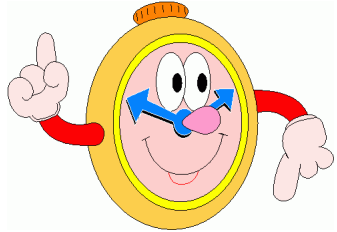




Budget Update

June 22, 2015



Budget Process Timeline - Tentative

June 8, 2015	Board of Education Meeting
June 18, 2015	Finance Advisory Committee (Review budget considerations for 2015-2016 and provide feedback for the Board)
June 22, 2015	Board of Education Meeting <ul style="list-style-type: none">• Budget report to board; final budget assumptions, legislative updates• NO State Budget meetings set, as of today• NO State Budget forms available, as of today
July 1, 2015	Board of Education Meeting <ul style="list-style-type: none">• Organizational Meeting
July 27, 2015	Board of Education Meeting <ul style="list-style-type: none">• Budget presented for Approval of Publication in LJWorld
August 10, 2015	Board of Education Meeting <ul style="list-style-type: none">• Budget Hearing• Budget Approval
August 25, 2015	Certification of Budget <ul style="list-style-type: none">• Kansas Department of Education• Douglas County Clerk

School Funding Block Grant SB7

2015-2016 budget will be built on a Block Grant formula.

Funding is no longer based on enrollment or special weightings that provide targeted funding to students of need, such as at risk, bilingual or vocational, etc.

Virtual Education enrollment will impact the block grant outside of the base amount. Those students are still funded on a per pupil basis.

Special Education weighting is outside the block grant and is not impacted at this time.

The block grant is to be in place for two years, until a new finance formula is written.



Virtual Funding changes under block grant

- ▶ Current Formula

- ▶ (105% of FTE enrollment) + (FTE enrollment of non proficient at risk pupils enrolled in an approved AR program X 25% + AP course FTE X 5%) = Total weighted FTE X Base State Aid Per Pupil (BSAPP)

- ▶ Revised Formula

- ▶ 2015-2016

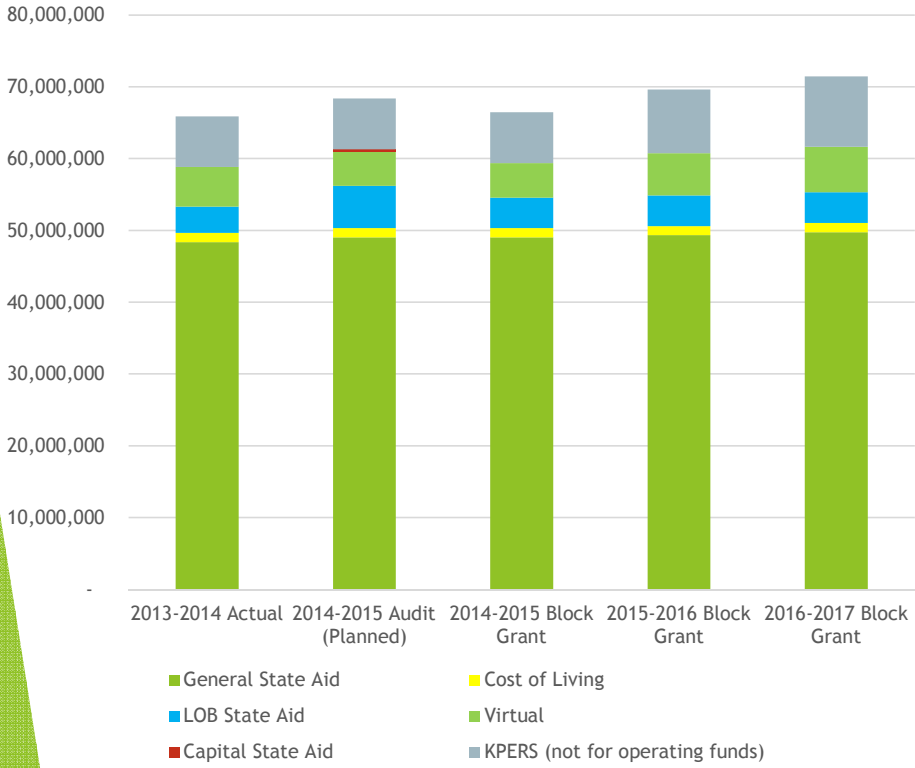
- ▶ Full time students 18 and under X \$5000
- ▶ FTE of part time students 18 and under X \$4045
- ▶ Students over 18, determine the number of one-hour credit courses pupil has passed and multiply the total number by \$933
- ▶ Add calculated amounts for total funds.

