



HEARTLAND
AREA EDUCATION AGENCY

Extending your reach.

2011 - 2012 Budget Document



Core Values

Caring

Passionate

Collaborative

Proactive

Cutting-edge

Vision and Mission

Heartland Area Education Agency is dedicated to enriching people's lives. We are partners for learning who provide cutting-edge services for children and youth, families, schools and communities. Heartland AEA is a proactive and caring organization fueled by a passion for excellence in all we do. We are committed, every day, to helping people grow, develop and learn.

Presented by:

Paula Vincent, *Chief Administrator*

Prepared by:

Steve Prall, *Chief of Operations*

David King, *Chief Financial Officer*

Rebecca McCreary, *Accountant*



Heartland Area Education Agency Board of Directors

Heartland Area Education Agency 11 (Heartland AEA) is governed by a nine-member board, each representing a director district in the Heartland AEA area. The districts are roughly equal in population. Board members are elected by local district boards of education and serve staggered terms.

The Board is responsible for approving agency budgets and program plans before they are submitted for final approval to the Iowa Department of Education. The Board is also charged with hiring a chief administrator and establishment and oversight of education policies.

Board meetings are generally held at 6445 Corporate Drive, Johnston, Iowa, on the second Tuesday of the month, beginning at 5:30 p.m. Agendas are posted at least 24 hours in advance. The public is always welcome to attend.

Board of Directors 2011-2012

Dr. Earl Bridgewater	President	Term expires 2013
Mr. Nels Turnquist	Vice-President	Term expires 2011
Dr. Jane Bell	Member	Term expires 2011
Ms. Margaret Borgen	Member	Term expires 2011
Mr. Bruce Christensen	Member	Term expires 2013
Mr. Cal Halliburton	Member	Term expires 2011
Dr. Steve Rose	Member	Term expires 2011
Ms. Marcy Sparks	Member	Term expires 2013
Ms. Ann Wilson	Member	Term expires 2013

Officers of the Board of Directors

Ms. Jennifer Ugolini	Board Secretary
Mr. Terrill Wycoff	Treasurer



To the Heartland Area Education Agency Board of Directors:

The enclosed budget proposal for fiscal year 2012 is submitted for your consideration. This budget reflects the mission of the organization:

- **to provide essential services and leadership with equity, excellence and efficiency**
- **to partner with families, schools and communities**
- **to improve the learning outcomes and well being of all children and youth**

The adopted budget will authorize a commitment of resources to carry out the mission of the agency through the priorities of the Board of Directors. These priorities are organized in three broad goal areas: increases in student learning, increases in operational efficiencies and increases in customer service satisfaction and staff supports.

Looking forward, we are encouraged by Iowa's economy showing signs of recovery from the sharp economic downturn of fiscal years 2008 and 2009. However, our budget continues to be built on assumptions that we will not have any significant increases in funding.

Preparation of the budget for fiscal year 2012 has been a collaborative effort with input from individuals representing all aspects of the agency's services. Special recognition is extended to David King, Chief Financial Officer, and Rebecca McCreary, Business Services Accountant, for the extensive effort required to prepare a budget that clearly presents the Agency's financial plan.

Paula J. Vincent, Ph.D.
Chief Administrator

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Section 1: Executive Summary

1A. About Heartland AEA

Heartland Area Education Agency 11 (Heartland AEA) works in partnership with public and accredited private schools to provide educational services, programs and resources for improving student achievement and building cultural competence. Heartland AEA staff members serve preschool children, K-12 students, families, educators and communities in an 11-county central Iowa territory.

Heartland AEA's staff members, 70 percent of whom are licensed educators, aid student achievement in many ways. They teach students; work with preschoolers; consult with teachers, principals and superintendents; meet with parents; lead school-community meetings and undertake many other tasks to improve teaching and learning.

Iowa has a three-tiered education system: local school districts, area education agencies and the state department of education (DE). Iowa's original educational structure dates back to 1858 when county superintendents were placed between local districts and the DE. The superintendent's job was to oversee all county school districts, which totaled 5,022 in 1910.

