

# BUDGET

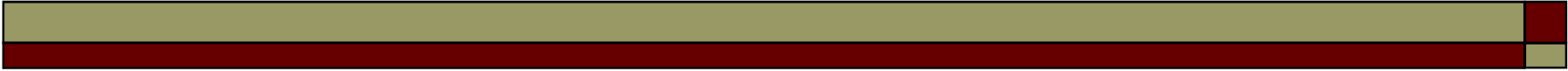
USD#497

LAWRENCE PUBLIC SCHOOLS

---

2013-2014

July 22, 2013



# Calendar of Board Action

## Approving for Publication

### July 22, 2013

---

The Board will approve tonight, for publication in the local newspaper, the maximum budget authority and mill levy USD#497 could have for the 2013-2014 fiscal year. This is a high level view of the budget authority maximums for individual fund budgets and the mill levies for the 7 (seven) tax levy funds. The form approved is Code 99 for this action item. Levied Funds include:

General Fund	Capital Outlay Fund
Supplemental General Fund (LOB)	Bond and Interest Fund
Adult Basic Education Fund	Special Assessment Fund
Cost of Living Fund (COLA)	

The budget authorities support budget directions given by the Board to administration. This includes additions, reductions, staffing and program decisions made at previous board meetings throughout the fiscal year or in previous fiscal year of which continued programming was established.

The General Fund and Supplemental General Fund (LOB) and a few of the restricted Special Revenue Funds are formula driven by the State.

Special Revenue Funds not driven by a set State Formula are budgeted high to ensure there is enough authority for programs, if new funding or a change of programming were to occur mid year. This is a budget best practice at the direction of the Kansas Department of Education School Finance Division.



# Future Calendar of Board Action

---

## Budget Hearing

August 12<sup>th</sup>, 2013 at 7:00pm  
ESDC 110 McDonald Drive

## Approve Budget

August 12<sup>th</sup>, 2013 at 7:00pm Board Meeting  
*Total Budget Authority and Maximum Mill Levy*

## Final Budget Document

Due August 25, 2013 to County and KSDE

*A copy of the final document will be provided to the Board of Education after the 25<sup>th</sup>.*



# 2013 Legislative Session Highlights

- 
- SB23: School Finance; Mill Levy Reauthorization; Financial Reporting Requirements; Military Student County; Ancillary School Facilities Tax
    - Continuation of the 20 Mill State Wide Levy for general fund, extended through 2014-2015 along with the continuation of the \$20,000 residential property tax exemption.
    - Districts will be required to post on their websites the budget summary for the current school year and actual for immediately preceding two school years showing total net transfers and amounts spent per pupil by specific function, disaggregated to show the per – pupil revenue amounts from local, state and federal sources. – Available after the Budget is approved in August
    - Continuation of the Military Student Second count (February 20) N/A to Lawrence
    - Continuation of Ancillary School Facilities Tax – N/A to Lawrence (Tax Board Appeals)
    - Capital Outlay: New “uses” prerequisite the State must first fully fund at 100% of the amount a district is entitled to receive at a cost to the State of approximately \$25.2 million (currently the state is funding zero) and the District must have a new resolution allowing for the new uses. 2013-2014 is year 3 of our existing 5 year resolution.
      - New Uses include: using capital outlay for school district property/equipment maintenance, various equipment for academic uses, computer software, performance uniforms (Examples: band, athletics)

HB2059: Adjustments to Sales and income tax laws – this impacts the State General Fund where education is funded

- Sales and use tax, state portion only will go from 6.3% to 6.15%
- Income tax provisions for individual income taxpayers were adjusted through rates/standard deduction, etc.



# 2013 Legislative Session Highlights

---

□ **SB128: Career and Technical Education**

- CTE incentive program, amends to specify a student must obtain an industry-recognized credential in one of the certain specific occupations (a criterion for a school district or community or technical college to receive an incentive award) must be completed prior to graduation from high school or by December 31 immediately following graduation.

□ **HB2109: Children's Internet Protection Act**

- Creates the Children's Internet Protection Act, requiring technology protection measures implemented and enforced at both the school district and public library levels. The bill requires any school district that provides public access to a computer implement technology protection measures to ensure no minor has access to visual depictions that are child pornography, harmful to minors or obscene. School District boards of education are required to adopt policies to enforce this provision.



