

Budget Report

2018-2019 Planning

July 23, 2018

Calendar of Future Board Action



- July 23, 2018
 - Legislative Update, Budget Assumptions for 2018-2019
- July 30, 2018 (*Special Meeting -Tentative*)
 - Approve Budget Form Code 99, for Publication and notification of budget hearing.
- August 13, 2018
 - Budget Hearing, 7:00pm, ESDC 110 McDonald Drive
 - Approve 2018-2019 Budget
- August 25, 2018
 - Certify 2018-2019 Budget with the Douglas County and Kanas Department of Education

Legislative Notes



- Career and Technical Education (CTE) Weighting will be based on current year
- Bilingual Education Weighting will be based on current year
- The 10% floor for computing free lunch for any school district offering grades K-12 is repealed
- Transportation formula for students transported over 2.5 miles has been clarified in statute and remains approximately the same dollar as prior year with minor adjustment to cost allocation.
- Special Education State Funding will increase by \$44 million in 2018-2019 – categorical state aid going up from 28,010 to \$30,610

Legislative Notes



- Special Education is funded different than the other weightings
 - Teacher Full Time Equivalency (FTE) not student FTE
 - The Categorical Aid for a 1.00 Teacher is projected to be \$30,610; for a 1.0 Para \$12,244
 - 80% Transportation Cost of transporting students with transportation in their IEP
 - Catastrophic Aid excess cost above \$50,000 for a student whose cost to the district exceeds \$50,000
 - Medicaid Replacement State Aid
- Add the various amounts and divide total by the Base Aid for Student Excellence (BASE) to get the weighted FTE used in the Legal Max calculation for General Fund

Legislative Notes



- Expand early childhood funding by increasing state aid for three and four year old at risk by \$2,000,000. Four year old students must be funded first.
- Amends the law to require the proportionate share of the general fund weighting for at risk be applied to the Local Option Budget (LOB) and such amount transferred to At Risk K-12 Fund the same is true for the Bilingual Education Fund.
 - Only the LOB has the required transfer, not both General Fund and LOB Fund.

Legislative Notes



- LOB state aid is computed using the current year's budget as recommended by Kansas Supreme Court
- Provides for minimum LOB of 15%
- Increase the LOB BASE of \$4,490 by the CPI beginning in 2019-2020

Budget Assumptions – General Fund Legal Max Calculation

- The 2018-2019 General Fund Legal Max Calculation is based on:
 - Weighting (FTE) 9/20/2018 audited information
 - Bilingual Education contact minutes
 - Career Technical Education contact minutes
 - At Risk Student Weighting
 - At Risk Student, building density
 - At Risk 4 Yr. Old
 - Transportation
 - Special Education
 - Cost of Living
 - New Facilities (final year-one time funding)
 - 2018-2019 weightings are projected to all be very similar to actual 2017-2018 weightings, with the exception of Special Education



Budget Assumptions – General Fund Legal Max Calculation

- Virtual Education State Aid
 - Full Time Students 1.0 FTE = \$5,000
 - Part Time Students FTE = \$1,700
 - Students 19 on 9/20 or older do not count in enrollment, the district is funded \$709 per completed credit hour
 - No Student may be counted for more than 6 credits per year



Budget Assumptions – General Fund Legal Max Calculation



- Student Enrollment is based on 9/20/2017, audited enrollment from 2017-2018 for the 2018-2019 legal max calculation
 - Enrollment FTE on 9/20/2017 was down 47.8 FTE from 9/20/2016
- For budget, a school district can use either the 9/20/17 FTE, the previous year FTE from 9/20/2016 – declining enrollment calculation

TABLE I - Declining Enrollment Calculation				USD#	497
1. September 20, 2017, FTE enrollment (Excludes 4 yr old at risk and virtual.)				=	10,657.0
2. September 20, 2016, FTE enrollment (Excludes 4 yr old at risk and virtual.)				=	10,704.8
3. FTE adjusted enrollment for budget purposes (higher of line 1 or 2).				=	10,704.8
4. Total FTE adjusted enrollment including Kindergarten. (Goes to page 1, line 1 if no military provision; see Table IV.)				=	10,704.8



