



# Budget Report

BOARD OF EDUCATION MEETING

April 27, 2020

## Overview

The purpose of this budget report is to update the Board of Education on the budget planning process for 2020-2021.

The report will provide an update on various items that impact financial planning for the school district's 2020-2021 budget year.

- Legislative action to date that impacts financial planning for the school district.
- CARES Aid
- State revenue estimates
- Budget Program and Evaluation Committee
  - Budget items discussed and reviewed
  - Budget considerations, additions, and reductions discussed
  - Budget priority exercise of additions and reductions
  - Consensus by the Budget and Program Evaluation Committee presented for board consideration and approval
- Motion to approve budget additions and reductions for 2020-2021 budget year.

## LEGISLATIVE UPDATE

On March 25, 2020, Kansas Governor Kelly signed the FY2021 State Budget. The Governor's budget provides for:

- Funding education at the Base State Aid Per Pupil amounts passed by the Kansas Legislature and approved by the Kansas supreme Court in the Gannon case. BSAPP FY2020 \$4,436; FY2021 \$4,569
- an increase of \$7.5 million in funding for special education, state-wide, in FY2021
- continued financing of all out-of-pocket costs for high school students to take the ACT or WorkKeys tests once during their high school career.
- Continued funding of Parents Education Program (PAT) for FY2021 from the Children's Initiatives Fund.
- Continued funding of professional development at the current level
- Continued funding of mentoring at the current level
- Continued funding of early childhood programs at the current level

The sunset of the high-density at risk weighting was extended to 2022. It was set to expire June 30, 2020.

### **CARES Aid**

The Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted on March 27, 2020, and includes Elementary and Secondary School Emergency Relief Funds for K-12 schools. These grants are supplemental and to be used to enhance services typically provided using existing state, federal and local funds to provide emergency services to students as result of the COVID-19 pandemic.

These are federal funds and are not yet available. The State has drafted guidelines for the use of funds and further information will be made available once KSDE receives the application from the United States Department of Education. Lawrence is estimated to receive approximately \$1.4M. This is one-time money and should not be used for on-going costs, its purpose is to support additional costs district are incurring to address the pandemic and its impact on schools.

## **STATE REVENUE ESTIMATES**

Due to COVID-19, State tax estimates for the Kansas State's General Fund have been lowered by nearly \$827 million for the current fiscal year that ends June 30, 2020.

The Kansas Legislature was tentatively scheduled to return Monday, April 27, but that has been delayed until after May 1.

The Legislature can make changes if it reconvenes before final "sine die" adjournment in May. After that, unless there is a special session, the Legislature would not meet until January 2021, more than halfway through the fiscal year.

If the State General Fund ending balance is projected to fall below zero, the Governor is authorized to reduce spending through "allotments" or spending cuts to balance expenditures and revenues. With some exceptions, the Governor can decide where to make those reductions.

At this time, school districts' base state aid and equalization aid are funded in the approved budget at levels accepted by the Kansas Supreme Court.

School districts have not been given any indication to expect reduced funding for 2020-2021 school year. The Governor has stated publicly that they would try not to make cuts to education and other essential services.

Historically, when revenues have not been sufficient to fund state budgeted expenditures, school districts have seen mid-year funding cuts. If that occurs, the district will be required to reduce expenditures mid-year to maintain a balanced budget.

## **BUDGET AND PROGRAM EVALUATION COMMITTEE**

The Budget and Program Evaluation Committee (BPEC) began meeting in August 2019. Agenda items discussed and reviewed to date include the following:

- Overview of year end June 30, 2019
- Review of 2019-2020 budget
- Estimated funding for 2020-2021
  - Reduction of Special Education Categorical Aid
  - Amount of salary compensation agreed upon, through IBB process for 2020-2021
  - Trend of health insurance costs, and potential cost to maintain
- School Resource Officers and security guards
  - Board updated on January 27, 2020
- Distribution of staffing positions – the largest part of a school district budget
  - By state function classification – FTE and cost per state function description
    - Site administration function reviewed in further detail by location, and position FTE, and related budget impact
  - By position description – FTE and cost per position grouping
  - By building – FTE and cost of positions assigned to each building – all levels and funding sources.
- Tiering of schools
  - Risk factors of schools
  - SES; attendance; discipline; staff experience; staff attendance; ELL; special education; homeless; school climate
  - Staffing Resources given to schools
  - Performance of schools within Lawrence and compared to other schools in Kansas with like risk factors
    - Staffing resources (financial) –schools at higher risk were noted to be receiving more staffing resources than schools at lower risk, using the risk factors outlined in the tiering exercise and above.
- Fringe benefits – health, dental, and vision
  - Industry trends
  - District trends
  - High cost and continued increase to premiums - a significant impact to the budget

