



Lawrence Public Schools

2010-11 Budget Planning





Kansas Faces Unprecedented Budget Shortfalls

- Kansas is experiencing deficits in the current year, and projecting deficits for future years, that threaten programs and student achievement gains, including closing “achievement gaps.”
- School districts will be **legally** required to make academic gains in AYP (Adequate Yearly Progress) with fewer resources than what legislators approved in the spring of 2008, unless new resources are provided.



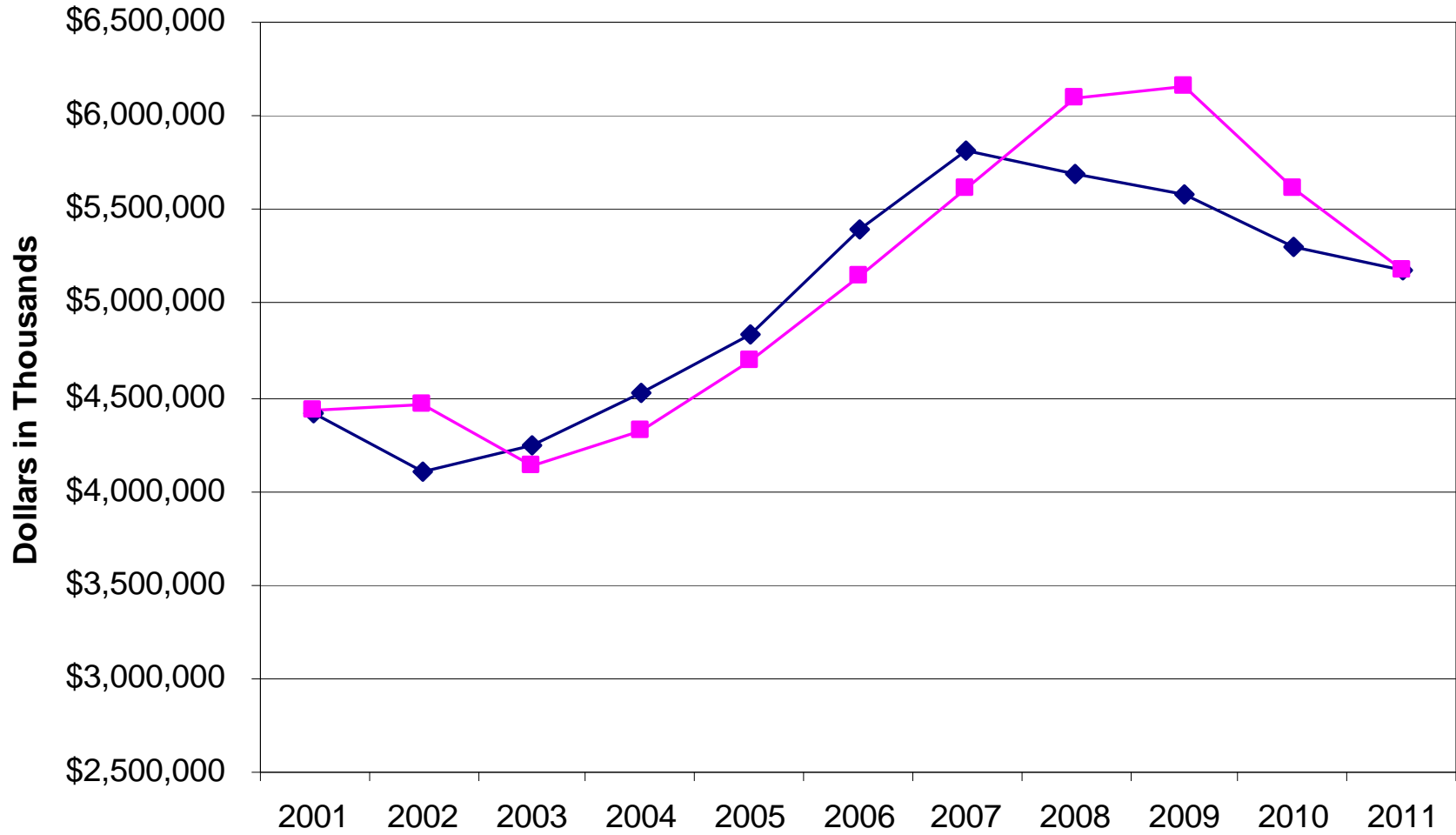
Kansas Faces

Unprecedented Budget Shortfalls

- After years of strong growth, the national recession and state tax cuts have decreased state revenues.
- Meanwhile, the cost of education and other government services continued to increase, causing a deficit.
- In modern Kansas history, the state has not experienced four years of declining revenues.

