

MINUTES

SCHOOL-BASED BUDGET WORKING GROUP

November 10, 2003
Room 123-S—Statehouse

Members Present

Senator Bill Bunten, Chair
Senator Derek Schmidt
Senator Chris Steineger
Representative Carol Edward Beggs
Representative Tim Owens
Paul Fink
Mike Jones
Max Prosser

Members Absent

Representative Marti Crow
John R. Atchley
Kevin Murphy

Staff

Carolyn Rampey, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Art Griggs, Office of the Revisor of Statutes
Theresa Kiernan, Office of the Revisor of Statutes

State Department of Education Staff

Dale Dennis, Deputy Commissioner
Veryl Peter, Director, School Finance

The Working Group considered a number of items for the purpose of reaching preliminary consensus about a format for building-based budgeting. The agreements reached by members are preliminary and subject to modification as the work of the Group proceeds.

Special Education

Discussion centered around the difficulties involved in showing special education expenditures on a building basis since about 250 school districts receive services from special education cooperatives and interlocals. For those districts, the services are purchased via a transfer of funds to the providing entity, which hires the teachers and makes all other expenditures associated with providing the service.

Preliminary Consensus: The Working Group agrees that showing special education expenditures on a building basis is not a practical option, given the problems associated with the purchase of services from interlocals and cooperatives. For that reason, the Group rejects one alternative considered, which would be to prorate the cost of services among buildings on the basis of enrollment. Instead, it agrees to the following:

- Those districts that purchase special education services from a cooperative or interlocal would show the expenditure as a transfer made at the district level in the central office budget.
- Interlocals and the sponsoring district of a cooperative would prepare a budget showing expenditures for special education, using the same format and coding developed by the Working Group for building-based budgets.
- Those school districts that provide their own special education services and are not members of an interlocal or cooperative would prepare a special education budget showing expenditures on a district-wide basis, using the format and coding developed for building-based budgets.

Salaries and Fringe Benefits

At issue in the discussion is the amount of detail desired for salaries and fringe benefits. Specifically, the question was raised about whether it is beneficial to know the funds from which salaries and benefits are paid and whether it is necessary to have each specific fringe benefit listed in the budget.

Preliminary Consensus: The Group agreed to the following:

- Salaries for various categories of employees (for example, administrators; teachers; other certified employees; and noncertified employees) would be shown for the following funding categories, with the number of full-time equivalent (FTE) employees indicated: general and supplemental general fund; other district funds; and federal funds. This information would also be shown as a grand total. For purposes of showing salary expenditures only and not funding categories, within each employee category, various employee classifications, such as Principal, Assistant Principal, etc., would be shown.
- Salaries for employee fringe benefits would be shown by employee category (administrators; teachers; etc) as a total expenditure and not broken down by funding category.

Funds Shown at the District Level

The Working Group reviewed various school district funding sources and made decisions about which ones would be budgeted at the district level and which would be included in the building-based budgets.

Preliminary Consensus:

- District-Level Budgets. Expenditures from the following funds or for the following programs:
 - Adult Education
 - Adult Supplementary Education
 - Parent Education
 - Driver Training
 - Food Service
 - Capital Outlay
 - Summer School
 - Extraordinary School Programs
 - Special Liability Expense
 - Extraordinary Growth Facilities
 - Contingency Reserves
 - Textbook and Student Materials
 - Transportation
 - Data Processing
 - Bond and Interest

- Building-Level Budgets. Expenditures from the following funds or for the following programs:
 - Professional Development (formerly Inservice Education)
 - Bilingual Education
 - Security Services (with certain exceptions for district-level expenditures)

Central Services

The Working Group discussed whether funding for maintenance and repairs and similar services should be shown as a district-level expense or allocated among buildings. One proposal was that each building could be allocated an amount of money based on historical expenditures, expenditures per square foot, or some other formula. Expenditures made at each building for repairs and so forth would be charged to the building allocation. Each building would have the option of determining which company or worker would provide the best service at the lowest cost and would not be bound to use district-level staff in those districts that have a central services operation. Working Group members did not reach consensus and will consider this item at another meeting.

Central Office

Preliminary Consensus. Expenditures of the central office of a school district will be shown using the same format and coding as the building-based budget.

Other Items

The Working Group discussed whether to recommend that a cap be placed on administrative expenditures and rejected the idea. The Group also agreed not to consider whether to place additional limits on school district contingency funds.

The meeting was adjourned.

Prepared by Carolyn Rampey

Approved by Committee on:

January 14, 2004

(Date)