# 2013 Legislative Session Highlights

---

- **HB2261: Requires School Districts to celebrate Freedom Week; Extension of Fund Flexibility; Bullying Policies**
  - **Celebrate Freedom Week:** The third week of September, districts are required to celebrate freedom week and teach about the Declaration of Independence. (K-8) The State Board of Education will provide direction on the curriculum for teaching this.
  - **Fund Flexibility:**
    - The bill allows a school district to continue to transfer unencumbered cash balances for 2013-2014 school year and each school year thereafter for general operating expenses of the district from each of the following funds: At Risk, Bilingual, Contingency, Professional Development, Summer School, 1/3 Textbook and Student Materials. 1/3 Special Education, Virtual Education and Vocational Education. The maximum amount allowed to be transferred from the unencumbered funds cannot exceed \$250 X adjusted enrollment of the district.
      - The bill states the Public Policy Goal of the State of Kansas is at least 65% of the aggregate of all unencumbered balances authorized for expenditure by the bill can be expended in the classroom or for instruction as defined in KSA 72-64c01
    - The bill removes any cap from the Contingency Reserve Fund, beginning July 1, 2013. Thru June 30, 2013 the cap is 10%
    - Districts are to provide an unencumbered cash report, for the funds designated in the Statute, to State Board of Education and School Board of Education in July.
  - **Bullying:** The bill amends current law related to school district policies on bullying.
    - Currently law only applies to students and/or staff, this amendment extends to parents. All districts are required to update policies for this change and include plans to address bullying.



# Budget Assumptions

---

- BSAPP of \$3,838 remains the same as 2012-2013
- A LOB authority of 31% of the General Fund is being used
- The COLA ~ cost of living funds used will be similar to past years, in the amount of \$1,290,500
- Capital Outlay Fund is shown at the a maximum mill authority of 8.00 mill
  - 2012-2013~7.952 mill of the 8 mill authority was levied
  - 2011-2012~6.999 mill of the 8 mill authority was levied
- Adult Basic Education levy is at .25 of a mill, the allowable maximum authority is .5 mill
  - 2012-2013~ mill of the .398 mill authority was levied
  - 2011-2012~7 mill of the .4 mill authority was levied
- Special Assessment and Bond and Interest are at the levy required to fund future obligations
  - Bond and Interest will remain flat at 10.577 mill, the same 2012-2013 and as was promised in the 2013 Bond campaign
- Valuation Estimate are based on County provided estimates for 2013-2014 and are basically flat but do have a slight increase of less than 1% .



# Budget Assumptions

---

- Special Education, the teacher and para-educator FTE estimate is slightly higher than 2012-2013. The teacher reimbursement rate decreased from \$28,275 to \$27,750 per teacher FTE /40% of the amount per Para-educator FTE
- FTE (Full time equivalency) base enrollment projections reflect an increase of 190 FTE, increasing both General Fund and supplemental General Fund (LOB)
- Staff estimates an increase in Virtual School students of 144.9 FTE, the budget was published for an increase of 234.9 FTE.
- Staff estimates approximately the same free application count for 2013-2014 as in 2012-2013 of 3,358. This count is used to calculate the At Risk weighting for at risk funding. If the status, after 9/20, is found to “not qualify” it must be removed from the count and the funding will be reduced.
- The estimate for Vocational Education weighting is published at an increase of 235.9 contact hours/ 13.3% which equates to 19.7 FTE published increase.
- The estimate for Bilingual Education weighting is published at an increase of 182.1 contact hours/ 7.85% which equates to a 12.0 FTE published increase.

All projected FTE increases are “soft” until after the official September 20th count and ultimately the final KSDE audit confirmation in April 2014.





## SPECIAL REVENUE FUNDS

---

- ❑ Food Service Fund
- ❑ Vocational Education
- ❑ Special Education
- ❑ Drivers Training
- ❑ Summer School
- ❑ Adult Supplemental Fund
- ❑ Virtual School
- ❑ Professional Development Fund
- ❑ Bilingual Education
- ❑ Parents as Teachers Fund
- ❑ KPERS Special Liability Retirement Fund
- ❑ At Risk K-12
- ❑ At Risk 4 Year Old



# Other Special Revenue Funds

---

- ❑ Federal Funds
- ❑ Gifts/Donations/Bequests
- ❑ Textbook/Student Materials Revolving Fund (non-budgeted)
- ❑ Health Care Reserve Fund (non-budgeted, per state)
- ❑ Work Comp Reserve Fund (non-budgeted, per state)
- ❑ Contingency Reserve Fund (non-budgeted, per state)
- ❑ Activity Fund (non-budgeted, per state (new 11-12))

