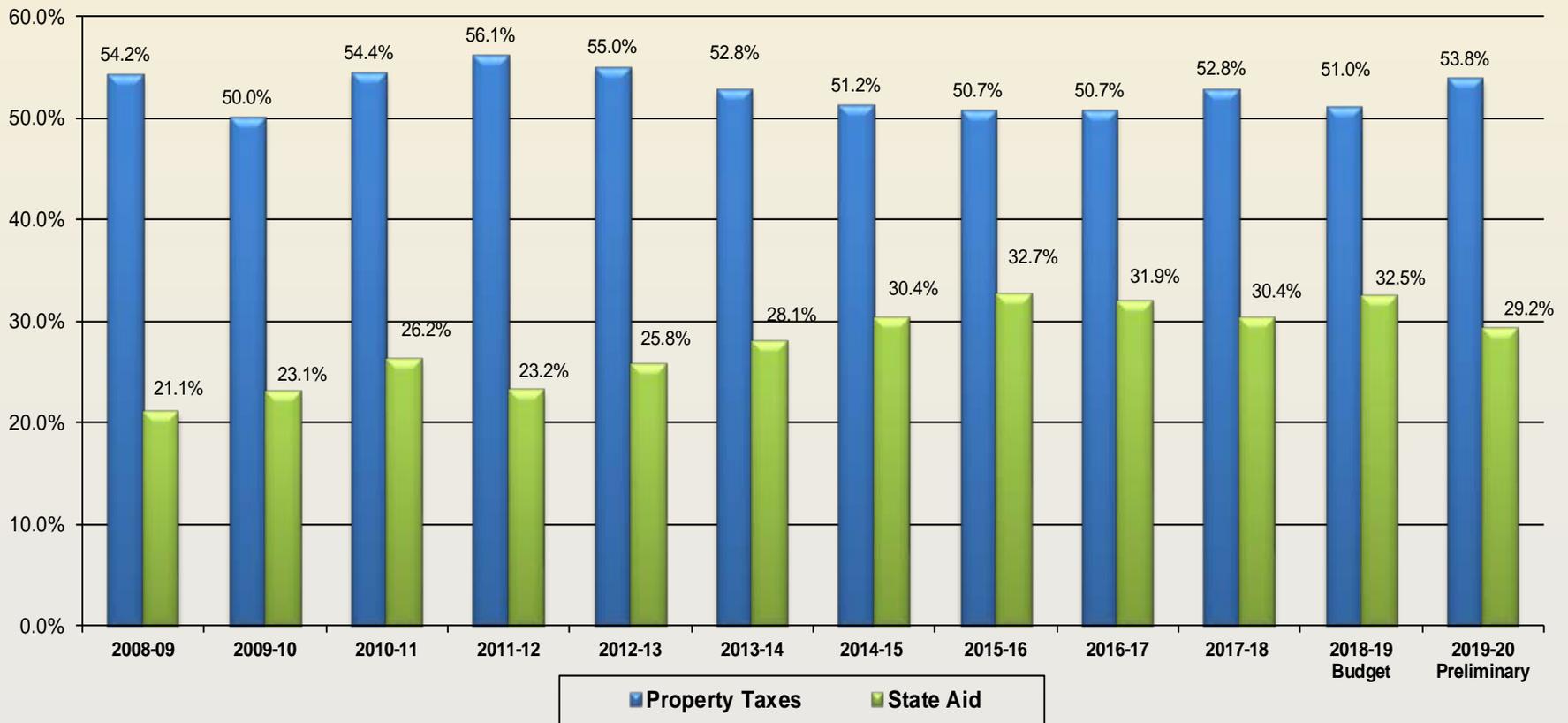
Adjusted Valuation
X
Local Effort Rate \$1.00
plus other actual receipts

State
Equalization
Aid

- Poverty Allowance
- Limited English Proficiency Allowance
- Summer School Allowance
- Special Receipts Allowance
- Transportation Allowance
- Distance Education Allowance
- Averaging Adjustment
- Student Growth Adjustment
- New School Adjustment
- Community Achievement Plan Adjustment
- Needs Stabilization
- Elementary Site Allowance
- Focus School & Program Allowance

- Allocated Income Taxes
- Other Actual Receipts
- Net Option Funding
- Community Achievement Plan Aid

General Fund Property Taxes and State Aid Percentages



How does this compare nationally?