BASE aid for Student Excellence



	BASE In Law	State Department Education Recommendation for meeting Courts Inflation Component of Ruling
2017-2018	\$4,006	
2018-2019	\$4,165	
2019-2020	\$4,302	\$4,436
2020-2021	\$4,439	\$4,569
2021-2022	\$4,576	\$4,706
2022-2023	\$4,713	\$4,846
2023-2024	increase by CPI	

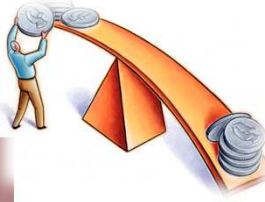
Deficit Spending- Estimated Year End

Subject to change, as we complete final closing and State Budget Forms



- Deficit spending is the amount by which spending exceeds revenue over a particular period of time.
- At June 30, 2018, the general fund deficit spending was \$2,974,460. Estimate used during budget planning was \$2,800,000
- Deficit Spending is being offset by using
 - \$1,634,492 of Health Care Reserve cash balance to reimburse operating funds, for two months of premium costs, recommended this balance NOT go any lower.
 - \$241,184 of 403B forfeitures, for two months of employer 403b contributions.
 - \$173,032 of Work Comp Reserve, can only used for work comp costs, reserve reimbursed costs from operating funds
 - \$925,752 Contingency Reserve

Cash Balances and Deficit Spending



Fund Description	7/1/2014	7/1/2015	7/1/2016	7/1/2017	Unofficial 7/1/2018
Bilingual Education	60,753	0	0	0	0
Vocational Education	402,102	0	0	19,960	0
K-12 At Risk Education	2,984,551	0	0	0	0
Virtual Education	1,002,712	0	0	0	0
Professional Development	250,051	0	0	0	0
Special Education	8,904,131	7,076,356	5,511,810	5,431,860	5,713,803
4 Year At Risk Education	578,643	353,066	246,522	147,692	91,238
Contingency Reserve	6,144,657	6,471,093	6,408,307	3,671,596	2,408,386
Summer School	178,326	197,549	74,513	79,843	72,558.41
Special Reserve	8,954,619	8,433,557	6,706,195	4,508,233	2,135,978
-Health Reserve (memo)	6,726,293	6,241,956	4,542,515	2,419,816	477,713
-Work Comp Reserve (memo)	2,228,326	2,191,601	2,163,680	2,088,417	1,658,265
Total	29,460,545	22,531,621	18,947,347	13,859,184	10,421,963
Decrease in Balances		(6,928,924)	(3,584,274)	(5,088,163)	(3,437,221)

Contingency Reserve

Fund Description	7/1/2014	7/1/2015	7/1/2016	7/1/2017	7/1/2018 Estimate	7/1/2019 Estimate
Contingency Reserve	6,471,093	6,408,224	4,371,596	3,502,867	2,408,386	1,000,000
% to General Fund Legal Max	9.652%	8.056%	5.671%	4.754%	3.028%	

- Contingency Reserve, as with all cash balances, is one time money, it isn't replenished each year, unless there is surplus, Revenues in excess of Expenditures.

Estimated New Funding

	Estimate for 2018-2019	Estimate for 2019-2020 Current Law – Estimated Enrollment growth 88 FTE from Actual *	Estimate for 2020-2021 Current Law Estimated Enrollment Growth 50 FTE
General Fund	3,356,991	1,735,025	2,055,834
Special Education	1,042,356	233,084	194,567
Local Option Budget	394,054	427,600	527,802
Estimate of New Funding	4,793,401	2,395,709	2,778,203

Budget Planning – Deficit Spending

Description	FTE	Budget Addition	Budget Reduction	Comments
Discontinue Warehouse Lease (Rent)			162,788	
Deficit Spending, expenditures in excess of revenue		1,400,000		Utilities, technology, health increases from Health Reserve cash balance, previous years increases to staff compensation. Recommend minimum of 50% be addressed
Total		1,400,000	162,788	Total impact to deficit spending \$1,562,788

