Steps to Ensure Fiscal Responsibility 2026-27

- **Alignment of positions** continued work to align, focus & combine positions across the district - teams are accomplishing more with fewer team members & this work will continue
- **Health benefits** continuing to offer highly competitive benefits as an organization - adjustments to continue to offer free coverage, while taking steps - such as self insured - to allow employee choice and to control costs
- **Innovate program designs** to meet the needs of and provide opportunities for students and families, to capitalize funding sources & **to increase enrollment over time**

Examples include: Preschool Expansion - Career & Technical Education (CTE) program realignment - Choice Campus at Centennial -

- Refine approach to more widely utilize Capital Outlay in compliance with statute
- Redesign transportation for efficiencies; attribute allowable costs to capital outlay
- Continue to innovate & commit to continued structural, systemic adjustments to achieve fiscal responsibility
- **Note:** the area where community has option additional resource support schools - Bond & Interest & related savings to capital outlay funds

Budget Review 2026-27

Board of Education

August 24, 2026

District Expenditures

Functions as defined by KSDE

Classroom

Instruction - includes teachers, curriculum, instructional supplies, student desks, etc.

Student Support - includes social workers, counselors, nursing, speech, audiology, etc.

Instructional Support - includes library, professional development, assessments, etc.

Student Nutrition & Transportation

Transportation - student transportation to school and/or activities

Food Service - providing student breakfast and lunch service

School & District Buildings / Facilities

Operations & Maintenance - maintaining comfortable and safe classrooms and facilities, keeping grounds, buildings, and equipment in effective working condition and repair.

District Expenditures

Functions as defined by KSDE

School & District Buildings / Facilities - continued

Capital Improvement includes building and site improvements such as roofs, parking lots, building renovations

Debt Service includes payment of general obligation bonds

Administration & Support

School Administration & Support includes principals, assistant principals, administrative assistants, secretaries, etc.

General Administration includes board expense such as legal, consulting, audit, superintendent, clerk, etc.

Central Services includes all other support services such as human resources, finance, communications, technology, print shop, etc.

