

Budget and Finance Committee
September 28, 2015
Conference Room A, IAKSS

Members present: John Price, Amy McVey, Jessica Hiler, Rodney Jackson, Betsy Raines, Myron Thompson, Julane Mullins, Piper Lewis, Tiffany Davis, Becky Riley, Rob Sayre.

The meeting was called to order by Myron Thompson at 4:30 p.m.

Piper Lewis served as recorder.

Julane reviewed the Working Budget:

- The working budget is required to be balanced, approved by the Board, and submitted to KDE by September 30 of each year. It is preliminary pending the completion of the audit on November 15.
- Beginning fund balance projected to be \$35 million
- Looked closely at revenue trends, economic indicators to project revenue streams, worked with PVA, sheriff's office and revenue cabinet to verify data.
- Salary for beginning teacher is \$42,010
- Enrollment increase of approximately 400 above previous year, growth of 5800 over past 10 years.
- Budget includes a 5% contingency - \$25,965,252 and 2% across the board salary increase and 1.5% step up for certified and classified employees.
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In addition to contingency there are the following non-recurring obligations:

- \$2,943,808 encumbered purchase orders from 2014-15
- \$1.5 million approved school allocated Section 6 carry forward from 2014-15
- Recommendations for non-recurring revenue:
 - Debt service \$350,000
 - Network infrastructure \$250,000
 - STEAM Science Lab \$33,000
 - Installation and set-up of portables \$80,000
 - Superintendent initiatives \$600,000
 - LPC Committee & Ground breaking \$15,000
 - Physical Support Projects \$400,000
 - Data Dashboard \$350,000
 - Start-up costs for new schools \$700,000

Recurring obligations

- There is expected to be a mid-year reduction in SEEK allocations for the current year, the SEEK allocation has been projected with no growth expected. The guaranteed SEEK base will increase to \$3,981 from \$3,911, the increase will generate approximately \$2.9 million in revenue and will assist in covering the mandated 2% salary increase. This will then become recurring revenue to support the operating budget in 2015-16.
- Second Month Section 6 adjustments \$220,000
- Reinstate funds for Zonar (GPS) for busses \$69,000
- Monthly service fee to KU for electronic billing \$3,600
- Interpreters/Translators \$30,000
- District Supplemental for Arts & Humanities, PLC and World Languages \$15,000

- Moving the remainder of the PGES coaches from Title II to the General Fund \$400,000
- Reinstate funds for the IB program \$40,000
- STEAM Portable \$86,400
- Transportation budget for “non-Yellow bus” activities – i.e., Rotary Field Trips
- Establish the following positions:
 - Bus Driver and 5 bus monitors (growth related) \$142,860
 - 2 additional research analysts to maintain data dashboard \$150,000

Additional inclusions in the 2015-16 Working budget:

- Special revenue (fund 2) budget that include anticipated state and federal grants awarded to the District at this time
- Food Service (Fund 51) budget, which is reflected as self-supporting
- Capital Outlay (Fund 310) budget is funded at \$100 per ADA as required by State’s SEEK funding. These funds must be used for debt redemption and/or capital improvement.
- Building Fund (Fund 320) budget funded at the state required level of the equivalent of 5.5 cents of property taxes and the additional nickel approved beginning in 2007-08 to be used for construction projects and debt reduction.

Total budget of \$442,548,973 (General Fund) as well as other budgets (Food Service, Capital Outlay, etc.) for a total district budget of \$539,183,667.

Question: Are we comfortable with this (the contingency balance)? Julane: it is the highest it has been in a while. We would like to be at 10% of the total budget. John: (the Board) is not comfortable with it. We thought we would have more to do other things with. There is an issue with getting a copy of the budget in such a small time frame prior to approval. This group cannot review it in such a short period of time. I am going to recommend we approve the budget, but we need to discuss it more with Kyna, Rodney and others.

John: I am going to request a Lunch and Learn with the Board and the members of this committee so that we will have some way of knowing if what is presented in September is monitored throughout the year.

Julane did a short presentation on the increase in salaries and how those affect the budget.

John: believes this committee needs more input on the budget and needs to play a more active role, the Board also needs more information.

Amy: How many non-recurring items are given out and how are they determined? For example the STEAM science lab. John explained the STEAM issues. Amy responded that she had concerns that the principals are not given this information. Myron explained that the process is to make a list of needs and only fund those issues that are safety issues.

Marlene proposed that she set up a lunch and learn for the Board that would include the Budget and Finance Committee if they were available to explain Contingency, Fund Balance and Carry Forward. John suggested that this group also receive training on SEEK, Revenue Streams and other areas of interest in later sessions.

Rodney then reviewed the ongoing audit. The auditors came back on September 16 and all accruals are done. They project a beginning balance of \$36.5 million instead of \$35 million. Financial services will begin converting to current GASB standards. October 21 the Audit Committee will meet with the Auditors and the Auditors will meet with the Budget and Finance Committee and the Board on November 9.

Debbie Boian arrived and reported on the Compensation Study. Manny and members of the executive team met with the President of Management Advisory Group on September 4.

They reviewed the Classified Compensation Study and discussed, as well as reviewed the parameters of the Certified Compensation Study.

The discussion concluded that the Classified Study should be resubmitted to the Board using 2015 data and the report should include a transition plan. The preliminary date for that report to be given to the Board was October 26 (Regular Board meeting).

MAG would then continue with the Certified Study which would now include teachers and the superintendent. That report will come to the Board in December with a transition plan that could be incorporated in the 2016-17 budget.

Amy McVey requested that the Superintendent send out a communication to employees before the plan is presented.

Jessica Hiler asked that she be able to review prior to it being presented to the board.

With no further business the meeting adjourned at 5:40 p.m.

Next meeting: Lunch and Learn with the Board, date and location TBA.