Budget Planning – Maintenance of Staffing Ratios

Description	FTE	Budget Addition	Budget Reduction	Comments
Middle School Staffing Ratio	.56	34,243		
High School Staffing Ratio	3.50	214,022		
CTE Staffing Ratio	.30	18,345		
ESL Staffing Ratio	1.75		107,011	
Total Maintenance of Staff Ratios		266,610	107,011	

Budget Planning – Additions offset by reductions

Description	FTE	Budget Addition	Budget Reduction	Comments
Add Elementary Guidance Counselors	3.00	183,447		Increase in FTE will give each Elementary School a full time Guidance or School Mental Health Support Professional
Elementary Contingency	3.00		183,447	Reduction of Elementary Contingency Staffing Pool from 10FTE to 7FTE
AVID Section at 7 th Grade	.40	24,460		
Secondary Contingency	.40		24,460	Reduction of Secondary Contingency Staffing Pool from 5FTE to 4.6 FTE
High School General Fund Social Workers	2.00	122,298		
Secondary Contingency	2.00		122,298	Further reduction of Secondary Contingency Staffing Pool from 4.6FTE to 2.6FTE
Deaf/Hard of Hearing Teacher	.50	30,575	30,575	Add, offset by Categorical Aid AND Federal Medicaid Funds will offset the cost in excess of Categorical Aid

Budget Planning – Additions offset by reductions

Description	FTE	Budget Addition	Budget Reduction	Comments
Audiologist	.50	24,460	24,460	Add, offset by Categorical Aid AND Federal Medicaid Funds will offset the cost in excess of Categorical Aid
Integration Specialist	.50	24,460	24,460	Add, offset by Federal grant Funds
TOTAL		409,700	409,700	

Budget Planning – Staffing Restructure

Description	FTE	Budget Addition	Budget Reduction	Comments
Maintenance Grounds Arborist	1.0		42,464	Vacant Position
Grounds Manager	1.0	51,942		New Position
Director of Middle School	1.0		118,336	
Director of Curriculum	.75	88,752		Change from (5/14) (.65 changed to .75)
Administrative Assistant (T&L)	1.0	39,686		
Net Change Assistant Director to Director of Early Childhood		8,067		Restructure within Student Services Department, Early Childhood, Parents as Teachers, Tiny K
Supervisor of Technology	1.0		73,695	
Net Change Assistant Director to Director	1.0	9,719		Students Services Equity, Instruction
Net Change Assistant Director to Director	1.0	3,937		Curriculum, Instruction and Assessment, Technology
Change to Deputy Superintendent contract		20,000		Board approved change in contract
New Superintendent Contract		10,000		Change from existing position, Board approved
Total		232,103	234,495	

Budget Planning – Added during 2017-2018 – Budget Addition to continue in 2018-2019

Description	FTE	Addition	Reduction	Comments
Elementary PE Specials	.40	24,460		
Nurse Facilitator	.60	36,689		
Communication Specialist	1.0	50,153		
Registered Nurse	1.0	61,149		Hire Nurse instead of contracting services
4 Tech Team Supplemental Assignments		15,020		Middle School
Total		187,471		

Budget Planning – Added May 14, 2018

Description	FTE	Budget Addition	Budget Reduction	Comments
Intervention Specialist – Middle School	2.0	122,298		Board Approved May 14, 2018
Special Education Teachers	3.0	183,447	91,830	Board Approved May 14, 2018 (note Expense offset is Categorical Aid – per SPED Teacher FTE)
Total		305,745	91,830	

Budget Planning – Staff Compensation

Description	FTE	Budget Addition	Budget Reduction	Comments
Fringe Benefit Increase (Health, Dental, Vision) All Employee Groups		1,114,231		Includes Fringe Increase of 10.5% increase, (includes fringe being paid for early retire benefit) Board Approved
Certified Compensation				Negotiations Pending
Supplemental Assignments				Negotiations Pending
Classified Compensation				
Administration Compensation				
Total		1,114,231		