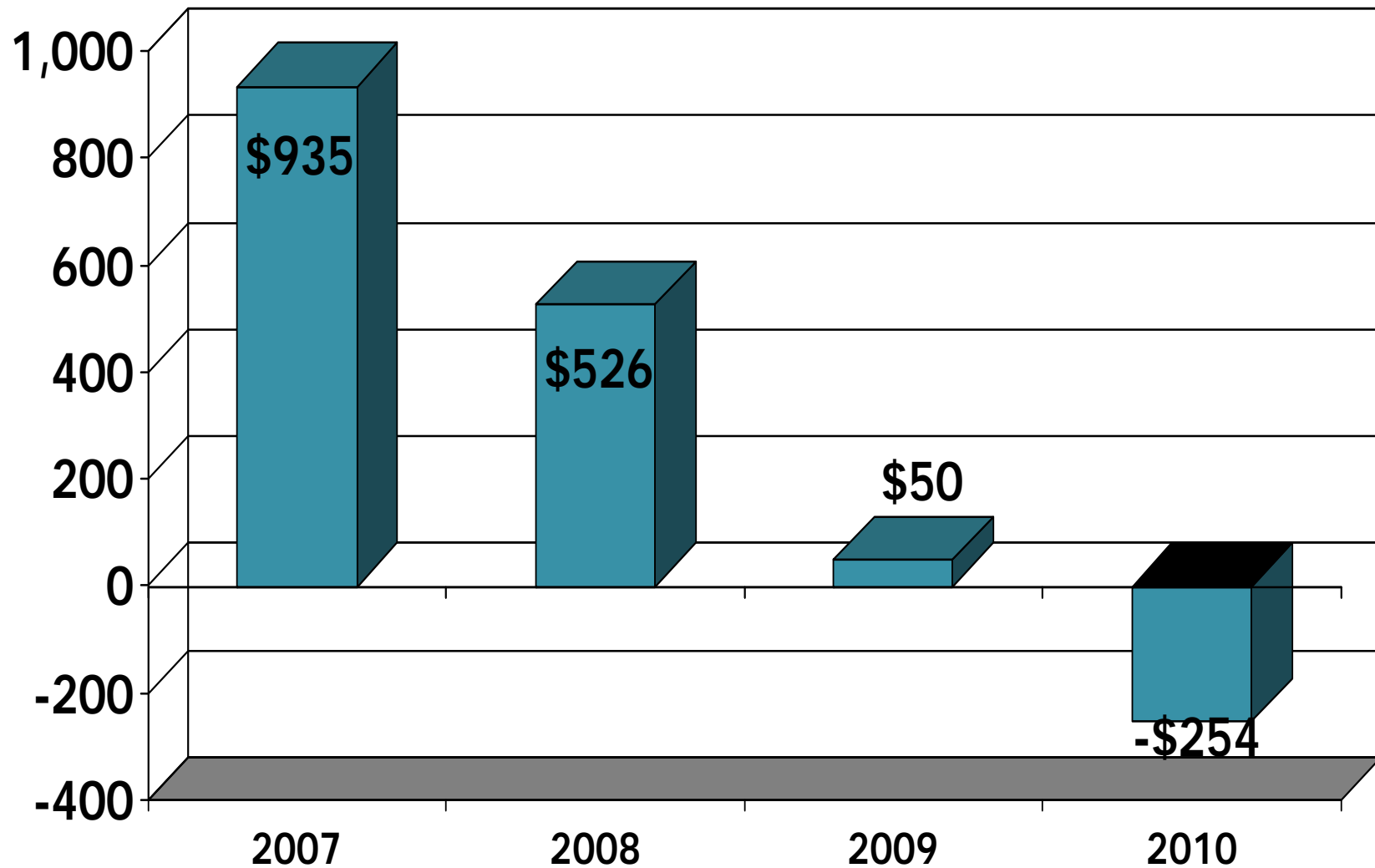
State of Kansas General Fund Receipts and Expenditures, 2001-2011