- The average for all states is 51% of revenue from state sources, compared to Nebraska at 32.7%.
- Nebraska ranks 49th out of fifty states, behind New Hampshire, in percentage of revenue from state sources.



*Source: US Department of Commerce, Public Education Finances: 2017

Property Value Per Student Calculated at \$1.04 levy for 2018-2019

- Nebraska Average \$17,485
- Nebraska High \$60,209
- Lincoln Public Schools \$5,529

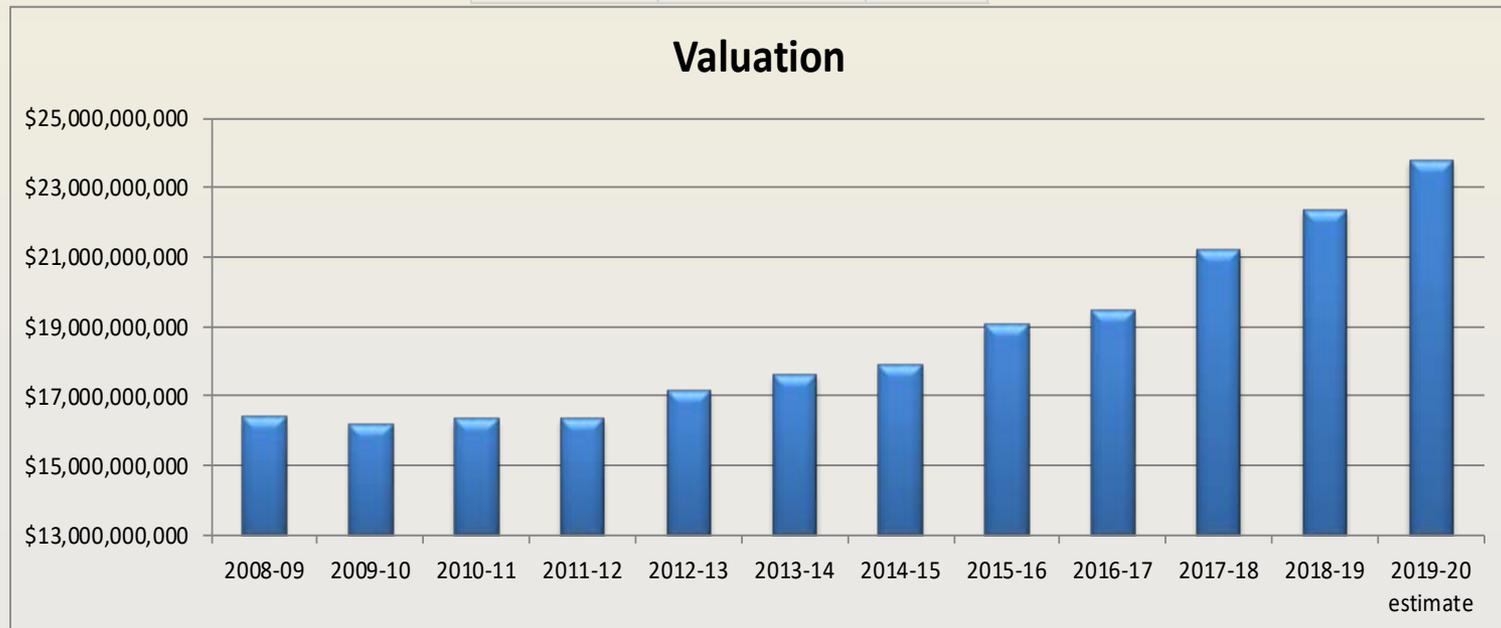
*Source: Nebraska Department of Education Statistical Information

Assessed Valuation Information

- The Lancaster County Assessor reassessed residential property for 2019.
- The preliminary abstract of the assessment for real property filed last spring stated a 7.24% increase in the total value of all real property.
- The protest process will occur between June 1st and August 10th.
- LPS is using a preliminary estimate of a 6.5% increase in the total value of all real property for budget development purposes.