# Summary of Budgeted Special Revenue Funds

<b>FUND</b>	<b>2011-2012 Actual</b>	<b>2012-2013 Actual</b>	<b>2013-2014 Budget</b>
Adult Supplemental	0	0	25,981
Bilingual Education	648,116	615,137	675,000
Virtual School	5,173,935	5,316,576	6,800,000
Driver Training	33,154	24,015	141,000
Food Service Fund	4,545,606	4,734,510	6,000,000
Professional Development	330,803	467,507	700,000
Parent Education Program	121,577	147,393	235,000
Summer School	14,141	10,590	150,000
Special Education	19,423,788	20,279,366	23,000,000
Vocational Education	1,453,748	1,574,583	2,000,000
At Risk (4 Year Old)	493,553	498,002	815,000
At Risk (K-12)	4,391,383	4,834,876	6,455,000
KPERS Retirement	6,798,202	6,206,550	7,385,795
Federal Funds	2,706,862	2,379,576	2,527,965
Local, Gifts/Grants	234,654	269,438	1,001,196

Page 2- Summary of non-budgeted Special Revenue Funds

<b>FUND</b>	<b>2011-2012 Actual</b>	<b>2012-2013 Actual</b>	<b>2013-2014 Budget</b>
Special Reserve Fund			NA
Work Comp/Health Ins	8,465,485	8,604,561	
Textbook and Student Materials Revolving Funds	782,960	963,257	NA
Activity Fund	1,459,031	1,186,399	NA
Contingency Reserve	5,072,403	64,347	NA
<b>TOTAL Special Revenue Funds</b>	<b>62,149,401</b>	<b>58,176,683</b>	<b>57,911,937</b>



# MILL LEVY FUNDS

---

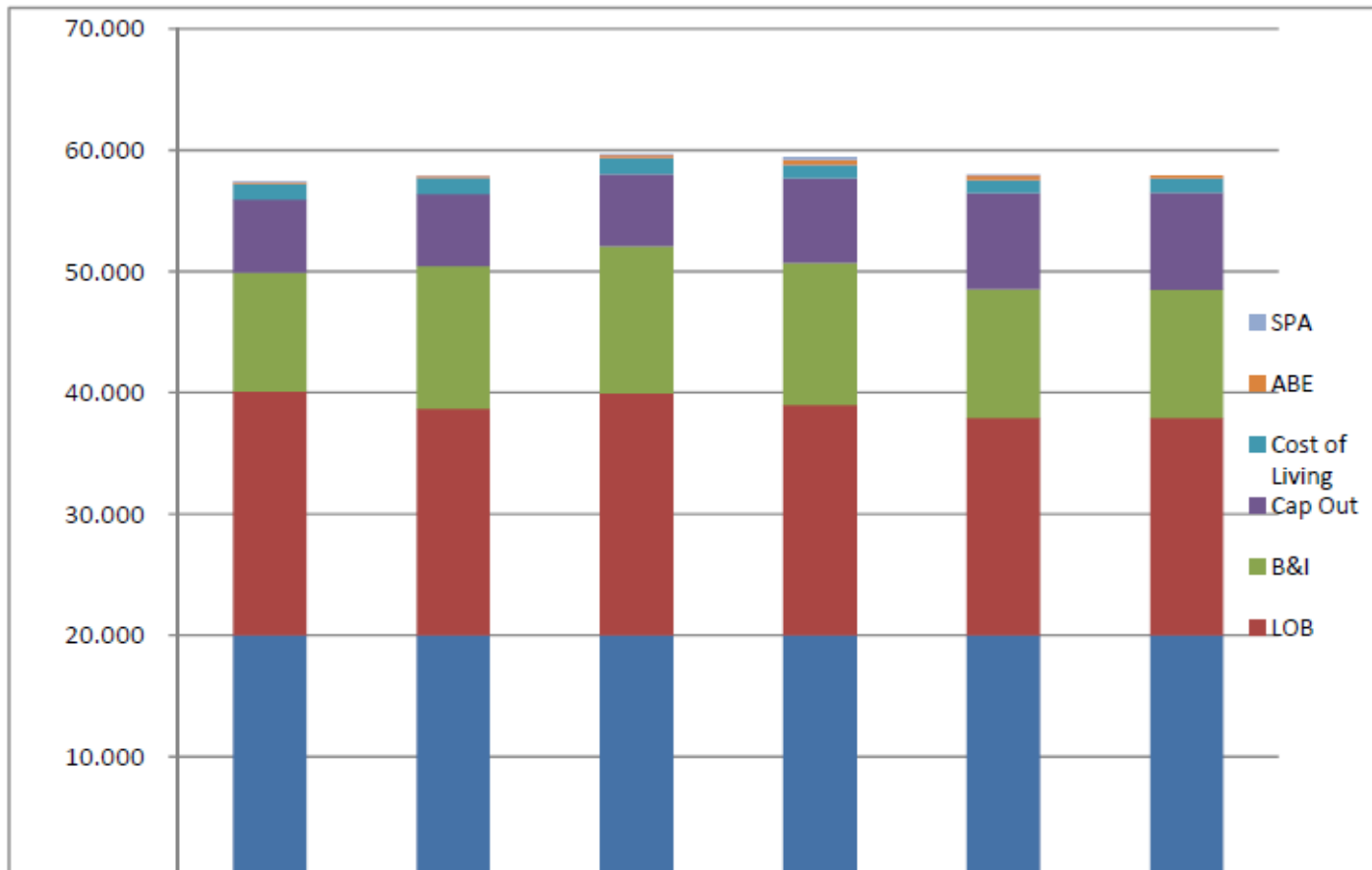
- OPERATING FUNDS
  - General Fund
  - Local Option Budget
- OTHER LEVIED FUNDS
  - Bond and Interest Fund
  - Capital Outlay
  - Special Assessments
  - Adult Basic Education
  - Cost of Living (COLA)