—◆— Receipts —■— Expenditures



State General Fund Ending Cash Balances

(millions)





Key Vocabulary

- **Base State Aid Per Pupil (BSAPP)**
 - By law, the amount used to calculate a school district's general fund legal maximum authority.
- **Full-Time Equivalency (FTE)**
 - The full-time equivalent of a student versus head count (A student attending school half-time is 1.0 headcount, but .5 FTE.)
- **Weighted Enrollment (WE)**
 - Actual FTE plus factors for additional expense of instruction for certain groups of students.
 - Every district varies in Weighted Enrollment.

More information can be found at:

<http://skyways.lib.ks.us/ksleg/KLRD/Publications/2009Briefs/i-i-1-school-finance.pdf>



Key Vocabulary

- **General Fund Budget (state funding)**
 - Essentially, a district's Weighted Enrollment multiplied by its Base State Aid Per Pupil
- **Local Option Budget (raised locally with possible state contribution based on district's wealth)**
 - Most students across the state are served by districts in which the LOB is capped and cannot be raised without a public vote.
- The General Fund and LOB are the traditional sources of funding used for payroll, utilities, insurance and general day-to-day operations of a school district.
- Decreases in the BSAPP generally result in cuts to these day-to-day operations.




Key Vocabulary

- **Capital Outlay Funds (both state/local)**
 - By law, this fund is restricted to capital expenditures and cannot be spent on operational costs.
- **Bond and Interest Funds (both state/local)**
 - This is another legally restricted fund that cannot be spent on operational costs.
- **Other Categorical Funds (state/local/federal)**
 - These are funds that can ONLY be spent in specific ways.

Reductions in BSAPP

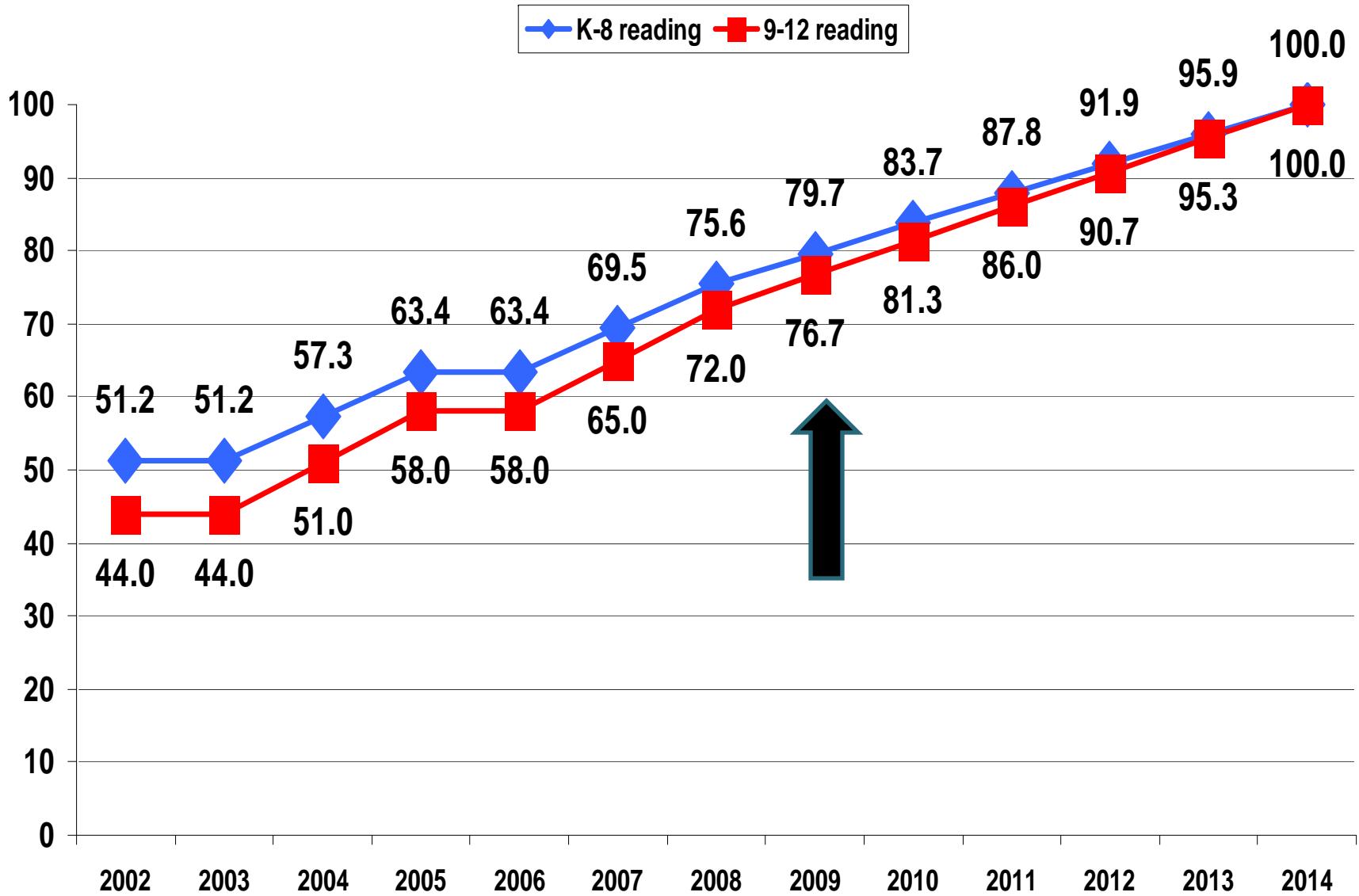
- After the 2008 legislative session, districts began planning for the 2009-10 school year using a BSAPP of \$4,492.
- The state reduced BSAPP four times (a 7% cut) before 2009-10 budgets were adopted.
 - \$4,433 BSAPP
 - \$4,400 BSAPP (FY2009 allotment)
 - \$4,280 BSAPP (2009 omnibus)
 - \$4,218 BSAPP
- New state estimates of larger enrollments, more students qualifying for free or reduced-price lunches and lower property values forced a cut of \$150 (9%) to \$4,068.
- November 23: The Kansas Governor announced allotments to deal with a \$235 million revenue drop. The BSAPP fell to \$4,012 (an 11% cut).



