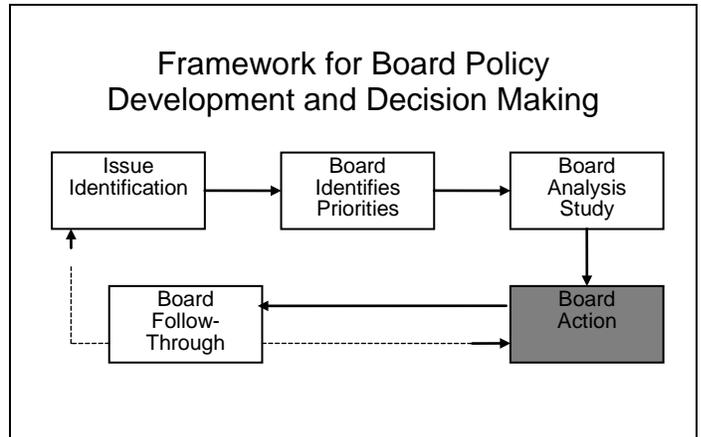


# Iowa State Board of Education

## Executive Summary

March 31, 2014



**Agenda Item:** Fiscal Year 2014-2015 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

Paula Vincent, Administrator  
Heartland AEA

**Attachments:** 1

**Recommendation:** It is recommended that the Board approve the AEA budgets for fiscal year 2014-2015.

**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 May 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 2013-2014 fiscal year.

# Area Education Agencies

## Financial Reporting and Budgeting

### Proposed Budget, Fiscal Year 2014-15

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 AEA 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 2014-15**

\*

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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	6,270,581	1,262,001	0	6,738,121	1,525,253	7,515,528	432,198	0	0	1,851,253	25,594,935
5	6,225,668	2,136,940	0	7,042,979	2,530,260	7,599,564	393,808	0	0	2,460,609	28,389,828
7	12,191,038	10,305,520	0	14,824,490	4,669,513	15,248,670	1,035,270	0	0	5,833,959	64,108,460
9	8,809,807	2,840,071	37,040	10,969,607	2,644,136	10,506,339	697,922	0	363,758	1,766,725	38,635,405
10	12,456,965	6,319,500	0	15,732,244	4,334,300	14,145,000	1,296,000	0	0	13,079,057	67,363,066
11	22,931,581	3,219,976	0	30,649,286	5,738,489	26,665,546	489,693	0	0	8,223,998	97,918,569
12	7,799,802	1,398,098	65,000	8,954,698	2,492,617	9,385,505	740,000	0	0	3,505,827	34,341,547
13	7,062,117	2,929,794	0	8,797,423	2,522,357	10,285,000	735,000	0	0	2,652,899	34,984,590
15	6,533,906	1,491,248	0	8,357,660	1,927,140	9,395,888	25,000	0	210,533	3,648,656	31,590,031
<b>Total</b>	<b>90,281,465</b>	<b>31,903,148</b>	<b>102,040</b>	<b>112,066,508</b>	<b>28,384,065</b>	<b>110,747,040</b>	<b>5,844,891</b>	<b>0</b>	<b>574,291</b>	<b>43,022,983</b>	<b>422,926,431</b>

