

BUDGET

LAWRENCE PUBLIC SCHOOLS

2018-2019

July 30, 2018

Calendar of Future Board Action

July 30, 2018, Special Meeting
Approve Budget for Publication and
Notice of Budget Hearing

August 13, 2018 Board Meeting
Budget Hearing, 7:00 p.m.
ESDC 110 McDonald Drive

Approve Budget
Following Budget Hearing

August 25, 2018
Certification with County and KSDE

MILL LEVY FUNDS

- OPERATING FUNDS

- General Fund
- Local Option Budget

- OTHER LEVIED FUNDS

- Bond and 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 Postsecondary 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

Non- Budgeted Special Revenues Funds

- Actual Expenditures reported only

- Textbook/Student Materials Revolving Fund
- Special Reserve Fund (Health Care /Work Comp Reserves)
- Contingency Reserve Fund
- Activity Funds (not inclusive of student organizations/clubs)

At the end of the report, the board will be approving Form Code 99. Code 99 sets the Maximum Budget Authority and Maximum Mill Levy for 2018-2019

BUDGETED SPECIAL REVENUE FUNDS

2018-2019



Food Service Fund

The Food Service Fund tracks all expenditures associated with preparing and serving breakfast and lunch meals in the District. The fund is supported by federal and state aid as well as from the sale of student and adult meals and catering events.

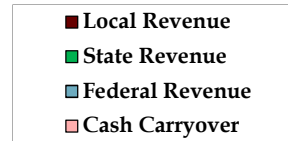
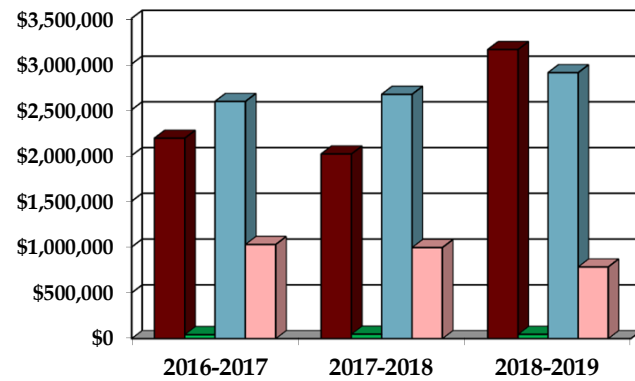
The Food Service budget currently does not require a transfer from general operating funds for support.

The Board of Education approved meal prices for the 2018-2019 school year at the July 2, 2018, Organizational Meeting.

		2014-15	2015-16	2016-17	2017-18	2018-19
Lunch	Elementary	2.40	2.50	2.60	2.65	2.70
	Middle School	2.60	2.70	2.80	2.85	2.90
	High School	2.65	2.75	2.85	2.90	2.95
	Reduced Price	.40	.40	.40	.40	.40
	Adults	3.45	3.45	3.5	3.55	3.65
Breakfast	Elementary	1.4	1.5	1.6	1.65	1.70
	Middle School	1.55	1.60	1.70	1.75	1.80
	High School	1.55	1.65	1.75	1.80	1.85
	Reduced Price	.30	.30	.30	.30	.30
	Adults	2.05	2.15	2.25	2.30	2.35

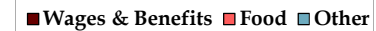
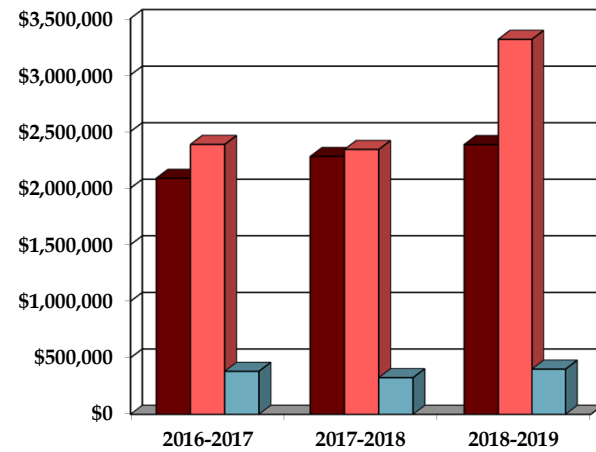


Food Service



	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Total Resources Available	5,851,015	5,726,638	6,891,908

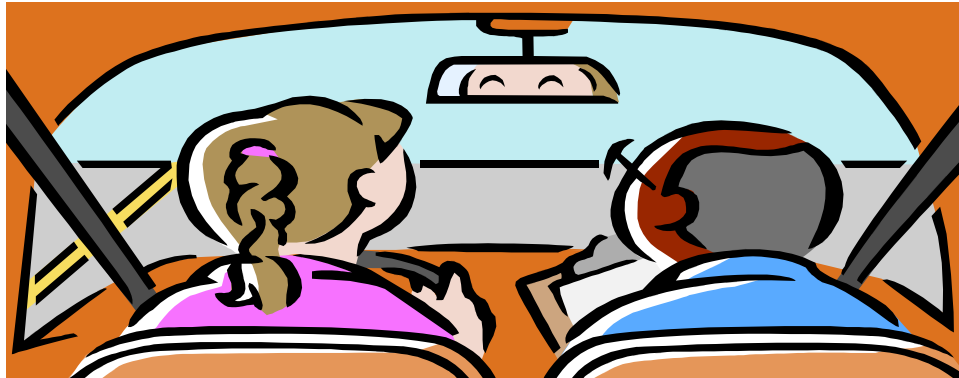
	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Total Expenditures	4,857,847	4,944,681	6,100,000



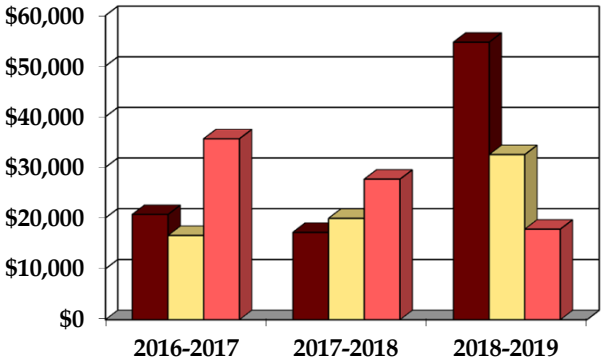
Drivers Training

The Drivers Training Fund tracks the expenditures associated with the driver education program.

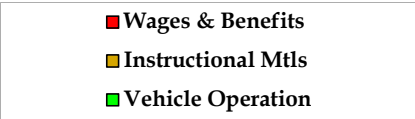
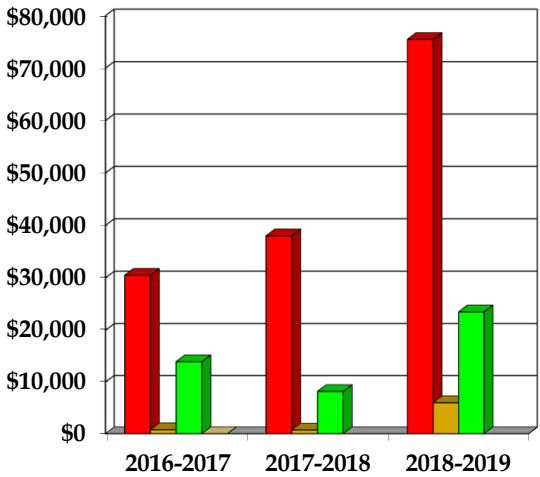
The Drivers Training Fund is supported by state aid and student fees. This program is set up to help provide professional training for students learning to drive.



Drivers Training

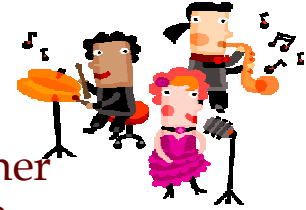
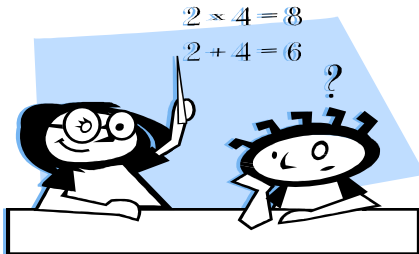


	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Total Resources Available	79,703	72,836	105,000



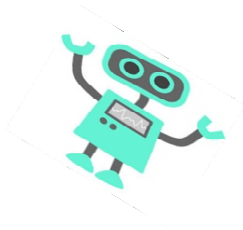
	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Total Expenditures	44,071	45,008	105,000

Summer School



The Summer School Fund tracks expenditures for the district summer school programs. Revenue sources for this fund are primarily fee collections.

- Summer Music
- Summer High School Weights
- Summer Camp – Robotics

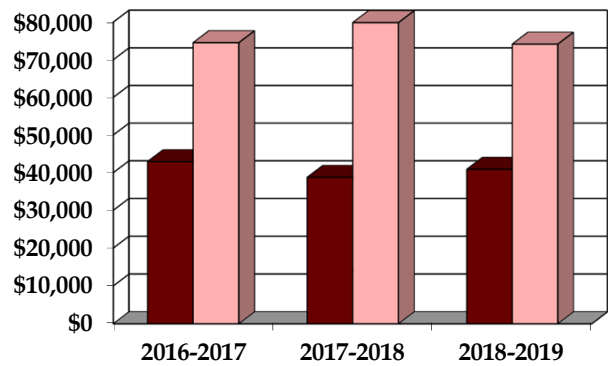


Summer Credit Recovery is paid from the K-12 At Risk Fund

Summer school for special needs students is expended within the Special Education Fund.

