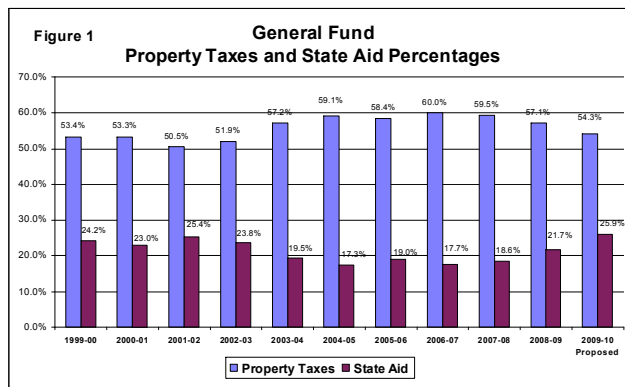


# 2009-2010 PROPOSED LINCOLN PUBLIC SCHOOLS BUDGET INFORMATION

## EXECUTIVE SUMMARY

Teachers and students in Lincoln Public Schools will continue to excel in the classroom and school activities during the 2009-2010 school year. In addition to developing a solid academic foundation in mathematics, literacy, and other basic academic skills, students will continue solving physics problems and working with calculus formulas, exploring science and world history, learning about other cultures and the global society, and developing an appreciation for the fine arts. Increased student achievement for all students through excellence in teaching and learning continues to be a clear expectation of the Lincoln community, and is the number one priority for Lincoln Public Schools.

The 2009 legislative session brought more changes to the financing and operating provisions of public school districts in Nebraska. The allowable growth rate in the state aid formula decreased from 2.5% to 1.5% for 2009-10 through 2012-13. The decrease in the cost growth factor is expected to decrease the amount of state aid available to Lincoln Public Schools in 2010-11 and 2011-12. In addition, school districts participating in the state teacher retirement plan must increase contributions in 2009-10 through 2012-13. With increasing expenditures and an uncertain source of future state funding, Lincoln Public Schools must carefully plan for the coming years. There are many questions about the future of financing public education in Nebraska that remain to be answered by the legislature in future years. Figure 1 below demonstrates the interaction between state funding to public schools and reliance on local property taxes.

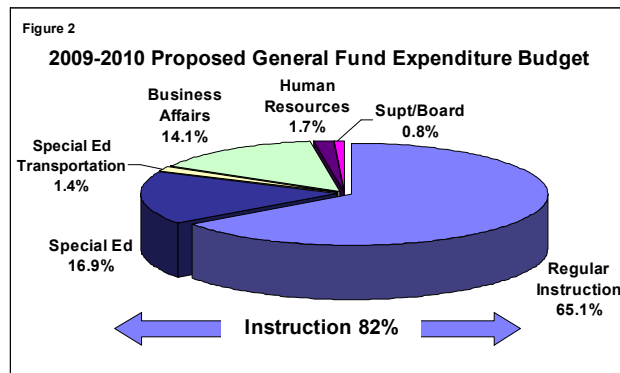


Lincoln Public Schools (LPS), therefore, faces both challenges and opportunities in the coming year, and does so with a pledge to continue providing quality education for all of our students. Educators will keep a clear focus on teaching, learning, and student achievement. The Board of Education and administration will continue to focus on providing a quality education for a growing population of students with increasingly diverse needs. All of this will be done with a focus on making the most efficient and effective use of the resources entrusted to us by our patrons, including the resources provided by a \$250 million school bond issue approved by the voters in February, 2006.

Lincoln Public Schools will open Kooser Elementary, Schoo Middle School, a new Arnold Elementary, and new additions at several other schools throughout the district. Continued growth in student population requires the addition of facilities. With these facilities additions comes the cost of ongoing operations.

More students will arrive at LPS in the 2009-2010 school year. Textbooks and school supplies will cost more. The cost of utilities, fuel for buses and other operational costs will continue to rise. There will be an increase in the number of students who speak languages other than English, who have special needs, and who are living in poverty.

The LPS Proposed General Fund expenditure budget of \$305,818,930 for the 2009-2010 school year represents a 4.3% increase from the previous year's budget. This budget allocates 82% to instruction (See Figure 2). This is consistent with the school district's priority emphasis on teaching, learning, and increasing student achievement for all



students. The assessed valuation is estimated to decrease 1.59%. The total 2009-10 LPS property tax levy is estimated at a one cent reduction in the levy from the 2008-09 levy.

## WHAT THE 2009-2010 PROPOSED LPS BUDGET DOES

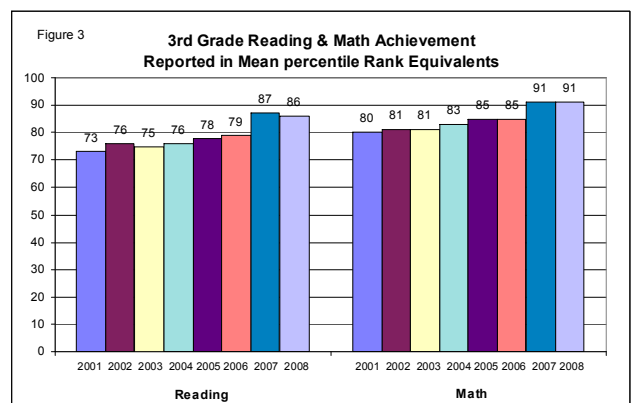
Historically, the Lincoln Board of Education has provided funding for up-to-date materials and equipment, staff training, and the professional educators and support staff needed to help all students achieve to their fullest potential. In keeping with that tradition, and the district’s focus on teaching and learning, here is what the 2009-2010 proposed budget does:

