

Budget Document

2022-23

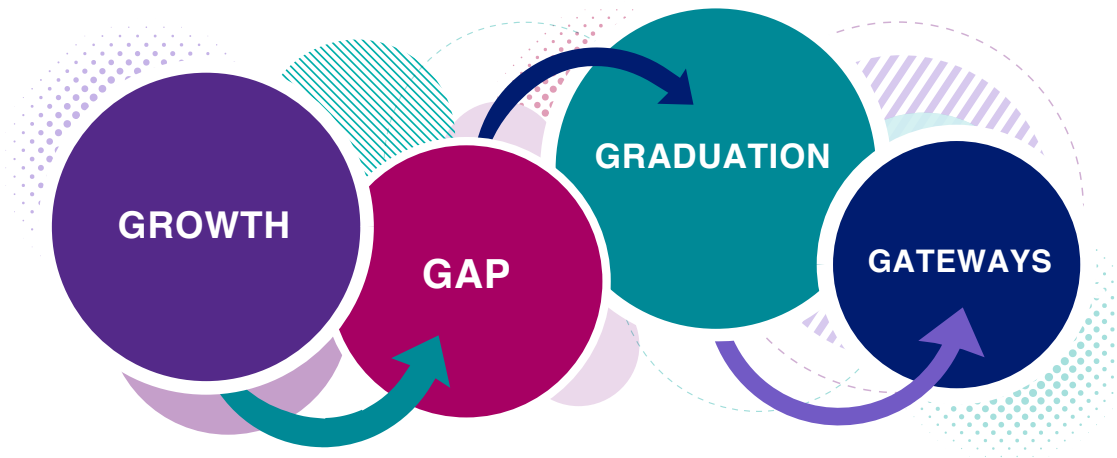


Our Mission

To improve the learning outcomes and well-being of all children and youth by providing services and leadership in partnership with families, schools and communities.

Our Goals

- Increase learning **growth** for students
- Decrease the **gap** in achievement
- Increase annual **graduation** rates
- Increase **gateways** to post-secondary success



Presented by



Jon Sheldahl

Chief Administrator

Prepared by



Kurt Subra

Chief Financial Officer



Brian Whalen

Business Manager



Heng Fongkhamdeng

Accountant

Board of Directors

Heartland Area Education Agency (Heartland AEA) is governed by a nine-member board, each representing a director district in the Heartland AEA service area that is roughly equal in population. Board members are elected by local school 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 agency policies.

Board meetings are generally held at the Heartland AEA Administration Center, 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.

2021-22 Board of Directors

Name	Position	Term Expires
Mr. Pete Evans	President	2025
Ms. Margaret Borgen	Vice President	2023
Ms. Sheri Benson	Member	2023
Ms. Elizabeth Brennan	Member	2023
Mr. John Kinley	Member	2023
Ms. Tiara Mays	Member	2025
Mr. Alex Piedras	Member	2025
Dr. Steve Rose	Member	2023
Ms. Margie Schwenk	Member	2025

Officers of the Board of Directors

Ms. Jennifer Ugolini, Secretary

Mr. Kurt Subra, Treasurer

Memo

TO: Heartland AEA Board of Directors
FROM: Jon Sheldahl, Chief Administrator
RE: Fiscal Year 2023 Budget Proposal
DATE: Jan. 20, 2022

The budget for fiscal year 2023 is enclosed for your consideration. Your approval of this budget will authorize a commitment of agency resources for the next fiscal year.

The budget is specifically designed to carry out the Agency's mission and priority services. The proposal also identifies proposed sources and uses of funds along with selected historical information.

State and federal legislative action will impact Fiscal Year 2023 revenues. However, the Agency's budget must be published before the legislation is finalized. At this time next year, we will amend the Fiscal Year 2023 budget to incorporate information we receive over the next several months.

Kurt Subra, Chief Financial Officer; Brian Whalen, Business Manager; members of the Business Office staff and agency budget managers work year-round to position Heartland AEA resources to best meet the challenges presented in providing equitable and efficient resources to area schools. Their work is commendable and makes a significant contribution to the reputation Heartland AEA has for high quality services.