Assessed Valuation History

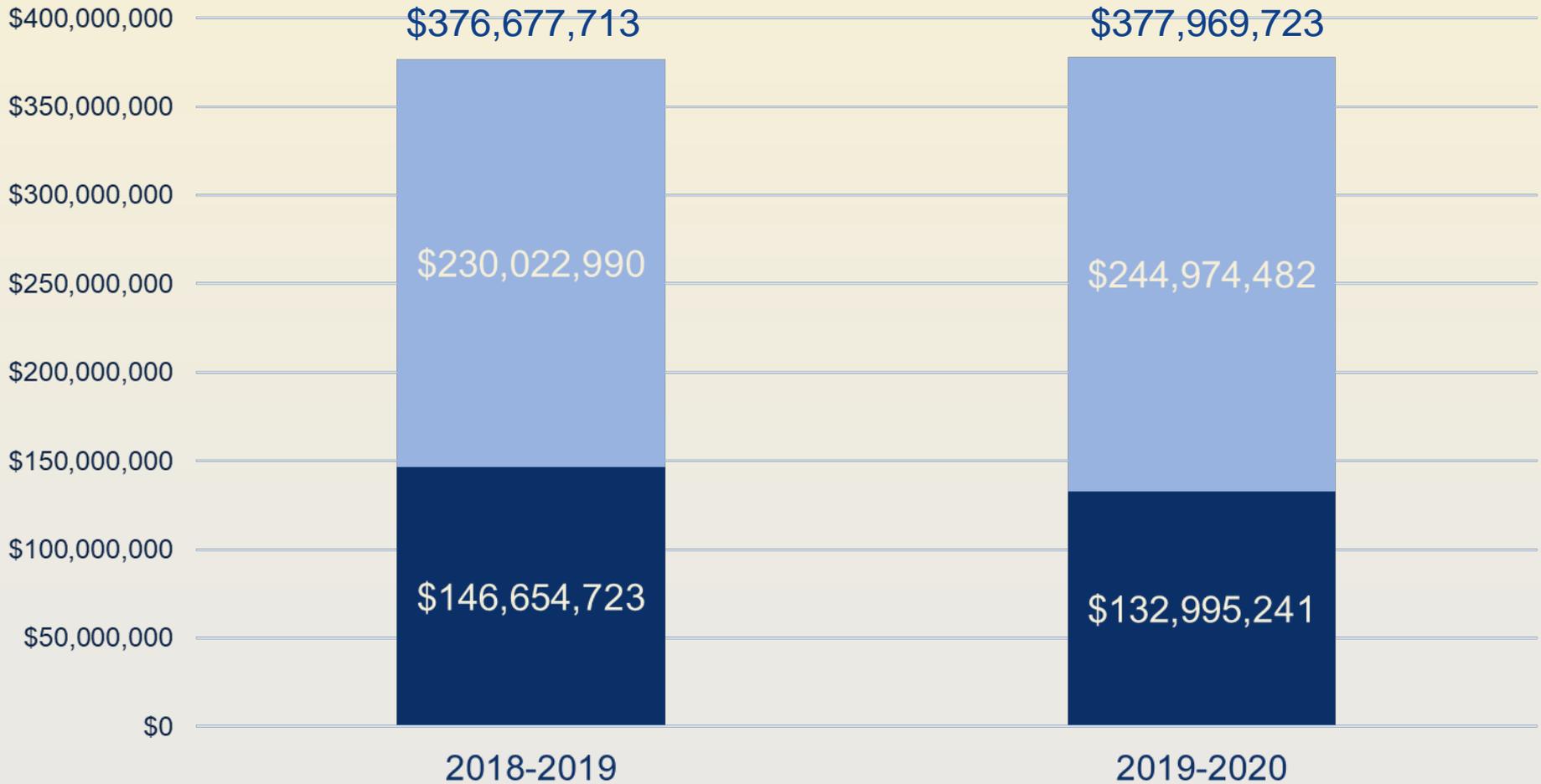
Year	Valuation	% Change
2008-09	\$16,384,894,448	1.85%
2009-10	\$16,170,616,537	-1.31%
2010-11	\$16,311,040,532	0.87%
2011-12	\$16,342,181,625	0.19%
2012-13	\$17,155,326,702	4.98%
2013-14	\$17,615,372,867	2.68%
2014-15	\$17,905,380,372	1.65%
2015-16	\$19,028,682,942	6.27%
2016-17	\$19,461,814,212	2.28%
2017-18	\$21,179,076,624	8.82%
2018-19	\$22,341,005,059	5.49%
2019-20 estimate	\$23,793,170,388	6.50%



Certification of Assessed Valuation

- The total value of all real property for the school district will be certified on August 20th. Our preliminary estimate will not exactly match the certification.
- If the certified value is higher than projected, staff recommends the following:
 - Fully funding staffing for growth (class size) with an additional \$60,000 and *decrease* the amount we plan to draw from cash flow for the 2019-2020 budget currently estimated at \$3.4 million.
- If the certified value is lower than projected, staff recommends the following:
 - Reviewing current adjustments for possible cuts and *increase* the amount we plan to draw from cash flow for the 2019-2020 budget currently estimated at \$3.4 million.

