

USD 353 Board of Education Meeting
November 12, 2009
Description of General Fund Budgets and Estimates of Future Reductions
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BSAPP – Basic State Aid Per Pupil

This is the amount of money the legislature approves to be used in determining the amount of the general fund. Multiply that amount by the weighted enrollment and the best estimate of the current year general fund is now determined. Listed below are examples of what the BSAPP should have been, actually is and what is predicted. Please keep in mind that these will be estimates and ball park figures but it will provide the best information we have at this time to allow us to examine the financial condition of USD 353 and proportionately all of the public school districts in Kansas. (These predictions and estimates were based on mid October 2009 thoughts and figures.)

\$4,492 (By law, this is what the BSAPP should have been for the 2009-2010 school year)

\$4,218 (What the BSAPP actually is this year) (A reduction of \$174.00)

\$4,133 (What the BSAPP is predicted to be with the first cut predicted before Christmas)
(A reduction of \$359.00)

\$4,012 (What the BSAPP was reduced to with the Governor's reduction)
(A reduction of \$480.00)

\$3,898 (What the BSAPP is predicted to be at the beginning of the 2010-2011 school year) (A reduction of \$590.00)

Weighted Enrollment

This is the enrollment numbers we use in determining the general fund budget. We multiply this estimated amount by the BSAPP listed above. The weighted enrollment is determined by the full time equivalency enrollment which counts everyone full time except for Kindergarten students who count for .5 according to state law. Kindergarten students and 4 year olds with an IEP will count 1.0. Then we receive weighted factors for low enrollment weighting, transportation of students, at risk and many others that appear on Form 150. This is why the weighted factors always appear higher than the actual head count enrollment. With the 2009-2010 general fund budget, we used the number of 2,405.3 as the weighted enrollment factors for the general fund budget. It is anticipated this number will increase as free and reduced lunch numbers have increased and more students have been added to the transportation list.

General Fund Budgets

2009-2010 $4,492 \times 2,405.3 = \$10,804,608$

(By Law not funded by legislature)
 2009-2010 4,218 x 2,405.3 = \$10,145,555
 (Reality of beginning budget)

2009-2010 4,133 x 2,405.3 = \$9,941,105
 (Estimated \$85.00 cut on BSAPP imposed by the Governor as state continues losing revenue) (Anticipated before Christmas)

2009-2010 4,048 x 2,405.3 = \$9,736,654
 (Estimated \$85.00 cut on BSAPP imposed by the Legislature upon the session beginning in January. Could be quick or slow during the session)

2010-2011 3,898 x 2,405.3 = \$9,375,859
 (Estimated \$150.00 cut on BSAPP imposed by the Legislature to align with state revenue losses to begin the 2010-2011 school year)

Estimated Loss of General Fund Budget Authority

It is only appropriate to examine what each step of these cuts brings to us. Please know these are estimates made on the best information we have upon the writing of this report. Please know the reductions could become more severe. State revenues will not increase until people go back to work. With unemployment increasing and the legislature reluctant to increase state revenues, the trend of unemployment and reduced state revenues will continue. With that, cuts in state programs seem to be the response of the Governor and legislature which will force state supported entities to layoff, furlough or terminate employees according to the reductions in funding. With that, the problem only compounds and things get worse instead of better.

The first example will be based on the General Fund Budget Amount of what the law mandated with a \$4,492 Basic State Aid Per Pupil and 2,405.3 weighted enrollment. (Listed for dreaming purposes only)

BSAPP	Budget Amount	Loss of Authority
4,492	\$10,804,608	
4,218	\$10,145,555	\$659,053
4,133	\$9,941,105	\$863,503
4,048	\$9,736,654	\$1,067,954
3,898	\$9,375,859	\$1,428,749

The second example will be based on the General Fund Budget Amount of what the BSAPP actually is \$4,218 and the 2,405.3 weighted enrollment.

BSAPP	Budget Amount	Loss of Authority
4,218	\$10,145,555	

4,133	\$9,941,105	\$204,450
4,048	\$9,736,654	\$408,900
3,898	\$9,375,859	\$769,696 (2010-2011)

In summation, the loss of general fund budget authority will be devastating to USD 353 and the public schools of Kansas. Please note that the Federal Stimulus money (AARA) has been used by the legislature to “plug the gaps” in the loss of revenue and the inability of the political leadership in Kansas to finance public schools. This kind of situation thrust upon the public schools by the political leadership of Kansas will result in the dismantling of many programs that have led Kansas into the elite of our nation’s public schools. With the personnel reductions and other programs eliminated because of these cuts, our public school systems will struggle to continue to provide the educational opportunities our students deserve.

FUTURE SCENARIOS – FROM SCHOOLS FOR FAIR FUNDING

These estimates include a more recent set of estimates and projections from The Kansas State Department of Education. By the time this report is included in the November Agenda of the USD 353 Wellington Board of Education Meeting, there could quite likely be more. Please remember, this was a budget that was approved last August and assumed would be what we worked with for the 2009 -2010 school year. That appears to be a foregone conclusion.

POTENTIAL REDUCTION # 1: Kansas State Department of Education sources have indicated that the recession has caused increased the number of student free lunch counts throughout the state of Kansas. This will increase the funds needed for at risk weighting. Additionally, statewide enrollment has increased. It is estimated this will cost the state \$53.6 million. This will either take a supplemental \$53.6 million appropriation by the legislature in January of 2010 or the base (BSAPP) must be reduced again to fit the demand for funding. Additionally, statewide property valuations are expected to be lower, which will reduce the amount raised by the statewide 20 mill levy by \$17 million. If a supplemental appropriation is not granted by the legislature it will take an additional \$84.00 off the base (BSAPP) this year 09-10. (Estimated BSAPP \$4,134)

REALITY – USD 353 experienced an increase in Free Student Lunches from 615 at the end of the 08-09 school year to 701 on September 20, 2009. This increased the weighted enrollment factors on Form 150 in the At Risk and High At Risk lines by a total of 81.4 students. This is what reduced our reduction from an estimated \$540,000 to \$4,515 with the most recent cut imposed by the Governor.

POTENTIAL REDUCTION #2: Statewide revenues through September are \$96.4 million below estimates. If this revenue deficit continues and they look to education to make up one-half of the deficit, the base (BSAPP) will have to be lowered another \$76.00 this year 09-10. (Estimated BSAPP \$4,058)

POTENTIAL REDUCTION #3: Legislative Research has forecast the FY2011 budget hole at \$530 million. If the legislature does not increase revenues, it will have to cut this amount from the FY2011 budget. If they look to education for one-half of this amount, it will cause the base (BSAPP) to be cut an additional \$417 next year 10-11. (Estimated BSAPP \$3,641)

POTENTIAL REDUCTION #4: Legislative Research predicts the FY2012 budget to be an additional \$855.5 million short (assuming they cut \$530 million from the FY2011 budget.) If they look to education for one-half of this amount it will cause the base to be cut an additional \$670 for 2011-2012. (Estimated BSAPP \$2,971)