On behalf of our entire administrative team, thank you for your consideration of this budget proposal. We appreciate the work you do to keep agency resources focused on Heartland AEA's highest priority—student learning and well-being.

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Section 1: Executive Summary

1A. About Heartland AEA

Heartland AEA works in partnership with public and accredited non-public schools to provide educational services, programs and resources for improving student achievement. Heartland AEA staff members serve infants, preschool children, PK-12 students, families, educators and communities in an 11-county central Iowa territory.

Heartland AEA's staff members, 79 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 Iowa 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.

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. AEAs 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 AEAs work as educational partners with public and accredited non-public schools. As intermediate agencies, AEAs 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 AEAs; our 721 full- and part-time staff members provide services to an 11-county region. Heartland AEA also funds about 184 special education staff positions for the Des Moines Public Schools.

Heartland AEA Fast Facts

- Over 150,000 public and non-public students (birth through age 21)
- 10,000 teachers and administrators
- 53 public school districts
- 30 accredited non-public schools
- 11 counties (6,369 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 16)

1B. Purpose of the Budget Document

This document is the Heartland AEA budget for the fiscal year ending June 30, 2023. 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 Fiscal Year 2022-23 (FY 2023). 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 FY 2023 budget were completed with a detailed review of every revenue and expenditure item within the context of the Agency's goals, mission, 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 information about the Agency and our plans for the coming year.

1C. Budgetary Timeline

Budgetary flexibility is required in the ever-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.

October 2021

Salaries and benefits for FY 2023 are estimated based on known and projected factors, including such things as increases in health and dental premiums and salary negotiations. At the same time, estimates are derived for anticipated revenues, which are affected by the number of students served, controlled funding supplemental state aid increases, state and federal grants and expected fees for services.

November/December 2021

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

January 2022

FY 2023 budget considerations are presented to and discussed with the Heartland AEA Board of Directors.

February 2022

The proposed FY 2023 budget is presented to the Board. The Board holds a public budget hearing and votes to approve the budget document. Required forms are transmitted to the Iowa Department of Education.

March 2022

Salary negotiations are finalized and contracts are offered.

April 2022

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

June 2022

Agency budget managers begin to amend the operational budget based on completed salary negotiations and new information obtained since December.

1D. Budget Foundational Principles

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% assigned and unassigned fund balance will be maintained.

1E. Resource Allocation Process

The resource allocation process for the FY 2023 budget included information from superintendents, agency staff members, balancing of caseloads for agency staff members and support to new initiatives and growing enrollments. Information was also derived from ongoing planning efforts to align with agency goals and priorities of our clients. Student achievement data was analyzed as well as changes in student populations to determine which schools and/or curriculum areas require additional or different resources. The ultimate goal of the resource allocation process is improved student achievement.

The Agency continues to refine its resource allocation process, supported by a staff allocation model, to analytically determine the most appropriate resources for each school district. Input from clients and stakeholders is necessary in the resource allocation process to provide a transparent, defensible, data-driven system aligned with agency goals.

1F. Budget-at-a-Glance

Highlights from the FY 2023 Budget Proposal:

- The FY 2023 budget includes increased staffing to support the current student population.
- The salary and benefit increases are estimated at a percentage increase that management believes may reasonably occur.
- The budget for FY 2023 anticipates a \$2.0 million use of general fund balance and a use of \$175,193 from the TSS Restricted Fund Balance.
- The General Fund expenditures total \$114,105,618 and revenues total \$111,884,576. The Special Revenue Funds total \$1,664,954.
- Estimated Controlled Funding is based on a 0% Supplemental State Aid (SSA) increase and full funding of the school aid formula for special education services. The Governor recently released her proposed FY 2023 state budget. It includes a 2.5% SSA increase and continues the \$15 million reduction of state aid for the nine AEAs.

The schedule below shows actual revenue and expenditures for the past three years, this year's amended budget and the FY 2023 proposed budget.