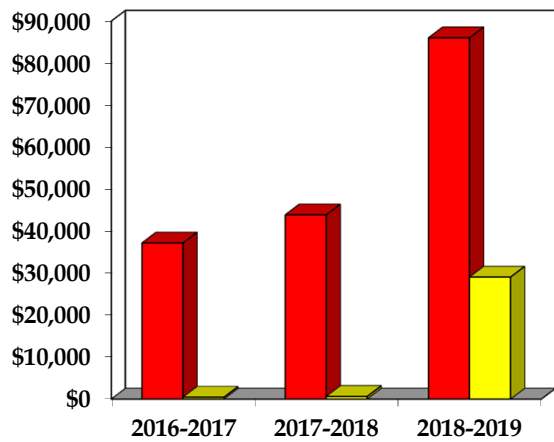
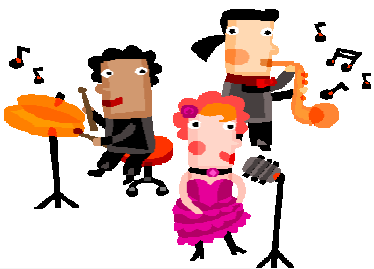


Summer School



Local Cash Carryover

	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Total Resources Available	117,432	118,587	115,000



Wages & Benefits
Instructional Materials

	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Total Expenditures	37,585	44,458	115,000



Parent Education

The Parent Education Fund is the district's Parents as Teacher matching state grant. District match for 2018-2019 will be 50%. The match in prior years has been 65%

Parents as Teachers is a free early childhood education program available to anyone who is pregnant or has a child under the age of three and who lives within USD 497's boundaries.

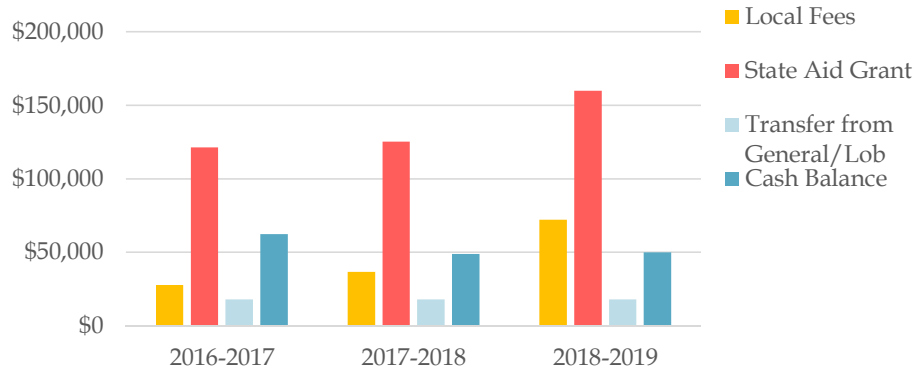
It is designed to give children the best possible start in life and to prepare them for school success by supporting parents in their role as their children's first and most influential teachers.

Lawrence Parents as Teachers is an affiliate program of the Parents as Teachers National Center, which uses an evidence-based curriculum infused with the most current neuroscience research to support child development and parent education.

The program offers personalized visits, screenings, group connections and resource connections.

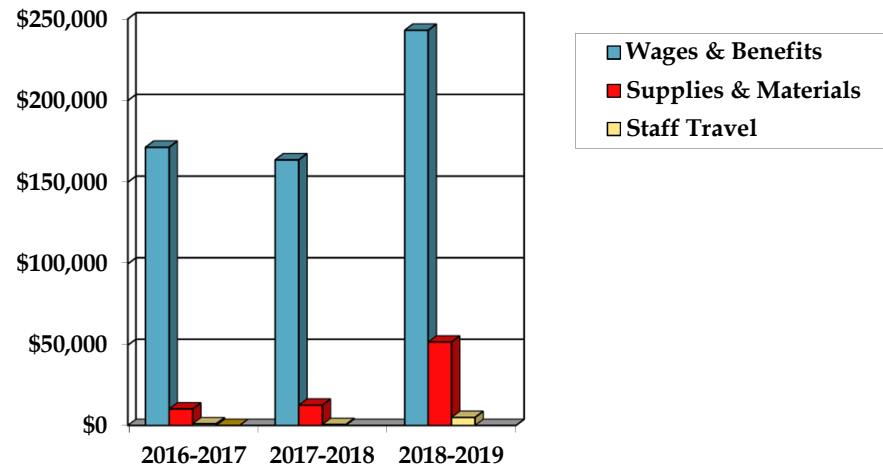


Parents as Teachers



	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Total Resources Available	229,589	226,779	300,000

	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Total Expenditures	182,766	176,859	300,000



KPERS Special Retirement Contribution Fund

Through the 2005 Omnibus Appropriations Bill, the Kansas Legislature amended the procedures by which the state pays school districts' employer share of KPERS.

The change required KPERS to certify to the Kansas State Department of Education the employer's share of KPERS for every school district on a quarterly basis.

The Kansas State Department of Education sends the money to the district, which in turn immediately returns the money to KPERS.

During the 2015-2016 and 2016-2017 the state has only paid three of the four quarterly payments.



The 2017-2018 reflects four quarters; 2018-2019 budget publication is high enough to cover a 5th quarter if it were to occur, for catch up

During the Block Grant, KPERS was a part of the General Fund, and the state aid was a “pass-through.” In 2017-2018, state aid will again be a direct payment to the KPERS Contribution Fund and not pass through the General Fund, this is because the LOB calculation is based on general fund again, and the pass through inflates that total for LOB purposes.

	2016-2017 Actual (3 Qtrs)	2017-2018 Actual (4 Qtrs)	2018-2019 Budget (4-5 Qtrs)
Total Expenditures	5,944,556	9,129,435	13,333,539

Professional Development Fund

The In-Service Fund was established in 1985. A district was required to have an approved in-service plan on file with the Kansas State Board of Education before the In-Service Fund could be used.

Eligible expenses include:

- Consultants’ honorariums and travel expenses
- Cost of materials used in training
- Salaries for substitute teachers for certified staff who have filed an Individual Development Plan (IDP), (not to exceed 25% of total in-service expenditures)
- Salary of secretarial personnel (not to exceed 1 hour per certified IDP on file)
- Registration fees and travel expenses for in-service workshops for certified employees who have plans on file

In 2003-2004, the fund name changed from the In-Service Fund to the **Professional Development Fund** and no state funding was provided. The fund revenues were entirely a transfer from General/LOB Funds and some reimbursement revenues.

From 2005-2006 through about 2008-2009, a small amount of state aid funding was provided for eligible expenditures, and then the state aid stopped.

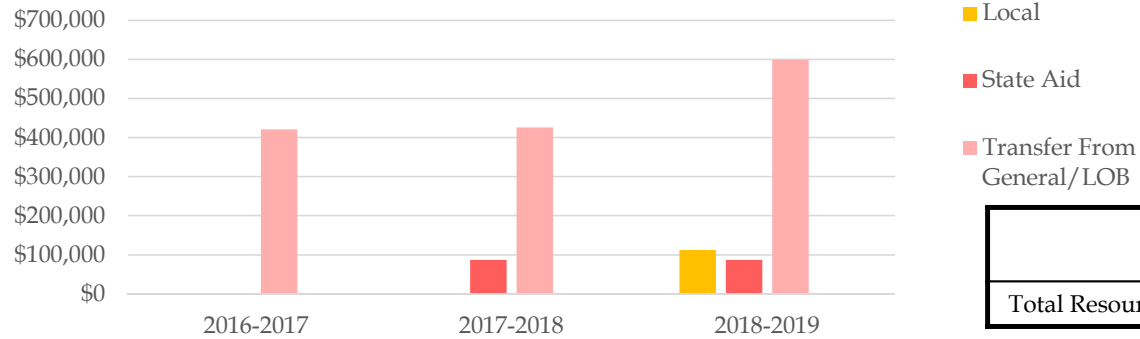
Beginning in 2017-2018 the state began putting funds towards Professional Development again.