Heartland AEA Fast Facts

- Over 136,000 public and non-public students (Heartland AEA also serves youth with special needs from birth to school age)
- 10,000 teachers and administrators
- 54 public school districts
- 30 accredited private schools
- 11 counties

(6,518 sq. miles; 1/5 of the state's area):
Audubon, Boone, Carroll, Dallas,
Guthrie, Jasper, Madison, Marion, Polk,
Story and Warren counties (map on
page 13)

The number of school districts has steadily declined, and in 1957 the state legislature allowed counties to jointly employ one superintendent to handle the smaller number of districts. In 1965, the legislature approved the merger of two or more counties into joint-county school systems. With fewer rural schools to supervise, the role of the county superintendent was changed to record-keeping and providing special education and curriculum assistance. The problem with this arrangement was that some districts received more services — such as special education, teacher in-service and media services — from their county system, while others received few or no services. Legislators reacted to the disproportion of services by replacing county systems with 15 area education agencies, which officially began on July 1, 1975. AEA's have voluntarily merged in response to enrollment numbers and service demand since 2002, decreasing from 15 agencies to nine as of July 1, 2010.

Most states have some kind of intermediate service unit, but Iowa's AEA system is unique. The AEA's work as educational partners with public and accredited private schools. As intermediate agencies, AEA's offer the kinds of services that can be most efficiently and economically provided on a regional or cooperative basis among school districts. The Iowa system is widely regarded as one of the foremost regional service systems in the country. Heartland AEA has the largest student enrollment of Iowa's AEA's; our 700 full- and part-time staff members provide services to an 11-county region known as Area 11. Heartland AEA also funds about 180 special education staff positions for the Des Moines Public Schools.

1B. Purpose of the Budget Document

This document is the Heartland AEA budget for the fiscal year ending June 30, 2012. With the publishing and dissemination of this budget document, Heartland AEA demonstrates its commitment to openness and transparency. Our intent is to improve the quality of information to our clients, stakeholders and citizenry about the Agency for the 2011-2012 fiscal year. We welcome the opportunity to present and discuss operational plans and related financial impact with all interested parties. Interaction among interested groups and individuals consistently leads to better services and improved student achievement.

The development, review and consideration of the 2011-2012 budget was completed with a detailed and exhaustive review of every revenue and expenditure item within the context of the Agency's goals, vision, values and financial policies. The resulting detailed line-item budget was translated into the summary statements contained in this budget. Also contained in the budget document is a wealth of information about the Agency and our plans for the coming years.

1C. Budgetary Timeline

Budgetary flexibility is required in the fast-changing world of education. Therefore, the budgetary process is on a continuous improvement cycle with adjustments made as needed to meet the needs of our constituency. However, there are major milestones in the preparation of the initial line-item budget and the resulting budget document.

November 2010

Salaries and benefits for the 2011-2012 fiscal year are estimated based on known and projected factors, including such things as increases in health and dental premiums and the expected outcomes of salary negotiations. At the same time, estimates are derived for anticipated revenues, which are affected by the number of students served, controlled funding allowable growth, state and federal grants and expected fees for services.

December 2010

Budget managers create the line-item budget from which this budget document is produced.

January 2011

A public budget hearing and presentation of the budget is given to the Heartland AEA Board of Directors.

February 2011

The Board votes to approve the budget document. Required forms are transmitted to the Iowa Department of Education.

April 2011

The State Board of Education approves the budget as submitted to the Iowa Department of Education.

May 2011

Salary negotiations are finalized and contracts are offered.

June 2011

Agency staff begin to amend the operational budget based on completed salary negotiations and new information obtained since November 2010.

1D. Budget Parameters

Heartland AEA, a public tax-supported institution, has a fiduciary responsibility to the citizenry to use thoughtful planning when allocating resources and expending public funds. Heartland AEA's leadership staff created the statements below as the foundational principles for budget preparation, monitoring and control.

- Resources will be prioritized, aligned and allocated for maximum results.
- Resources will be allocated to support the greatest positive impact on student achievement.
- Resource allocations will be transparent, defensible, data-driven and aligned with agency goals.
- Resource allocations will reflect the Agency's mission, vision and guiding principles.
- Responsibility for resource allocation, budget preparation and expenditure monitoring lies with the administrative team.
- Relevant budget input will be sought from clients, partners and staff members.
- Federal and state statutes, rules and regulations will be followed.
- A minimum of 5% Unreserved Undesignated fund balance will be maintained.