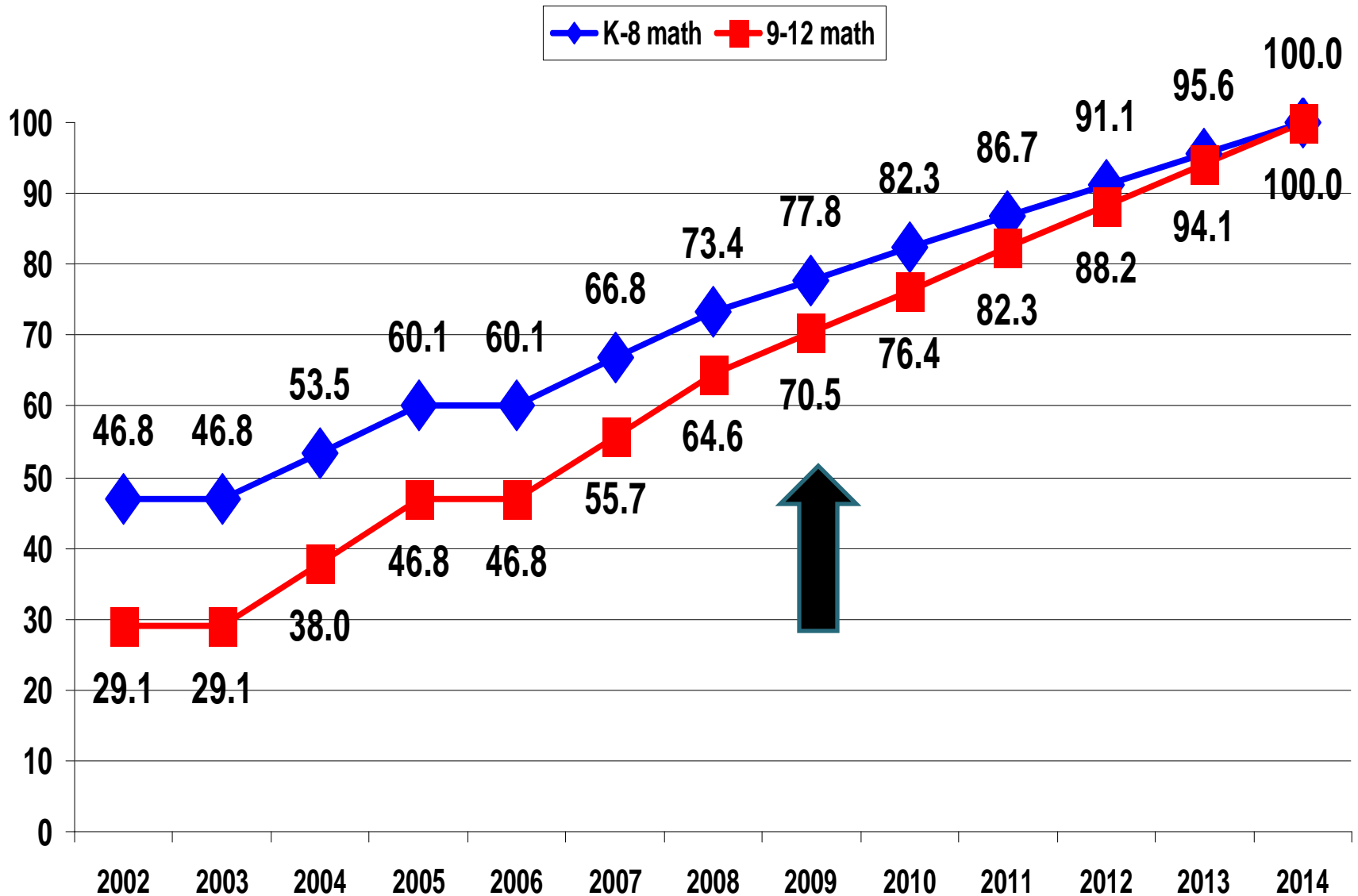
Educational Performance Requirements

- No Child Left Behind Act and Quality Performance Accreditation expectations continue to increase.

