



2016-2017 BUDGET PLAN

July 11, 2016
Board Of Education Meeting



Budget Process Timeline

- July 11, 2016 Board Meeting
 - Board reviews budget plan for 2016-2017

- July 20, 2016 KSDE Budget Workshop

- July 25, 2016 Board Meeting
 - Board reviews and approves Budget form code 99 for Publication in the Lawrence Journal World

- August 8, 2016 Board Meeting
 - Budget Hearing
 - Budget Approval

- August 25, 2016 Budget Certification
 - Kansas Department of Education
 - Douglas County Clerk





2016-2017 School Funding based on Block Grant

- 2016-2017 budget will be built on a Block Grant Formula, year 2 and final year of existing school finance formula.
- Under block grant funding no increase can be realized based on enrollment or special weightings that target 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 amounts. These students are funded on a per pupil basis. The funding was to have changed in 2016-2017 year, but during the Special Legislative Session it was decided to hold at 2016 funding level.
- Special Education weighting is outside the block grant and is not impacted at this time
- Local Option Budget State Aid will be funded based on the Old finance formula and not the block grant formula, which was found to be unconstitutional.
- Local Option Budget Authority remains flat under the block grant, no new authority can be realized.

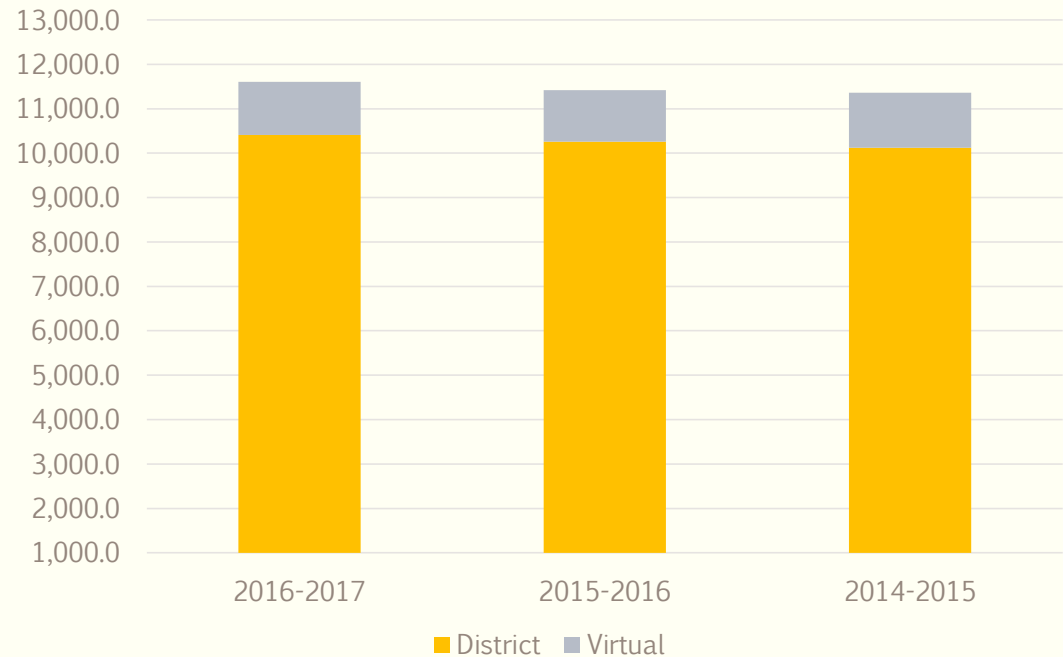
Enrollment Growth during Block Grant (FTE not Headcount)



Source: KSDE Enrollment Audit

- Before Block Grant funding the budget was based on FTE, *full time equivalency multiplied by a base state aid per pupil for the general fund and 33% of the general fund was a supplemental general fund.
- Block Grant Funding is Flat with no increase
- Student Enrollment FTE has grown over the past two years. No new funding has been provided by the State to cover the cost of educating the additional students.
 - 2014-2015 to 2015-2016 growth of 138.3 FTE
 - 2015-2016 to 2016-2017 estimated growth of 130 FTE total of 268.3 cumulative over 2 years.

*FTE	District w/o Virtual	Virtual	Total District
2016-2017	10,411.3	1,200.0	11,611.3
2015-2016	10,261.3	1,159.3	11,420.6
2014-2015	10,123.0	1,241.4	11,364.4





Virtual Funding Under Block Grant

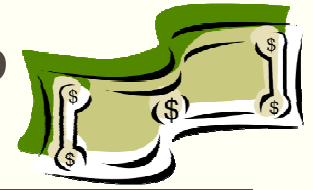
- 2015-2016 Block Grant Formula for Virtual Students
 - Full Time Students 18 and under FTE X \$5,000
 - Part Time Students 18 and under FTE X \$4,045
 - Students over 18, determine number of 1 hour credit courses pupil has passed and multiply the total credits by \$933.
 - Add calculated amounts for total funds

- 2016-2017 Block Grant Formula for Virtual Students BEFORE Special Session
 - Full Time Students 18 and under FTE X \$5,600
 - Part Time Students 18 and under FTE X \$1,700
 - Students over 18, determine number of 1 hour credit courses pupil has passed and multiply the total credits by \$933.
 - Add calculated amounts for total funds

2016-2017 Block Grant Formula for Virtual Students AFTER Special Session

- Remain at the 2016 (2015-2016) funding levels

What does the Virtual Funding Change mean to Lawrence USD#497?