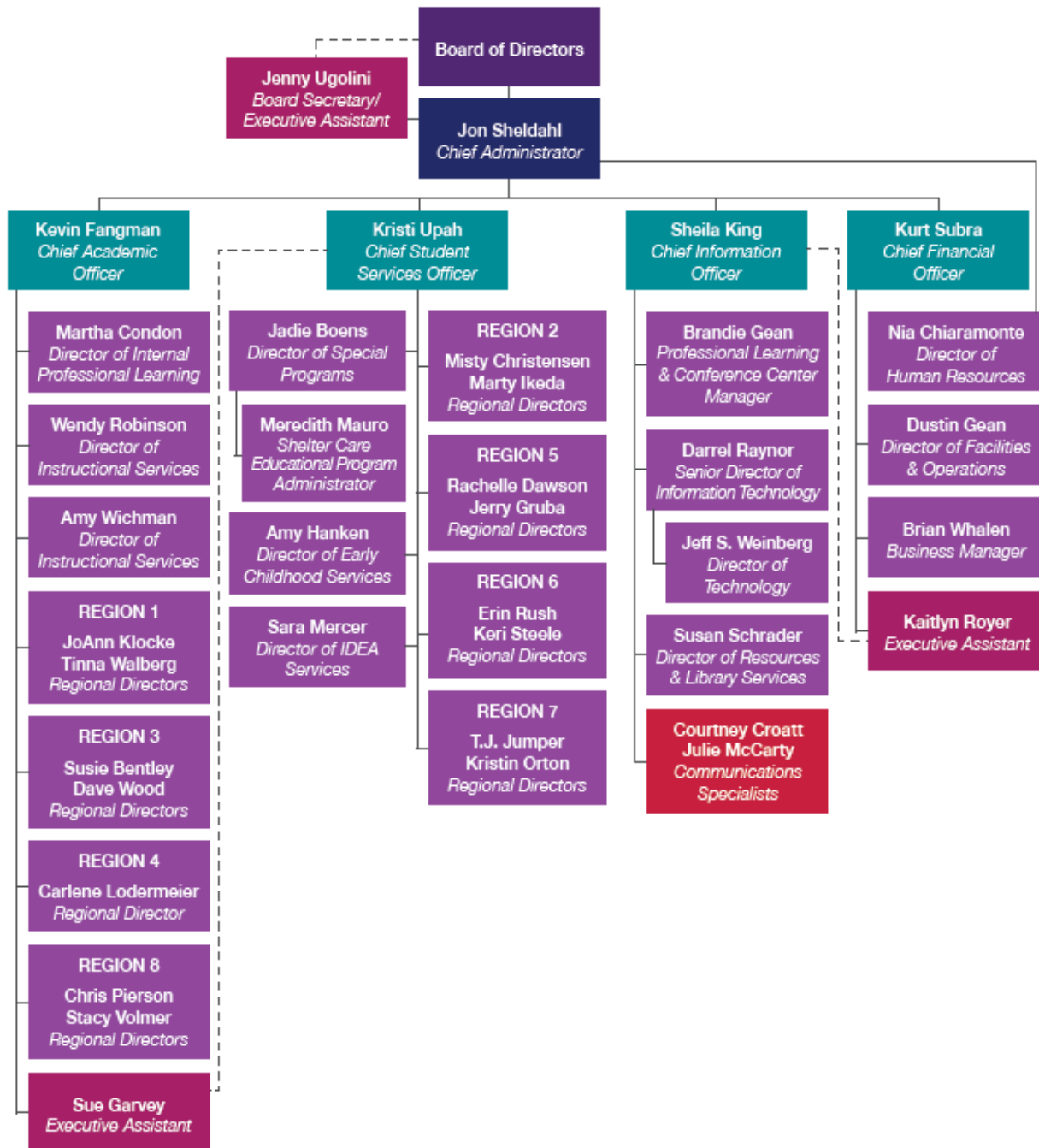
All Governmental Funds	Proposed Budget	Amended Budget	Actual	Actual	Actual
	2023	2022	2021	2020	2019
Revenues					
Controlled Funding*	\$66,541,221	\$61,988,031	\$60,882,644	\$58,514,490	\$56,420,340
Other Local Sources	3,958,188	3,998,510	4,184,921	4,370,853	5,152,940
Other State Sources	6,909,515	6,743,820	6,598,088	6,873,990	6,516,425
Federal Sources**	36,090,606	41,320,101	33,532,789	31,875,307	32,020,682
Other Sources	50,000	50,000	52,918	65,621	50,463
Total Revenues	\$113,549,530	\$114,100,462	\$105,251,360	\$101,700,261	\$100,160,850
Expenditures					
Instruction	\$4,203,552	\$4,358,451	\$3,934,100	\$4,147,864	\$4,104,161
Student Support Services	49,861,700	44,509,205	43,193,705	42,246,888	40,959,196
Instructional Staff Support Services	34,908,253	35,253,786	31,900,611	29,591,000	29,156,634
General Administration	5,121,252	5,099,778	4,896,202	4,733,464	4,405,813
Regional Administration	4,949,461	4,892,663	4,980,615	4,978,989	4,848,642
Business Administration	1,512,781	1,499,457	1,474,902	1,450,633	1,497,129
Central and Other Support Services	6,529,313	6,275,017	6,207,673	6,477,079	6,244,283
Plant Operations and Maintenance	1,561,181	1,715,734	1,244,504	1,127,534	1,170,725
Student Transportation	3,750	3,750	-0-	382	175
Management Services LEA	480	480	391	480	95,478
Community Services	242,072	241,912	158,948	192,867	171,788
LEA Part B Flow Through**	6,876,777	7,937,693	6,841,918	6,777,052	6,698,256
Facilities Acquisition and Debt Service	-0-	-0-	122,665	-0-	51,880
Total Expenditures	\$115,770,572	\$111,787,926	\$104,956,234	\$101,724,232	\$99,404,160
Net Revenue Over (Under) Expenditures	(\$2,221,042)	\$2,312,536	\$295,126	(\$23,971)	\$756,690