**Percentage of Total**

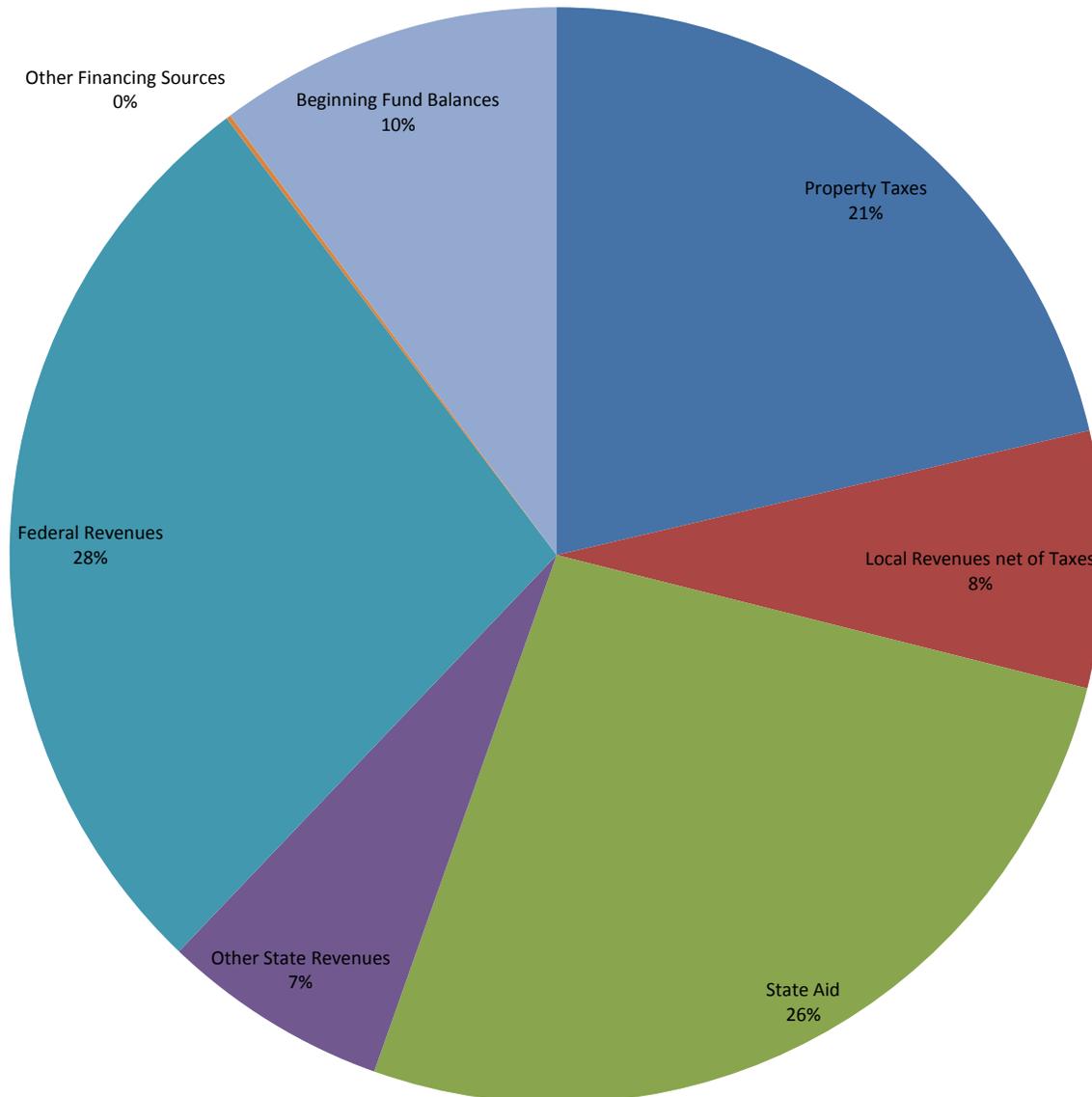
1	24.50%	4.93%	0.00%	26.33%	5.96%	29.36%	1.69%	0.00%	0.00%	7.23%	100.00%
5	21.93%	7.53%	0.00%	24.81%	8.91%	26.77%	1.39%	0.00%	0.00%	8.67%	100.00%
7	19.02%	16.08%	0.00%	23.12%	7.28%	23.79%	1.61%	0.00%	0.00%	9.10%	100.00%
9	22.80%	7.35%	0.10%	28.39%	6.84%	27.19%	1.81%	0.00%	0.94%	4.57%	100.00%
10	18.49%	9.38%	0.00%	23.35%	6.43%	21.00%	1.92%	0.00%	0.00%	19.42%	100.00%
11	23.42%	3.29%	0.00%	31.30%	5.86%	27.23%	0.50%	0.00%	0.00%	8.40%	100.00%
12	22.71%	4.07%	0.19%	26.08%	7.26%	27.33%	2.15%	0.00%	0.00%	10.21%	100.00%
13	20.19%	8.37%	0.00%	25.15%	7.21%	29.40%	2.10%	0.00%	0.00%	7.58%	100.00%
15	20.68%	4.72%	0.00%	26.46%	6.10%	29.74%	0.08%	0.00%	0.67%	11.55%	100.00%
<b>Total</b>	<b>21.35%</b>	<b>7.54%</b>	<b>0.02%</b>	<b>26.50%</b>	<b>6.71%</b>	<b>26.19%</b>	<b>1.38%</b>	<b>0.00%</b>	<b>0.14%</b>	<b>10.17%</b>	<b>100.00%</b>

\* IDEA Federal Grant includes Part B flowthrough to LEAs of approximately \$23,000,000.

