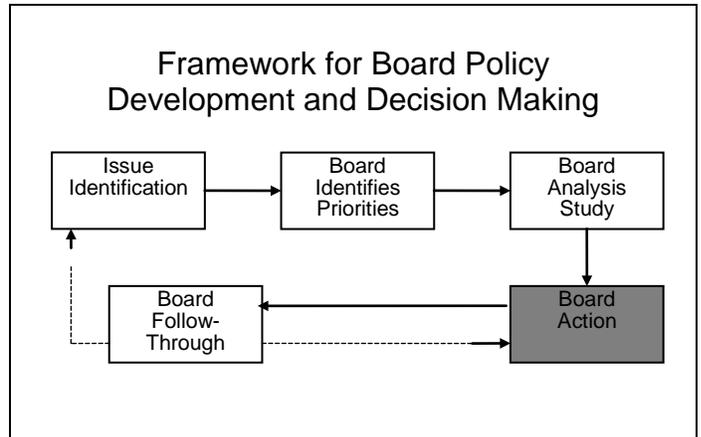


Iowa State Board of Education

Executive Summary

March 28, 2013



Agenda Item: Fiscal Year 2013-2014 Annual Budget Approval for Area Education Agencies (AEAs).

State Board Role/ Authority: Iowa Code section 273.3(12) authorizes the State Board to review the proposed budget of each AEA and either grant approval or return the budget without approval with comments of the State Board included. An unapproved budget shall be resubmitted to the State Board for final approval.

Presenters: Jeff Berger, Deputy Director
Division of School Finance and Support Services

Jeff Herzberg, Administrator
Prairie Lakes AEA

Attachments: 1

Recommendation: It is recommended that the Board approve the AEA budgets for fiscal year 2013-2014.

Background: Iowa Code section 273.3, subsection 12, requires that the Board review the proposed budget of each AEA and either grant approval or return the budget without approval with comments by April 1. The Board shall give final approval only to budgets submitted by AEAs accredited by the Board or that have been given conditional accreditation by the Board. All AEAs have been accredited for the 2012-2013 fiscal year.

Area Education Agencies

Financial Reporting and Budgeting

Proposed Budget, Fiscal Year 2013-14

Proposed Resources by Major Source, all Budgeted Funds
Resources by Major Source – Pie Chart

Proposed Expenditures by Function Category, all Budgeted Funds
Expenditures by Function Category – Pie Chart

Budget – Three-Year Comparison

Definitions

Budgeted Funds. AEAs and local school districts budget all funds except internal services, permanent, trust, and agency funds. Budgeted funds include the general fund, special education instruction fund, juvenile home program instruction fund, special revenue trust funds, other special revenue funds, capital projects funds, debt service fund, and proprietary funds such as nutrition.

Sources. “Sources” mean classifications of revenues and other financing sources from the original source/payer. The primary classifications are revenues from local sources, revenues from intermediate sources, revenues from state sources, revenues from federal sources, and receipts other than revenues. Local sources would include such things as property taxes from the controlled funding, interest, tuition, and sales of services to school districts and other AEAs. Intermediate sources include revenues from cities or counties. State sources would include such things as state aid from the controlled funding and state grants such as Mentoring and Induction for Beginning Educators. Federal sources include federal grants such as Title 1, Carl D. Perkins Career & Technical Education Act and Dwight D. Eisenhower Math and Science grants. Long-term debt proceeds would include proceeds from loans and lease-purchases. Other financing sources would include sales or loss of fixed assets, and transfers from other funds.

Resources. “Resources” mean the sum of total Revenues, Other Financing Sources and Beginning Fund balance.

Function. “Function” means the major activities of the AEAs and corresponds to those most frequently requested in reporting to external authorities. The AEAs expend the largest portion of their funding in the function areas of support services to students and support services to instructional staff.

