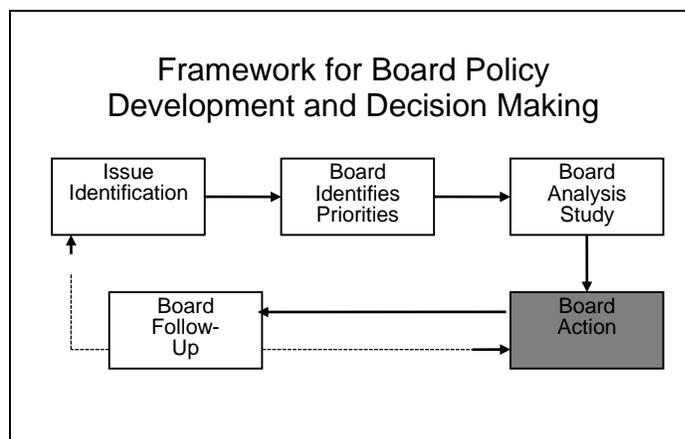


Iowa State Board of Education

Executive Summary

March 31, 2016



Agenda Item: Fiscal Year 2016-2017 Annual Budget Approval for Area Education Agencies (AEAs)

Iowa Goal: All PK-12 students will achieve at a high level.

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

Attachments: 1

Recommendation: It is recommended that the Board approve the AEA budgets for fiscal year 2016-2017. It is also recommended that Mississippi Bend (AEA 9) is approved pending resubmission of an approvable budget.

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 2015-2016 fiscal year.

Area Education Agencies

Financial Reporting and Budgeting

Proposed Budget, Fiscal Year 2016-17

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 Parent Education for At Risk (0-3yrs of age). Federal sources include federal grants such as Title I, 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 2017**

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	6,326,853	1,512,834	-	6,784,819	1,586,979	8,283,856	221,500	-	-	1,146,256	25,863,097
5	6,284,349	1,932,295	-	7,134,819	2,255,110	7,789,587	457,262	-	147,577	2,487,360	28,488,359
7	12,385,559	9,918,060	-	14,933,717	4,722,138	15,597,839	1,084,675	-	102,100	5,218,503	63,962,591
9	8,960,014	2,930,480	60,000	11,275,373	2,383,155	10,899,912	446,000	-	416,530	(1,775,792)	35,595,672
10	12,821,792	7,885,000	-	16,177,674	3,558,908	15,555,000	435,200	-	-	9,607,603	66,041,177
11	23,743,177	3,530,302	-	31,870,381	6,456,025	29,403,938	545,668	-	403,000	10,406,869	106,359,360
12	8,065,782	1,409,363	67,000	9,411,506	2,694,852	9,574,950	893,769	-	-	3,226,583	35,343,805
13	7,184,568	2,437,769	-	9,025,682	2,592,523	10,700,000	365,000	-	-	2,926,128	35,231,670
15	6,607,721	1,014,367	-	8,240,857	1,972,807	9,631,221	153,820	-	223,689	4,338,065	32,182,547
Total	92,379,815	32,570,470	127,000	114,854,828	28,222,497	117,436,303	4,602,894	0	1,292,896	37,581,575	429,068,278