- ▶ 2016-2017

- ▶ Full time students 18 and under X \$5,600
- ▶ FTE of part time students 18 and under X \$1700
- ▶ Students over 18, determine the number of one-hour credit courses pupil has passed and multiply the total number by \$933
- ▶ Add calculated amounts for total funds.

Note: as with other special revenue funds, SB7 states “Amounts deposited in the virtual school fund may be transferred to the general fund of the school district as approved by the board of education.” This is the flexibility of funds at the board’s discretion

Block Grant Funding as being presented by KSDE and Legislature - Total Funding



DESCRIPTION	2013-2014 Actual	2014-2015 Audit-Planned	2014-2015 Block Grant	2015-2016 Block Grant	2016-2017 Block Grant
General State Aid	48,383,613	49,035,574	49,035,574	49,345,784	49,771,610
Cost of Living	1,280,922	1,290,420	1,290,420	1,290,420	1,290,420
Virtual	5,532,501	4,786,495	4,786,495	5,850,668	6,321,192
LOB State Aid	3,681,369	5,888,130	4,273,860	4,273,860	4,273,860
Capital State Aid	-	319,769	-	-	-
KPERS (not for operating funds)	7,024,817	7,081,796	7,081,796	8,876,991	9,822,416
Sub-Total	65,903,222	68,402,184	66,468,145	69,637,723	71,479,498

Budget Reductions and Funding Additions				Budget Additions			
Description	Dept	FTE	Amount	Description	Dept	FTE	Amount
Elementary Ratio		9.000	515,520	Elementary Ratio			
Elementary Contingency 10 to 8		2.000	114,560				
Middle School Ratio		5.500	315,040	Middle School Ratio			
Secondary Contingency 5 to 3		2.000	114,560				
High School Ratio		-	-	High School Ratio		4.100	234,848
Restructure in Technology - no director - replace with supervisor			50,000				
General Reduction of Expenses - Office	Security		775				
Reduce Software Services	Welcome Center		15,000				
Reduction to Wellness/Teachscape and other HR efficiencies	Human Resources		58,457				
Reduction to Wellness Coordinator	HR Wellness	1.000	25,533				
Vehicle Stipend	F&O		6,300	Custodian, Sunset Hill	F&O	0.375	12,000
General Reduction of Expenses (5%)	F&O		100,000	Custodian, Cordley	F&O	0.500	15,000
Adm Assist, eliminate (Vacant)	F&O	1.000	35,316	Custodian, Head College and Career	F&O	1.000	38,000
Instructional Resource Tech (resignation - no rehire)	T&L Instn Resource	1.000	31,211				
Administrative Assistant, Curriculum	T&L	1.000	44,282				
ESL Learning Coach vacant 3/9/2015	T&L ESL	1.000	54,314				
Nursing Stipends - Nurses teaching First Aid for Coach Requirement	T&L Nursing		750				
Nursing Stipends - Summer	T&L Nursing		750				
Restructure of Nursing Positions - average cost of a nurse 1.0 = 55,977	T&L Nursing	1.000	55,977	increase to HOA - exact need unknown - no request for addition done notes the average cost of 1 hour 10.995 with benefits use \$15.50	T&L Nursing	1.000	23,200
Instructional Materials allocate from Student Materials Revolving remove from General Fund	T&L Allocations		11,950				
Unencumbered Cash Health Reserves			584,962	Compensation and Benefits Certified	District		1,338,201
Increase budget authority virtual enrollment weighting formula -- estimated			1,064,173	Compensation and Benefits Administration	District		168,720
Use of Forfeitures to fund 403B employer benefit			105,538	Compensation and Benefits Classified	District		586,659
			\$ 3,304,968				\$ 2,416,628
Net Budget Reductions and Funding Additions in excess of Budget Additions			\$888,340	* Reductions will begin to phase down the gap of expenditures budgeted in excess of revenues - currently funded from cash reserves			

LOB -- Block Grant - SB7

	2014-2015 Planned	2014-2015 Block	2015-2016 Block	2016-2017 Block
LOB State Aid	5,888,130	4,273,860	4,273,860	4,273,860
Short Revenue		(1,614,270)		

The district has already received \$494,657 beyond the adjusted block grant LOB state aid and will likely have to return the funds to the State before June 30. There is some discussion about allowing districts to retain this overpayment, but final decision is still pending with the Legislature.