Budget Planning – Summary

Description	Budget Additions/New Expenditures	New Revenues and Budget Reductions	Comments
New Funding		4,793,401	Estimated new Funding 2018-2019
Deficit Spending	1,400,000	162,788	
Maintenance of Staffing Ratios	266,610	107,011	
Budget Additions offset by Budget Reductions	409,700	409,700	
Staffing Restructure	232,103	234,495	
2017-2018 Mid Year Additions, on-going	187,471		
2018-2019 Board Approved 5/14	305,745	91,830	
Fringe Benefit Package	1,114,231		
Sub Total	3,930,492	5,799,225	
Authority available		1,883,365	



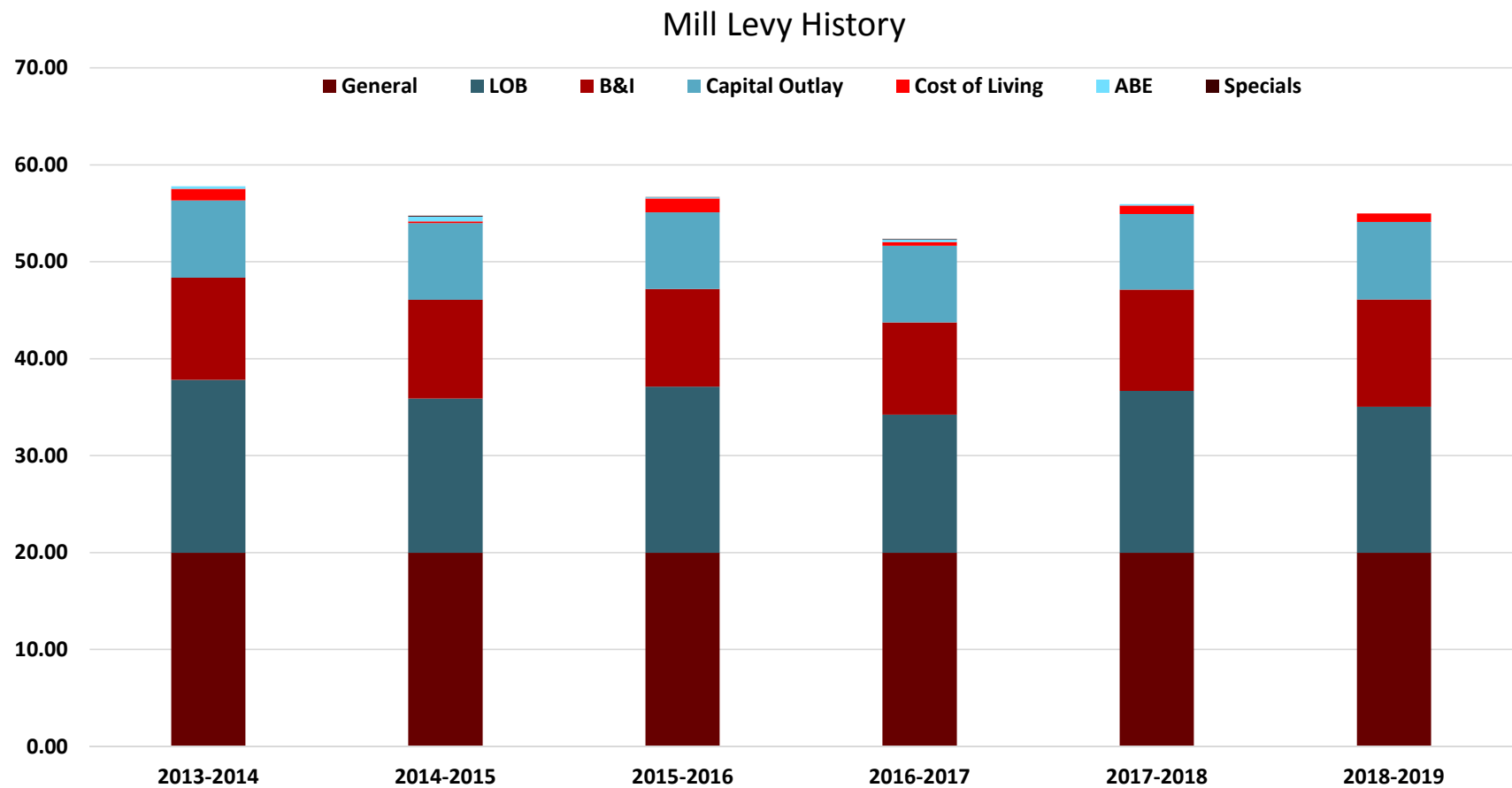
Assessed Valuation History

Fiscal Year	% Change	All Levied Funds Except General	General Fund
2007-2008	3.35%	973,752,838	916,451,969
2008-2009	0.13%	975,007,225	917,605,285
2009-2010	-1.23%	963,038,628	904,943,774
2010-2011	0.59%	968,755,909	910,616,955
2011-2012	0.97%	978,187,698	919,687,576
2012-2013	0.76%	985,579,241	926,932,768
2013-2014	.69%	992,393,634	937,696,549
2014-2015	2.408%	1,016,292,269	957,231,832
2015-2016	2.896%	1,045,729,023	986,437,070
2016-2017	3.268%	1,079,898,829	1,020,289,707
2017-2018	5.396%	1,138,164,961	1,078,061,594
2018-2019 (Estimate)	3.552%	1,178,590,407	1,129,009,917

Mill Levy History and Estimate for 2018-2019

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	ESTIMATE 2018-2019
General	20.000	20.000	20.000	20.000	20.000	20.000
LOB	17.836	15.897	17.126	14.245	16.702	15.045
B&I	10.539	10.208	10.073	9.500	10.435	11.062
Capital Outlay	7.972	7.902	7.904	7.910	7.802	8.000
Cost of Living	1.192	0.185	1.446	0.400	0.865	0.883