1E. Resource Allocation Process

The resource allocation process for the 2011-2012 budget included information from superintendents, agency staff members, balancing of caseloads for agency staff members and support to new and expanding initiatives. Information was also derived during a strategic planning process that aligned with agency goals and priorities of our clients. Student achievement data was analyzed in order to determine which schools and/or curriculum areas required additional or different resources. The ultimate goal of the resource allocation process is improved student achievement.

The Agency continues to develop a resource allocation model, augmented by a staff allocation model, to analytically determine the most appropriate resources needed by each school and district. Resources will be assigned to regional offices based on this new resource allocation formula. It is expected the development and refinement of the resource allocation formula will take several years. Input from clients and stakeholders will be crucial in the development of the new allocation model. The new resource allocation model is necessary to provide a transparent, defensible, data-driven system aligned with agency goals.

The preparation of this year's line-item budget was accomplished with direct involvement of Heartland AEA's leadership staff. The accounting and budgeting systems continue to improve to provide the best accessibility to data and information possible for our decision-makers. A major emphasis has been placed on reducing paper usage and storage, improving efficiency through computerized approval processes and allowing easy access to data through better reporting and digital imaging.

1F. Budget at a Glance

Highlights from the 2011-2012 (FY 2012) Budget Proposal:

- FY 2012 negotiations are not yet concluded, therefore the salary and benefit increases are estimated at a percentage increase that management believes may reasonably occur.
- Funding is included for the lease purchase payments for the remodeling of the Administrative Center (\$184,012) and for the remodeling of the Teaching and Learning Center (\$133,500) both located at the Johnston campus.
- The budget for FY 2012 is a balanced budget, with total expected revenues equaling total expected expenditures.
- The operating fund totals \$80,807,928, the special revenue fund totals \$2,531,513, the capital projects fund totals \$10,000 and the debt service fund totals \$317,512.



The schedule below shows actual expenditures for the past three years, this year's amended budget and the FY 2012 proposed budget.

	Proposed Budget <u>2012</u>	Amended Budget <u>2011</u>	Actual <u>2010</u>	Actual <u>2009</u>	Actual <u>2008</u>
Revenues:					
Controlled funding	\$47,063,961	\$46,660,966	\$41,918,501	\$42,697,571	\$40,411,117
Other local sources	1,929,168	2,048,075	1,771,398	1,775,804	3,294,497
Other state sources	6,139,807	6,052,367	5,257,517	5,916,422	4,563,894
Federal sources	28,203,632	32,443,448	49,603,135	30,605,835	26,593,705
Other sources	-0-	1,004,580	6,187	1,612,668	2,591,051
Total revenues	<u>\$83,336,568</u>	<u>\$88,209,436</u>	<u>\$98,556,738</u>	<u>\$82,608,300</u>	<u>\$77,454,264</u>
Expenditures:					
Instruction	\$4,351,302	\$5,434,117	\$6,211,744	\$3,795,764	\$3,437,737
Student support services	28,897,418	31,261,277	28,162,295	27,261,610	25,536,664
Instructional staff support services	25,670,426	26,993,205	22,024,423	22,199,427	21,316,320
General administration	4,409,216	4,565,938	4,328,141	4,515,569	4,883,237
Regional administration	3,711,455	3,658,966	3,622,193	3,594,192	3,488,662
Business administration	1,609,984	1,523,881	1,012,083	984,004	874,820
Central and other support services	5,666,429	5,540,040	5,512,420	4,930,440	6,403,032
Plant operations and maintenance	1,717,926	1,650,428	1,558,287	1,792,551	1,729,306
Student transportation	4,000	3,707	2,656	1,836	1,651
Community services operations	212,585	212,110	221,987	194,700	191,685
LEA part B flow through	6,758,314	6,758,314	21,364,943	10,323,433	6,504,371
Facilities acquisition and debt service	327,512	1,550,778	1,668,173	2,770,483	2,807,732
Total expenditures	<u>\$83,336,568</u>	<u>\$89,152,761</u>	<u>\$95,689,345</u>	<u>\$82,364,009</u>	<u>\$77,175,217</u>
<u>Net revenue over (under) expenditures</u>	<u>\$0</u>	<u>(\$943,325)</u>	<u>\$2,867,393</u>	<u>\$244,291</u>	<u>\$279,047</u>

Section 2: Organizational Section

2A. Organizational Structure

Heartland AEA strives to foster lasting partnerships with the schools, educators and communities we serve. With the intention of improving outcomes for all children, the Agency is currently reviewing and updating the regional structure and service delivery to continue our efforts of distributing resources closer to our public school districts and non-public schools.