**1. Maintains a quality instructional program with a focus on teaching, student learning, and increased student achievement.** Continued emphasis will be placed on improving student achievement in fundamental skills and concepts while developing the whole student to become a contributing member of this community and beyond. The school district will continue an emphasis on increasing the percentage of students who graduate. Consistent with the high community expectations for LPS, the school district will continue to raise the expectations for students and help them attain those expectations. Academic focus for LPS can be summarized as continuing to build excellence in each of three major areas:

- **Curriculum:** Very specific and rigorous learning objectives, instructional materials, and instructional methodologies have been prescribed for major curricular areas. These objectives, instructional methods, and materials are reviewed and updated regularly.
- **Instruction:** Staff development has been centered on enhancing instructional skills and providing ongoing support for teachers to increase their skills and effectiveness in the classroom. Schools, with the support of district-level staff, continue an emphasis on school improvement. Professional Learning Communities (PLCs) were implemented during the 2006-07 school year. PLCs provide teachers the opportunity to focus, in small professional groups, on research, best practices, and instructional strategies. The work

of teachers in PLCs translates directly to increased focus on student needs and achievement in the classroom. Recent services initiated to respond to specific student needs and increase student achievement and graduation rates for all students will continue for 2009-2010. These include high school focus programs, as well as specialized reading programs and other literacy support at the elementary and middle school levels. Staff will continue their efforts to connect all students to school and to learning.

- **Assessment:** Practices continue to be refined to reflect a constant and accurate measure of what students know and can do. Assessments provide teachers, students, and parents with accurate and prescriptive data related to student progress and areas of strengths and need for growth. Yearly assessment information is the foundation for the School Improvement Plans each school develops and implements. Achievements such as those represented in the chart (See Figure 3) do not occur by chance. They require time, effort, materials, and funding. That focus begins with the Lincoln Board of Education, a board devoted to the improvement of instruction and growth in student achievement. The 2007 and 2008 scores for Grade 3 should not be compared directly with scores for previous years for two reasons. Grade 3 students used separate answer sheets (instead of consumable booklets) for the first time in 2007. Therefore a different set of norms were used. Also, new participation/reporting rules for students tested with accommodations were used in 2007.



**2. Provides increased compensation for teachers and other staff members.** Retention of our current,

excellent staff is an important factor in maintaining a quality instructional program. In addition, in order to attract an excellent candidate pool, LPS must maintain competitive salaries.

**3. Increases expenditures for state retirement.** During the 2009 session, the Legislature approved legislation increasing the employee cost of the state retirement from 7.28% to 8.28%. The employer cost of the state retirement would change from 7.3528% to 8.3628%. The employer is required to match 101% of the employee’s contribution.

**4. Recognizes additional costs related to new and expanded facilities.** On February 14, 2006, the voters of Lincoln Public Schools passed the largest school bond measure in its history. The \$250 million bond issue, together with more than \$60 million from other sources, will fund a ten-year facilities improvement plan that will include two new elementary schools, one new middle school, the demolition and reconstruction of one existing elementary school, and major renovation and/or expansion projects at school facilities throughout the district. The 2009-2010 fiscal year marks the beginning of ‘operating’ costs for Kooser Elementary and Schoo Middle School, which will open in the fall of 2009. There will be a new Arnold Elementary School and several additions to buildings.

**5. Provides transportation for Goodrich Middle School students at Dawes Middle School.** The Board of Education approved the purchase of seven buses to provide transportation services for Goodrich at Dawes. Buses will originally be purchased with Depreciation Funds. Then a yearly amount will be paid back to the Depreciation Fund. After the two years of busing, the District will utilize the additional buses as replacement buses in the fleet.

## KEY FACTS IN PREPARING A BUDGET FOR LINCOLN PUBLIC SCHOOLS

- Figure 4 is a look at sources of income for the 2008-2009 Lincoln Public Schools general fund budget, compared to the previous school year.

Figure 4

<b>General Fund Sources of Funds</b> (Based on 1 Cent Reduction in Levy)		
Revenue	2008-2009	2009-2010 Projected
Property Taxes	\$169,929,146	\$165,631,121
State Aid	\$64,501,826	\$79,168,099
Special Ed Receipts	\$32,268,063	\$30,072,279
Other Receipts	\$30,633,000	\$30,150,000
<b>Total Revenue</b>	<b>\$297,332,035</b>	<b>\$305,021,499</b>
Revenues Reserved or Used from Cash Flow	-\$4,043,415	\$797,431
<b>Total Available</b>	<b>\$293,288,620</b>	<b>\$305,818,930</b>
Estimated Levy	\$1.047585	\$1.037585

- An estimated 572 additional students (See Figure 5) are expected to enroll in the LPS district in 2009-2010. If trends of the past ten years continue, this net increase in students also will represent increased percentages in the student population of both English Language Learners (ELL) and Special Education students.



- Figure 6 shows the effect of major legislative initiatives taking effect in 1998 and 2001 which have served to decrease the property tax reliance of Lincoln Public Schools. This chart also reflects an erosion of state support, prompted by declining state revenues, in fiscal years 2002-03 through 2005-06.

## HOW DOES LPS COMPARE?

LPS is ranked 224<sup>th</sup> out of 254 school districts in Nebraska in per pupil spending.

LPS currently spends \$8,835 per pupil compared to the State of Nebraska average of \$9,528.

LPS annually spends less than the state average by \$23.6 million.

The current levy limitations do not allow LPS to generate enough revenue to spend at the State average.

## SUMMARY

This executive summary is intended to succinctly and clearly convey the school district's continued emphasis on teaching and learning and the resulting student achievement. The Lincoln Public Schools Board of Education and administrative staff are committed to providing the best possible educational experience for every student as is rightfully expected by our community. At the same time, we maintain our focus on efficiency in the use of funding and on providing the citizens of Lincoln the best value for their tax dollars.

Questions regarding this summary can be directed to:

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