

**MINUTES OF THE MEETING OF THE BOARD OF EDUCATION  
OF DISTRICT 497, HELD IN THE LAWRENCE PUBLIC SCHOOLS  
INTERACTIVE TECHNOLOGY CENTER,  
EDUCATIONAL SUPPORT AND DISTRIBUTION CENTER,  
110 McDONALD DRIVE, IN THE CITY OF LAWRENCE**

**August 7, 2017**

**CALL TO ORDER**

At 5:01 p.m., Board President Shannon Kimball called to order the special meeting of the Board of Education.

**APPROVAL OF AGENDA**

Upon a motion by Vanessa Sanburn, seconded by Jessica Beeson, the board voted, in a unanimous voice vote, to approve the agenda.

**ROLL CALL**

<b><u>Board Members Present</u></b>	<b><u>SLT Members Present</u></b>
Shannon Kimball, president	Anna Stubblefield, superintendent of schools
Jessica Beeson, vice president	David Cunningham, executive director, human resources/chief legal counsel
Jill Fincher	Julie Boyle, executive director, communications
Marcel Harmon	Kathy Johnson, executive director, finance
Melissa Johnson	Paula Murrish, executive director, nutrition & wellness, printing & purchasing
Vanessa Sanburn	Dawn Downing, deputy clerk
<b><u>Board Member Absent</u></b>	
Rick Ingram	

<b><u>Others Present (Including Administration and Staff)</u></b>			
Renee Babin	Anne Bailey	Tom Barker	Shakiyya Bland
Jason Bott	Stephne Bowen	Sara Bonner	Alicia Cole
Lucinda Crenshaw	Megan Epperson	Amy Farmer	Laurie Folsom
Chris Friedl-Buckland	Pam Gibbs	Catherine Glidewell	GR Gordon Ross
Lori Greenfield	Brenda Hatesohl	Chris Heider	Joanna Hlavacek
Abby Hoffman	Alan Hollinger, Jr	Terri Johnson	Arla Jones
Kelly Jones	Margaret Jones	Christy Kelly	Cory Kramer
Kim Kreicker	Kris Leggins	Linda Longino	Beth Maloun
Catherine Martin	Laura ONeil	Jeff Plinsky	Pamela Powers
Julitha Rials	Sarah Rossillon	Julie Schwarting	Josh Spradlin
Jaime Stancliffe	Joyce Tallman	Sandra Walker	Ericka Waller
Joni Weiss	CB Whalen	Margaret White	Maria Wiedeman

## **President Commentary**

President Shannon Kimball shared with the board members regarding the upgraded technology in the board room that if they are talking into the microphone and it sounded muffled that they were too close and would need to sit back.

President Kimball thanked Kathy Johnson, executive director of finance, for all her hard work in order to be prepared for today's meeting, as she had only recently received the state budget forms. In addition, President Kimball announced that the floor would be open for public comment after Mrs. Johnson's budget report.

## **Reports & Approvals~**

Kathy Johnson, executive director of finance, provided information regarding the 2017-18 budget. The information is being shared now in order to be approved for publication. The district is required to publish the budget 10 days in advance of a public budget hearing and final approval. As such, there is another Special Board Meeting planned for 5:30 p.m. on August 22, 2017, for the public budget hearing and budget approval. The budget must be certified with the county and Kansas State Department of Education (KSDE) by August 25, 2017.

The 2017-2018 budget will be built based on the prior fiscal year's audited enrollment, with Kindergarten students counted as 1.0 FTE instead of .50 FTE for funding. The current Base State Aid Per Pupil is \$4,006.

Mrs. Johnson reviewed the fund types that comprise the budget-

- Mill Levy Funds
    - Operating Funds (General Fund, Local Option Budget)
    - Other Levied Funds (Bond & Interest Fund, Capital Outlay, Special Assessments, Adult Basic Education, Cost of Living (COLA))
  - Special Revenue Funds
    - Adult Supplemental
    - Bilingual Education\*
    - Virtual Education\*
    - Drivers Training
    - Food Service
    - Professional Development Fund
    - Parent Education
    - Summer School
    - Special Education\*
    - Career and Post-Secondary Education (Vocational)\*
    - Federal Funds
    - Gifts and Grants
    - KPERs Special Liability Retirement Fund
    - At Risk K-12\*
    - At Risk 4 Year Old\*
  - Other Special Revenue Funds
    - Textbook/Student Materials Revolving Fund
    - Special Reserve Fund (Health Care/Work Comp Reserves)
    - Contingency Reserve Fund
    - Activity Funds (not inclusive of student organizations/clubs)
- \*Weighted funds*

The budget reflects a tax increase of 3.5 mills. A mill is \$1 of taxes for every \$1,000 of assessed value of property. After three years of flat funding under the state's block-grant system, the Kansas Legislature approved a change in the school finance formula, Senate Bill 19, causing a 1.2 million loss in state aid and a corresponding spike in Local Option Budget authority requiring a 2.3 mill increase in local revenue.

The remaining 1.2 mill increase is the result of a district decision to sell this year only half of the bonds approved by voters in May for \$87 million in secondary school facility improvements. By waiting to sell the other half of the bonds in 2018-19, when the remaining funds will be needed for school construction, the board can reduce the tax impact to its Bond and Interest Fund from an estimated 2.4 mills to 1.2 mills this year.

With the new formula, USD 497 is scheduled to receive \$6,170,637 in new revenue. The board has tentatively approved net additions and budget expenditures in the amount of \$6,080,741 to use for professional development, classified market study implementation, certified staffing, ESL FTE, contingency at elementary and middle school, Farm 2 school garden programs, instructional resources, technology-licensing/professional services, COLA adjustment and internet/utility usage. .

Mrs. Johnson also shared that school districts must budget "high" for authority, and cannot spend more than the published amount, even if there are revenues that would allow the district to exceed it. To exceed the maximum authority, the budget would have to be republished, and in some cases, certain levied funds cannot be republished. If a published budget authority is exceeded, beyond any reimbursement income, it is a statutory violation and is a financial red flag when agencies such as Moody's review audited financials for bond ratings. Form Code 99 sets the maximum budget authority and maximum mill levy.

Mrs. Johnson reviewed the funds and provided the 2017-18 General Fund and LOB Legal Max as follows-

• 2017-18 General Fund	\$62,548,577
• 2017-18 Special Education	\$13,418,500
(Total 2017-18 SB19 Formula Calculation)	\$75,967,077
• 2017-18 Local Option Authority	\$25,318,297
<b>TOTAL</b>	<b>\$101,285,374</b>

Upon a motion by Vanessa Sanburn, seconded by Jessica Beeson, the board voted, in a 6-0 roll call vote, to approve publication of the legal maximum authority of \$101,285,374 for the 2017-18 budget as proposed. Thus, establishing the maximum amount of taxes to be levied at 56.863 mills.

The budget report can be assessed online at [www.usd497.org/schoolboard](http://www.usd497.org/schoolboard) and a video of the budget presentation by USD 497's Executive Director of Finance, Kathy Johnson, on YouTube at <https://youtu.be/7zamXSg4t68>.

### **PATRON COMMENTARY**

Sandra Walker, physical education teacher at South Middle School, thanked the board, Kathy Johnson, and asked that the board make staff salaries a priority this year, stating that she had not had a significant increase in salary since the 1980's.

**ADJOURNMENT**

At 6:17 p.m., a motion was made by Vanessa Sanburn, seconded by Melissa Johnson, to adjourn the special meeting of the Board of Education. The motion passed by a unanimous voice vote.

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Dawn Downing  
Deputy Clerk, Board of Education