- Need to bid, ideally minimizing cost increase - responsibility of the Fringe Benefit Committee
- Enrollment projections for 2020-2021
- Elementary class size
  - 2019-2020 elementary class sizes
  - 2020-2021 projected elementary class size
    - Same thresholds as current and related budget impact
    - Adjusting thresholds, similar to Johnson County schools and related budget impact
    - Lowering all thresholds to our lowest threshold school, making all schools the same and related budget impact
    - Multi-age scenarios and related budget impact
      - Additional discussion with teachers and principals was planned for after spring break to explore piloting. Due to the virus and school shut down, this has been delayed and will be evaluated during 2020-2021.
- Middle school projected enrollment and staffing for 2020-2021
- High school projected enrollment and staffing for 2020-2021
  - HS athletics and activities positions FTE and related budget impact
- ESL/bilingual staffing FTE and related budget impact
- Department budgets
  - Superintendent's office
  - Deputy Superintendent's office
  - Communications Department
  - Finance Department
  - Human Resources/Payroll/Benefits/Staff Wellness Department
  - Academic Assessments Department
  - Additional department reports will be done.
- Budget considerations – additions and reductions
  - Priority exercise – blending budget considerations, reductions and additions with salary pool allocations, projected fringe benefit costs increases, with consensus for board consideration and approval.
- Discussed para-educator pay, related classified salary matrix and classified salary pool

## BUDGET CONSIDERATIONS

- o Projected new funding for 2020-2021:
  - a) Under current law, funding for 2020-2021 Base State Aid Per Pupil (BSAPP) is expected to increase to \$4,569.
  - b) Enrollment on 9/20/2019, audited, is what is used for 2020-2021 budget. This enrollment is lower than the enrollment on 9/20/2018. Current law allows, under the declining enrollment provision, the district to use 9/2/2018 for the 2020-2021 budget year.
  - c) Projected new funding, as of the time of this report, is \$1,734,416
- 1. Salary package for 2020-2021 employee groups: Planning for 2020-2021 is based on a similar package as 2019-2020. Per the August 2019 board enclosure including employer costs of 8%, is a cost of \$1,958,246.
  - a. Certified \$1,356,827 (2.417% to certified matrix pool
  - b. Classified \$445,886 (2.417% to classified wage pool
  - c. Administration \$155,553 (2.417% to administration wage pool
  - d. Fringe benefit package: Fringe benefits are to be the same for 2020-2021, as in 2019-2020, for all employee groups. Planning for 2020-2021, it was projected the increase in cost would be \$1,075,000. The Fringe Benefit Committee took on the challenge of going out for bid. Bidding resulted in a no increase cost, and the district will continue with the same benefits and same insurance carrier in 2020-2021. The original expected cost increase of \$1,075,000, is actually going to be reduced. This will benefit employee groups and individuals who choose to purchase dependent care coverage.
- 2. Elementary staffing: Elementary enrollment has decreased. Elementary staffing options and various thresholds were discussed and in the end, it was determined that additional evaluation, and options should be considered, including multi-age and redesign. In addition, teaching and learning curriculum support and, professional development for staff are key factors that need to be brought into the implementation of change. For this next year, 2020-2021, there was consensus to maintain current thresholds and realize the 5.5 FTE general fund savings of \$349,591. Three FTE contingency staffing will be maintained from Title IIA funds if needed.
- 3. Middle school staffing: Middle schools will be staffed based on schedule needs as a result of projected enrollment. A reduction of .6FTE, General Fund savings of \$38,137. There is no secondary contingency for 2020-2021. There has been no contingency in 2019-2020.
- 4. High school staffing: High schools staffed based on schedule needs, taking into account the College and Career Academy. A reduction of 4.0 FTE, General Fund

savings of \$254,248. There is no secondary contingency for 2020-2021. There has been no contingency in 2019-2020.