2017-2018	unaudited	87,491
2018-2019	budgeted	87,500

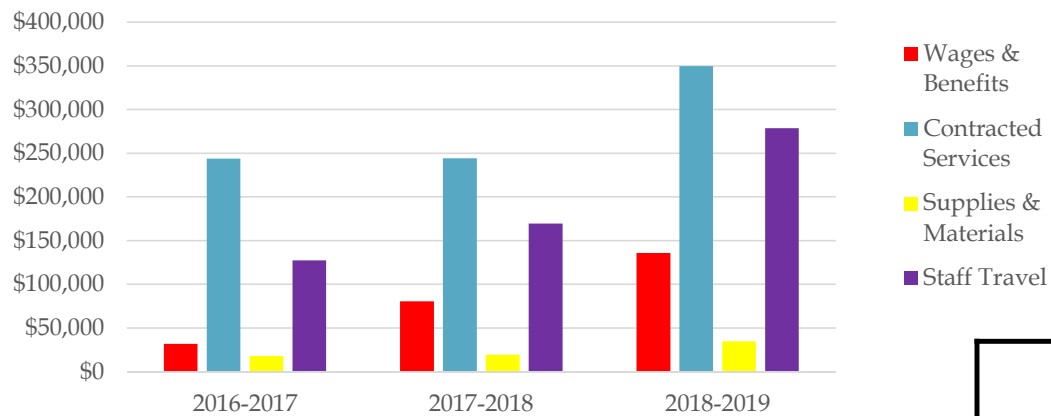
D. Professional Development Aid (Approved Programs Only)

1. Total estimated 2018-19 expenditures approved professional development program =	700,000
2. Total potential state aid (Line 1 X 0.5) =	350,000
3. Multiply legal maximum general fund budget X 0.005 =	368,377
4. Estimated state aid (lower of Lines 2 or 3) =	350,000
5. Estimated prorated state aid (Line 4 X 0.25) to be paid on June 24, 2019 =	87,500

Professional Development Fund



	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Total Resources Available	421,468	514,306	800,000



	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Total Expenditures	421,468	514,306	800,000

WEIGHTED Special Revenue Funds and the Virtual Education State Aid are Part of the District's Published Legal Max Authority for the General Fund and Local Option Budget (LOB)

All weighting calculations for the funds below will be based on audited 2018-2019 information

Unlike the base enrollment, which is based on the audited 2017-2018 FTE enrollment.

- At Risk 4 Year Old
- Bilingual Education
- Career and Postsecondary Education (Vocational)
- At Risk K-12
- Virtual Education (State Aid)
- Special Education



Form 150 General Fund Budget Authority

The 2018-2019 legal max is calculated on the 2017-2018 audited enrollment Full Time Equivalency (FTE)



USD Form 150
2018-2019
ESTIMATED LEGAL MAXIMUM GENERAL FUND BUDGET

General Fund Budget – Lines 1 through 18

1. 2018-19 Adjusted FTE enrollment (Excludes 4 yr old at-risk.) (from Table I or Table IV)
- = 10,704.8
2. Estimated 2018-19 4yr old at risk FTE enrollment (See Footnote(e)) (At-risk students count as .5 FTE)
- 35.0

+

0.0

= 35.0
3. 2018-19 Total Adjusted FTE Enrollment including 4 yr old at risk (Line 1 + Line 2)
- = 10,739.8

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

(A) The At Risk 4 Year Old program is a state “Program Weighted Fund.” The weighted funding is transferred from the General Fund to a Special Revenue Fund, where expenditures for the district’s at risk 4 year old program are to be recorded.

4. Estimated 2018-19 weighted low enrollment and high enrollment.
- (from line 3)

10,739.8x

0.035040factor (from Table II)

= 376.3

Bilingual Education Weighting

The Bilingual Education Fund tracks expenditures for the district's English as a Second Language program.

The Bilingual Fund is a state "Program Weighted Fund." The sole source of revenue is a transfer from the General Fund. Weighted funding is based on student contact hours with an ELL-endorsed staff member.

2018-2019 Bilingual Education Weighting is based on the higher number of student contact hours or headcount of enrolled and eligible students. (Audited 2018-19 and not prior year, like base enrollment)

5. Estimated 2018-19 Bilingual Weighting (a) (b) = 145.4

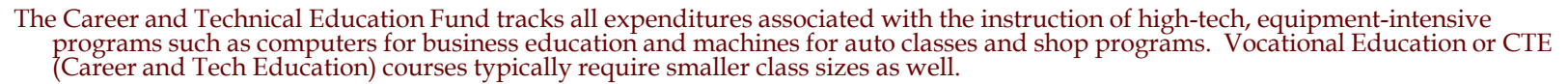
A. (9/20/18 Contact Hrs 2,208.2 + 2/20/19 Contact Hrs 0.0) / 6 x 0.395 = 145.4

B. (9/20/18 ELL Headcount 759 + 2/20/19 ELL Hdct 0) x .185 = 140.4

Note: Bilingual weighting is based on the higher of contact hours or headcount.

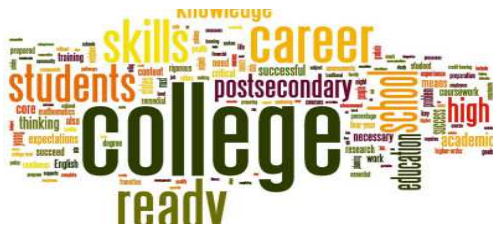


formerly known as the Vocational Education Fund



The sole source of revenue in this fund is a transfer from the General/LOB Funds and a small amount of state aid funding for special transportation mileage.

(9/20/18 CTE contact hrs	2,135.1+ 2/20/19 contact hrs	0.0) / 6 x 0.5	=	177.9
--------------------------	------------------------------	----------------	---	-------



At Risk Fund (K-12)

The At Risk Fund (K-12) is a state “Program Weighted Fund.” The weighted funding is transferred from the General Fund to a Special Revenue Fund, where expenditures for the district’s at risk programs (K-12) are to be recorded.

Beginning in 2017-2018, since full-day Kindergarten is now funded within the base enrollment, these funds cannot be used for the .5 FTE that was unfunded. Guidelines have been expanded slightly and in 2018-2019, the state will require all districts to spend these funds ONLY on what are considered “best practices” for use of At Risk K-12 Funds.

This weighting will be audited during 2017-18 and is estimated HIGH in order to capture all audited budget authority; It is not expected that the full published authority will be realized, and we should not commit expenditures to the fully published authority.

7. Estimated 2018-19 At-Risk Student weighting (d)

9/20/18 Free Lunch 3,536+ 2/20/19 Free Lunch 0 x 0.484 = 1,711.4

8. Estimated 2018-19 High-Density At-Risk Student Weighting (from Table VI, Line 2)

= 135.5

A few examples of how Lawrence uses the At Risk Fund include but are not limited to extended day, tutoring, credit recovery during the summer, pro-rated share of certified teacher salaries based on below proficient students K-12, instructional learning coaches pro-rated based on below proficient students K-12, elementary instructional support services math and reading.



New to Lawrence in 2017-2018 was the ability to realize some High Density Student Weighting on any building with a free lunch count % between 35% -50% and above 50%, this will be true as well in 2018-2019

USD# 497			2018-2019 Percent Free Lunch	>=35% and <50% High Density At Risk	>= 50% High Density At Risk	2018-2019 High Density WTD FTE
LEA_Id	State_School_Id	SchoolName				
497	8185	Lawrence Virtual School	17.9%	0.0	0.0	0.0
497	8189	Sunflower Elementary	39.3%	5.4	0.0	5.4
497	8190	Prairie Park Elem	37.4%	2.3	0.0	2.3
497	8191	Broken Arrow Elem	33.3%	0.0	0.0	0.0
497	8194	Cordley Elem	43.6%	6.0	0.0	6.0
497	8195	Deerfield Elem	17.2%	0.0	0.0	0.0
497	8198	Hillcrest Elem	53.7%	0.0	16.6	16.6
497	8200	Kennedy Elem	63.0%	0.0	15.5	15.5
497	8202	Quail Run Elementary	16.3%	0.0	0.0	0.0
497	8204	New York Elem	52.5%	0.0	12.2	12.2
497	8206	Pinckney Elem	51.6%	0.0	13.4	13.4
497	8208	Schwegler Elem	48.5%	18.7	0.0	18.7
497	8210	Sunset Hill Elem	33.8%	0.0	0.0	0.0
497	8212	Woodlawn Elem	42.3%	4.7	0.0	4.7
497	8213	Langston Hughes Elem	7.5%	0.0	0.0	0.0
497	8214	Lawrence Liberty Memorial Central Mid School	50.7%	0.0	26.3	26.3
497	8215	Lawrence Billy Mills Middle School	42.7%	14.4	0.0	14.4
497	8216	Lawrence West Middle School	26.1%	0.0	0.0	0.0
497	8217	Lawrence Southwest Middle School	15.9%	0.0	0.0	0.0
497	8218	Lawrence High	30.5%	0.0	0.0	0.0
497	8224	Lawrence Free State High	18.7%	0.0	0.0	0.0

8. Estimated 2018-19 High-Density At-Risk Student Weighting (from Table VI, Line 2) = **135.5**

This weighting will be audited during 2018-19 and is estimated HIGH in order to capture all audited budget authority; It is not expected that the full published authority will be realized, and we should not commit expenditures to the fully published authority.

Transportation Weighting

Transportation weighting is based on number of students who reside in the district 2.5 miles or more from school and a density factor computed by the state. The weighting does not fully cover the cost of district transportation.

TABLE III - Transportation Weighting

1. Area of district in square miles 9-20-2018.				=	175.2
2. All public pupils transported or for whom transportation is being made available 9-20-2018					
who reside in the district 2.5 miles or more (Estimated)	2,263.0	+	2-20-19	0.0=	2,263.0
3. Index of density = Line 2	2,263.0	divided by Line 1		175.2=	12.917
4. Using index of density (Line 3), determine Per Capita Allowance.				=	\$590
					1.00 Factor A [BASE Change
					Factor B [Transported Students times
					\$1,335,170 Per Capita Allowance
					\$1,335,170 Factor C [Factor B times Constant]
					\$1,335,170 Factor D [Factor C times Factor A
6. Take higher of 2018-19 Trans. State Aid	1,335,170	or 2016-17 Trans. State Aid	(to Line 10, 1,418,306Page 1)	=	1,418,306

2018 Sub for Senate Bill 423: In no event shall the transportation weighting of the school district result in the portion of such school district's state foundation aid attributable to the transportation weighting being in excess of 110% of such school district's total expenditures from all funds for transporting students for the immediately preceding school year.