AYP Starting Point: Reading



AYP Starting Point: Mathematics





Educational Performance Requirements

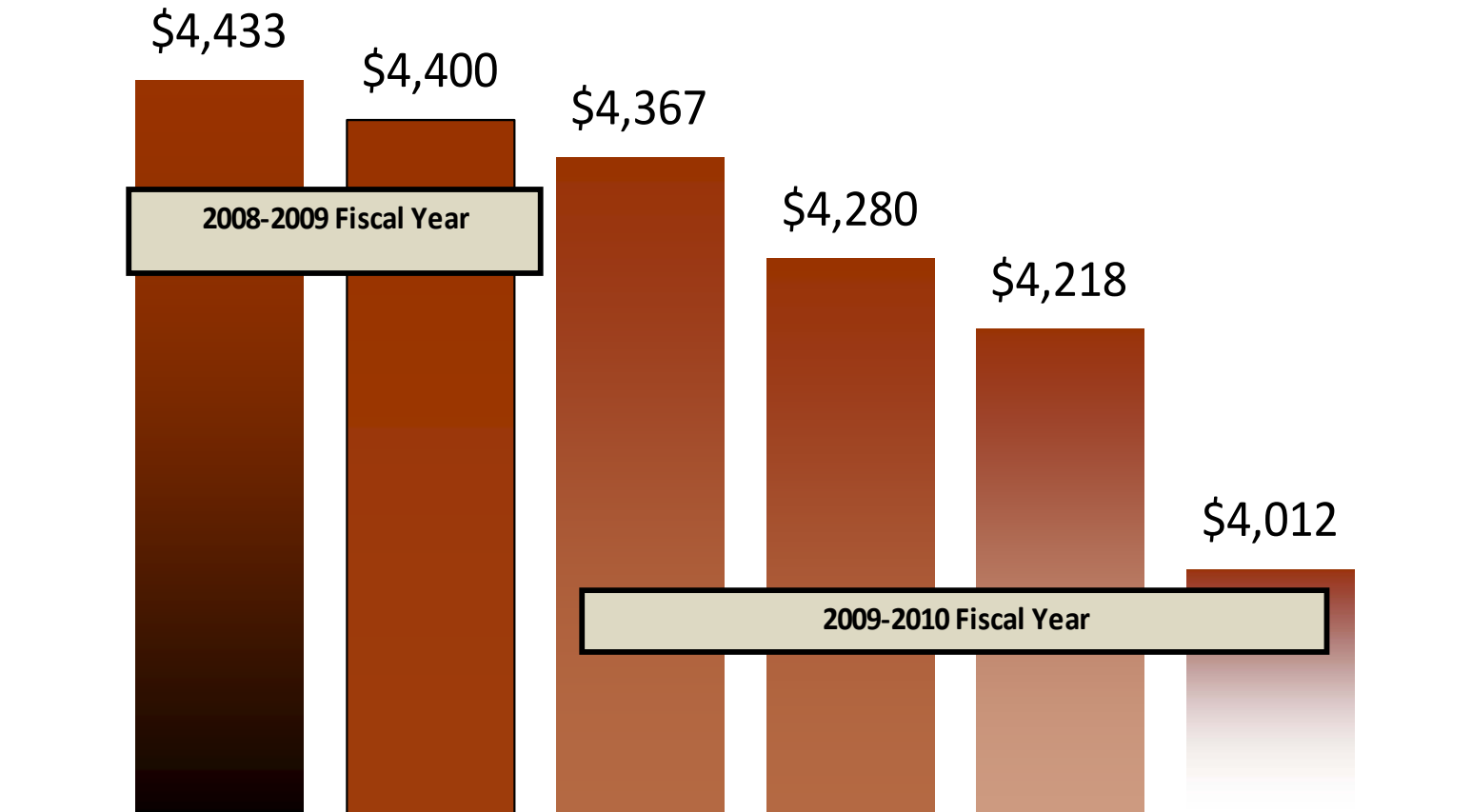
- Schools will be required to improve student performance by 20%, at the same