KSDE Code 8 Code 8 LOB State Form.pdf	Actual 2013-14	Audited 2014-15	Block 2014-15	2014-2015 Actual	Block 2015-16
Beginning Cash	2,299,539	1,791,387	1,791,387	1,791,387	744,928
Taxes, Local	19,342,726	17,108,977	17,108,977	17,832,131	18,628,319
State Aid	3,681,369	5,888,130	4,273,860	4,768,517	4,273,860
Resources	25,323,634	24,788,494	23,174,224	24,392,035	23,647,107
Expenditures (formula)	23,532,247	23,647,107	23,647,107	23,647,107	23,647,107
Ending Cash	1,791,387	1,141,387	(472,883)	744,928	-

Original estimate
18.095
Revised Estimate
17.345
1.25 mill increase

Mill Levy

17.8360

16.0950

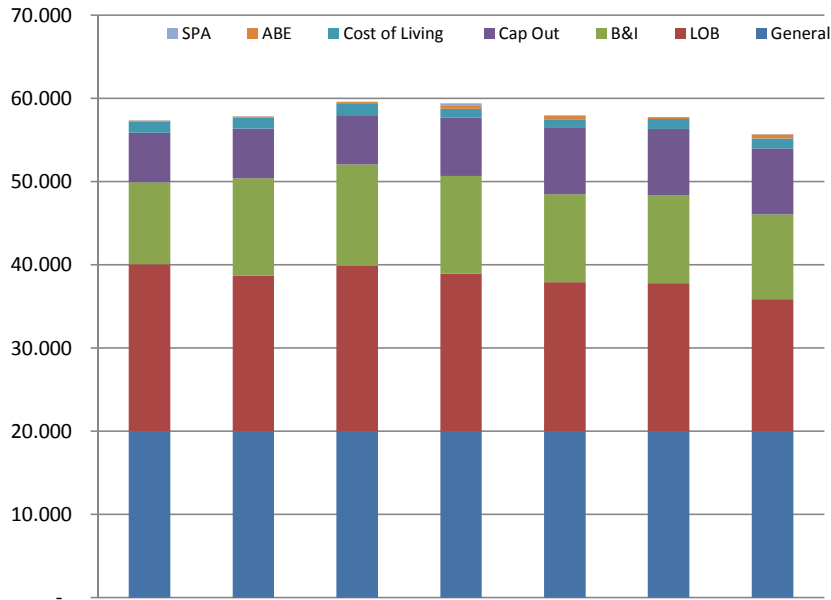
16.0950

* Assuming assessed valuation remains the same; collections are budgeted at the same 91%, and delinquency at 3.5%

There is no loss of budget authority in 2014-2015, but there is a loss of state aid revenue to fund that authority. The mill levy certified in October cannot be changed.

Options: Tax collections in excess of the budgeted 91% and any cash carryover will be used first, if they are not sufficient to fund the legal max LOB authority, a transfer from the contingency reserve fund would be required to offset any remaining shortfall.

For 2015-2016 a mill levy increase will be required to pick up the loss of LOB state aid. **It is estimated that the increase would be, at the high end, a 2.0 mill increase. Revision as of 6/22 a lower increase needed, assuming not returning the \$494,657 and some cash carryover.**



2015-2016 is strictly an estimate and is subject to change up or down once final county assessment, state budget forms, and other related budget information is received between now and July 27, 2015 when budget is approved for publication. As those are variables that impact the mill levy and are beyond our control.

7 Year Mill Levy Summary							ESTIMATE
Actual 2009-2010	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Actual 2013-2014	Actual 2014-2015	ESTIMATE 2015-2016	
General	20.000	20.000	20.000	20.000	20.000	20.000	
LOB	18.695	19.927	18.992	17.939	17.836	15.897	Est. 17.345
B&I	11.723	12.149	11.700	10.577	10.539	10.208	Est. 10.208
Cap Out	5.970	5.952	6.999	7.952	7.972	7.902	8.000
Cost of Living	1.325	1.320	1.105	1.058	1.192	1.185	1.185
ABE	0.149	0.248	0.400	0.398	0.249	0.494	0.250
SPA	0.032	0.050	0.242	0.081	-	0.066	0.050
Total	57.894	59.646	59.438	58.005	57.788	55.752	57.038
Mill Levy Increase	0.495	1.752	(0.208)	(1.433)	(0.217)	(2.036)	1.286

QUESTIONS