District Expenditures

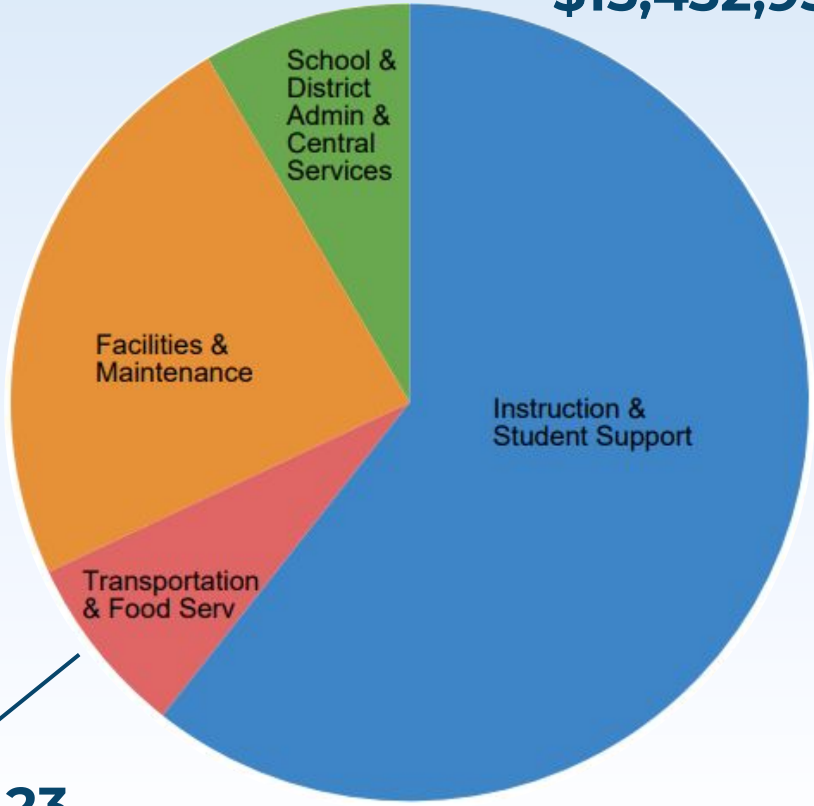
2025-26 Expenditures by Function

Function	2025-26 Expenditures	Percentage of Total
Instruction	$85,760,302	46.9%
Student Support	$16,552,964	9.0%
Instructional Support	$8,568,196	4.7%
Total Instruction & Support	***$110,881,462***	***60.6%***
Transportation	$7,206,232	3.9%
Food Service	$6,297,191	3.4%
Total Transportation & Food Service	***$13,503,423***	***7.3%***
Operations & Maintenance	$15,839,586	8.7%
Capital Improvements	$13,224,451	7.2%
Debt Services	$13,999,550	7.7%
Total Facility & Maintenance	***$43,063,587***	***23.6%***
General Administration	$903,050	0.5%
School Leadership & Support	$7,293,738	4.0%
Central Services	$7,236,163	4.0%
Total Admin & Central Services	***$15,432,951***	***8.5%***
Total 2025-26 Expenditures	$182,881,423	

District Expenditures
2025-26 Overview

8.5%
$15,432,951

23.6%
$43,063,587



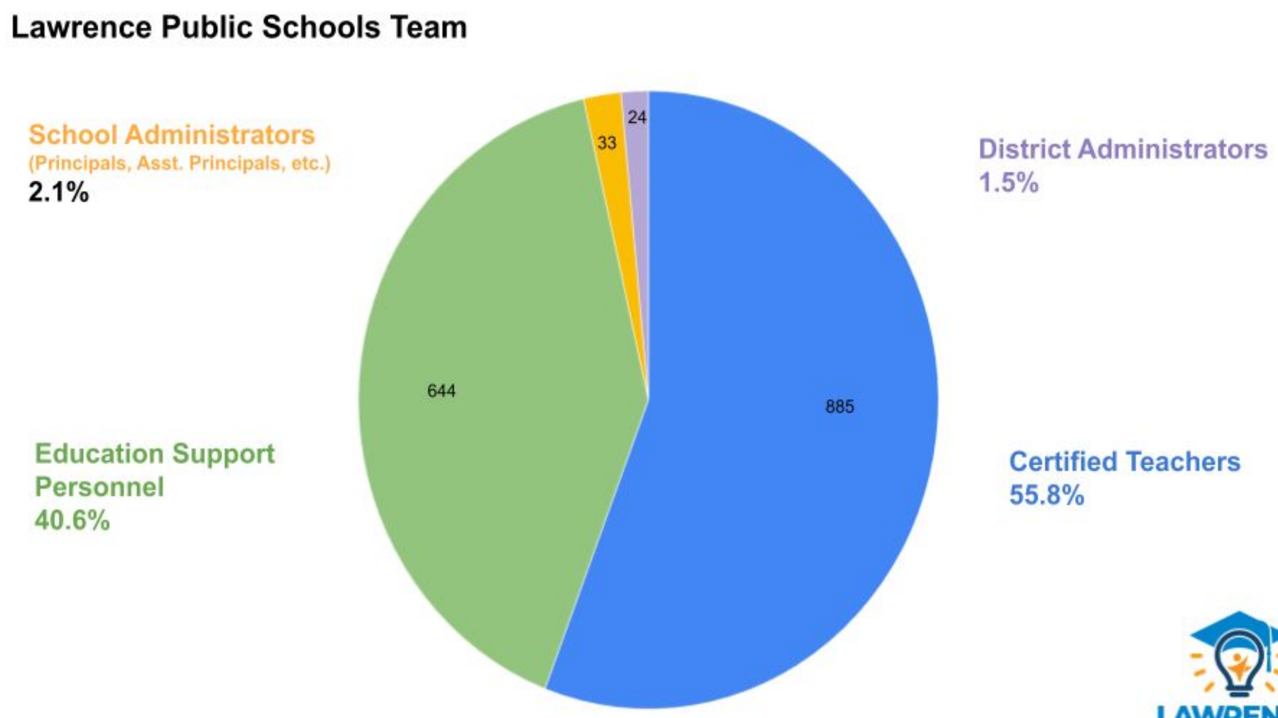
60.6%
$110,881,462

7.3%
$13,503,423

Compensation & Benefit Cost
December 2025

These approximately 1,586 LPS team members work to serve 10,148 students.