5. Psychometrician (new position) replacing NWEA Measures of Academic Progress (MAP) assessment. The district is moving away from MAP in favor of a district common assessment. The build out of those assessments will be done internally and with the hire of this position. There is a net savings for this change. MAP has a cost of \$97,500 and the cost of the position is estimated to be \$67,500, for a net savings of \$30,000.
6. Special Education Facilitator: 1 FTE, General Fund savings \$33,762 (net). With a retirement, a restructure of district-level special education support will be done. Savings of this budget reduction, taking into account the loss of related categorical state aid.
7. Staff Relations Coordinator: 1 FTE, General Fund cost of \$70,082. This position is new and an addition to the Human Resources Department. This position is to provide conflict-resolution, and direct support to classified staff.
8. ESC Receptionist: This request was removed from the list; an alternate solution is being explored through reallocation of current FTE.
9. Student Support Facilitators: 4 FTE, General Fund cost of \$131,330 (net). Each middle school currently has 1.0FTE for an in-school suspension para-educator (total 4.0FTE). These 4 classified positions would be converted to 2 FTE certified positions. There is a request for 2 FTE additional certified positions for a total of 4 FTE. Each middle school would have a Student Support Facilitator. These staff members will be trained in restorative practices school- wide, reducing discipline and suspension rates, decreasing disparities in our discipline data, in the areas of race and SES, and better meeting the social and emotional needs of our middle school students.
10. School Nurse: .6 FTE, General Fund cost of \$38,138. The addition of .6 FTE school nurse will allow all elementary and middle schools to have a nurse shared with only one other building. This addition will also allow an existing health office aide (HOA) to be assigned half-time to each high school.
11. IT Support Technician: 1 FTE, General Fund cost of \$48,383. With the increase of devices district wide, there is an increase in need for technical support for students and staff.
12. Assistant Locksmith: 1 FTE, General Fund cost of \$49,900. With the increase of secure entrances in our elementary, middle, and high schools, doors and door hardware has

increased significantly. It has become difficult to maintain with only one staff member dedicated to this purpose.

13. Floater Custodian: 4 FTE, General Fund cost of \$38,454 each, \$153,816 total. Of the custodial positions requested, the Facilities and Operations staff feel these positions are the most flexible and allow for coverage where most needed. These positions should help decrease overtime and the need for contracted services with Manpower and Express Employment.
14. Custodians: 3 FTE, General Fund cost \$34,035 each, \$102,105 total. These are custodial positions the Facilities and Operations staff feels are need to address the additional custodial support needed in our buildings. Many of our buildings have increased in square footage, as a result of bond construction, but an increase in the custodial staff to clean the increased square footage has not followed. There are some internal evaluations that the Facilities and Operations staff is planning to do during 2020-2021 that may allow for the addition of these positions as a reallocation in lieu of contracted services.
15. Custodians: 3 FTE, General Fund cost \$34,035 each, \$102,105 total. These are custodial positions the Facilities and Operations staff feels are need to address the additional custodial support needed in our buildings. Many of our buildings have increased in square footage, as a result of bond construction, but an increase in the custodial staff to clean the increased square footage has not followed. There are some internal evaluations that the Facilities and Operations staff is planning to do during 2020-2021 that may allow for the addition of these positions as a reallocation in lieu of contracted services.
16. Custodians: 4 FTE, General Fund cost \$34,035 each, \$136,140 total. These are custodial positions the Facilities and Operations staff feels are need to address the additional custodial support needed in our buildings. Many of our buildings have increased in square footage, as a result of bond construction, but an increase in the custodial staff to clean the increased square footage has not followed. There are some internal evaluations that the Facilities and Operations staff is planning to do during 2020-2021 that may allow for the addition of these positions as a reallocation in lieu of contracted services.
17. Low Voltage Electrician: 1 FTE, General Fund cost \$49,900. Life and building safety systems that use low voltage to operate, such as fire alarms, badge access, security cameras, HVAC systems, lighting, security systems, and monitoring of all systems are vital in providing a comfortable safe and supportive school system. Life and building safety systems cannot be disabled during school functions. The addition of a low voltage electrician would eliminate the financial burden from after-hours and weekend scheduling of contracted help.

18. Custodial Manager: 1 FTE, General Fund cost \$54,135. This position will help facilitate the training of 72 FTE, assist in the implementation of cleaning procedures, and evaluation of buildings for the purpose of improving efficiencies. Evening support of approximately 28 custodians will be beneficial.
19. CCC Social Worker and CCC Guidance Counselor: 2 FTE, 1.5 General Fund cost \$95,343 and .5 FTE \$31,781 Carl Perkins Federal Grant funded. As a part of the College and Career Academy, there is a need to ensure there is social and emotional support for the students at that location.
20. Administrative Restructure: Savings \$75,000. During the fiscal year of 2019-2020 there have been many retirements and resignations. The Superintendent restructured assignments and rehires for the various departments. These changes have netted a savings.

## SUMMARY OF BUDGET CONSIDERATIONS

Summary of budget considerations, in priority order. After discussion of the various considerations, the Budget and Program Evaluation Committee reached consensus on the list below to share with the board for consideration and approval for implementation in the 2020-2021 school year.