Specials	-	0.066	0.011	0.058	-	-
ABE	0.249	0.494	0.099	0.247	0.146	-
Total	57.788	55.752	56.906	53.360	55.950	54.990
		(2.04)	1.15	(3.55)	2.59	(0.96)

Mill Levy History and Estimate for 2018-2019



Motion

- If there are additional items to be added into the budget for 2018-2019, board approval is required - understanding staff compensation is still pending negotiations

Board Consensus

- Move ahead with budget as summarized in this report

Budget Planning – Other Considerations

Description	FTE	Addition	Reduction	Comments
Custodians	1.0	31,701		
Reinstate Elementary Contingency	3.0	183,447		
Safety and Security Consultant		25,000		
Student Services Facilitator	1.0	64,437		Includes 10 extra days
Equity Facilitator	1.0	64,437		Includes 10 extra days
Speech Language Pathologist	1.0	61,149	30,610	Total Cost offset by Categorical State Aid (SPED)
Parents as Teachers		30,000		
Library Media Assistants 6.5 Hours Total	.81	21,725		
MS FACS/Health FTE	2.0	122,298		
IT Building Technicians	2.0	90,420		
Lead Floater Custodial (F&O)	2.0	71,913		
Contracted Services Alice Training		25,000		This will be funded through new State Aid Grant

Calendar of Future Board Action

- July 23, 2018
 - Legislative Update, Budget Assumptions for 2018-2019
- July 30, 2018 (*Special Meeting -Tentative*)
 - Approve Budget Form Code 99, for Publication and notification of budget hearing.
- August 13, 2018
 - Budget Hearing, 7:00pm, ESDC 110 McDonald Drive
 - Approve 2018-2019 Budget
- August 25, 2018
 - Certify 2018-2019 Budget with the Douglas County and Kanas Department of Education

Questions??