The central administration staff structure is also being reviewed. At this time it is not known how central administration will be structured; therefore, the organizational chart is not included in this budget document.

2B. Significant Budget and Financial Policies, Procedures, Rules and Regulations

The Heartland AEA Board of Directors adopts and regularly updates policies governing the operation of the Agency. The Board has adopted four policies dealing directly with the preparation, review and adoption of the budget document. They are listed below with a brief description. The full text of the policy can be viewed at Heartland AEA's main office in Johnston.

Policy 801.1-Planning the Budget

Planning the budget document shall be a continuous and deliberate process including 1.) assessment of educational needs of our stakeholders, 2.) assessment of estimated income and 3.) assessment of estimated expenditures.

Policy 801.2-Preparation, Review and Adoption of the Budget Document

The formal budget document shall be prepared by the chief administrator or designee using expertise and counsel from a variety of sources. The Board will review the document and hold a public hearing. The policy outlines requirements for the public hearing.

Policy 801.3-Requirements of the Budget Document

The budget document will include, at a minimum, estimates of revenues from multiple sources, estimates of expenditures by fund and will be presented in a specified format.

Policy 801.4-Budget Operations

The chief administrator shall put into use those procedures best suited to keep expenditures within budgetary limits. If warranted by circumstances, the chief administrator may propose a budget amendment to the Board of Directors.

In addition to these policies regarding budgeting, the Board has established other policies and procedures involving the fiscal operation of the Agency, including but not limited to purchasing, fund balance targets, requirement for a financial accounting system, credit policy, use of agency property, investments, gifts and donations, reports to the Board (both monthly and annually) and annual audits.

2C. Budget Process using Continuous Improvement Process

Heartland AEA is committed to continuous improvement. Our continuous improvement process consists of the following four steps:

Assessment

Information is constantly being collected and analyzed to provide insight into the needs of children, families and communities within Heartland AEA's area. The preparation of the budget document and supporting line-item budget begins with a projection of student enrollments and anticipated local, state and federal funding in November before the fiscal year begins. Parameters are established for estimates in salaries and benefits. In December, the line-item budget is determined through careful consideration of what services are already being provided, what services will be abandoned and what new services are needed. Other considerations include funds needed to support the technology plan and the facilities plan.

Planning

Data from the needs assessment is used to plan for service levels and new initiatives. An important part of this planning process is aligning the budget with desired types and levels of service and to provide for the infrastructure needed to support those services. Because Heartland AEA does not have taxing authority, all expenditures must be funded from existing funding streams. This creates the need to plan for large expenditures many years in advance to assure adequate funding will be available when needed. At the same time, the budget must be flexible enough to adapt quickly to the constantly shifting educational landscape. Population shifts, new initiatives, emerging research, improved technology, new laws, rules and regulations are happening all the time.

Implementation

As services are provided and monies expended, the budget must be monitored to assure adequate resources exist where and when they are needed. Heartland AEA amends the budget annually for shifts in resource allocation and to provide budget authority to expend revenues not known about at the time of the original budget creation (such as new grants or unanticipated demand for fee-based services).

Heartland AEA's Board of Directors annually adopts a budget on a basis consistent with U.S. generally accepted accounting principles. Although the budget document presents functional disbursements by fund, the legal level of control is at the total expenditure level, not at the fund or fund type level. After required public notice and hearing in accordance with the Code of Iowa, the Board submits its budget to the State Board of Education. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board.

Evaluation

Heartland AEA strives to make the greatest possible gains in student achievement from a finite amount of resources. The evaluation of effectiveness of programs and services drives the planned abandonment of some services while indicating areas needing additional resources. The results of this evaluation focus the budget on areas where our services can produce the highest student achievement possible.

