



USD 497 News Release

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Board Approves Budget Maximums/Mill Levies for Publication; Sets Public Hearings

The Lawrence Board of Education on Monday approved for publication its maximum budget authorities and mill levies. The 2023-2024 proposed budget of \$193,092,349 is based on 52.229 mills, an increase of 1.159 mills compared to last year's total, but lower than the mill levies for each of the three previous years (52.984, 53.122, and 52.840). The fluctuation in fund mill levies over time is largely a result of increases in Douglas County assessed valuations, which rose from \$1,254,650,237 in 2019 to \$1,497,090,233 in 2023. The board has set the maximum allowable 33% for its Local Option Budget and 8 mills for Capital Outlay for many years. The state of Kansas sets the statewide General Fund levy of 20 mills.

The board sets its maximum budget authorities high enough to provide the flexibility to address district needs and capture as much state aid as possible. This is because the district must forecast future revenues. For example, the state will not audit student enrollment totals reported by the district in September until the spring, and special education aid is not finalized until June. Maximum budget authorities do not reflect expected spending, which will more closely align with 2022-2023 actual net expenditures of \$159,505,968. This total reflected a decrease from the district's 2021-2022 actual net expenditures of \$160,668,830.

Executive Director of Finance Cynde Frick said that while it still sits well below the path of the growth in inflation over time, base state aid will increase to \$5,088 per pupil this year. "While the district has done a lot of work to go through the budget reductions and put us in a better place financially, that is all paying off in terms of now, we'll be able to look at an increase in state aid and actually use that to attain some of our goals," said Frick.

"We are still not in the position we'd like to be in. It has been a lot of work to get to that financial place where we are kind of at a breakeven point. Between some of the budget reductions that were done last year and an increase of about 5% in base state aid going into '23-'24, we were able to increase salaries and work toward that goal of competitive wages," she said. "For '24-'25, KSDE is estimating that we will have another increase of approximately 5.9% (in base state aid), which will help us continue toward salary and other goals the board has discussed."

The board scheduled a 6:00 p.m. public hearing to exceed the revenue neutral rate and a 6:05 p.m. budget hearing on September 11. The board will also consider approving the budget September 11.

Neighborhood Revitalization Area (NRA)

In other business, the board voted 4-3 to participate in a 15-year, 65% Neighborhood Revitalization Area (NRA) for First Management, Inc. The company is redeveloping an office headquarters at 700 New Hampshire St. A majority of board members said that they supported the project, but several shared concerns with a lack of information provided the board during the IRB/NRA process, in spite of a board member serving on the city's Public Incentives Review Board.

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Board members Erica Hill and Shannon Kimball encouraged the city of Lawrence to communicate with the district when future NRA requests are first being considered. "The city and state made a policy decision to allow these. I think it is really difficult for the school board being required to weigh in on them, but we have to," said Kimball. "I try to keep in mind the goals that the city set for these projects, and I do think this project met a number of those goals. Finally, and the most important point, this does not have any negative impact on school district funding...It will bump up our capital outlay fund," said Kimball.

"I do think this is a project you will be proud of. We are taking a building that has been blighted and empty for 13 years. We're going to bring 80 new employees to downtown Lawrence," said Doug Compton, the founder and owner of First Management, Inc. "We have tried to reinvest our money in Downtown Lawrence and make it a better place."

Compton and other investors had attempted to bring a grocery store to the site but faced legal challenges from the surrounding neighborhood. Compton told the board that the current project would not proceed without the IRB/NRA approval.

Neighborhood Revitalization Area (NRA)

The board voted 5-2 to join hundreds of school districts entering into an agreement for legal services to investigate litigation against national social media companies. A potential lawsuit could seek to recover losses resulting from these companies designing and promoting products to attract and addict children. These addictions negatively affect the educational process and schools, which must address increasing behavioral issues.

Described much like, but more extensive than recent litigation against JUUL for marketing to and addicting youth to vaping, this potential legal action against social media giants, such as Meta, Google, Tik Tok, and Snapchat, would seek to recover damages suffered by school districts as a result of these companies engaging in designing and promoting products to attract and addict children. Any litigation pursued would be done on a contingent-fee basis with no out-of-pocket losses to the Lawrence school district if the lawsuit is unsuccessful.

School districts nationally report increased costs associated with staff and programs needed to support students suffering from attention, anxiety, safety, and other behavioral issues.

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