New Facilities Weighting

Lawrence USD 497 is eligible for Year 2 of New Facilities Weighting for new classroom additions in several of our elementary schools that received construction improvements from the 2013 bond issue.

Year 2 of Additions to:

- Pinckney Elementary
- Sunflower Elementary
- Schwegler Elementary Art Room

These are NOT ongoing funds. These funds are limited to a two-year window, and then go away. One-time funds should not be committed to ongoing costs, as there is no replacement revenue when they are gone.

2018-2019 is the last year for New Facilities Weighting.

9. Estimated 2018-19 School Facilities Weighting (d)

9/20/18 School Facilities FTE 253.9 + 2/20/19 School Facilities FTE 0.0x 0.25 = 63.5

Special Education

The Special Education Fund tracks all expenditures associated with the special education programs in the district. Included in the Special Education Fund is special transportation for students with special needs.

The source of revenue for Special Education is local money, federal grants, and a transfer from General Funds, which includes state aid.

Beginning in 2001-2002, the state aid for Special Education was converted to a weighted FTE and is part of the General Fund legal max calculation. The state aid funds are transferred to the Special Education Fund when received.

FORM 118
2018-2019 ESTIMATED SPECIAL EDUCATION REVENUE
GENERAL FUND —SPECIAL EDUCATION AID

(This form should be included with the budget document and filed with the State Board of Education)

1. Estimated number of Special Education Teachers (FTE*)		251.2
2. Estimated (FTE*)Special Education Paraprofessionals	360.0times .4 =	144.0
3. Total number of Special Education Teachers (Line 1 + Line 2)		395.2
4. <u>Estimated State Aid due from 7-1-2018 to 6-30-2019 (Line 3 x \$30,610)</u>		<u>\$12,097,072</u>

·Full-time equivalency

TRANSPORTATION AID — SPECIAL EDUCATION

Reimbursed Transportation Costs for Special Education.

6. Contractual Services (includes mileage paid to parents)	\$3,200,000
12. Teacher travel (in-district)	\$70,000
13. Total of Lines 5 through 12	\$3,270,000
15. Net Transportation Cost (Line 13 minus Line 14)	\$3,270,000
16. <u>Total Estimated Transportation Aid (7-1-2018 to 6-30-2019) (Line 15 x 80%)</u>	<u>\$2,616,000</u>
17. Estimated Catastrophic State Aid (7-1-2018 to 6-30-2019)	\$100,000
18. Estimated Medicaid Replacement State Aid	\$250,000
20. Total Estimated Special Education Aid (7-1-2018 to 6-30-2019) (Line 4+16+17+18+19)	<u>\$15,063,072</u>

Estimated Special Education weighting. Amount of Sp. Ed. Funding (f) 15,063,072 ÷ \$4,165 = 3,616.6

Virtual Education State Aid

2018-2019 Virtual Education is no longer a weighting, it is a State Aid Calculation. It remains funded at the same level as 2016-2017 block grant level. The only change is the amount for students age 19 on Sept 20 , was decreased.

- Full-Time Students 18 and under FTE X \$5,000
- Part-Time Students 18 and under FTE X \$1,700
- Students 19 on Sept 20, determine number of 1 hour credit courses pupil has passed and multiply the total credits by \$709 (down from \$933.)
- Add calculated amounts for total funds
- Estimates are HIGH. Enrollment for Virtual School doesn't end until September. The budget needs to be published high enough to capture all growth. Spending authority will only be the 2017-18 realized audited enrollment.

TABLE V
Virtual Enrollment Weighting (K.S.A. 72-3715)

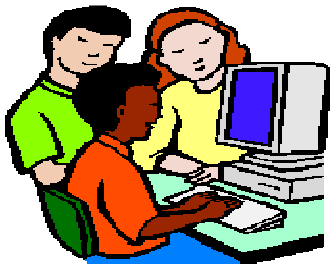
USD#

497

1. Estimated 9/20/18 FTE enrollment for full-time students enrolled in virtual programs.	1,200.0X	\$5,000	=	6,000,000
2. Estimated 9/20/18 FTE enrollment for part-time students enrolled in virtual programs.	100.0X	\$1,700	=	170,000
3. Estimated Virtual Credits* (19 years and older).	45.00X	\$709	=	31,905
4. Estimated Virtual State Aid (Lines 1 plus 2 plus 3)			=	\$6,201,905

*No student shall be counted for more than 6 credits per year.

***"VIRTUAL SCHOOL"** means any school or educational program that: (1) is offered for credit (2) Uses distance-learning technologies which predominantly use internet-based methods to deliver instruction; (3) involves instruction that occurs asynchronously with the teacher and pupil in separate locations; (4) requires the pupil to make academic progress toward the next grade level and matriculation from kindergarten through high school graduation; (5) requires the pupil to demonstrate competence in subject matter for each class or subject in which the pupil is enrolled as part of the virtual school; and (6) require age-appropriate pupils to complete state assessment tests. (K.S.A. 72-6407) A pupil enrolled in a virtual school in a district but who is not a resident of the state of Kansas shall not be counted. (K.S.A. 72-6407)*



Cost of Living Levy Fund

This fund is based on the following formula:

The Kansas State Board of Education will determine (per KSA 72-6449)

- Statewide average appraised value of single family residences for the calendar year proceeding the current school year
- Multiply the amount by 1.25
- Average appraised value of single family residences for the district for the calendar year proceeding the school year
- Subtract from the school value the state value at 1.25
- If the amount is a positive number, the district is authorized to adopt the COLA fund; The district must be at the maximum LOB % as prescribed by the state.

\$1,275,000 was used the first year, about 2.18%, and the amount used has continued to be about the same, although the maximum allowed % has decreased from the 4.37% to 2018-2019 where 1,252,629 is the maximum amount allowed.

16. Estimated Cost of Living weighting (Must have 31% LOB)

\$1,252,629

\$1,252,629÷

\$4,165

=

300.8

(maximum allowed for this district)

(Amt district will use, up to the maximum)

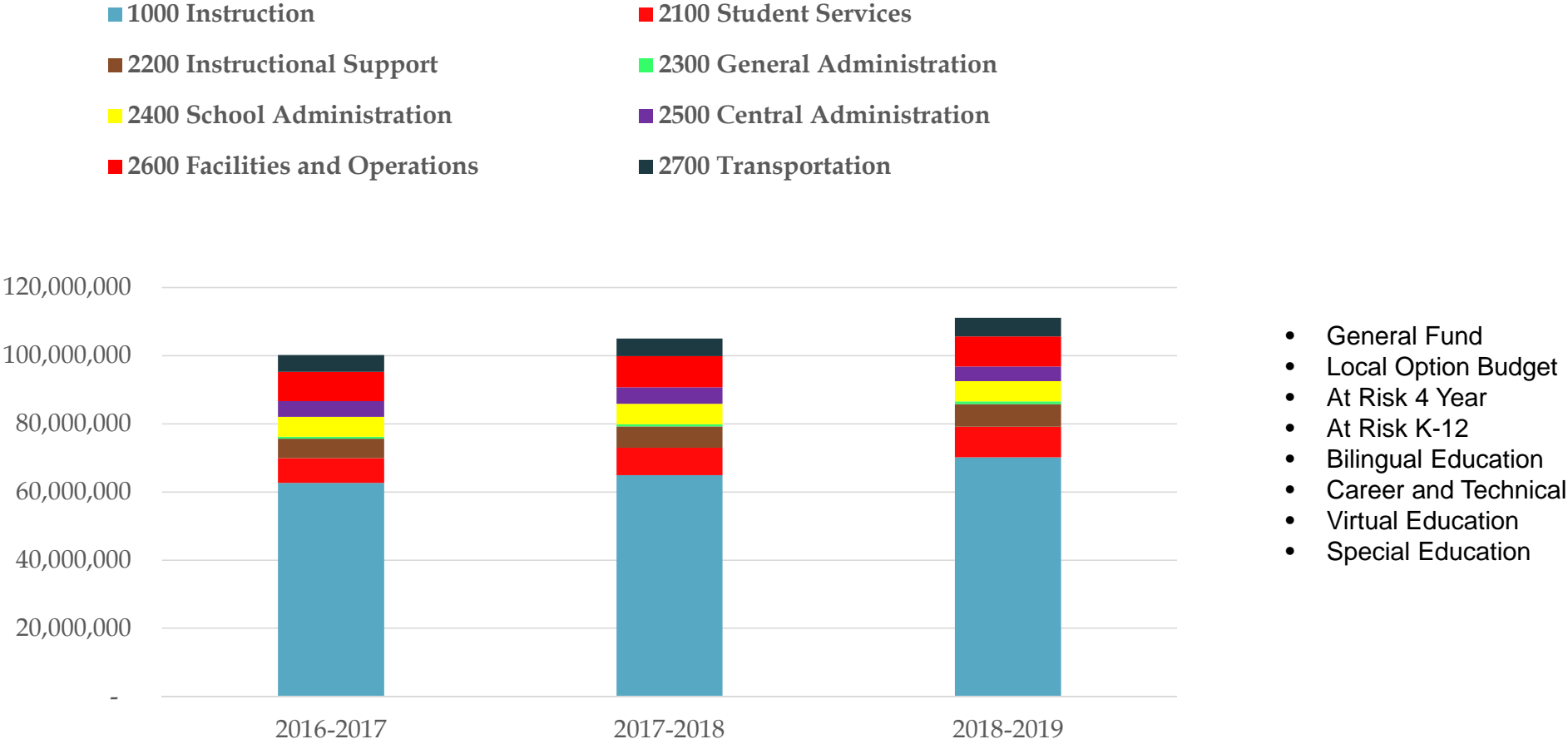
Cost of Living Levy Fund and Other Special Levy Funds