Percentage of Total

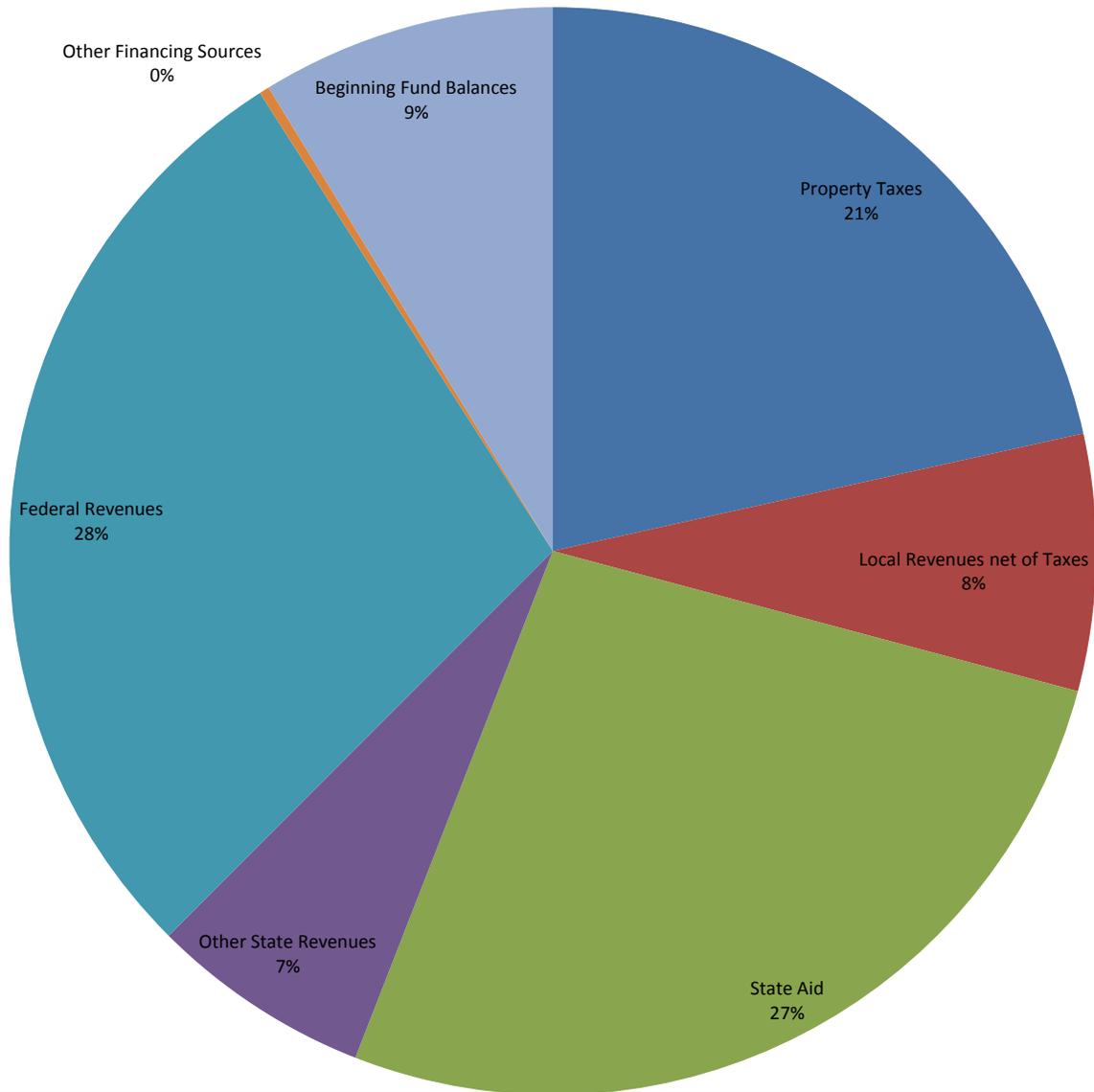
1	24.46%	5.85%	0.00%	26.23%	6.14%	32.03%	0.86%	0.00%	0.00%	4.43%	100.00%
5	22.06%	6.78%	0.00%	25.04%	7.92%	27.34%	1.61%	0.00%	0.52%	8.73%	100.00%
7	19.36%	15.51%	0.00%	23.35%	7.38%	24.39%	1.70%	0.00%	0.16%	8.16%	100.00%
9	25.17%	8.23%	0.17%	31.68%	6.70%	30.62%	1.25%	0.00%	1.17%	-4.99%	100.00%
10	19.41%	11.94%	0.00%	24.50%	5.39%	23.55%	0.66%	0.00%	0.00%	14.55%	100.00%
11	22.32%	3.32%	0.00%	29.96%	6.07%	27.65%	0.51%	0.00%	0.38%	9.78%	100.00%
12	22.82%	3.99%	0.19%	26.63%	7.62%	27.09%	2.53%	0.00%	0.00%	9.13%	100.00%
13	20.39%	6.92%	0.00%	25.62%	7.36%	30.37%	1.04%	0.00%	0.00%	8.31%	100.00%
15	20.53%	3.15%	0.00%	25.61%	6.13%	29.93%	0.48%	0.00%	0.70%	13.48%	100.00%
Total	21.53%	7.59%	0.03%	26.77%	6.58%	27.37%	1.07%	0.00%	0.30%	8.76%	100.00%

* IDEA Federal Grant includes Part B flowthrough to LEAs of approximately \$24,000,000.