	2015-2016 Enrollment	2015-2016 Funding	Estimated 2016-2017 Enrollment	2016-2017 Funding BEFORE Special Session	2016-2017 Funding AFTER Special Session
Full Time \$5,000	1,066	\$ 5,330,000	1,105	\$ 6,188,000	\$ 5,525,000
Part Time \$4,045	93.3	377,399	95.0	161,500	384,275
Over 18 Credits \$933	61.88	57,734	65	60,645	60,645
Total		\$ 5,765,133		\$ 6,410,145	\$ 5,969,920
Change				\$ 645,012	\$ 204,787
Loss from Planned Increase					(440,225)

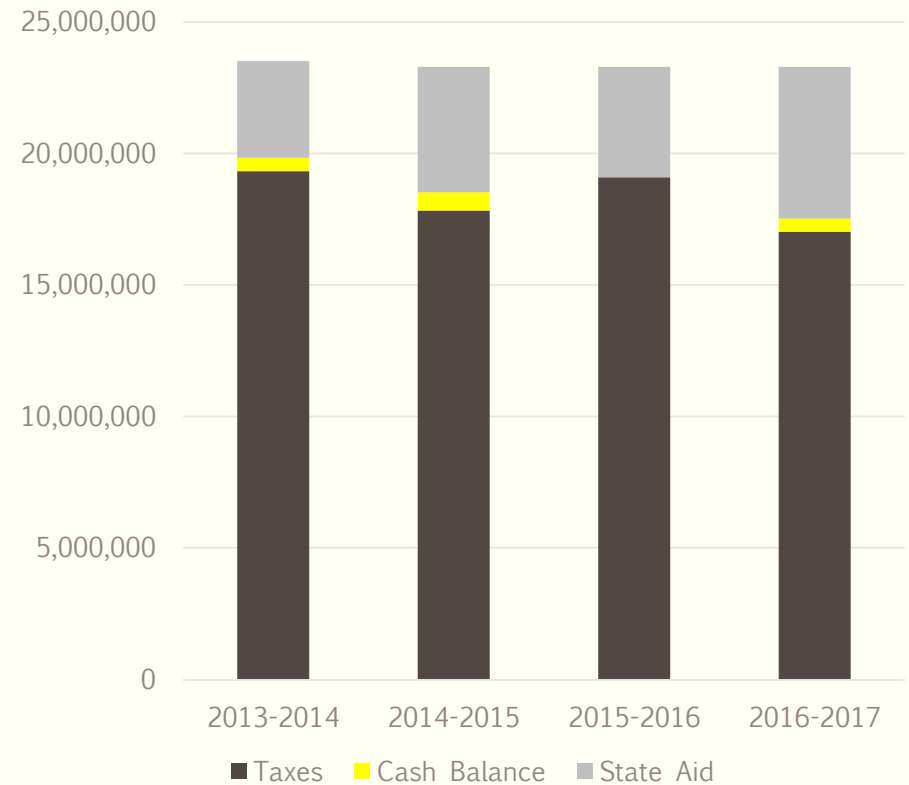
Note: As with other special revenue funds, the block grant bill (SB7) states, “amounts deposited in the virtual school fund may be transferred to the general fund of the school district as approved by the board of education.” this is the flexibility of funds at the board discretion, that was written into the block grant law.

Local Option Budget State Aid Change, result of Special Session

- The Supplemental General Fund also called the Local Option Budget (LOB), under the Block Grant is the same budget authority as 2014-2015 fiscal year.
- The revenue for this fund comes from two basic sources, State Aid and Local Taxes.