2017-2018		Tax Appeal	Tax Appeal	Tax Appeal	
USD#		COLA Used	Declining Enrollment	Ancillary/Extra-Ordinary Growth	Total
229	Blue Valley	6,691,925		10,523,689	17,215,614
230	Spring Hill			2,434,260	2,434,260
231	Gardner Edgerton	201,270		1,540,199	1,741,469
232	DeSoto	1,907,116		3,185	1,910,301
233	Olathe	7,619,704		14,508,006	22,127,710
489	Hays		241,727		241,727
497	Lawrence	1,181,661			1,181,661
512	Shawnee Mission	6,297,022	1,593,610		7,890,632
Total		23,898,698	1,835,337	29,009,339	54,743,374

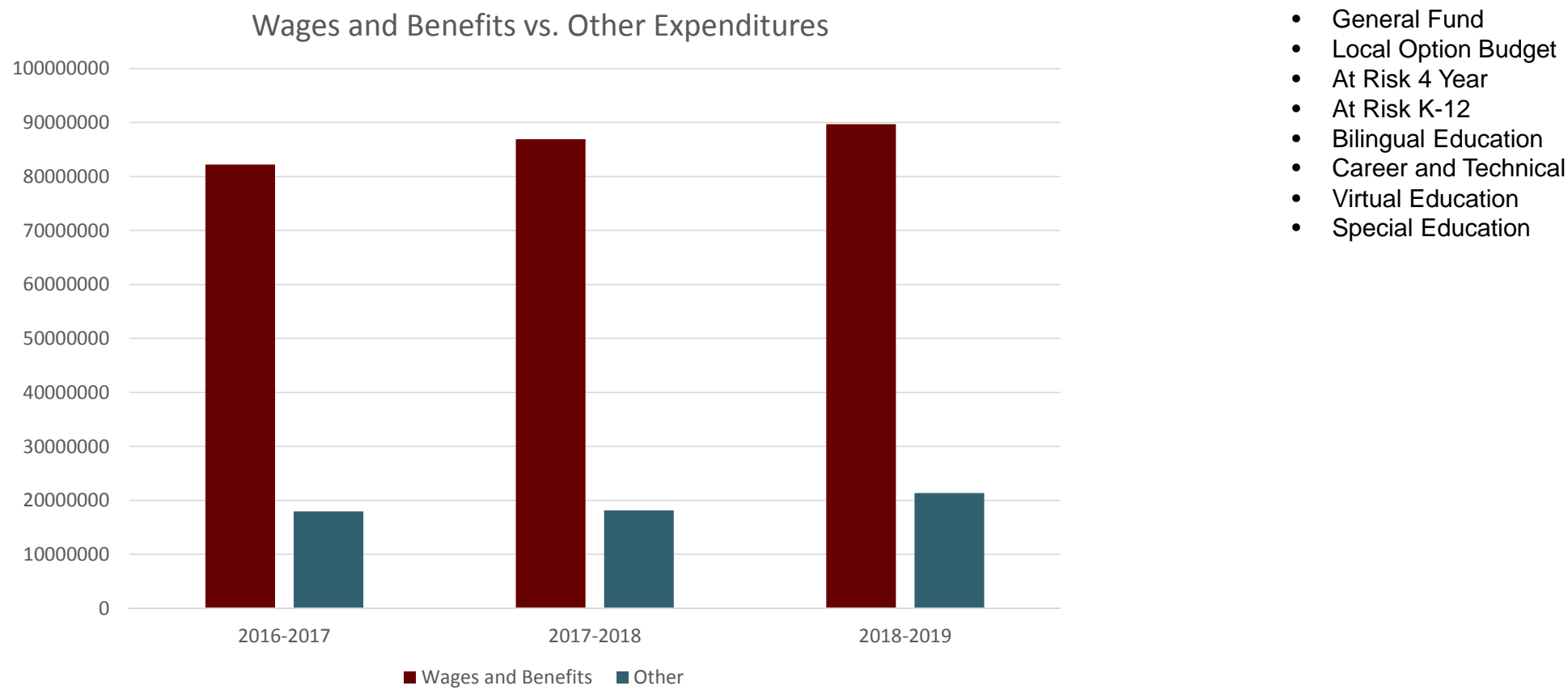
State Defined Functions –Expenditure Classifications

1000	INSTRUCTION Includes activities dealing directly with the interaction between teachers and students
2100	STUDENT SUPPORT SERVICES Activities designed to assess and improve the well-being of students and to supplement the teaching process. Includes expenditures for attendance and social work services, substance abuse, guidance, health, psychology, speech pathology, and audiology
2200	INSTRUCTIONAL SUPPORT Activities primarily for assisting instructional staff with content and process of providing learning experiences for students. Includes expenditures for curriculum development, techniques of instruction, child development and understanding, staff training, library media services, instruction-related technology, academic student assessment, etc.
2300	GENERAL ADMINISTRATION Activities concerned with establishing and administering policy for operating the district. Include Board of Education, Board Clerk, Board Treasurer, staff relations and negotiations, superintendent, assistant superintendents that do not fit into another function area.
2400	SCHOOL ADMINISTRATION Activities concerned with the overall administrative responsibility for a school. Includes principal, assistant principals, secretary support, etc.
2500	CENTRAL SERVICES Activities that support other administrative and instructional functions including fiscal services, human resources, planning and administrative information technology, etc.
2600	OPERATIONS AND MAINTENANCE Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair. These include the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools.
2700	STUDENT TRANSPORTATION Activities involved in operating vehicles for student transportation, from the time the vehicles leave the point of storage until they return to the point of storage. These include driving buses or other student transportation vehicles as well as contracted student transportation services

General Fund, Local Option Budget, Virtual, & Weighted Special Revenue Funds– Less Transfers



General Fund, Local Option Budget, Virtual, & Weighted Special Revenue Funds– Less Transfers



Form 150 General Fund Budget Authority



15. Estimated 2018-19 operating budget excludes COLA. (Lines 3 through 13 times BASE + Line 14)	<u>17,307.9x</u>	$\$4,165 + 6201905 =$	<u>\$78,289,309</u>
16. Estimated Cost of Living weighting (Must have 31% LOB)	$\$1,252,629$	$\frac{\$1,252,629}{\$4,165} =$	<u>300.8</u>
	(maximum allowed for this district)	(Amt district will use, up to the maximum)	
17. Total General Fund Budget Authority including Cost of Living. (Form 150 Line 15 + Line 16)	<u>17,608.7x</u>	$\$4,165 + 6201905 =$	<u>\$79,542,141</u>



Total Budget Authority 2018-2019 General Fund and Local Option Budget

2017-2018 General Fund and Local Option Budget (LOB) Legal Max Authority per KSDE	Amount
2017-2018 General Fund	73,676,291
2017-2018 Local Option Budget	24,789,118
Total 2017-2018 Legal Max General Fund and Local Option Budget (LOB)	98,465,409
2018-2019 General fund	79,542,141
2018-2019 Local Option Budget	25,701,427
Total 2018-2019 Legal Max Published	105,243,568
PUBLISHED 2018-2019 Increase over 2017-2018	6,778,159
Published Authority vs. Planned and Estimated	Amount
Published Increase of Funds	6,778,159
Planning Increase of Funds	4,793,401
Increase within Publication - Unavailable until Realized in AUDIT	1,984,758
At Risk K-12 Fund -unavailable authority unless realized	(123,548)
Virtual Education - unavailable authority unless realized	(133,922)
Special Education - unavailable authority unless realized	(1,462,894)
New Facilities - One time funding going away- not for ongoing expenditures	(264,394)
Change of Funding Increase from Planning	0.00
ESTIMATED New Funds Available for 2018-2019	4,793,401