* Based on current law: 0% SSA and no \$15 million cut to the nine AEA's.

** Amended budget reflects receipt of one-time American Rescue Plan (ARP) IDEA funding in FY 2022.

2A. Organizational Structure

Heartland AEA strives to foster lasting partnerships with the schools, educators and communities we serve. In FY 2012, the Agency was organized into 8 regions (see regional map on page 14) so that services can be distributed closer to our public and non-public schools. Staff members who work directly with schools, children and families are aligned under a regional director.



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 policy 801, presented below, dealing directly with the preparation, review and adoption of the budget document.

Policy 801 – Budget Development

Policy Statement

Budgeting is a continuous process undertaken by the chief administrator, the Board and the administrative team of Heartland AEA with consideration of service needs, established priorities, and available resources.

Scope of Policy

Administration and the Board consider stakeholder input, current and proposed services, current and proposed staffing plans, available resources and trends in the Agency's financial condition.

Accountability Overview

The Board uses the following process for adopting the annual budget and for amending the current year budget:

- Administration presents the Agency's budget document and any amendments for the Board's consideration.
- The Board establishes and publishes the time and place for public review of the budget in accordance with Iowa Code.
- The Board acts on the budget.
- The approved budget is submitted in a timely manner to the State Board of Education.
- The board secretary retains verified proof of the publication to substantiate compliance with this policy.

In addition to this policy 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. Other related policies can be viewed at Heartland AEA's Administration Center in Johnston or via our website at www.heartlandaea.org.

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 in November before the fiscal year with estimated student enrollments and anticipated local, state and federal funding. Parameters are established for estimates in salaries and benefits. In December and January, the line-item budget is prepared 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 technology and facilities plans.

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 and fund balances.

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 to the constantly shifting educational landscape. Population shifts, new initiatives, emerging research, improved technology, new laws, rules and regulations are important considerations.