Description	New Budget Costs		PRIORITIZE
	FTE	Amount	1 highest thru 29
Estimate - Projected New Revenues State Finance Formula for 2019-2020		(1,734,416)	(1,734,416)
Assuming Salary Pool for Certified, Classified and Administration are the same as 2018-2019		1,958,246	223,830
20a. Tentative - more details will follow - Administrative Restructure due to resignations and retirements - estimated		(75,000)	148,830
2. Elementary Staffing - General Fund Reduction Same Ratio (2019-2020) - based on 20-21 Enrollment Projections (amended 04/08/2020) - (8.0 FTE Teacher decrease =5 FTE Teacher General Fund; 3 FTE Teacher Title IIA; .5 FTE = 1 Para General Fund) -- Only Contingency is Title IIA 3 FTE	-5.50	(349,591)	(200,761)
3a. Middle School Staffing - Use same ratio as 2018-2019, also used in 2019-2020, based on 20-21 enrollment projections and scheduling - No Secondary Contingency (amended 04/08/2020)	-0.60	(38,137)	(238,898)
5a&b. Psychometrician (new position) replaces NWEA MAP - savings will be impacted by final cost of position - final cost is based on classified salary matrix placement - It is an either OR option.	1.00	(30,000)	(268,898)
4a. High School Staffing - USE FTE 2018-2019 also used in 2019-2020. Enrollment projections for 2020-2021 each HS is scheduling with 2.0 reduction in FTE from 2019-2020 - No Secondary Contingency (amended 04/08/2020 - each HS 1.0 FTE reduction (2FTE total) + 2 FTE unfilled the past two years within HS staffing ratio	-4.00	(254,248)	(523,146)
19ac. CCC Counselor - additional .5 supplemented by Perkins Federal Funds	0.50	31,781	(491,365)
19ab. CCC Social Worker	1.00	63,562	(427,803)
6a&b. Special Education Facilitator - Cost of position net loss of SPED State Aid (63,562-29,800 = 33,762)	-1.00	(33,762)	(461,565)
10. Option 1 - Addition of .6FTE School Nurse or an Option 2 would be a cost of .4FTE = \$25,425	0.60	38,138	(423,427)
11. IT Support Technician 1.0 FTE	1.00	48,383	(375,044)
9ab. Reallocation of 4 In School Suspension Paras for 2 Certified FTE -Student Support Facilitator and Add 2.0 FTE Certified (1.0 at each Middle School)	2.00	131,330	(243,714)
13b. Floater - Custodian	1.00	38,454	(205,260)
13a. Floater - Custodian	1.00	38,454	(166,805)
17. Low Voltage Electrician	1.00	49,900	(116,905)
7a&b Staff Relations Coordinator	1.00	70,082	(46,823)
14b. Custodian	1.00	34,035	(12,789)
12. Assistant Locksmith 1.0 FTE	1.00	49,900	37,111
14a. Custodian	1.00	34,035	71,146
14c. Custodian	1.00	34,035	105,181
15a. Custodian	1.00	34,035	139,215
13c. Floater - Custodian	1.00	38,454	177,670
13d. Floater - Custodian	1.00	38,454	216,124
15b. Custodian	1.00	34,035	250,159
18. Custodial Manager	1.00	53,135	303,293
16a. Custodian	1.00	34,035	337,328
15c. Custodian	1.00	34,035	371,362
16b. Custodian	1.00	34,035	405,397
16c. Custodian	1.00	34,035	439,432
16d. Custodian	1.00	34,035	473,466
ITEMS removed as budget consideration - no longer requesting			
8a&b ESC Receptionist (part-time)	0.50	18,000	

*Facilities and Operations staff requested that the board exchange the 14b. Custodian for 13c. Custodian Floater, this offers more flexibility to the department and this additional floater can provide support the current Locksmith position in lieu of the assistant locksmith which fell below the line.*

**MOTION**

"I move the Board of Education approve the list of budget considerations, additions and reductions as presented, for the 2020-2021 school year."

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	FTE	Amount	1 highest thru 29
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Assuming Salary Pool for Certified, Classified and Administration are the same as 2018-2019		1,958,246	223,830
20a. Tentative - more details will follow - Administrative Restructure due to resignations and retirements - estimated		(75,000)	148,830
2. Elementary Staffing - General Fund Reduction Same Ratio (2019-2020) - based on 20-21 Enrollment Projections (amended 04/08/2020) - (8.0 FTE Teacher decrease =5 FTE Teacher General Fund; 3 FTE Teacher Title IIA; .5 FTE = 1 Para General Fund) -- Only Contingency is Title IIA 3 FTE	-5.50	(349,591)	(200,761)
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9ab. Reallocation of 4 In School Suspension Paras for 2 Certified FTE -Student Support Facilitator and Add 2.0 FTE Certified (1.0 at each Middle School)	2.00	131,330	(243,714)
13b. Floater - Custodian	1.00	38,454	(205,260)
13a. Floater - Custodian	1.00	38,454	(166,805)
17. Low Voltage Electrician	1.00	49,900	(116,905)
7a&b Staff Relations Coordinator	1.00	70,082	(46,823)
13c. Floater - Custodian	1.00	38,454	(8,369)

The list referred to in the motion is reflective of the requested change by facilities and operations staff. The change keeps the list within available resources for consideration.