Section 3: Financial Section

3A. Statement of Revenues and Expenditures by Fund

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
Revenues					
Local	\$21,976,439	\$40,000	-0-	-0-	\$22,016,439
State	30,731,234	2,385,263	-0-	-0-	33,116,497
Federal	28,097,382	106,250	-0-	-0-	28,203,632
Other financing sources	-0-	-0-	-0-	-0-	-0-
Fund transfers in	<u>2,873</u>	<u>-0-</u>	<u>\$10,000</u>	<u>\$317,512</u>	<u>330,385</u>
Total Revenue	<u>\$80,807,928</u>	<u>\$2,531,513</u>	<u>\$10,000</u>	<u>\$317,512</u>	<u>\$83,666,953</u>
Expenditures					
Salaries	\$37,389,349	\$1,782,029	-0-	-0-	\$39,171,378
Benefits	11,614,724	465,971	-0-	-0-	12,080,695
Purchased Services	21,295,793	147,937	-0-	-0-	21,443,730
Supplies	3,017,736	90,750	-0-	-0-	3,108,486
Capital Outlay	365,800	40,853	\$10,000	-0-	416,653
Other Expenses	38,700	1100	-0-	\$317,512	357,312
LEA Part B Flow-Through	6,758,314	-0-	-0-	-0-	6,758,314
Fund Transfers Out	<u>327,512</u>	<u>2,873</u>	<u>-0-</u>	<u>-0-</u>	<u>330,385</u>
Total Expenditures	<u>\$80,807,928</u>	<u>\$2,531,513</u>	<u>\$10,000</u>	<u>\$317,512</u>	<u>\$83,666,953</u>
 Use of Fund Balance	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>

Note: Schedule 3A differs in total from the schedule shown earlier in the 1G-Budget At A Glance section because of the inclusion here of Inter-Fund transfers in and out. The schedule in 1G-Budget At A Glance eliminates the inter-fund transfers in and out.



3B. Statement of Revenues and Expenditures - Categorized by Funding Streams

General Fund	Special Education Support	Media Services	Educational Services	General Administration	Central Support Services	Total General Fund
Revenues						
Local	\$6,812,512	\$6,871,095	\$8,080,857	\$207,975	\$4,000	\$21,976,439
State	30,033,816	79,593	617,825	-0-	-0-	30,731,234
Federal	27,606,502	55,819	435,061	-0-	-0-	28,097,382
Other Fin. sources	-0-	-0-	-0-	2,873	-0-	2,873
Intra-Fund Transfer	<u>176,283</u>	<u>13,690</u>	<u>24,875</u>	<u>-210,848</u>	<u>-4,000</u>	<u>0</u>
Total Revenue	<u>\$64,629,113</u>	<u>\$7,020,197</u>	<u>\$9,158,618</u>	<u>\$0</u>	<u>\$0</u>	<u>\$80,807,928</u>
Expenditures						
Salaries	\$26,946,341	\$2,034,792	\$4,962,817	\$2,417,507	\$1,027,892	\$37,389,349
Benefits	8,073,872	715,729	1,469,135	964,695	391,293	11,614,724
Purchased Services	17,175,969	1,365,516	1,572,403	329,220	852,685	21,295,793
Supplies	220,420	2,332,893	165,516	23,500	275,407	3,017,736
Capital Outlay	255,000	29,450	6,600	10,400	64,350	365,800
Other Expenses	-0-	8,500	-0-	13,700	16,500	38,700
LEA Flow-Through	6,758,314	-0-	-0-	-0-	-0-	6,758,314
Fund Transfers Out	-0-	-0-	-0-	-0-	327,512	327,512
Intra-Fund Transfer	<u>5,199,197</u>	<u>533,317</u>	<u>982,147</u>	<u>-3,759,022</u>	<u>-2,955,639</u>	<u>0</u>
Total Expenditures	<u>\$64,629,113</u>	<u>\$7,020,197</u>	<u>\$9,158,618</u>	<u>\$0</u>	<u>\$0</u>	<u>\$80,807,928</u>
Use of Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Special Revenue Fund	Special Education Instruction	Juvenile Home	Total Special Revenue
Revenues			
Local	\$40,000	-0-	\$40,000
State	-0-	\$2,385,263	2,385,263
Federal	-0-	106,250	106,250
Other fin. sources	-0-	-0-	-0-
Fund transfers in	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Revenue	\$40,000	\$2,491,513	\$2,531,513
Expenditures			
Salaries	\$26,000	\$1,756,029	\$1,782,029
Benefits	4,370	461,601	465,971
Purchased Services	2,077	145,860	147,937
Supplies	4,100	86,650	90,750
Capital Outlay	3,453	37,400	40,853
Other Expenses	-0-	1,100	1,100
Fund Transfers Out	<u>-0-</u>	<u>2,873</u>	<u>2,873</u>
Total Expenditures	\$40,000	\$2,491,513	\$2,531,513
Use of Fund Balance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

