2018-2019 BUDGET
AT A GLANCE

Presented by: Connie Knoche, CFO


The Omaha Public School’s budget hearing presentation represents a forward-looking statement and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the revenue and obligations of the School District include reduced government allocations, changes in economic conditions, mandates from other governments, and various other events, conditions and circumstances, many of which are beyond the control of the School District. Such forward-looking statements speak only as of the date of this presentation, September 5, 2018.
Omaha Public Schools
2018-2019 Levy Fund Proposed Budgets

Total Expenditures

- Special Building and Qualified Capital Purpose: $185,312,180
- Bond Fund: $75,880,000
- General Fund Local: $617,090,766

Total Revenue

- General Fund Property Tax Requirement: $233,656,187
- Federal: $905,000
- Miscellaneous: $4,358,169
- County: $2,000,000
- Local - Other than Taxes: $33,955,130
- State Aid: $275,686,280
- State - Other (Apportionment, SPED, etc.): $44,930,000

Property Tax and Levy Required

- General Fund Property Tax Requirement (Less Exclusions): $230,540,164
- Bond Fund Tax Requirement: $35,680,000
- Qualified Cap. Purpose Tax Requirement: $4,057,658
- General Fund Property Tax Requirement: $233,656,187
- LEVY EXCLUSION – Early Leave Incentive: $3,116,023
- General Fund Property Tax Requirement (Less Exclusions): $230,540,164
- Cash-on-Hand: $21,600,000
- Quali/f_ied Cap. Purpose Tax Requirement: $4,057,658
- Special Building and Qualified Capital Purpose, Bond & Other Revenue: $221,454,522

Total Levy Required: 1.24501*

Property Valuation
Base: $22,180,983,314
5.48% Increase over 2017

*Includes 1% tax collection fees.
Key Issues Influencing $878 Budget Development

- School districts are limited by two mechanisms of spending control – limits to annual budget growth and a property tax levy cap. The maximum levy limit is $1.05 per $100 of assessed valuation. Excluded from the maximum levy limitation are amounts levied to pay for early leave incentives and amounts levied to retire bonded indebtedness.

- For 2018, the district’s assessed valuation increased by 5%.

- The district’s total state aid decreased by $12.5 million while at the same time estimated property tax receipts increased by $11.3 million.

- Teacher salaries for 2018-19 reflect an average 1.6% salary and benefit package increase of $5 million. Salary increases and other cost increases are funded with reallocations within the budget as a result of efficiency efforts, and use of cash balances.

- The district’s virtual school program expanded to include tenth graders in 2018-19.

- The 2017-18 PK-12 fall membership of 52,881 demonstrates an annual increase of 577 students. OPS serves the largest number of Nebraska’s student population. 2018-19 PK-12 membership is expected to increase by 1.5%.

Omaha Public Schools
52,881 number of students

Omaha Public Schools
19,469 number of ESL students

Omaha Public Schools
119 languages

Omaha Public Schools
35.5% Hispanic
27% Caucasian
25.1% African American
6.1% Asian American
5.3% Multiracial
0.9% American Indian
0.1% Pacific Islander

Transportation Services accounts for 6.58% of the 2017-18 General Fund Expenditures.
Estimated General Fund $617 Million

**PROPERTY TAX**
- $233,656,187

**OTHER LOCAL**
- Local Fines , Vehicle tax $40,313,299

**STATE AID**
- $275,686,280

**OTHER STATE**
- Fines and State Assessed $44,930,000

**FEDERAL**
- $905,000

**TOTAL REVENUES**
- $595,490,766

**SALARIES**
- Instructional and Instructional Support $353,829,445

**BENEFITS**
- Retirement, FICA, Medicare, Medical Insurance $154,259,607

**PURCHASED SERVICES**
- Transportation, Utilities, Property Insurance, Security $77,311,944

**SUPPLIES & MATERIALS**
- Electric, Gas, Textbooks $27,476,550

**EQUIPMENT/OTHER**
- Student Conferences, Mileage, Liability Insurance, Dues and Fees $4,213,220

**TOTAL EXPENDITURES**
- $617,090,766

**POINTS of PRIDE**
- Within the past four years, more than 4,750 OPS students have earned college credit while in high school
- OPS offers more AP courses than any other district in the state
- Students at the Career Center earned 740 industry recognized certifications in 2017-18
- 156 AP Scholar Awards in 2017
- Total amount of scholarships OPS graduates earned in 2018: appx. $68.9 Million