**Proposed Resources by Major Source
All Budgeted Funds
Fiscal Year 2013-14**

AEA	Taxes (Controlled Funding)	Other Local Revenues	Intermediate Revenues	State Aid (Controlled Funding)	Other State Revenues	IDEA Federal Grant*	Other Federal Revenues	Long-term Debt Proceeds	Other Financing Sources**	Beginning Fund Balance	Total
1	6,179,598	1,239,168	0	6,472,933	1,477,014	8,028,437	413,792	0	0	2,087,123	25,898,065
5	6,059,894	905,371	140,000	6,552,393	2,377,383	8,080,095	337,542	0	1,512,581	6,022,834	31,988,093
7	11,721,983	13,069,000	0	13,990,632	4,314,000	16,100,000	1,012,000	0	129,742	5,543,254	65,880,611
9	8,559,355	2,900,535	22,600	10,352,969	2,522,544	11,296,621	642,652	0	320,345	2,737,213	39,354,834
10	11,776,981	5,082,315	0	14,688,169	3,086,735	14,175,000	501,500	0	0	11,152,654	60,463,354
11	21,274,880	3,227,452	0	28,252,954	5,432,201	29,402,274	511,000	0	0	10,211,759	98,312,520
12	7,405,568	1,977,422	57,000	8,380,008	2,385,337	9,476,162	727,661	0	0	3,833,067	34,242,225
13	6,942,235	2,251,817	0	8,416,622	2,402,679	10,993,069	868,738	0	0	2,576,765	34,451,925
15	6,372,458	988,536	0	7,777,124	1,811,030	9,875,790	25,000	0	236,457	3,407,234	30,493,629
Total	86,292,952	31,641,616	219,600	104,883,804	25,808,923	117,427,448	5,039,885	0	2,199,125	47,571,903	421,085,256

Percentage of Total

1	23.86%	4.78%	0.00%	24.99%	5.70%	31.00%	1.60%	0.00%	0.00%	8.06%	100.00%
5	18.94%	2.83%	0.44%	20.48%	7.43%	25.26%	1.06%	0.00%	4.73%	18.83%	100.00%
7	17.79%	19.84%	0.00%	21.24%	6.55%	24.44%	1.54%	0.00%	0.20%	8.41%	100.00%
9	21.75%	7.37%	0.06%	26.31%	6.41%	28.70%	1.63%	0.00%	0.81%	6.96%	100.00%
10	19.48%	8.41%	0.00%	24.29%	5.11%	23.44%	0.83%	0.00%	0.00%	18.45%	100.00%
11	21.64%	3.28%	0.00%	28.74%	5.53%	29.91%	0.52%	0.00%	0.00%	10.39%	100.00%
12	21.63%	5.77%	0.17%	24.47%	6.97%	27.67%	2.13%	0.00%	0.00%	11.19%	100.00%
13	20.15%	6.54%	0.00%	24.43%	6.97%	31.91%	2.52%	0.00%	0.00%	7.48%	100.00%
15	20.90%	3.24%	0.00%	25.50%	5.94%	32.39%	0.08%	0.00%	0.78%	11.17%	100.00%
Total	20.49%	7.51%	0.05%	24.91%	6.13%	27.89%	1.20%	0.00%	0.52%	11.30%	100.00%