**When the Mill levy was set for this budget year the district expected and budgeted for \$5,985,375, but the state of Kansas reduced the amount mid-year, causing the district to use more cash reserves to fill the gap in lost revenue which triggered a higher mill levy in the following budget year to recoup the loss

	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimate
Budget	23,517,384	23,297,182	23,297,182	23,297,182
State Aid	3,681,369	**4,768,517	4,203,557	5,775,047
Taxes	19,327,863	17,832,131	19,093,625	17,022,136
Cash Balance	508,152	696,534	0	500,000
Total Legal Max	23,517,384	23,297,182	23,297,182	23,297,182
Mill Levy	17.836	15.897	17.373	15.873





Block Grant Funding for General Operating Expenditures

Description	2013-2014	2014-2015 Semi-Block	2015-2016 Block	2016-2017 Block
General State Aid	48,364,668	49,018,723	49,019,650	49,019,650
Less Extraordinary Needs Fund	n/a	n/a	(196,079)	(196,079)
Over Proration Enrollment FTE X \$25/was never funded	n/a	n/a	0	0
Cost of Living	1,290,336	1,290,420	1,571,491	1,600,000
New Facilities Weighting 2015-2017 – goes away after FY2017	0	0	619,787	619,787
New Facilities Weighting 2016-2017 – goes away after FY2017	0	0	0	620,172
Fort Hays State Weighting	7,676	3,852	-	-
Audit Adjustment	(3,449)	(2,925)	(7,815)	-
Virtual Enrollment Weighting	5,573,160	4,784,184	5,765,133	5,969,920
Sub Total General Fund State Aid	55,232,391	55,094,254	56,772,167	57,633,450
Local Option Budget (LOB) - Supplemental General Fund	23,517,384	23,297,182	23,297,182	23,297,182
Total Operating Budget General Fund & LOB	78,749,775	78,391,436	80,069,349	80,930,632
Change over prior budget year		(358,339)	1,677,913	861,283
% Change		(0.455%)	2.14%	1.07%



Block Grant Funding – Other State Aid Information

Description	2013-2014	2014-2015 Semi-Block	2015-2016 Block	2016-2017 Block-Estimates
General State Aid	55,232,391	55,094,254	56,772,167	57,608,450
Local Option Budget State Aid	3,681,369	4,768,517	4,203,557	** 5,775,047
Capital Outlay State Aid (Capital Expenditures)	0	177,300	0	656,309
Special Education State Aid (Special Education Services)	12,076,534	11,928,486	12,483,785	12,750,000
Bond and Interest State Aid (Bond Principal and Interest)	208,445	482,730	473,501	1,150,653
KPERS – State Share of School District Retirement	7,024,817	7,115,475	* 6,090,694	7,500,000

* State of KS only paid 3 quarters instead of 4 quarters due to unavailable State of Kansas Cash Flow

** Local Option State Aid increase does not generate additional budget authority, the district is at its maximum under the block grant, this will be property tax relief only, approximately 1.5 mill



Budget Plan for 2016-2017 – Additions and Reductions

Budget Considerations					
Description	Dept	FTE	Budget Addition or New Costs	Budget Reduction or New Resources	Comments
Compensation Package for all employees					
Compensation Package Certified	All		829,988		
Compensation Package Supplemental Assignments	All		3,490		
Compensation Package Extra Duty and Curriculum Pay	All		-		
Compensation Package Classified	All		309,484		
Compensation Package Administration	All		87,718		
Health Fringe Benefit	All		-	-	Rates will be same as 2015-2016 in 2016-2017
Staffing Changes					
College and Career Advisor (Admin. Intern)	High School	1.00	55,000		
Building Support Technicians - restructure with Technology Dept	Technology	2.00	120,000		Support for Learning Forward, Future Ready
Custodial Staffing Increase	Facilities and Operations	0.78	23,250		LC&CC and add'l square footage at elementary
Classroom Elementary FTE	Elementary	(8.00)		464,440	
Classroom Middle School FTE	Middle School	(4.00)		232,220	
Classroom High School FTE	High School	(5.00)		290,275	
Nurse	District Wide	(1.00)		42,975	Nurse Retirement
Health Office Attendent	District Wide	1.00	26,600		Maintain full coverage in Nurse Offices
Secretary (1.0 each school)	HS/MS	3.50		105,000	
F&O Trades Salaries From GF to CO up to amt of new CO State Aid	Facilities and Operations			656,309	Under updated CO resolution this is allowable
Administration compensation pool from staff turnover				52,000	Reallocation of Funding
Classified compensation pool help with hot spots such as hard to fill and higher turnover areas.	District		52,000		Reallocation of Funding
Non Wage					
Transportation Contract	District		200,000		
Utilities	District		100,000		
Technology District Wide Support	Technology		205,000		
Digitize document files and migrate to Document 360 Storage	Human Resources		20,000		
Wellness Programming	Human Resources			7,000	
Professional Services for Danielson Evaluation Training	Human Resources			21,000	
Enrollment Center (Online enrollment via Skyward)	Enrollment Center			20,000	
					Net (Adds)/Savings
	Budget Considerations		\$ 2,032,530	\$ 1,891,219	\$ (141,311)
	With Resources Considered		\$ 2,079,530	\$ 1,938,219	\$ (141,311)
<i>Deficit Spending</i>			6,706,989		<i>Per Board Report 02/08/2016</i>
	With Deficit Spending		\$ (6,848,300)		<i>Actual year end deficit will be updated to board 07/25/2016</i>

QUESTIONS