**OPS STAFFING**
- 5,017 Instructional
- 4,037 Instructional Support
- 9,054 Total Staff

**FINANCIAL FACTOIDS**
- OPS currently has Aa2 Bond Rating from Moody’s (Fund Balance as a % of Expenditures 18.47%)
- OPS received an Unmodified Audit Opinion in 2017

* as of July 2018
Where does the Money come from?

- State Aid: 7.50%
- Property Tax: 6.80%
- Other State: 0.20%
- Other Local: 39.20%
- Federal: 46.30%

Where does the money go?

- Salaries: 48.20%
- Fringe Benefits: 21.40%
- Purchased Services: 9.20%
- Supplies & Materials: 7.30%
- Actuarial Required Contribution: 6.10%
- Misc./Other: 5.70%
- Capital Outlay: 12.00%

Total Instructional Support - 75.1%

- Regular Instruction: 6.10%
- Special Education: 6.70%
- Buildings & Grounds: 7.30%
- Business Support Svcs: 9.20%
- Transportation Svcs: 12.00%
- School Administration: 4.80%
- Student Support: 2.90%
- Instructional Support: 1.70%
- Board of Education & General Admin: 0.0%
- Misc. Programs: 0.0%

*State Average Cost Per Pupil Educated $12,230.20
- OPS Average Cost per Pupil Educated $11,581.51
*2016-17 School Year Data NDE
State Funding Projections

State Funding Projections
Ten Year TEEOSA History - School Needs vs. State Appropriations

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<tr>
<td>Formula Funding Gap</td>
<td>-$61M</td>
<td>-$8M</td>
<td>0</td>
<td>$179M</td>
<td>$278M</td>
<td>-$41M</td>
<td>$33M</td>
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<td>State Aid Increase or Decrease</td>
<td>$71M</td>
<td>$94M</td>
<td>$75M</td>
<td>$128M</td>
<td>$30M</td>
<td>$54M</td>
<td>$27M</td>
<td>$40M</td>
<td>$6M</td>
<td>$20M</td>
<td>-$47M</td>
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<td>% State Aid Increase or Decrease</td>
<td>9.2%</td>
<td>11.20%</td>
<td>8.03%</td>
<td>18.53%</td>
<td>3.65%</td>
<td>6.34%</td>
<td>2.98%</td>
<td>4.29%</td>
<td>0.62%</td>
<td>2.09%</td>
<td>-4.49%</td>
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TEEOSA school aid accounts for 68% of all aid to local governments. Funding for TEEOSA is based on changes contained in LB409 enacted in the 2017 session. The overall net change in total TEEOSA aid is an increase of $19.4 million (2%) in FY2017-18 followed by a $1.7 million (0.2%) increase in FY2018-19. The State budget also provides for a 1% per year increase in Special Education ($2.2 million each year).

The basic allowable growth rate or spending limitation in the state aid formulas decreased by 1% from 2.5% for FY2017-18 and FY2018-19. The change in the rate decreases the cost growth factor in the formula which is used to inflate school district expenditures for the purpose of calculating state aid. A decrease in the cost growth factor reduces the amount of state aid provided as basic funding. The local effort rate in the formula is currently set at $1.00. LB409 increases the local effort rate to $1.0203 for FY2017-18 and FY2018-19. An increase in the local effort rate reduces the amount of state aid provided to school districts because the formula assumes a district has increased resources.

The state’s underfunding of Nebraska public education is taking its toll on the Omaha Public Schools’ ability to address rising costs, growing enrollment, special needs of our students, and increasingly higher expectations.