3C. Budgeted Revenues

Heartland AEA's major funding sources can be broadly categorized into controlled funding, local sources, state sources and federal sources.

Controlled Funding

Iowa's AEAs receive most of their funding through the state's school foundation aid formula. The amount each AEA receives is controlled by the formula. Therefore it is referred to as controlled funding.

Controlled funding is generated in three discreet funding streams: special education support services, media services and other educational services. Each funding stream must be kept separate for budgeting and reporting purposes. The special education funding stream is composed of state aid and property taxes. The media services and educational services funding streams are composed solely of property taxes. Each funding stream is computed as a function of an allowable per pupil cost times an enrollment figure.

The media services and educational services enrollment served is the sum of the public school head count and non-public student head count. The numbers of pupils shared is then subtracted out so those pupils are not counted twice. The enrollment served is then multiplied by the per pupil cost to determine the amount of property taxes collected on behalf of the AEAs.

The special education support services funding is based on a weighted enrollment. Students receiving special education services are placed into one of three levels depending upon the severity of their needs. The students needing greater services receive a higher weight and therefore generate more funding than students needing fewer services. The weighted enrollment is the public school head count plus the additional weighting for students identified as having special needs. The weighted enrollment total is then multiplied by the per pupil cost to determine the amount of special education funding. The special education funding is generated approximately from 81% state aid and 19% property taxes. Then, any legislated funding cuts must be subtracted from the state aid amount to determine the final amount of controlled funding. Please see the following exhibit showing the estimation of controlled funding.

2011-2012 Estimated Controlled Funding

	Special Education	Educational Services	Media Services		
			General	Resource	Media Total
Estimated Enrollment	140,491.50	133,446	133,446	133,446	133,446
2011-12 Per Pupil Cost	\$250.63	\$52.68	\$33.61 +	\$14.41 =	\$48.02
Estimated Funding * Legislative Reduction 7.5M	\$35,322,130 <u>\$1,696,220</u>	7,029,956 <u>\$0</u>	4,485,132 <u>\$0</u> +	1,922,963 <u>\$0</u> =	6,408,095 <u>\$0</u>
Estimated Reduced Funding Level Previous Year Reduced Funding	\$33,625,910 <u>\$32,773,364</u>	\$7,029,956 <u>\$6,963,769</u>	\$4,485,132 <u>\$4,442,904</u> +	\$1,922,963 <u>\$1,904,858</u> =	\$6,408,095 <u>\$6,347,762</u>
Estimated Growth After Reduction**	\$852,546	\$ 66,187	\$42,228 +	\$18,105 =	\$60,333
Estimated Growth Rate	2.60%	0.95%	0.95%	0.95%	0.95%

- Special Ed. includes \$110,744 of budget guarantee funding.

Although the Special Education growth rate shows 2.60%, this growth rate will only occur if the Iowa Legislature allows restoration of a \$576,076 reduction. Given the current economic forecasts for the State of Iowa, it seems likely that this reduction will be made. If the \$576,076 funding reduction is continued in FY 2012 the actual growth rate would be closer to 0.84% or less, instead of 2.60%.