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

# Resources by Major Source

Fiscal Year 2014-2015



**Proposed Expenditures by Function Category  
All Budgeted Funds  
Fiscal Year 2014-15**

\*

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	268,437	9,447,684	6,998,429	4,785,121	833,225	500	0	57,523	0	0	1,534,616	1,669,400	25,594,935
5	1,380,000	15,344,874	2,214,827	4,700,035	667,444	0	0	101,973	0	0	1,520,066	2,460,609	28,389,828
7	12,709,571	18,263,065	11,755,203	8,944,206	2,373,122	299,098	500,000	166,518	0	0	3,263,718	5,833,959	64,108,460
9	1,389,676	18,112,383	8,107,488	6,672,080	1,181,928	0	45,487	0	0	363,758	2,762,605	0	38,635,405
10	3,366,659	18,827,814	17,261,161	9,035,967	993,266	0	5,000	728,513	0	0	3,230,000	13,914,686	67,363,066
11	3,586,330	37,526,753	25,303,060	15,257,215	1,698,074	6,253	136,306	217,129	0	0	6,063,451	8,123,998	97,918,569
12	1,087,805	10,546,673	10,358,743	6,989,867	996,920	0	0	0	0	0	2,040,788	2,320,751	34,341,547
13	3,679,398	14,011,144	6,618,921	5,174,287	908,636	7,600	599,059	115,101	0	0	1,922,641	1,947,803	34,984,590
15	2,479,014	11,329,764	6,630,635	4,421,688	810,122	1,100	0	603,597	0	202,896	2,006,589	3,104,626	31,590,031
<b>Total</b>	<b>29,946,890</b>	<b>153,410,154</b>	<b>95,248,467</b>	<b>65,980,466</b>	<b>10,462,737</b>	<b>314,551</b>	<b>1,285,852</b>	<b>1,990,354</b>	<b>0</b>	<b>566,654</b>	<b>24,344,474</b>	<b>39,375,832</b>	<b>422,926,431</b>