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 (GAAP). 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 Iowa Code, 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 using 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 reduction or 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	Total
Revenues				
Local	\$32,254,599	\$40,000	\$-0-	\$32,294,599
State	43,579,497	1,534,828	-0-	45,114,325
Federal	36,000,480	90,126	-0-	36,090,606
Other Financing Sources	50,000	-0-	-0-	50,000
Fund Transfers In	-0-	-0-	-0-	-0-
Total Revenue	\$111,884,576	\$1,664,954	\$-0-	\$113,549,530
Expenditures				
Salaries	\$57,683,491	\$1,148,500	\$-0-	\$58,831,991
Benefits	17,489,681	385,083	-0-	17,874,764
Purchased Services	27,633,096	75,040	-0-	27,708,136
Supplies	3,438,298	29,900	-0-	3,468,198
Capital Outlay	955,615	26,431	-0-	948,046
Other Expenses	28,660	-0-	-0-	28,660
LEA Part B Flow Through	6,876,777	-0-	-0-	6,876,777
Fund Transfers Out	-0-	-0-	-0-	-0-
Total Expenditures	\$114,105,618	\$1,664,954	-0-	\$115,770,572
Use of Fund Balance	(\$2,221,042)	\$-0-	\$-0-	(\$2,221,042)

Note: Schedule 3A may differ in total from the schedule shown earlier in the 1F: Budget-at-a-Glance section because of the inclusion here of Inter-Fund transfers in and out. The schedule in 1F: 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	\$10,418,757	\$9,351,395	\$12,136,750	\$83,000	\$264,697	\$32,254,599
State	42,535,463	53,074	990,960	-0-	-0-	43,579,497
Federal	34,949,739	-0-	1,048,452	2,289	-0-	36,000,480
Other Fin. Sources	-0-	-0-	-0-	-0-	50,000	50,000
Intra-Fund Transfer	4,698,060	(3,558,000)	(740,074)	(85,289)	(314,697)	-0-
Total Revenue	\$92,602,019	\$5,846,469	\$13,436,088	\$0	\$0	\$111,884,576
Expenditures						
Salaries	\$40,602,870	\$1,956,152	\$8,069,885	\$1,884,559	\$5,170,025	\$57,683,491
Benefits	12,098,651	632,148	2,346,259	639,384	1,773,239	17,489,681
Purchased Services	22,854,759	614,126	2,114,922	669,618	1,379,671	27,633,096
Supplies	216,682	2,584,640	106,326	35,530	495,120	3,438,298
Capital Outlay	452,852	113,300	73,611	24,779	291,073	955,615
Other Expenses	-0-	2,100	-0-	20,200	6,360	28,660
LEA Flow-Through	6,876,777	-0-	-0-	-0-	-0-	6,876,777
Fund Transfers Out	-0-	-0-	-0-	-0-	-0-	-0-
Intra-Fund Transfer	9,674,620	918,755	1,796,183	(3,274,070)	(9,115,488)	-0-
Total Expenditures	\$92,777,211	\$6,821,221	\$14,507,186	\$0	\$0	\$114,105,618
Use of Fund Balance	(\$175,192)	(\$974,752)	(\$1,071,098)	\$0	\$0	(\$2,221,042)

Special Revenue Fund	Special Education Instruction	Juvenile Home	Educational Services
Revenues			
Local	\$40,000	\$0	\$40,000
State	-0-	1,534,828	1,534,828
Federal	-0-	90,126	90,126
Other Fin. Sources	-0-	-0-	-0-
Fund Transfers In	-0-	-0-	-0-
Total Revenue	\$40,000	\$1,624,954	\$1,664,954
Expenditures			
Salaries	\$34,075	\$1,114,425	\$1,148,500
Benefits	5,924	379,759	385,083
Purchased Services	1	75,039	75,040
Supplies	-0-	29,900	29,900
Capital Outlay	-0-	26,431	26,431
Other Expenses	-0-	-0-	-0-
Fund Transfers Out	-0-	-0-	-0-
Total Expenditures	\$40,000	\$1,624,954	\$1,664,954
Use of Fund Balance	\$0	\$0	\$0

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 of Iowa'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 discrete funding streams: Special Education Support Services, Media Services and 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 student head count and non-public school 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 80% state aid and 20% 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.