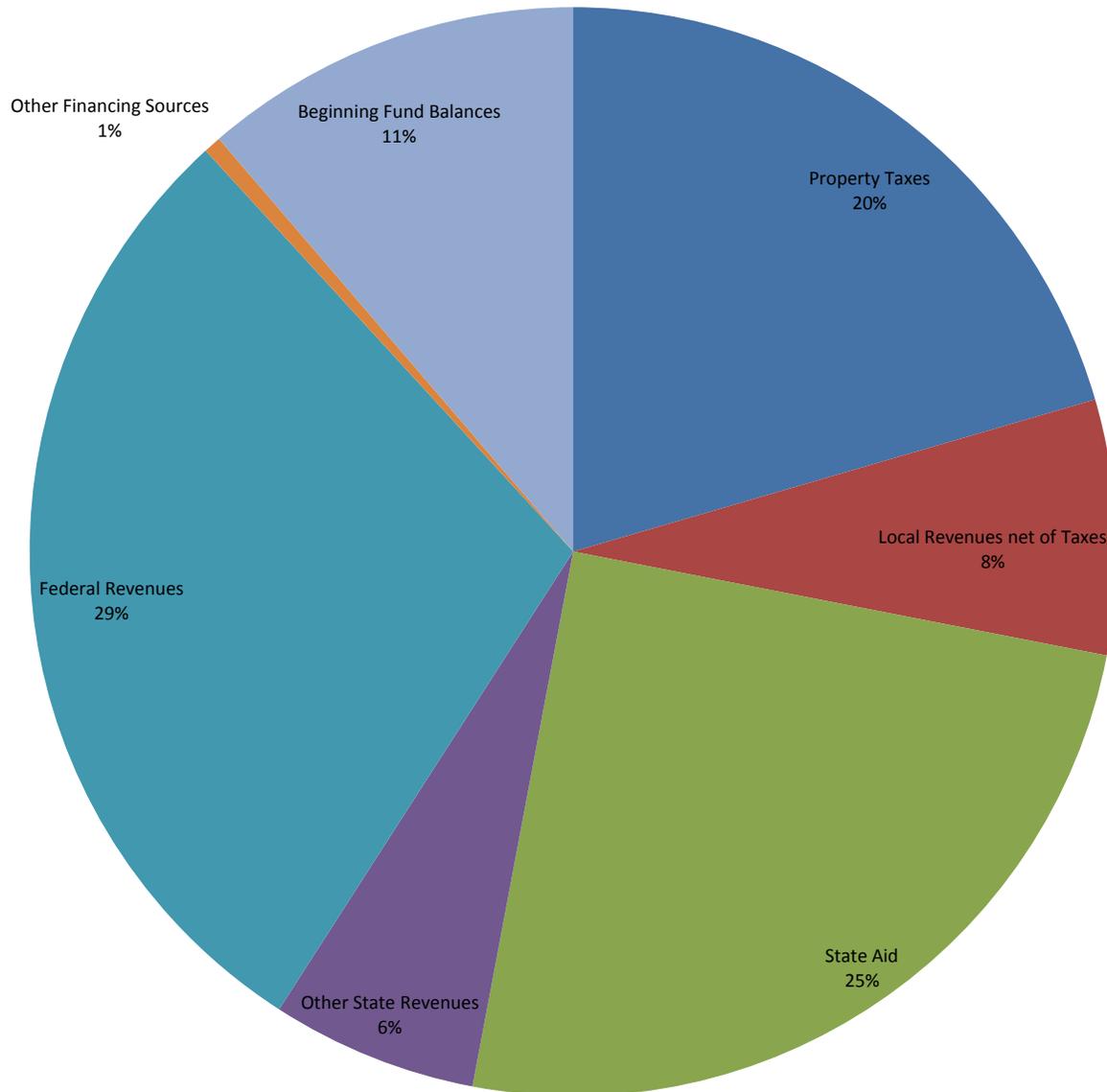
* IDEA Federal Grant includes Part B flowthrough to LEAs of approximately \$26,393,870.

It is undetermined what portion of sequestration for IDEA funds will apply to the AEA's.

** Other financing sources include interfund transfers and proceeds from the disposition of fixed assets.

Resources by Major Source

Fiscal Year 2013-2014



**Proposed Expenditures by Function Category
All Budgeted Funds
Fiscal Year 2013-14**

AEA	Instruction	Student Support Services	Staff Support Services	Administration and Central Support Services	Plant Operation & Maintenance	Transportation	Other Support Services	Non-instructional Programs	Facilities Acquisition	Debt Service	Other Financing Uses*	Ending Fund Balance	Total
1	249,629	9,491,856	6,724,625	4,624,238	820,096	1,000	0	56,513	0	0	1,708,682	2,221,426	25,898,065
5	500,000	15,234,823	2,267,566	4,454,005	589,707	0	0	98,095	0	1,715,000	3,197,519	3,931,378	31,988,093
7	13,789,000	17,980,214	12,492,000	8,888,063	2,202,000	662,000	450,000	160,000	0	129,742	3,584,338	5,543,254	65,880,611
9	1,469,125	17,625,908	9,284,027	5,813,896	1,147,127	0	270,555	0	0	320,345	2,680,024	743,827	39,354,834
10	3,646,699	19,531,346	13,911,026	8,720,737	865,541	0	5,000	691,751	0	0	3,210,000	9,881,254	60,463,354
11	3,550,050	35,542,175	24,987,348	15,265,516	1,450,055	3,660	122,333	229,533	0	0	6,950,091	10,211,759	98,312,520
12	1,080,353	10,269,012	10,562,925	7,043,378	919,989	0	0	0	0	0	2,240,340	2,126,228	34,242,225
13	3,622,575	13,710,368	6,582,523	5,299,051	928,281	8,100	424,113	111,082	0	0	2,135,749	1,630,083	34,451,925
15	2,502,973	11,523,155	6,295,139	4,198,048	861,346	1,000	250	126,314	0	228,683	2,215,712	2,541,009	30,493,629
Total	30,410,404	150,908,857	93,107,179	64,306,932	9,784,142	675,760	1,272,251	1,473,288	0	2,393,770	27,922,455	38,830,218	421,085,256