STATE OF KANSAS

Budget 2018-19

USD#497

Unencumbered Cash Balance by Fund

Fund Name	Fund #	July 1, 2016	July 1, 2017	July 1, 2018	Change	Notes
General	6	19,404	0	933	933	Enrollment Audit Adjust/Deduct 18-19 State Aid
Federal Funds	7	(253,812)	(788,235)	(164,906)	623,329	Reimbursement
Supplemental General	8	1,760,032	1,210,262	1,890,132	679,870	offsets Mill 18-19/unable to use for any other purpose
Adult Education	10	753,770	776,045	667,605	(108,440)	sole use for Adult Education/declining
At Risk (4yr Old)	11	246,482	149,749	101,782	(47,967)	sole use for AR 4 Year Old ECH program/declining
Adult Supplemental Education	12	25,981	25,981	25,981	0	
At Risk (K-12)	13	0	0	0	0	ZERO
Bilingual Education	14	0	0	0	0	ZERO
Virtual Education	15	0	0	0	0	ZERO
Capital Outlay	16	4,432,670	4,360,646	6,324,128	1,963,482	sole use Capital Improvement Plan/Timing of summer work activity reflective after July 1 - focus of work during 17-18 from bond fund projects.
Driver Training	18	35,632	27,646	17,784	(9,862)	sole use for Drivers Training/declining
Food Service	24	1,026,941	993,168	781,957	(211,211)	sole use for Food Service Program/declining
Professional Development	26	0	0	0	0	ZERO
Parent Education Program	28	62,427	46,823	49,920	3,097	sole use for Parents as Teacher Program
Summer School	29	74,517	79,847	74,129	(5,718)	sole use for Summer School Programs/declining
Special Education	30	5,511,810	5,427,310	5,381,714	(45,596)	Sole use for Special Education/declining
Cost of Living	33	60,371	377,464	335,897	(41,567)	offsets Mill 18-19/unable to use for any other purpose
Career and Postsecondary Education	34	0	19,872	0	(19,872)	
Gifts/Grants	35	1,394,827	1,168,208	1,800,580	632,372	restricted for purpose of grant/fundraising/donation
Special Reserve	47	6,706,195	4,508,348	2,122,090	(2,386,258)	Health and work comp reserves covering deficit spending/ongoing health and work comp expenditures/declining
KPERS Spec. Ret. Contribution	51	0	0	0	0	ZERO - revolving account for State Share of KPERS
Contingency Reserve	53	6,408,307	3,671,596	2,960,028	(711,568)	Emergencies/Deficit spending/ balance is declining
Text Book & Student Material	55	951,924	1,039,798	1,215,337	175,539	Instructional Materials/texts/student and teacher instructional resources, adoptions planned for 18-19 reduction expected
Activity Fund	56	101,522	126,241	155,795	(155,795)	
Bond and Interest #1	62	14,936,281	12,853,065	14,130,055	1,276,990	Increase is to cover 2017 bond issue principal and interest add to debt service due Sept 1, and provide for payment of pending 2018 principal and interest due during the next 18 months after 2nd sale in September
USD TOTAL		44,255,2810	36,073,834	37,870,941	1,797,107	
Accounts that can be used for operating expenditures - Transfers between funds					(3,211,261)	

Cash Reserves – Recommendations from Governmental Finance Officers Association (GFOA)

10% or less in low risk financial conditions

10-15% for low to moderate risk

15-25% for moderate to high risk

25% or higher for high risk conditions

The % calculation for seeing were the district fits in this chart

Unencumbered Balances for the operating funds within the Legal Max General and Local Option Budget calculations, plus Contingency Reserve and the Special Reserve (Health and Workers Comp) to the General Fund and Local Option Budgets

Unencumbered Cash Balances		18,872,794	13,776,875	10,565,614
General Fund and Local Option Budget (LOB)		99,187,765	100,413,884	105,243,568
% to Budgets		19.03%	13.72%	10.04%

Budget Planning

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
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	
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
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

Budget Planning

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
Elementary PE Specialists	.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

Budget Planning

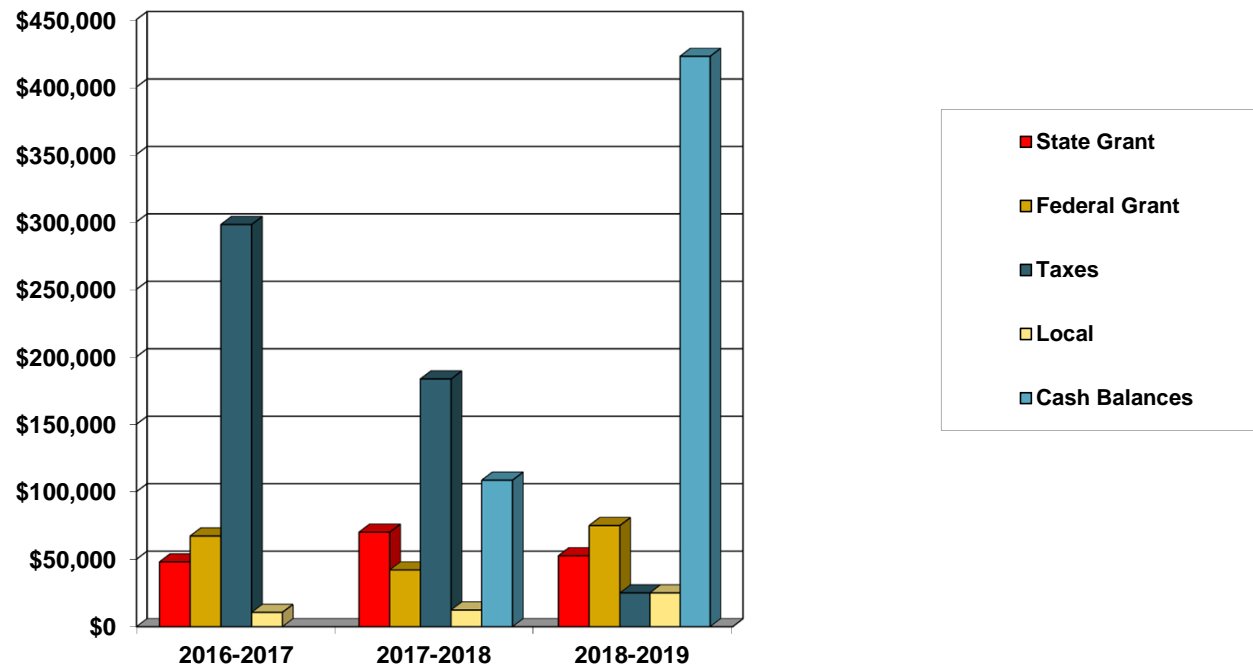
Description	FTE	Budget Addition	Budget Reduction	Comments
Intervention Specialist – Middle School	2.0	122,298		Board Approved May 14, 2018
Special Education Teachers	3.0	183,447	91,830	Board Approved May 14, 2018 (note Expense offset is Categorical Aid – per SPED Teacher FTE)
Fringe Benefit Increase (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
NEW Funding planned			4,793,401	
Sub Total		3,915,860	5,799,225	
Remaining Unallocated New Authority			\$1,883,365	
Certified Compensation				Negotiations Pending
Supplemental Assignments				Negotiations Pending
Classified Compensation				Pending
Administration Compensation				Pending

Levied Funds

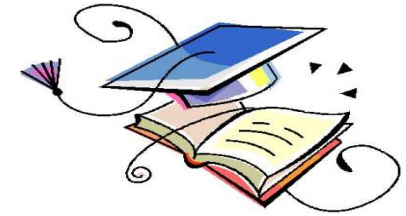
2018-2019

Adult Basic Education

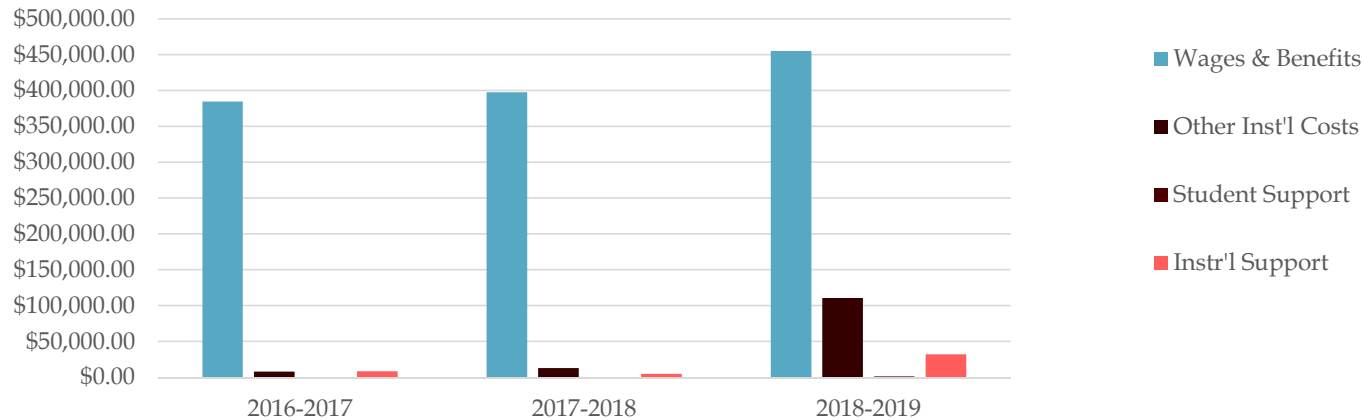
The Adult Basic Education Fund is a special revenue fund for expenditures related to the GED program. The revenue into this fund is from fees for GED scoring, state aid, federal aid and a small mill levy approved by the Board of Education.



Adult Basic Education Expenditures



*The Maximum mill
levy authorized for
this fund is .500*



	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Total Expenditures	401,381	416,187	600,000

Mill Levy	.247	.146	.000 projected
------------------	-------------	-------------	-----------------------

Capital Outlay

The Capital Outlay Fund is used for maintaining facilities, purchasing new equipment and replacement of old equipment, along with meeting growth concerns when a bond issue cannot be passed.

The Board of Education has authority to levy a maximum of 8 mills in the Capital Outlay Fund for perpetuity.