Local Sources

Heartland AEA receives other local funds in addition to the property taxes generated through the foundation aid formula. Local funds may be received for the following purposes:

- Fees for services from school districts and other AEAs
- Sale of materials
- Tuition from professional development course registrations
- Interest income
- Gifts and donations

State Sources

The Iowa legislature provides funds targeted specifically at areas of concern or special interest. State funds are received for the following purposes:

- Teacher Salary Supplement—provided to increase teacher salaries
- Teacher Quality—provided to increase teacher salaries and provide funding for high quality professional development activities
- Early Childhood Consultant
- Regional Telecommunications Committee
- Early Childhood (Early Access) Part C Supplement

Federal Sources

Heartland AEA receives several entitlements and grants through the Iowa Department of Education that are federally funded. The majority of the Agency's federal funds are received from the Individuals with Disabilities Education Improvement Act (IDEIA).

Detailed Federal Revenue by Fund

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
Federal					
IDEIA Part B	\$26,410,428	-0-	-0-	-0-	\$26,410,428
IDEIA Basic 619	531,875	-0-	-0-	-0-	531,875
IDEIA Part C	639,199	-0-	-0-	-0-	639,199
Title I	-0-	\$106,250	-0-	-0-	106,250
Title II	22,861	-0-	-0-	-0-	22,861
Title III	280,000	-0-	-0-	-0-	280,000
Miscellaneous	<u>213,019</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>213,019</u>
Total Federal Revenue	<u>\$28,097,382</u>	<u>\$106,250</u>	<u>\$0</u>	<u>\$0</u>	<u>\$28,203,632</u>

3D. Capital Improvements

Although Heartland AEA is currently planning several improvements to capital assets, minimal capital improvements are included in this budget and are for maintenance purposes only. All capital improvement must be approved by the Iowa Department of Education (DE) before they can be included in a budget. When the DE approves the capital projects currently being planned, the budget will be amended to include the approved projects.

3E. Debt Service

In fiscal year 2008-2009, Heartland AEA entered into a lease purchase agreement for the remodeling of 6445 Corporate Drive into an administrative service center. The Debt service fund budget of \$184,012 is necessary to pay the lease purchase payments during FY 2012.

In fiscal year 2010-2011, Heartland AEA entered into an additional lease purchase agreement for the remodeling of 6500 Corporate Drive into a teaching and learning center. The Debt service fund budget of \$133,500 is necessary to pay the lease purchase payments during FY 2012.

3F. Basis of Accounting

The budget is prepared using the financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 90 days after year-end.

Intergovernmental revenues (state aid, property tax, shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available when cash is received by the Agency.

Section 4: Informational Section

4A. Enrollment Data

Heartland AEA's enrollment served represents the total number of children enrolled at our constituent districts. The weighted enrollment is computed by adding the head count enrollment in our public schools to a weighting factor. The weighting factor is determined by the level of needs of the students served with special education services. We are predicting an increase in the weighted enrollment next year due predominately to general head count increases.

An estimated enrollment for 2010 was used to estimate the 2011-12 controlled funding.