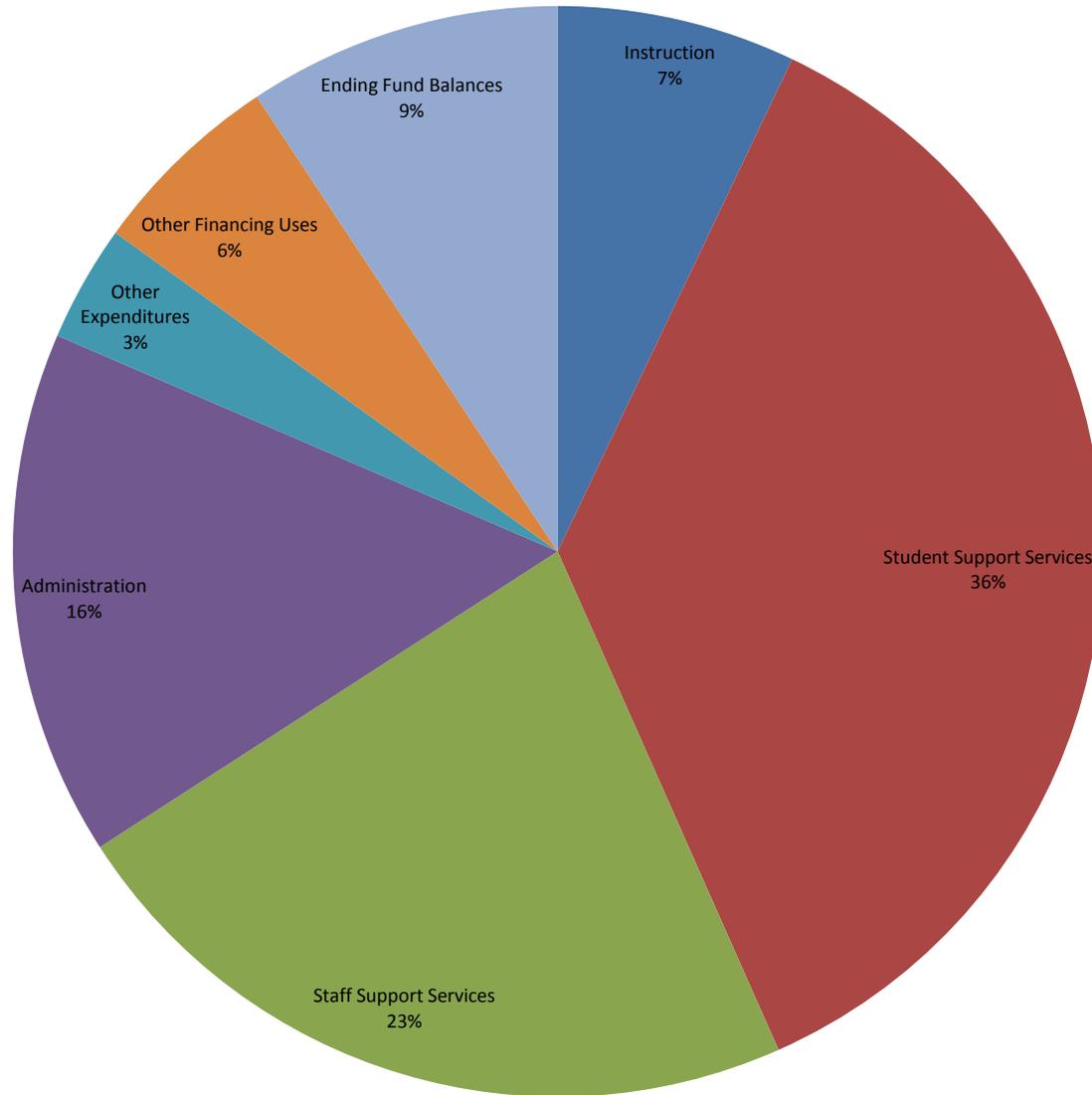
**Percentage of Total**

1	1.05%	36.91%	27.34%	18.70%	3.26%	0.00%	0.00%	0.22%	0.00%	0.00%	6.00%	6.52%	100.00%
5	4.86%	54.05%	7.80%	16.56%	2.35%	0.00%	0.00%	0.36%	0.00%	0.00%	5.35%	8.67%	100.00%
7	19.83%	28.49%	18.34%	13.95%	3.70%	0.47%	0.78%	0.26%	0.00%	0.00%	5.09%	9.10%	100.00%
9	3.60%	46.88%	20.98%	17.27%	3.06%	0.00%	0.12%	0.00%	0.00%	0.94%	7.15%	0.00%	100.00%
10	5.00%	27.95%	25.62%	13.41%	1.47%	0.00%	0.01%	1.08%	0.00%	0.00%	4.79%	20.66%	100.00%
11	3.66%	38.32%	25.84%	15.58%	1.73%	0.01%	0.14%	0.22%	0.00%	0.00%	6.19%	8.30%	100.00%
12	3.17%	30.71%	30.16%	20.35%	2.90%	0.00%	0.00%	0.00%	0.00%	0.00%	5.94%	6.76%	100.00%
13	10.52%	40.05%	18.92%	14.79%	2.60%	0.02%	1.71%	0.33%	0.00%	0.00%	5.50%	5.57%	100.00%
15	7.85%	35.86%	20.99%	14.00%	2.56%	0.00%	0.00%	1.91%	0.00%	0.64%	6.35%	9.83%	100.00%
<b>Total</b>	<b>7.08%</b>	<b>36.27%</b>	<b>22.52%</b>	<b>15.60%</b>	<b>2.47%</b>	<b>0.07%</b>	<b>0.30%</b>	<b>0.47%</b>	<b>0.00%</b>	<b>0.13%</b>	<b>5.76%</b>	<b>9.31%</b>	<b>100.00%</b>

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

# Expenditures by Function

Fiscal Year 2014-2015



## Budget - Three-Year Comparison All Budgeted Funds

	Proposed Budget, Fiscal Year 2014-15	Re-estimated Fiscal Year 2013-14	Actual Fiscal Year 2012-13
<b>Revenues and Other Financing Sources plus Beginning Balance:</b>			
Taxes (Controlled Funding)	90,281,465	85,469,682	85,059,179
Other Local Revenues	31,903,148	32,118,132	34,507,149
Intermediate Revenues	102,040	316,040	327,571
*State Aid (Controlled Funding)	112,066,508	93,454,885	84,600,252
Other State Revenues	28,384,065	27,937,794	27,061,323
IDEA Federal Grant	110,747,040	115,163,503	113,255,806
Other Federal Revenues	5,844,891	6,151,595	5,577,313
Long-term Debt Proceeds	0	0	0
Other Financing Sources	574,291	5,147,470	6,755,474
Beginning Fund Balance	43,022,983	54,743,738	66,205,929
<b>Total</b>	<b>422,926,431</b>	<b>420,502,839</b>	<b>423,349,998</b>
<b>Expenditures and Other Financing Uses plus Ending Balance:</b>			
Instruction	29,946,890	26,623,658	27,877,541
Student Support Services	153,410,154	144,599,072	139,877,336
Staff Support Services	95,248,467	93,968,244	86,513,181
Administration and Central Support S	65,980,466	64,082,669	62,551,977
Plant Operation & Maintenance	10,462,737	10,157,854	10,012,062
Transportation	314,551	301,410	919,270
Other Support Services	1,285,852	1,277,500	987,046
Non-instructional Programs	1,990,354	2,044,722	1,404,700
Facilities Acquisition	0	2,885,000	2,622,807
Debt Service	566,654	2,397,291	3,670,235
Other Financing Uses	24,344,474	29,142,436	32,170,104
Ending Fund Balance	39,375,832	43,022,983	54,743,738
<b>Total</b>	<b>422,926,431</b>	<b>420,502,839</b>	<b>423,349,998</b>

\* AEA Controlled funding reflects current law.