time that Base State Aid Per Pupil could be reduced by as much as 20%.

*What does this mean to
Lawrence Public Schools?*



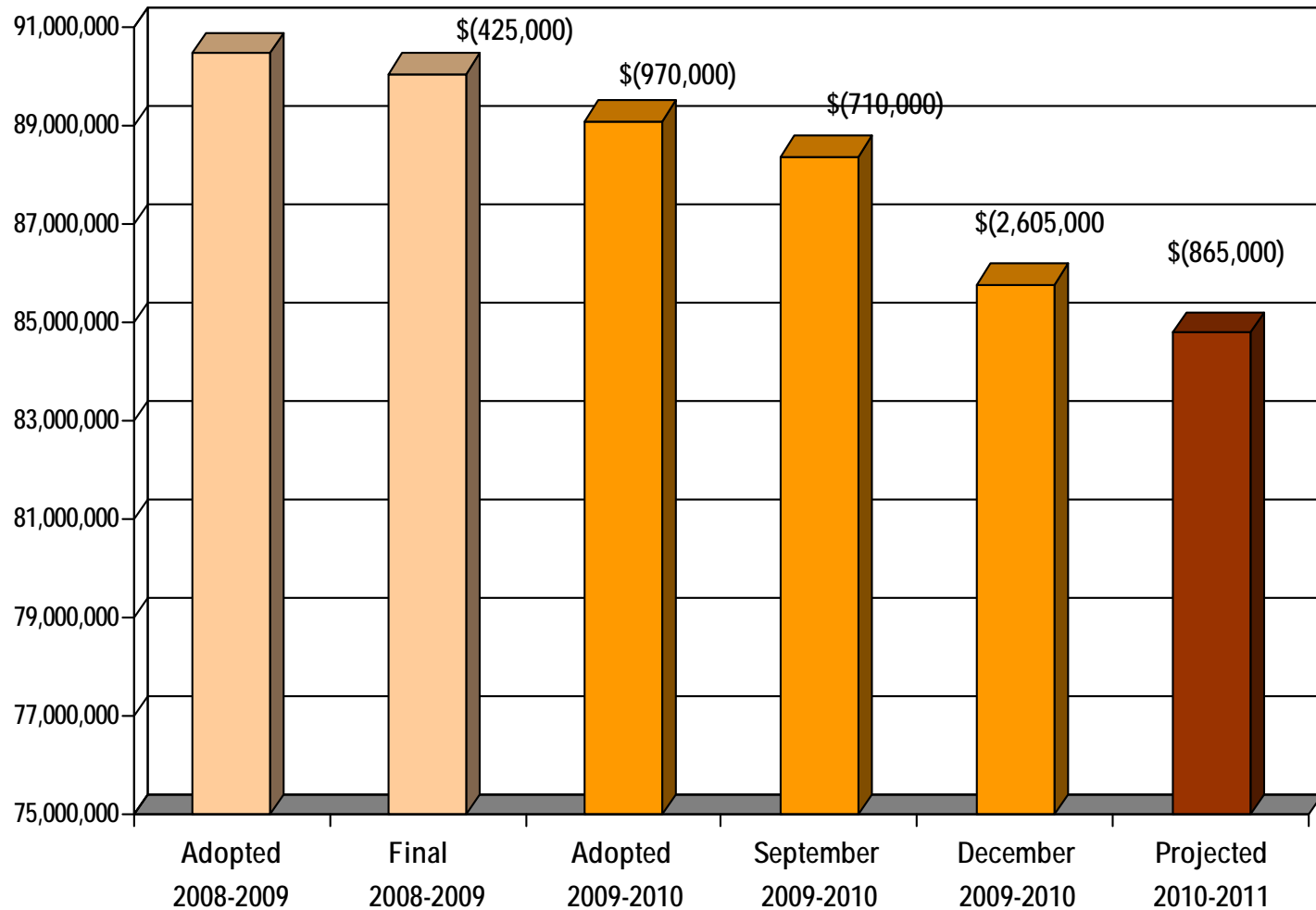
Change in Base State Aid Per Pupil during the past 12 months