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

Resources by Major Source

Fiscal Year 2016-2017



**Proposed Expenditures by Function Category
All Budgeted Funds
Fiscal Year 2017**

*

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	301,112	9,710,831	7,839,386	4,788,548	811,245	500	-	52,383	-	-	1,491,071	868,021	25,863,097
5	1,225,000	16,321,274	1,955,729	3,864,638	711,504	-	-	104,707	-	147,577	1,670,570	2,487,360	28,488,359
7	10,883,208	20,492,432	11,797,391	9,476,094	1,714,780	56,773	591,461	203,298	100,000	-	3,223,856	5,423,298	63,962,591
9	1,069,815	16,403,569	8,806,212	5,221,320	1,053,174	-	19,446	-	200,000	416,530	2,400,000	5,606	35,595,672
10	3,832,318	19,310,916	18,498,259	9,740,592	1,825,198	-	7,000	731,858	-	-	3,295,000	8,800,036	66,041,177
11	3,930,361	39,614,918	27,630,485	16,436,269	1,532,420	4,253	8,831	237,356	400,000	-	6,894,137	9,670,330	106,359,360
12	1,164,398	11,142,375	10,735,543	6,866,728	1,064,512	-	-	-	-	-	2,075,000	2,295,249	35,343,805
13	3,276,799	14,200,000	6,181,500	5,370,793	930,200	7,100	450,000	110,000	-	-	1,842,930	2,862,348	35,231,670
15	2,706,383	11,596,189	6,638,455	4,587,817	932,151	1,000	-	124,515	-	213,616	1,993,014	3,389,407	32,182,547
Total	28,389,394	158,792,504	100,082,960	66,352,799	10,575,184	69,626	1,076,738	1,564,117	700,000	777,723	24,885,578	35,801,655	429,068,278