- 885 certificated / teachers, 56%
- 644 educational support professionals, 41%
- 33 school-based administrators (principals and assistant principals), 2.1%
- 24 district administrators, 1.5%



Special Education At-A-Glance

Updated Costs (2025-26 School Year)

$34.2M

SPECIAL EDUCATION COSTS

Special education net expenditures in 2025-26

STATE & FEDERAL RECEIVED

2025-26 federal & state special education funding

$20.4 M

Transfer from General fund/Supplemental General (LOB) for special education expenditures to cover the deficit:

~$13.8 million

LAWRENCE Public Schools

Operating Cash Balances

Per KSDE calculation

	Cash Balances of Certain Funds*	Percentage of General and Supplemental General Fund Expenditures
July 1, 2024	$18,166,331	15.26%
July 1, 2025	$23,211,453	19.04%
July 1, 2026	$21,952,988	~ 17.51%

* Includes most special revenue funds, Contingency Reserve, Textbook fund. Excludes Capital Outlay, Food Service, Health & Work Comp Reserves, Bond & Interest funds - as calculated by KSDE

Budget Changes for 2026-27

$7.3 million wage increase for 2026-27 to achieve:

- Base wages
  - **$51,000 yr** - Certified
  - **$20.00 per hour** - Educational Support Professionals

Employees contracted for 6 hours per day or more receive:

<u>* FREE single</u>
employee health insurance
employee dental insurance
employee vision insurance

*In 2026-27, **single pay health insurance plan provided free** for each employee has been adjusted in order to help control costs

LAWRENCE Public Schools

How the Budget is Calculated

General Fund Budget

Based on Sept. 20 student count and weightings, which include:

- Transportation eligibility
- At Risk = Free lunch count
- Bilingual contact hours
- Career Tech contact hours
- Special Education funding

General Fund Budget

Enrollment FTE + Weightings FTE on September 20th

x BASE state aid $5,778 for 2026-27

+ Virtual state aid $5,600 per FTE

= General Fund budget

How the Budget is Calculated

Supplemental General Fund (LOB)

Based on a percentage of General Fund

- **Percentage determined annually by Board of Education**
- **Board has been authorizing the maximum of 33%**
- **Budget not determined by a mill levy**

In 2026-27, we do not qualify for Supplemental General state aid

Supplemental General Fund (LOB) Budget

Enrollment FTE + Weightings FTE on September 20th

x Supplemental General state aid $5,857 for 2026/27

x 33% Board authorized percentage

= Supplemental General Fund (LOB) budget

LAWRENCE Public Schools

Budget Publication

August 2026

- **Publish budget authority by fund**
- **Publish mill levies**
- **Notify taxpayers of the budget hearing and revenue neutral hearing**

Most funds may be amended in the spring, if needed, by republishing the budget.

Notice of Budget Hearing

Notice of Hearing 2026-2027 Budget

The governing body of Unified School District 497 will meet on the 14th day of September 2026 at 6:05 PM at 110 McDonald Dr, Lawrence, KS 66044 for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of tax to be levied. Detailed budget information, including budget profile, building needs assessment and Board state assessments review is available at the district office on the district website and will be available at this hearing.

The Amount of 2026 Tax to be Levied and Expenditures (published below) establish the maximum limits of the 2026-2027 Budget. The 'Est. Tax Rate' (column 7), shown for comparative purposes, is subject to slight change depending on final assessed valuation.