■ Jan-09 ■ Feb-09 ■ Apr-09 ■ Jun-09 ■ Jul-09 ■ Nov-09



Base State Aid Per Pupil

Change in Budget Authority, 2009-10



Summary of 2009-10 Budget Authority Loss

Cumulative Budget Authority Loss since January 2009, impacting 2009-2010 fiscal year		4,710,000
2009-2010 Additional Expenditures		
Additional ESL Support Staff	84,250	
Employee Compensation Package	835,750	920,000
2009-2010 Budget Reductions		(2,500,000)
Budget Reductions necessary for 2009-2010 (Current Fiscal Year)		3,130,000



\$2.5 Million in 2009-10 Budget Cuts, Included:

Administration Reductions: \$399,087

- Eliminated 1 deputy superintendent position
- Eliminated 1 senior administrative assistant position
- Eliminated 1 Human Resources office assistant position
- Eliminated 1 mental health facilitator position
- Eliminated 1 Information Technology technician position
- Consolidated Library Media & Information Technology director positions
- Consolidated Human Resources/Payroll supervisor & operations coordinator
- Reduced Foundation/LEAP coordinator to half-time
- Reduced Foundation/LEAP non-wage budget by 50%
- Eliminated contract for enrollment projections consultant
- Reduced frequency of Organizational Health Survey
- Reduced contracted services for Human Resources recruiting
- Reduced contracts with employer cost requirement for KPERS Retirees



\$2.5 Million in 2009-10 Budget Cuts, Included:

Transportation Reductions: \$572,000

- **Saved transportation costs by offering English as a Second Language services at all secondary schools versus two cluster sites**
- **Reduced bus routes**
- **Eliminated transportation of students living less than 2.5 miles from school**

Facilities and Operations Reductions: \$655,053

- **Eliminated 15 custodial positions**
- **Eliminated 1 delivery driver position**
- **Eliminated 1 grounds/maintenance position**
- **Reduced custodial overtime**
- **Realized operational savings from installation of turf on athletic fields**
- **Saved transportation/rent by constructing district-owned high school outdoor athletic facilities**



\$2.5 Million in 2009-10 Budget Cuts, Included:

• Support Staff/Services Reductions: \$462,237

- **Eliminated district funding for WRAP mental health services**
- **Eliminated part-time district health services secretarial position**
- **Eliminated 2 high school secretarial positions**
- **Eliminated 2 high school security officer positions**
- **Reduced clerical aide support to elementary schools by 50%**
- **Reduced General Fund transfer to Parents as Teacher Program**
- **Reduced classified staff contracts to end before Memorial Day**
- **Discontinued payment of Professional Development School fees for 2 schools**

What is the Plan for the Current Year?