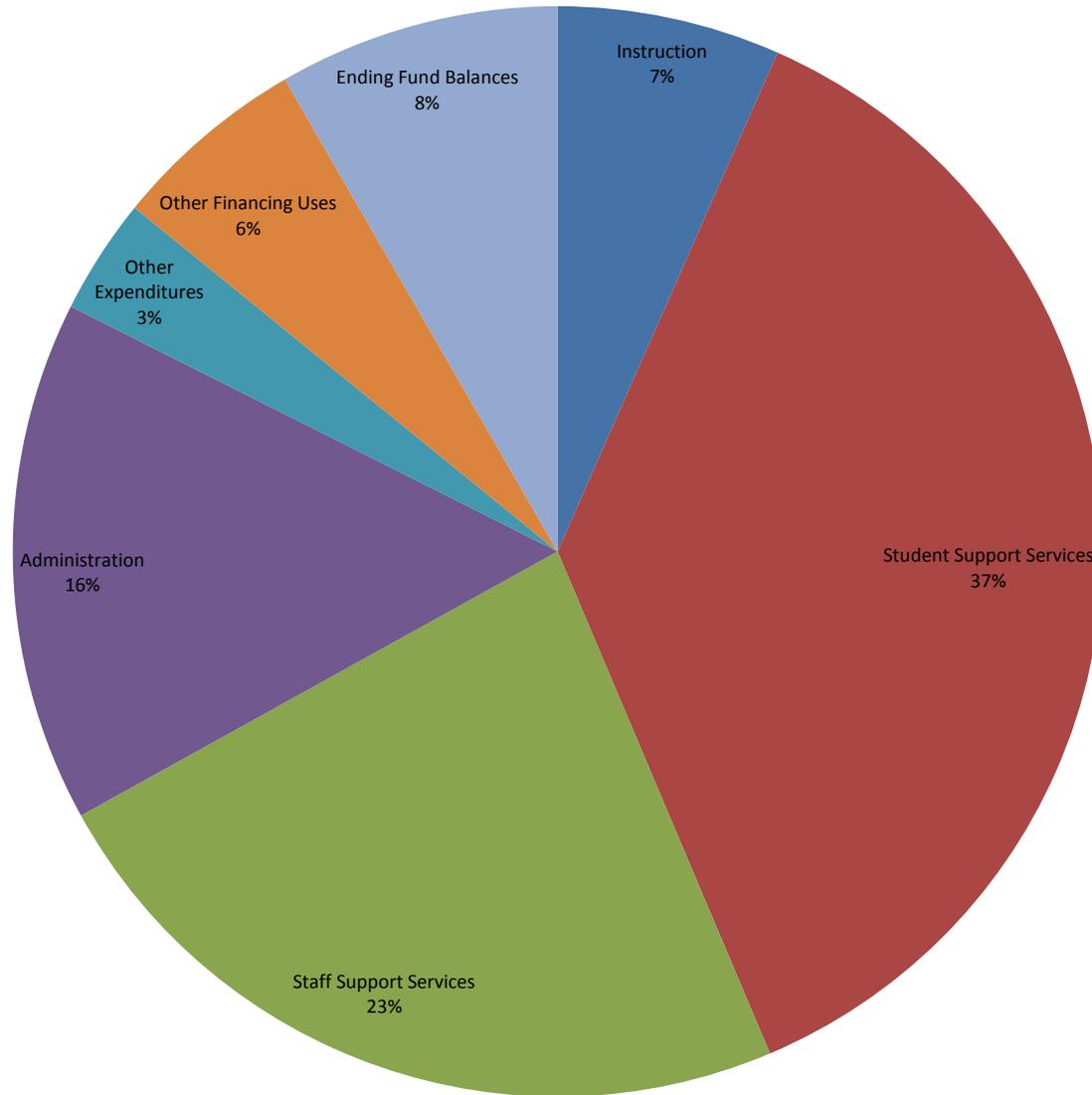
Percentage of Total

1	1.16%	37.55%	30.31%	18.51%	3.14%	0.00%	0.00%	0.20%	0.00%	0.00%	5.77%	3.36%	100.00%
5	4.30%	57.29%	6.87%	13.57%	2.50%	0.00%	0.00%	0.37%	0.00%	0.52%	5.86%	8.73%	100.00%
7	17.01%	32.04%	18.44%	14.82%	2.68%	0.09%	0.92%	0.32%	0.16%	0.00%	5.04%	8.48%	100.00%
9	3.01%	46.08%	24.74%	14.67%	2.96%	0.00%	0.05%	0.00%	0.56%	1.17%	6.74%	0.02%	100.00%
10	5.80%	29.24%	28.01%	14.75%	2.76%	0.00%	0.01%	1.11%	0.00%	0.00%	4.99%	13.33%	100.00%
11	3.70%	37.25%	25.98%	15.45%	1.44%	0.00%	0.01%	0.22%	0.38%	0.00%	6.48%	9.09%	100.00%
12	3.29%	31.53%	30.37%	19.43%	3.01%	0.00%	0.00%	0.00%	0.00%	0.00%	5.87%	6.49%	100.00%
13	9.30%	40.30%	17.55%	15.24%	2.64%	0.02%	1.28%	0.31%	0.00%	0.00%	5.23%	8.12%	100.00%
15	8.41%	36.03%	20.63%	14.26%	2.90%	0.00%	0.00%	0.39%	0.00%	0.66%	6.19%	10.53%	100.00%
Total	6.62%	37.01%	23.33%	15.46%	2.46%	0.02%	0.25%	0.36%	0.16%	0.18%	5.80%	8.34%	100.00%

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

Expenditures by Function

Fiscal Year 2016-2017



Budget - Three-Year Comparison All Budgeted Funds

	Proposed Budget, Fiscal Year FY17	Re-estimated Fiscal Year FY16	Actual Fiscal Year FY15
Revenues and Other Financing Sources plus Beginning Balance:			
Taxes (Controlled Funding)	92,379,815	91,116,213	89,625,740
Other Local Revenues	32,570,470	33,440,505	33,774,041
Intermediate Revenues	127,000	125,811	421,547
*State Aid (Controlled Funding)	114,854,828	99,164,463	97,182,235
Other State Revenues	28,222,497	28,073,138	28,942,788
IDEA Federal Grant	117,436,303	119,506,339	116,159,225
Other Federal Revenues	4,602,894	5,900,444	5,226,769
Long-term Debt Proceeds	-	-	3,855,000
Other Financing Sources	1,292,896	4,132,610	3,104,777
Beginning Fund Balance	37,581,575	44,913,090	48,295,556
Total	429,068,278	426,372,613	426,587,677
Expenditures and Other Financing Uses plus Ending Balance:			
Instruction	28,389,394	27,551,560	24,979,759
Student Support Services	158,792,504	151,736,325	150,120,228
Staff Support Services	100,082,960	99,864,523	97,289,207
Administration and Central Support Services	66,352,799	65,070,325	61,972,640
Plant Operation & Maintenance	10,575,184	12,041,219	9,493,675
Transportation	69,626	69,592	220,655
Other Support Services	1,076,738	1,184,236	1,247,931
Non-instructional Programs	1,564,117	1,527,816	1,901,660
Facilities Acquisition	700,000	1,345,122	2,219,501
Debt Service	777,723	774,880	4,250,029
Other Financing Uses	24,885,578	27,625,440	27,979,302
Ending Fund Balance	35,801,655	37,581,575	44,913,089
Total	429,068,278	426,372,613	426,587,677

* AEA Controlled funding reflects current law.