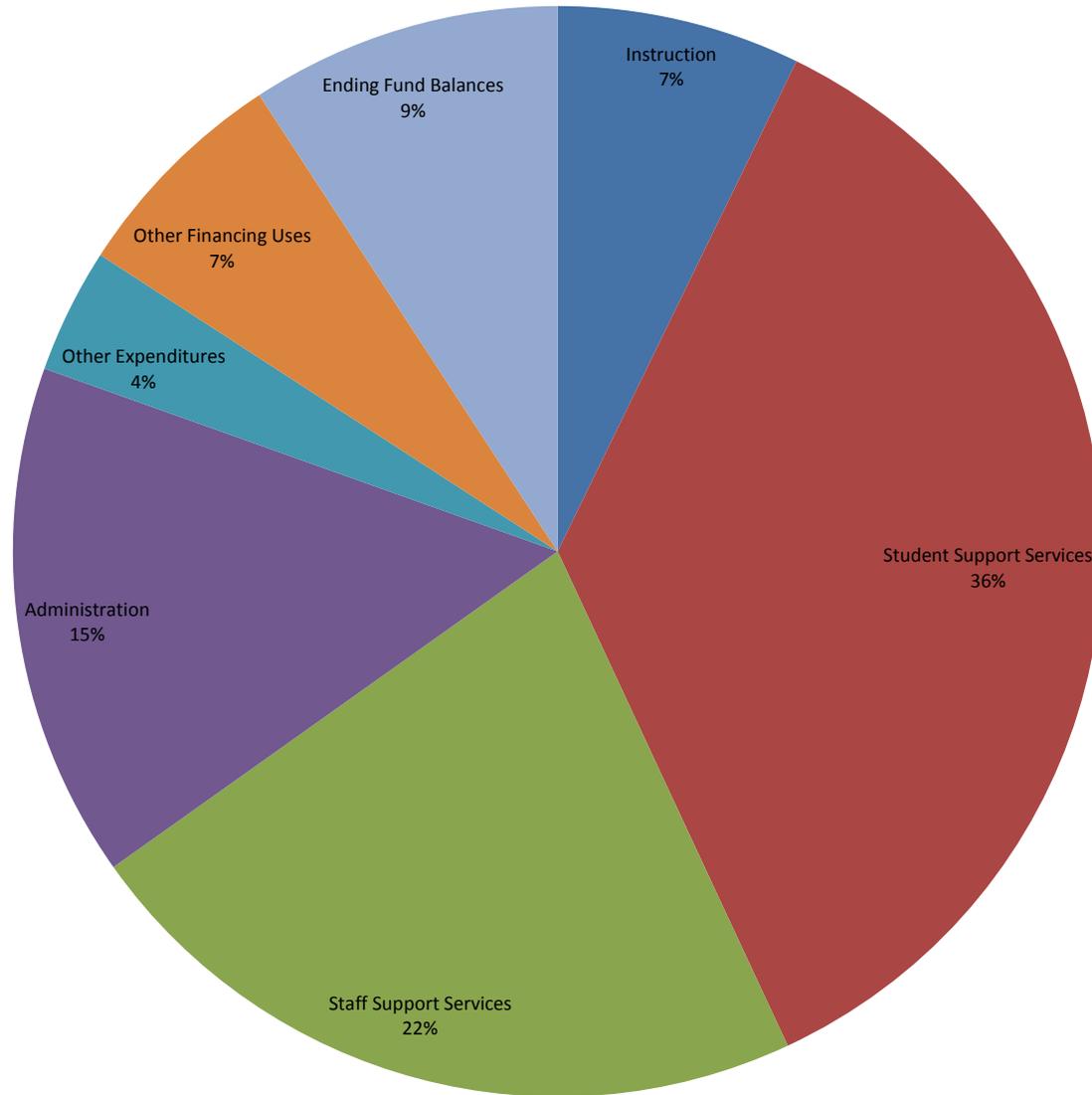
Percentage of Total

1	0.96%	36.65%	25.97%	17.86%	3.17%	0.00%	0.00%	0.22%	0.00%	0.00%	6.60%	8.58%	100.00%
5	1.56%	47.63%	7.09%	13.92%	1.84%	0.00%	0.00%	0.31%	0.00%	5.36%	10.00%	12.29%	100.00%
7	20.93%	27.29%	18.96%	13.49%	3.34%	1.00%	0.68%	0.24%	0.00%	0.20%	5.44%	8.41%	100.00%
9	3.73%	44.79%	23.59%	14.77%	2.91%	0.00%	0.69%	0.00%	0.00%	0.81%	6.81%	1.89%	100.00%
10	6.03%	32.30%	23.01%	14.42%	1.43%	0.00%	0.01%	1.14%	0.00%	0.00%	5.31%	16.34%	100.00%
11	3.61%	36.15%	25.42%	15.53%	1.47%	0.00%	0.12%	0.23%	0.00%	0.00%	7.07%	10.39%	100.00%
12	3.16%	29.99%	30.85%	20.57%	2.69%	0.00%	0.00%	0.00%	0.00%	0.00%	6.54%	6.21%	100.00%
13	10.51%	39.80%	19.11%	15.38%	2.69%	0.02%	1.23%	0.32%	0.00%	0.00%	6.20%	4.73%	100.00%
15	8.21%	37.79%	20.64%	13.77%	2.82%	0.00%	0.00%	0.41%	0.00%	0.75%	7.27%	8.33%	100.00%
Total	7.22%	35.84%	22.11%	15.27%	2.32%	0.16%	0.30%	0.35%	0.00%	0.57%	6.63%	9.22%	100.00%

* Other financing uses include Part B flowthrough to LEAs. Interfund transfers are also included.

Expenditures by Function

Fiscal Year 2013-2014



Budget - Three-Year Comparison All Budgeted Funds

	Proposed Budget, Fiscal Year 2013-14	Re-estimated Fiscal Year 2012-13	Actual Fiscal Year 2011-12
Revenues and Other Financing Sources plus Beginning Balance:			
Taxes (Controlled Funding)	86,292,952	85,026,877	83,557,382