State Aid Plus Projected General Fund Property Tax Revenue Comparison



Current School Funding Climate in Nebraska

- Petition Drive Filed 2018 – 35% refund on income taxes for property taxes paid.
 - One of the sponsors recently removed their name and stated the organization did not have the funding to collect signatures. Other sponsors are stating the signatures will be collected by volunteers.
- Legislative Resolution 8CA 2019 - Constitutional amendment to limit the total amount of property tax revenue that may be raised by political subdivisions.
 - Introduced by Sen. Linehan on behalf of the Governor. Did not advance in 2019 but carries over to 2020 session.
 - The total amount of property tax revenue raised by a political subdivision in any fiscal year shall not be more than three percent greater than the amount raised in the prior fiscal year.
 - This concept can also be placed on a ballot through the petition drive process.
- Legislative Bill 289 and many others will carry over to the 2020 legislative session.

Forecasting and Sustainability

- LPS uses a three-year forecast to estimate expenditures and revenues into the future.
- The goal of the three-year forecast is sustainability and stability; major swings in revenue are steadied through the utilization of cash flow.
- Cash flow is a tool to stabilize swings in revenue through transfers into and out of cash flow.
- Our goal is to ensure that programming and staffing decisions are sustainable over time.

How Does LPS Compare?

- In 2017-18, LPS ranked 224th out of 244 school districts in Nebraska in per pupil spending.
- In 2017-18, LPS spent \$11,508 per pupil compared to the state of Nebraska average of \$12,613.
- In 2018-19, out of 244 school districts in the state of Nebraska, 110 or 45% had fewer than 310 students.

* Information from Nebraska Department of Education

Preliminary 2019-20 Summary

DRAFT		
Proposed Expenditures		
2018-19 Expenditure Budget		\$443,874,149
Proposed 2019-20 Increases		
Negotiations & Salary Increases 3.04%	\$ 11,931,269	
Regular Ed Staffing	\$ 1,140,000	
Music teacher at Don D. Sherrill Education Center	\$ 66,230	
Art teacher at Nuernberger Education Center	\$ 66,230	
Librarian to serve DDSEC, Nuernberger, and Yankee Hill	\$ 66,230	
Increase for Navigator position	\$ 78,250	
Increase team leader and coordinator stipends to meet expenditures	\$ 38,930	
Increase Coordinator .05 FTE (related to internal transfer)	\$ 4,310	
Student Services (Counselors/Nurses/Social Workers)	\$ 548,260	
Special Education Staffing	\$ 1,131,640	
Early Childhood and ECSE	\$ 531,100	
Operations Electrical FTE	\$ 101,540	
Human Resources/Risk Management (increase in insurance premiums)	\$ 146,340	
TCA increase in contracted services for 1.5 Health Science & E-Learning and optional period	\$ 105,900	
Safe and Successful Kids contract increase	\$ 41,120	
Additional Transportation Routes	\$ 670,350	
Total Proposed Increases		\$ 16,667,699
2019-20 Recommended Reductions		
Curriculum Implementation	\$ (300,000)	
Budget to Actual Staffing	\$ (1,554,489)	
Total Recurring Expenditure Reductions		\$ (1,854,489)
2019-20 Proposed Expenditure Budget		\$ 458,687,359
Percent Increase		3.34%
Projected Revenues		
2019-20 Projected Revenues		\$455,114,723
Net Utilization of Cash Flow		\$ 3,572,636
2019-20 Projected Resources Available		\$458,687,359
Summary of Information for 2019-20		
How are we going to pay for the 2019-20 Expenditures?		
Projected Revenue		\$ 455,114,723
Revenues (Moved to) or Used from Cash Flow		\$ 3,572,636
Total		\$ 458,687,359
What makes up the 2019-20 Proposed Budget?		
Expenditure Budget for 2018-19		\$ 443,874,149
Proposed Increases	\$ 16,667,699	
Projected Reductions	\$ (1,854,489)	
Net Proposed Increases		\$ 14,813,210
Proposed Expenditure Budget for 2019-20		\$ 458,687,359
Proposed 6/11/19		

Questions?

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 Liz Standish at 436-1636 or by e-mail at
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April Douglas, Business Affairs Specialist

Jess Jefferson, Internal Auditor

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