

KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

Topic: 2019-2020 Local District Working Budgets

Date: December 2019

Action Requested: Review Action/Consent Action/Discussion

Held In: Full Board Curriculum, Instruction and Assessment

Finance Operations Management

SUMMARY OF ISSUE BEFORE THE BOARD:

To approve the 2019-2020 Local District Working Budgets in accordance with KRS 160.470(6)(b) and 702 KAR 3:110. The Kentucky Board of Education (KBE) is required to approve local district working budgets each year, if in accordance with administrative regulations promulgated by the KBE.

COMMISSIONER'S RECOMMENDATION:

The Commissioner recommends the KBE approve the 2019-2020 Local District Working Budgets in accordance with KRS 160.470 and certifies that the proposed working budgets provided in the attached document are in compliance with KRS 160.470 and 702 KAR 3:110.

APPLICABLE STATUTE OR REGULATION:

KRS 160.470, 702 KAR 3:110

BACKGROUND:

Existing Policy: The KBE is required to approve the local district working budgets, if in conformity with KRS 160.470 and 702 KAR 3:110. The local district budgeting process, pursuant to KRS 160.470, is as follows:

(6)(a) Each district board of education shall, on or before January 31 of each calendar year, formally and publicly examine a detailed line item estimated revenues and proposed expenditures for the subsequent fiscal year. On or before May 30 of each calendar year, each district board of education shall adopt a tentative working budget which shall include a minimum reserve of 2% of the total budget.

(b) Each district board of education shall submit to the KBE no later than September 30, a close estimate or working budget which shall conform to the administrative regulations prescribed by the KBE.

702 KAR 3:110 is the regulation applicable to local district working budgets. It provides:

A district board of education shall prepare a tentative and working budget showing the amount of money needed for current expenses, debt service, capital outlay and other necessary expenses of the schools during the succeeding fiscal year, and the estimated amount that will be received

from the common school fund, from taxation, and other sources. The working budget shall be disapproved by the KBE if it is financially unsound or fails to provide for:

(a) Payment of maturing principal and interest on any outstanding voted school improvement bonds of the school district, authorized and issued pursuant to KRS 162.080 and 162.090 with the written approval of the KBE;

(b) Payment of rentals in connection with any outstanding school building revenue bonds issued for the benefit of a school district as authorized and provided under the provisions of KRS 162.120 to 162.300, 162.385 and 58.010 to 58.140, with the written approval of the KBE; or

(c) Fails to comply with any applicable law.

(2) The KBE shall state the reason for disapproval, and the district board of education shall amend its budget to obviate the reason for disapproval and resubmit the budget to the KBE for final approval.

Summary of Issue: The Commissioner of Education certifies the local district working budgets are in accordance with KRS 160.470 and 702 KAR 3:110.

Included is a chart (attachment) showing each district's calculated contingency for fiscal year 2019-2020.

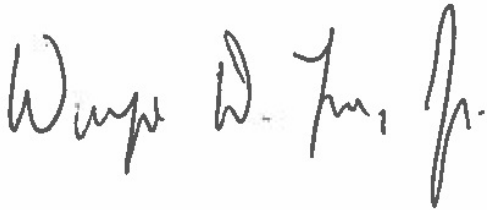
Budget Impact: There is no budget impact at the state level

GROUPS CONSULTED AND BRIEF SUMMARY OF RESPONSES:

The KDE provides information and assistance to local school districts throughout the process.

CONTACT PERSON(S):

Robin Fields Kinney
Associate Commissioner, Office of Finance and Operations
Email: Robin.kinney@education.ky.gov
(502) 564-1976



Commissioner of Education

Category: <input type="checkbox"/> District Innovation	<input type="checkbox"/> Strengthening Educators	<input checked="" type="checkbox"/> Family/Community Involvement	
<input type="checkbox"/> Student/Family Supports	<input type="checkbox"/> Student Interventions	<input type="checkbox"/> Coursework Completion	<input type="checkbox"/> Accountability Reporting