



## USD 497 News Release

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### **School Board Hears Budget Update, Reviews Federal COVID-Relief Expenditures**

The Lawrence Board of Education on Monday heard a budget update about preparations for the 2023-2024 budget. The report included a look at this year's September 20 unaudited enrollment Full-Time Equivalency (FTE) of 9,977.3. This compares to the September 20 audited FTE of 9,985.6 in 2021, and 9,973.1 in 2020. While enrollment has been stable across these three counts, the district expects this year's FTE to drop following the Kansas State Department of Education's audit in the spring. As allowed by the state for districts with declining enrollment, USD 497 will use the 9,985.6 FTE from 2021-2022 to budget for next year.

Other factors affecting the district's 2023-2024 budget preparations include an increase in the number of school families qualifying for free school meals. The pandemic has had a negative effect on poverty rates; however, the increase in qualifiers also is due in part to fewer families submitting a new state Household Economic Survey (HES) used to replace the standard Free and Reduced-Price Lunch form in 2020-2021. Additionally, the federal government provided free meals for all students in 2020-2021, providing little impetus for families to submit the HES.

The district's High-Density At-Risk count also increased. This figure is based on schools with 35% or more of their student body qualifying for free meals. The state uses free lunch counts to fund at-risk weightings; however, students considered at-risk may be students:

- not working at grade level or not meeting criteria to be promoted to the next grade or graduating; or
- with a high rate of absenteeism or repeated suspensions/expulsions; or
- considered homeless or migrant, or
- identified as English Language Learners or dyslexic, or
- having social-emotional needs that cause them to be unsuccessful in school.

While both of these factors will result in additional funding for the district, three declining weightings spell less money. After increasing to 1,120 in 2020-2021, Lawrence Virtual School enrollment dropped to 685 (unaudited) full-time students this fall. Career and technical education and bilingual education enrollment also decreased.

The district must take a wait-and-see approach with the Kansas Legislature. The Gannon ruling in the Kansas school finance case directs that the Legislature follow the Consumer Price Index (CPI) in 2022-2023, which would lead to an increase in funding. This calculation will occur in April of 2023, depending on the Legislature's actions. The Kansas Supreme Court has retained jurisdiction in the Gannon case. In addition, High-Density At-Risk funding sunsets this year, requiring renewal by the Legislature. Other undecided issues at the state level include the funding of special education at the required 92% of excess costs and the funding of the safe and secure school grant.

"Going into next year's budget, if the Legislature uses the CPI, we could see an increase of \$4-5 million. We will not find out until April or May, typically toward the end of the legislative session, what they are going to do with school funding," said Cynde Frick, executive director of finance.

Frick shared an update about federal Elementary and Secondary School Emergency Relief (ESSER II and III) funding used to support students due to the interruption of learning caused by the pandemic. The district must spend ESSER II dollars by June 30, 2023, and ESSER III funds by June 30, 2024. The board reached a consensus around amending its ESSER III application to purchase K-12 Social and Emotional Learning curriculum, currently part of a district pilot program; and two survey tools used to collect feedback from school families to inform program development and to survey employees to support retention. These ESSER III amendments require state approval.