Other Local Revenues	31,641,616	34,882,718	46,102,239
Intermediate Revenues	219,600	219,100	205,103
*State Aid (Controlled Funding)	104,883,804	84,622,166	82,475,577
Other State Revenues	25,808,923	25,910,657	27,029,591
IDEA Federal Grant	117,427,448	116,863,491	114,464,855
Other Federal Revenues	5,039,885	5,794,514	8,167,354
Long-term Debt Proceeds	0	0	0
Other Financing Sources	2,199,125	6,414,349	7,471,567
Beginning Fund Balance	47,571,903	66,205,929	72,721,282
Total	421,085,256	425,939,801	442,194,950
Expenditures and Other Financing Uses plus Ending Balance:			
Instruction	30,410,404	28,991,601	40,873,317
Student Support Services	150,908,857	140,583,602	134,371,567
Staff Support Services	93,107,179	90,914,639	86,763,137
Administration and Central Support Services	64,306,932	64,316,235	61,590,340
Plant Operation & Maintenance	9,784,142	10,128,471	9,086,103
Transportation	675,760	675,760	1,482,339
Other Support Services	1,272,251	1,215,786	915,761
Non-instructional Programs	1,473,288	1,597,453	1,503,710
Facilities Acquisition	0	3,360,000	2,200,715
Debt Service	2,393,770	3,671,981	4,209,830
Other Financing Uses	27,922,455	32,912,370	32,992,202
Ending Fund Balance	38,830,218	47,571,903	66,205,930
Total	421,085,256	425,939,801	442,194,950

* AEA Controlled funding reflects current law.