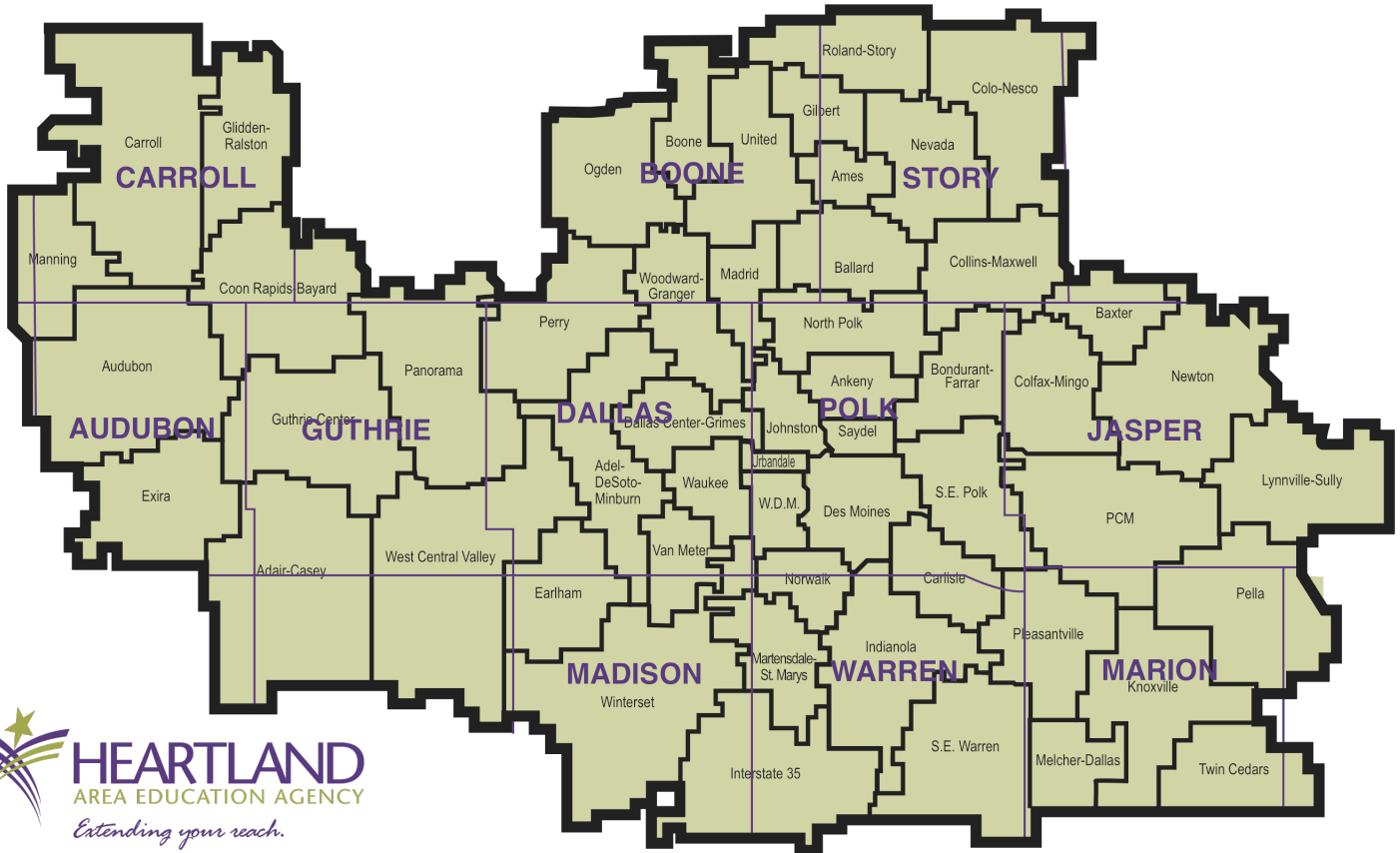
Enrollment Trends and Estimated Enrollments

	Weighted Enrollment		Enrollment Served	
1993	118,432.61	1.17%	116,288	1.02%
1994	120,511.00	1.75%	117,977	1.45%
1995	123,471.07	2.46%	120,188	1.87%
1996	125,209.46	1.41%	120,930	0.62%
1997	127,240.07	1.62%	122,061	0.94%
1998	129,034.00	1.41%	122,915	0.70%
1999	130,176.84	0.89%	123,068	0.12%
2000	131,460.04	0.99%	123,328	0.21%
2001	132,927.16	1.12%	124,348	0.83%
2002	134,107.25	0.89%	125,242	0.72%
2003	135,156.97	0.78%	125,616	0.30%
2004	136,192.72	0.77%	126,441	0.66%
2005	137,894.15	1.25%	128,058	1.28%
2006	139,114.50	0.88%	129,228	0.91%
2007	139,533.53	0.30%	130,657	1.11%
2008	138,857.38	(-0.48%)	131,413	0.58%
2009	139,388.40	0.38%	132,190	0.59%
2010 Estimate	140,491.50	0.79%	133,446	0.95%

4B. Budgeted FTE

	General Fund	Special Education Instruction	Shelter Care	Total
Administrative	31.10	0.00	0.90	32.00
Professional	453.20	0.45	14.00	467.7
Technical	37.50	0.00	13.00	50.50
Clerical and trades	92.10	0.00	1.00	93.10
Total	613.90	0.45	28.90	643.50

Heartland AEA County & District Map





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