

KENTUCKY DEPARTMENT OF EDUCATION STAFF NOTE

Topic: Financial Position Report for Ashland Independent School District

Date: August 2021

Action Requested: ☒ Review ☐ Action/Consent ☐ Action/Discussion

Held In: ☒ Full Board ☐ Curriculum, Instruction and Assessment ☐ Operations

SUMMARY OF ISSUE BEFORE THE BOARD:

To review an update of the Financial Position of the Ashland Independent School District as required pursuant to House Bill 352 (2020). At the February Kentucky Board of Education (KBE) meeting, the board approved Ashland Independent School District's working budget with a reserve of .77%. HB 352 (2020) permits the KBE to approve district working budgets with a minimum reserve of less than two percent of the total budget, but requires the district to provide a financial report at each KBE meeting.

APPLICABLE STATUTE OR REGULATION:

KRS 160.470, 702 KAR 3:110, House Bill 352 (2020)

BACKGROUND:

Existing Policy:

The KBE is required to approve the local district working budgets if in conformity with KRS 160.470, 702 KAR 3:110 and House Bill 352 (2020).

House Bill 352 (2020) provides that districts may adopt and the KBE may approve a working budget that includes a minimum reserve of less than two percent of the total budget. The Kentucky Department of Education (KDE) is required to monitor the financial position of any district that receives approval for a working budget with a reserve of less than two percent and shall provide a financial report for those districts at each KBE meeting.

Summary of Issue:

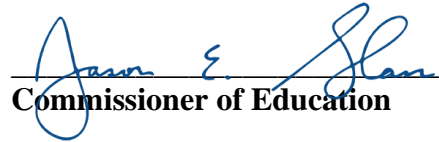
At the February 2021 KBE meeting, the KBE approved Ashland Independent School District's working budget with a minimum reserve of less than two percent (.77%). Because the district's minimum reserve is less than two percent, HB 352 (2020) requires the Ashland Independent School District to provide financial reports at each KBE meeting. During the April meeting, the Superintendent and financial consultant discussed the district's financial position. At the August meeting, Superintendent Howard provided an update of the district's financial position. A copy of the district's most recent financial report is included.

Budget Impact:

There is no budget impact at the state level.

CONTACT PERSON(S):

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Commissioner of Education

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