A report on Capital Outlay is part of the Capital Improvement Plan that comes to the board in December or January each fiscal year.

This budget is published high to ensure there is budget authority if there is an unforeseen facilities emergency.



	2016-2017 Actual	2017-2018 Actual	2017-2018 Budget
Total Expenditures	13,104,879	10,390,667	15,890,720

Mill Levy	7.910	7.802	8.000 Projected
-----------	-------	-------	-----------------

Special Assessments

The Special Assessment Fund is to pay for public improvements benefiting such real property owned by the district. This includes sewer, storm water drainage, sidewalks, etc. Assessments could be county or city.

The district has the authority to issue whatever mill levy it takes to fund the payment of these assessments.

	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Special Assessment Taxes	14,462	6,467	300,000

Mill Levy	.058	.000	.000 projected
-----------	------	------	----------------



Bond & Interest

The Bond and Interest Fund is used to make principal and interest payments on long-term obligations.

The district is authorized to issue whatever mill levy is required to fund the payment of principal and interest on these outstanding general obligation bonds.

In 2017, the community approved an \$87 million bond issue, projecting a 2.4 mill increase to the B&I Fund.

The first half of the bonds were sold in 2017, and the 2nd half of the bonds will be sold in 2018.

Instead of a 2.4 mill increase over the 2016-2017 mill of 9.5, the two year cumulative actual increase is 1.484 mill, .916 mill less that projected during the bond campaign

	7/1/2016	7/1/2017	7/1/2018
<i>Balance of:</i> General Obligation Bonds	125,905,000	116,310,000	202,205,000

* Required to look at 18 months when setting Mill Levy to meet Cash Flow obligations for Debt	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget	07-01-19 to 12-31-2019 Budget
Principal	9,595,000	7,280,000	8,695,000	7,190,000
Interest & Commissions	4,788,158	5,025,651	6,357,999	3,860,359
Total	14,383,158	12,305,651	15,052,999	11,050,359
Mill Levy	9.500	10.435	10.984 Projected	

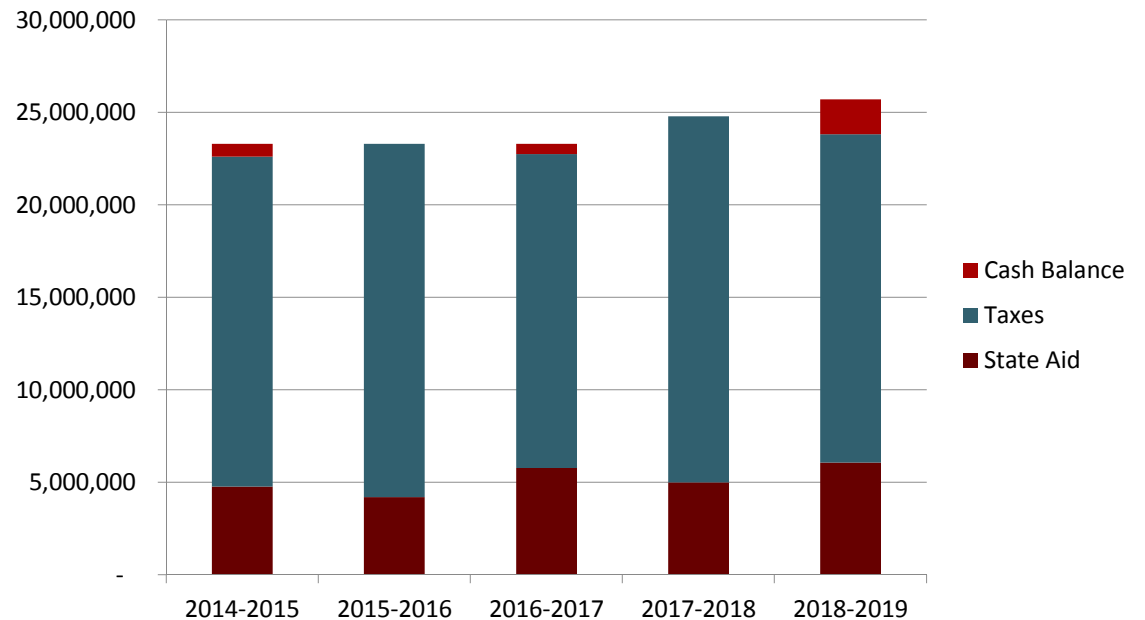
2018-2019 Local Option Budget

Local Option Budget State Aid will again be allowed to follow the formula: 33% of the General Fund.

	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Budget
Budget	<u>23,297,182*</u>	<u>23,297,182*</u>	<u>23,297,182*</u>	<u>24,789,118</u>	<u>25,701,427</u>
State Aid	**4,768,517	4,203,557	5,775,047	4,994,916	6,070,677
Taxes	17,832,131	19,093,625	16,972,041	19,794,202	17,740,618
Cash Balance	696,534	0	550,094	0	1,890,132
Total Legal Max	<u>23,297,182</u>	<u>23,297,182</u>	<u>23,297,182</u>	<u>24,789,118</u>	<u>25,701,427</u>
Mill Levy	15.897	17.373	14.245	16.702	14.750

*Block Grant Funding

- The revenue for this fund comes from two basic sources: State Aid and Local Taxes.
- **When the mill levy was set for this budget year the district expected and budgeted for \$5,985,375, but the state of Kansas reduced the amount mid-year, causing the district to use more cash reserves to fill the gap in lost revenue which triggered a higher mill levy in the following budget year to recoup the loss.