		2024-2025 Actual		2025-2026 Actual		2026-2027 Proposed Budget		
	Code 99 Line	Actual Expenditures (1)	Actual Tax Rate* (2)	Actual Expenditures (3)	Actual Tax Rate* (4)	Budgeted Expenditures (5)	Amount of 2026 Tax to be Levied (6)	Est. Tax Rate* (7)
OPERATING								
General	06	90,228,298	20.000	92,444,090	20.000	94,823,828	34,408,392	20.000
Supplemental General (LOB)	08	28,791,343	14.530	29,478,973	14.842	30,559,090	28,383,023	14.588
SPECIAL REVENUE								
Federal Funds	07	4,384,886		3,161,990		3,559,165		
Adult Education	10	494,316	0.200	505,661	0.200	868,580	389,139	0.200
Preschool-Aged At-Risk	11	530,994		744,455		1,726,800		
Adult Supplemental Education	12	0		0		25,982		
At-Risk Education Fund	13	12,502,614		13,199,135		15,037,700		
Bilingual Education	14	619,272		780,397		975,408		
Virtual Education	15	2,522,550		2,703,275		3,193,350		
Capital Outlay	16	13,611,988	8.000	19,788,694	8.000	33,297,809	15,673,676	8.000

LAWRENCE Public Schools

Notice Exceeding Revenue Neutral

Exceeding Revenue Neutral for the 2026-2027 School Year

The governing body of Unified School District 497 will meet on the 14th day of September 2026 at 6:00 PM at 110 McDonald Dr, Lawrence, KS 66044 for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of tax to be levied. Detailed budget information, including budget profile, is available at the district office and will be available at this hearing.

Revenue Neutral

	2025-2026				2026-2027	
	Actual Taxes Levied (1)	Actual Tax Rate (2)	Revenue Neutral Taxes (3)	Revenue Neutral Tax Rate (4)	Proposed Taxes to be Levied (5)	Proposed Tax Rate (6)
General	$32,629,658	20.000	$32,505,025	18.894	$34,408,392	20.000
ALL OTHER FUNDS						
Supplemental General (LOB)	$27,419,574	14.842	$27,424,219	14.095	$28,383,023	14.588
Adult Education	$369,569	0.200	$369,548	0.190	$389,139	0.200
Capital Outlay	$14,890,021	8.000	$14,889,915	7.600	$15,673,676	8.000
Cost of Living	$1,853,372	1.003	$1,853,288	0.953	$2,170,965	1.116
Special Liability Expense Fund	$0	0.000			$0	0.000
Extraordinary Growth Facilities	$0	0.000			$0	0.000
Bond and Interest #1	$15,337,860	8.300	$15,336,276	7.882	$16,149,342	8.300

Proposed Mill Levies
2026-27

	2023-24	2024-25	2025-26	2026-27
General Fund	20.000	20.000	20.000	20.000
Supplemental General Fund (LOB)	13.790	14.530	14.842	14.588
Adult Education	0.200	0.200	0.200	0.200
Capital Outlay	7.984	8.000	8.000	8.000
Cost of Living	1.221	1.235	1.003	1.116
Bond & Interest	9.015	8.308	8.300	8.300
Total Mill Levy	**52.210**	**52.273**	**52.345**	**52.204**

Requesting authorization to publish 2026-27 mill levies

UNDERSTANDING REVENUE NEUTRAL RATE

The revenue neutral rate generates the same amount of property tax revenue as the previous year.

REVENUE NEUTRAL

Same Tax Revenue

Assessed Valuation Increases

Mill Levy Decreases

Same Tax Revenue as Previous Year

VS.

EXCEEDS REVENUE NEUTRAL

More Tax Revenue

Assessed Valuation Increases

Mill Levy Stays the Same

Higher Tax Revenue than Previous Year

LAWRENCE Public Schools

Next Steps

2026-27 Budget

✔ **July 20th** - Submitted maximum mill levies to counties for revenue neutral rate notices to taxpayers

✔ **August 24th board meeting**: Request approval to publish Notice of Budget Hearing and Notice to Exceed the Revenue Neutral Rate for 2026/27

- **September 14th board meeting**
  - 6:00 PM Hearing to exceed the revenue neutral rate
  - **Board approves resolution to exceed the revenue neutral rate**
  - 6:05 PM Budget hearing
  - **Board approves budget**
  - **Board approves resolution for LOB percentage (Supplemental General Fund)**
- **September 20th** budget due to KSDE