## Summary of Levied Funds

<b>FUND</b>	<b>2011-2012 Actual</b>	<b>2012-2013 Actual</b>	<b>2013-2014 Budget</b>
General Fund	67,048,507*	66,892,972	68,468,769
Local Option	22,446,041	22,944,555	23,940,133
COLA	1,276,842	1,290,950	1,290,500
Capital Outlay	8,730,056	5,338,824	16,985,000
Bond & Interest	11,993,873	11,817,760	11,113,235
Adult Basic Education	368,725	378,984	620,000
Special Assessments	96,415	67,689	300,000
<b>Total Levied Funds</b>	<b>111,960,459</b>	<b>108,731,734</b>	<b>122,717,637</b>

*\* Includes Legal max budget plus \$3,000,000 budgeted transfer from contingency.*

6 Year Mill Levy Summary						
	Actual 2008-2009	Actual 2009- 2010	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Budget 2013-2014
General	20.000	20.000	20.000	20.000	20.000	20.000
LOB	20.103	18.695	19.927	18.992	17.939	17.898
B&I	9.814	11.723	12.149	11.700	10.577	10.577
Cap Out	5.992	5.970	5.952	6.999	7.952	8.000
Cost of Living	1.308	1.325	1.320	1.105	1.058	1.196
ABE	0.150	0.149	0.248	0.400	0.398	0.250
SPA	0.032	0.032	0.050	0.242	0.081	-
<b>Total</b>	<b>57.399</b>	<b>57.894</b>	<b>59.646</b>	<b>59.438</b>	<b>58.005</b>	<b>57.921</b>
Mill Levy Increase		0.495	1.752	(0.208)	(1.433)	(0.084)



## Summary of all Funds

<b>FUND</b>	<b>2011-2012 Actual</b>	<b>2012-2013 Actual</b>	<b>2013-2014 Budget</b>
Special Revenue Funds	62,149,401	58,176,683	57,911,937
Total Levied Funds	111,960,459	108,731,734	122,717,637
Grand Total	174,109,860	166,908,417	180,629,574
Less Transfers	47,744,028	40,941,775	31,844,868
USD#497 Expenditures	126,365,832	125,966,642	148,784,706

Note: Budget Authority of all funds is set high enough that the board does not have to republish, levy funds cannot be re-published.





# Future Calendar of Board Action

---

## Budget Hearing

August 12<sup>th</sup>, 2013 at 7:00pm  
ESDC 110 McDonald Drive

## Approve Budget

August 12<sup>th</sup>, 2013 at 7:00pm Board Meeting  
*Total Budget Authority and Maximum Mill Levy*

## Final Budget Document

Due August 25, 2013 to County and KSDE

*A copy of the final document will be provided to the Board of Education after the 25<sup>th</sup>.*