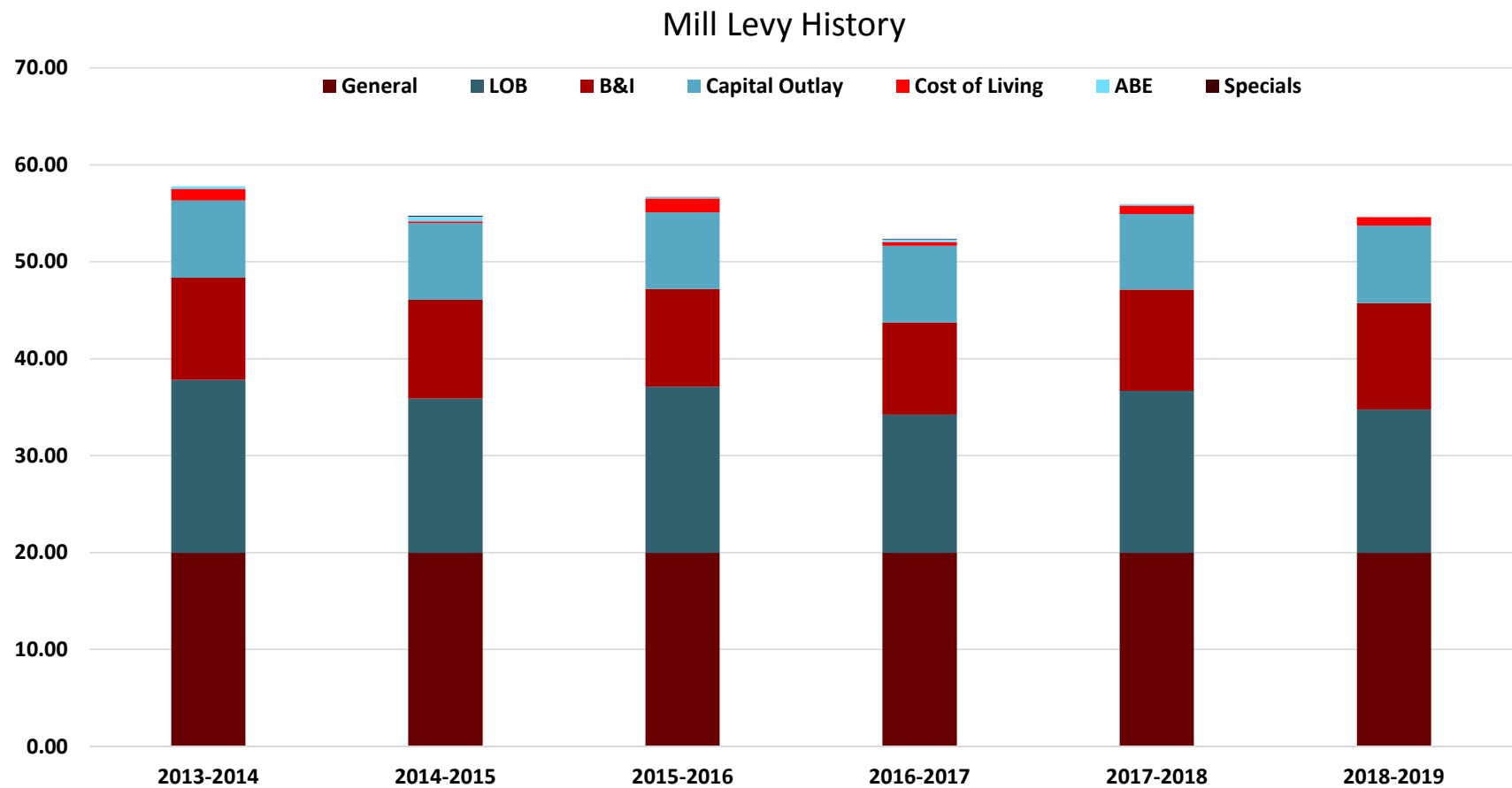
Assessed Valuation History

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

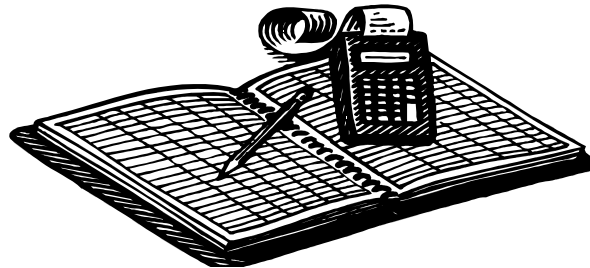
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
General Fund	20.000	20.000	20.000	20.000	20.000	20.000
Local Option Budget	17.836	15.897	17.126	14.245	16.702	14.750
Bond and Interest	10.539	10.208	10.073	9.500	10.435	10.984
Capital Outlay	7.972	7.902	7.904	7.910	7.802	8.000
Cost of Living	1.192	0.185	1.446	0.400	0.865	0.892
Special Assessment	-	0.066	0.011	0.058	-	-
Adult Education	0.249	0.494	0.099	0.247	0.146	-
Total	57.788	54.752	56.659	52.360	55.950	54.626
<i>Change</i>		<i>(3.04)</i>	<i>1.91</i>	<i>(4.30)</i>	<i>3.59</i>	<i>(1.32)</i>

Mill Levy History and Estimate for 2018-2019



Comparing Actual to Budget

- Remember that school districts must budget “high” for authority, and cannot exceed the published amount, even if there are revenues that would allow them to exceed it.
- To exceed the maximum authority, the budget would have to be re-published, 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.



Approving Code 99 for Publication

- Code 99 Page 2 Line 110 NET USD Expenditures shows the District Expenditures and budget after removing transfers between funds – NET Expenditures
- Also note that the budget is published High, levied funds cannot be republished, and a school district cannot spend more than the published amount, even if there are revenues available to spend.

Budget Less Transfers	2018-2019	\$170,885,457	
Actual Less Transfers	2017-2019	\$148,440,532	\$22,444,925
<u>Highlighted Changes</u>			
Capital Outlay		\$ 5,500,053	
Bond and Interest		\$ 2,747,348	
Special Education		\$ 3,120,946	
Virtual Education		\$ 2,098,764	
KPERS		\$ 4,204,104	
Gifts and Grants <i>(published high for possible future grants and donations)</i>		\$ 2,468,386	
General & LOB net transfers and Various others budget changes		\$ 2,305,324	
<u>Total change from prior year actual</u>			<u>\$22,444,925</u>

NOTICE OF HEARING 2018-2019 BUDGET

The governing body of Unified School District 497 will meet on the 13th day of August, 2018 at 7:00 pm,
at 110 McDonald Drive for the purpose of hearing and answering objections of taxpayers relating to the proposed
use of all funds and the amount of tax to be levied. Detailed budget information (including budget profile) is available at
ESDC Business Office and will be available at this hearing.

The Amount of 2018 Tax to be Levied and Expenditures (published below) establish the maximum limits of the 2018-2019 Budget.
The "Est. Tax Rate" in the far right column, shown for comparative purposes, is subject to slight change depending on final assessed valuation.

		2016-2017 Actual		2017-2018 Actual		PROPOSED BUDGET 2018-2019		
	Code	Actual	Actual	Actual	Actual		Amount of 2018	Est.
	99	Expenditures	Tax	Expenditures	Tax	Expenditures	Tax to	Tax
	Line	(1)	Rate* (2)	(3)	Rate* (4)	(5)	be Levied (6)	Rate* (7)
OPERATING								
General	06	78,680,497	20.000	75,429,214	20.000	79,542,141	22,580,198	20.000
Supplemental General (LOB)	08	23,507,268	14.245	24,984,670	16.702	25,701,427	17,383,975	14.750
SPECIAL REVENUE								
Adult Education	10	401,381	0.247	416,187	0.146	600,000	0	0.000
Adult Supplemental Education	12	0		0		25,981		
Bilingual Education	14	1,788,129		1,135,040		1,350,000		
Virtual Education	15	4,633,205		4,226,236		6,325,000		
Capital Outlay	16	13,104,879	7.910	10,390,667	7.802	15,890,720	9,428,723	8.000
Driver Training	18	45,190		46,924		105,000		
Extraordinary School Program	22	0		0		0		
Food Service	24	4,857,847		4,944,681		6,100,000		
Professional Development	26	421,468		514,306		800,000		
Parent Education Program	28	182,766		176,859		300,000		
Summer School	29	37,585		44,458		115,000		
Special Education	30	23,950,288		25,997,554		29,118,500		
Career and Postsecondary Education	34	1,901,470		1,892,432		2,350,000		
Special Liability Expense Fund	42	0	0.000	0	0.000	0	0	0.000
School Retirement	44	0	0.000	0	0.000	0	0	0.000
Extraordinary Growth Facilities	45	0	0.000	0	0.000	0	0	0.000
Special Reserve Fund	47	11,409,438		12,240,512				
Federal Funds	07	2,812,118		2,474,659		3,122,094		
Gifts and Grants	35	508,171		550,742		3,019,128		
At Risk (4Yr Old)	11	477,170		449,434		590,000		
Cost of Living	33	1,307,199	1.400	1,181,661	0.865	1,500,000	1,051,265	0.892
At Risk (K-12)	13	4,935,284		7,056,053		7,800,000		
Declining Enrollment	19	0	0.000	0	0.000	0	0	0.000

STATE OF KANSAS							USD#	497
Budget Form USD-A								
2018-2019								
		2016-2017 Actual		2017-2018 Actual		PROPOSED BUDGET 2018-2019		
	Code	Actual	Actual	Actual	Actual		Amount of 2018	Est.
Fund—Continued	99	Expenditures	Tax	Expenditures	Tax	Expenditures	Tax to	Tax
	Line	(1)	Rate*	(3)	(4)	(5)	be Levied	Rate*
			(2)				(6)	(7)
KPERS Special Retirement Contribution	51	5,944,556		9,129,435		13,333,539		
Contingency Reserve	53	2,750,000		711,568				
Textbook & Student Material Revolving	55	749,557		670,360				
Activity Fund	56	0		0				
DEBT SERVICE								
Bond and Interest #1	62	14,383,158	9.500	12,305,651	10.435	15,052,999	12,945,425	10.984
Bond and Interest #2	63	0	0.000	0	0.000	0	0	0.000
No-Fund Warrant	66	0	0.000	0	0.000	0	0	0.000
Special Assessment	67	14,462	0.058	6,467	0.000	300,000	0	0.000
Temporary Note	68	0	0.000	0	0.000	0	0	0.000
COOPERATIVES**								
Special Education	78	0		0		0		
TOTAL USD EXPENDITURES	100	198,803,086	53.360	196,975,770	55.950	213,041,529	63,389,586	54.626
Less: Transfers	105	55,126,031	xxxxxx	50,043,157	xxxxxx	42,156,072	xxxxxxxx	xxxxxx
NET USD EXPENDITURES	110	143,677,055	xxxxxx	146,932,613	xxxxxx	170,885,457	xxxxxxxx	xxxxxx
TOTAL USD TAXES LEVIED	115	56,487,886	xxxxxx	62,137,108	xxxxxx	63,389,586	xxxxxxxx	xxxxxx
OTHER								
Historical Museum	80	0	0.000	0	0.000	0	0	0.000
Public Library Board	82	0	0.000	0	0.000	0	0	0.000
Public Library Board Employee Benefits	83	0	0.000	0	0.000	0	0	0.000
Recreation Commission	84	0	0.000	0	0.000	0	0	0.000
Rec Comm Emp Benefits & Spec Liab	86	0	0.000	0	0.000	0	0	0.000
TOTAL OTHER	120	0	0.000	0	0.000	0	0	0.000
TOTAL TAXES LEVIED	125	56,487,886		62,137,108		63,389,586		
Assessed Valuation - General Fund	128	\$1,020,289,707		\$1,078,061,594		\$1,129,009,917		
Assessed Valuation - All Other Funds	130	\$1,079,898,829		\$1,138,164,961		\$1,178,590,407		
Outstanding Indebtedness, July 1		2016		2017		2018		
General Obligation Bonds	135	125,905,000		116,310,000		152,530,000		
Capital Outlay Bonds	140	0		0		0		
Temporary Note	145	0		0		0		
No-Fund Warrant	150	0		0		0		
Lease Purchase Principal	153	7,066,024		7,177,859		12,516,716		
TOTAL USD DEBT	155	132,971,024		123,487,859		165,046,716		
* Tax Rates are expressed in Mills								
** Sponsoring District Only								
President						Clerk of the Board		

Calendar of Future Board Action

July 30, 2018, Special Meeting
Approve Budget for Publication and
Notice of Budget Hearing

August 13, 2018 Board Meeting
Budget Hearing, 7:00 p.m.
ESDC 110 McDonald Drive

Approve Budget
Following Budget Hearing

August 25, 2018
Certification with County and KSDE

Questions??

Motion:

"I move the board of education approve, for publication, the 2018-2019 budget maximums and mill levies as noted on budget form Code 99 with a budget hearing scheduled for August 13, 2018, 7:00pm."