In 2017-18 76.5% of all students (PK-12) participated in the Free and Reduced-Price Lunch.
The 2018-19 budget includes increases and decreases in FTE (full-time equivalency) that are not necessarily a new position or a new person on staff. Some of the increases are due to an increase in the number of hours a person worked during the budget year, thus increasing FTE but not adding a new employee. Some of the decreases are due to vacant positions that have not been filled.
2017-18 Property Tax Comparison

Actual Property Tax on a $100,000 House

- Omaha Public Schools
- Elkhorn Public Schools
- DC West Community Schools
- Millard Public Schools
- Ralston Public Schools
- Bennington Public Schools
- Westside Community Schools
- Bellevue Public Schools
- Papillion La Vista
- Gretna Public Schools
- Springfield Platteview

OPS Historical Property Tax Rates

Source: NDE Statistical Information for Public Schools

Currently, 5.5% of our student population (K-12) are refugees coming from areas such as Africa, Southeast Asia and the Middle East.
Our goal here at Omaha Public Schools is to work hard to be good stewards of taxpayer dollars. We have an administrative team that works closely with our Board of Education to keep a close eye on general fund dollars spent, our bond construction dollars and the grant dollars our philanthropic community generously donates to our district annually to help support important programs for our students.

As part of our commitment to transparency, our budget information is readily accessible for our stakeholders online. Just visit openbook.ops.org and follow the links to learn more about OPS’ budget.

The budget for Omaha Public Schools is the financial plan that aligns the District’s expenditures with the mission and guiding principles as established by the Board of Education.

**Budget Development Timeline**

**SEPTEMBER**

- 5th Budget Hearing and Adoption
- 20th Budget Filing deadline with:
  - Douglas County Clerk
  - Sarpy County Clerk
  - Nebraska Department of Education

**OCTOBER**

- 12th Resolution Setting Property Tax
  Request filing deadline with:
  - Douglas and Sarpy County Clerks
  - Auditor of Public Accounts

OPS is the most diverse school district in the state, serving students who speak 119 languages.
Educational Service Unit No. 19
2018-2019 Proposed Budget

- Meets Total Levy Limits of 1.5 per $100 of assess value.
- Includes funds received from Omaha Public Schools to support the District's technology and printing operations.

**Total Expenditures**

- General Fund: $10,748,272
- Interlocal Agreement – Technology: $9,235,968
- Interlocal Agreement – Printing Services: $2,156,470
- Cash-on-Hand: $500,000
- Total Expenditures: $22,140,710

**Total Revenue Required**

- General Property Tax Requirement - $3,327,147*
- State Aid: $2,994,080
- State – Other - $67,300
- Local – Other than Taxes: $12,500
- Other Non-Revenue: $275,000
- Total Revenue Required: $22,140,710

**Property Tax and Levy Required**

- Total Levy: 0.01500*
- Property Tax and Levy Required: $3,327,147*

**Property Valuation Base**

- 2018 Total: $22,180,983,314
- 5.482% Increase over 2017

*Includes 1% tax collection fees.
## PREVIEW

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<tr>
<th>Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>Property Tax</strong></td>
<td><strong>$3,294,205</strong></td>
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<td><strong>Local</strong></td>
<td><strong>$15,285,125</strong></td>
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<tr>
<td><strong>State</strong></td>
<td><strong>$3,061,380</strong></td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$21,640,710</strong></td>
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### SALARIES
- $7,026,324

### BENEFITS
- Retirement, FICA, Medicare, Medical Insurance
- $3,234,177

### PURCHASED SERVICES
- Information management, e-rate
- $5,805,888

### SUPPLIES & MATERIALS
- Districtwide technology
- Computer Software
- $5,043,350

### EQUIPMENT/OTHER
- Computers
- $1,030,971

### TOTAL EXPENDITURES
- $22,140,710

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**ESU No. 19 Serves approximately:**
- 52,304 Students
- 81 Public Schools
- 13 Alternative Programs

**ESU No. 19 Services approximately:**
- 4,049 Teachers
- 1,324 Support Staff
- 280 Administrators

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**Where Our Mission is:**

**ESU 19** is controlled by the same Board of Education as is elected for the Omaha Public School District and is supported by a property tax levy of 1.5 cents per one hundred dollars of valuation.

**ESU 19** provides required core services of staff development, technology and media services.

The **2018-19** budget reflects strategies that allow ESU 19 to utilize funding based upon the educational needs of students.