• **Remaining 2009-10 Shortfall: \$3,130,000.**

- **\$500,000**

- All departments and schools allocated only 50% of regular budgets.

- **\$500,000**

- Any unspent budget allocations and reduction of staff through attrition (such as school election budget, employee resignations left vacant, etc.)

What is the Plan for the Current Year?

• **Remaining 2009-10 Shortfall: \$3,130,000.**

• **\$2,130,000**

- Use cash reserves, primarily the Contingency Reserve Fund.
- More than two-thirds of school districts' cash balances are restricted to specific purposes by Kansas Statutes.
- Using cash reserves is only a one-time fix
- Using cash reserves delays the impact of cuts for one year.



What is the Plan for the Current Year?

Contingency Fund

- Kansas Statutes allow for a Contingency Reserve Fund not to exceed 10% of the General Fund Legal Maximum Budget Authority.
- Lawrence Public Schools' Contingency Reserve Fund Balance is \$6,550,148 (9.5% of General Fund Legal Maximum Authority) on June 30, 2009.
- The district's monthly payroll averages \$5.5 million.

Loss of Budget Authority for 2010-11

Budget Authority lost during 2009-2010		3,130,000
Additional authority reduction: the district is not expecting to qualify for the 3-year enrollment averaging in 2010-2011		865,000
Budget Reductions necessary for 2010-2011		3,995,000

- In addition, the district faces a potential increase in Health Insurance costs of \$1 million dollars, increasing necessary budget reductions to \$4,995,000.
- If the Governor's revenue proposal is not approved and the BSAPP is reduced another \$286 for 2010-2011, additional budget reductions of approximately \$3.7 to \$4 million dollars will be required.



Planning for 2010-11 Reductions

- **Class Size:**

- **Raising the Student-Teacher Ratio:**

- By one - \$1,100,000 (approx. 20 teachers)
- By two - \$2,000,000 (approx. 40 teachers)
- By three - \$2,900,000 (approx. 60 teachers)

- **School Closures**

- Cost-saving estimates range from \$460,000 to \$650,000 per elementary school.



Planning for 2010-11 Reductions

- **Program Reductions:**
 - Tier One - \$640,081
 - Tier Two - \$913, 845
 - Tier Three - \$771,633
 - Tier Four - \$713,384
- **Specific information about these reductions may be found at:**
 - <http://www.usd497.org/BudgetPlanning>



Planning Time Line for 2010-11

- **School Board Public Forums**
 - Feb. 9, 7 PM, South Junior High
 - Feb. 15, 7 PM, Southwest Junior High
 - March 1, 7 PM, Central Junior High
 - March 2, 7:30 PM, West Junior High
- **School Board Meetings**
 - February 22, 7 PM, 110 McDonald Drive
 - March 8, 7 PM, 110 McDonald Drive



Planning Time Line for 2010-11

- Statutory notification date for non-renewal of certified staff – May 1
- Final 2009-2010 budget authority notification – June 10
- End of 2009-10 fiscal year – June 30
- Beginning of 2010-11 fiscal year – July 1
- Publication of 2010-11 budget – July 19
- Enrollment count date for 2010-11 – Sept 20



Legislative Contact Information

- State Representatives

- <http://www.kslegislature.org/legsrv-house/searchHouse.do>

- State Senators

- <http://www.kslegislature.org/legsrv-senate/searchSenate.do>



Resource Information

- **KASB PowerPoint Presentation**
 - <http://www.kasb.org/videos/METVoiceover.mpg>
- **KASB Releases Statement on School District Balances**
 - <http://www.kasb.org/legis/cashbalances111709.doc>
- **Talking Points for Public Education**
 - <http://www.kasb.org/legis/2009/talkingpoints110909.pdf>
- **Questions for Legislators**
 - <http://www.kasb.org/legis/2009/legislatorquestions110909.pdf>