FY 2023 Estimated Controlled Funding*

	Special Education	Educational Services	Media Services		
			General	Resource	Media Total
Estimated Enrollment	159,593	150,716	150,716	150,716	150,716
FY 2023 Per Pupil Cost	\$308.26	\$64.52	\$41.14	+	\$17.62 = \$58.76
Estimated Funding**	\$49,654,524	\$9,724,196	\$6,200,452	+	\$2,655,616 = \$8,856,068
Previous Year Funding	\$48,791,845	\$9,598,898	\$6,120,563	+	\$2,621,398 = \$8,741,961
Estimated Growth	\$862,679	\$125,298	\$79,889	\$34,218	\$114,107
Estimated Growth Rate	1.77%	1.31%	1.31%	1.31%	1.31%

Legislative Reductions***

Legislative Reduction \$7.5M	\$1,693,567	\$0	\$0	+	\$0	+	\$0
Estimated Reduced Funding Level	\$47,960,957	\$9,724,196	\$6,200,452	+	\$2,655,616	+	\$8,560,068
Previous Year Reduced Funding	\$43,647,172	\$9,598,898	\$6,120,563	+	2,621,398	+	\$8,741,961
Estimated Growth After Reduction***	\$4,313,785	\$125,298	\$79,889	+	\$34,218	+	\$114,107
Estimated Growth Rate After Reduction***	9.88%	1.31%	1.31%		1.31%		1.31%

*Estimated controlled funding based on 0% supplemental state aid increase.

**Special Education includes \$458,249 of budget guarantee funding.

***The \$7.5 million reduction is a permanent statewide cut to all AEAs' state special education revenue. For FY 2022 an additional \$15 million reduction for all AEAs negatively impacted special education revenues. Heartland AEA's FY 2023 special education funding is budgeted to grow by \$4.3 million based on current Iowa law, which provides for full funding of the school funding formula. If the \$15 million statewide cut remains in place for FY 2023, Heartland AEA's special education funding will increase by 1.98% or \$863,000.

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 for high-quality professional development activities
- Early Childhood Consultant
- 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 (commonly referred to as IDEA).

Detailed Federal Revenue by Fund

	General Fund	Special Revenue Fund	Total
Federal			
IDEA Part B	\$33,557,554	\$-0-	\$33,557,554
IDEA Basic 619	571,159	-0-	571,159
IDEA Part C	770,026	-0-	770,026
Title I	541,776	90,126	631,902
Title III	508,965	-0-	508,965
Miscellaneous	51,000	-0-	51,000
Total Federal Revenue	\$36,000,480	\$90,126	\$36,090,606

3D. Capital Improvements

For FY 2023 no capital improvements are currently budgeted.

3E. Debt Service

All debt was retired at the end of FY 2012.

3F. Internal Service

Effective July 1, 2013, the Agency became self-funded for health insurance. An Internal Service Fund was created to record the expenditures and revenues of the self-funded insurance. The self-funded dental and health reimbursement accounts (HRA), previously considered too immaterial to warrant the creation of a separate fund, were also moved from the General Fund to the Internal Service Fund. In addition, the flex spending account was moved from the General Fund to the Internal Service Fund in FY 2020.

Internal Service Fund

	Self-Funded Health	Self-Funded Dental	Health Reimbursement Account	Flexible Spending Account	Total
Revenues					
Sale of Service	\$8,100,000	\$560,000	\$630,000	\$575,000	\$9,865,000
Cobra Revenue	30,000	3,000	-0-	-0-	33,000
Refunds	475,000	-0-	-0-	-0-	475,000
Total Revenues	\$8,605,000	\$563,000	\$630,000	\$575,000	\$10,373,000
Expenditures					
Claims Paid	\$7,700,000	\$525,000	\$510,000	\$555,000	\$9,290,000
Re-insurance	700,000	-0-	-0-	-0-	700,000
Fees	461,200	44,500	15,000	12,000	532,700
Wellness & Other	187,715	-0-	-0-	-0-	187,715
Total Expenditures	\$9,048,915	\$569,500	\$525,000	\$567,000	\$10,710,415
Addition to/ (Reduction from) Fund Balance	(\$443,915)	(\$6,500)	\$105,000	\$8,000	(\$337,415)

3G. 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 2021 was used to calculate the FY 2023 controlled funding as shown in Section 3.

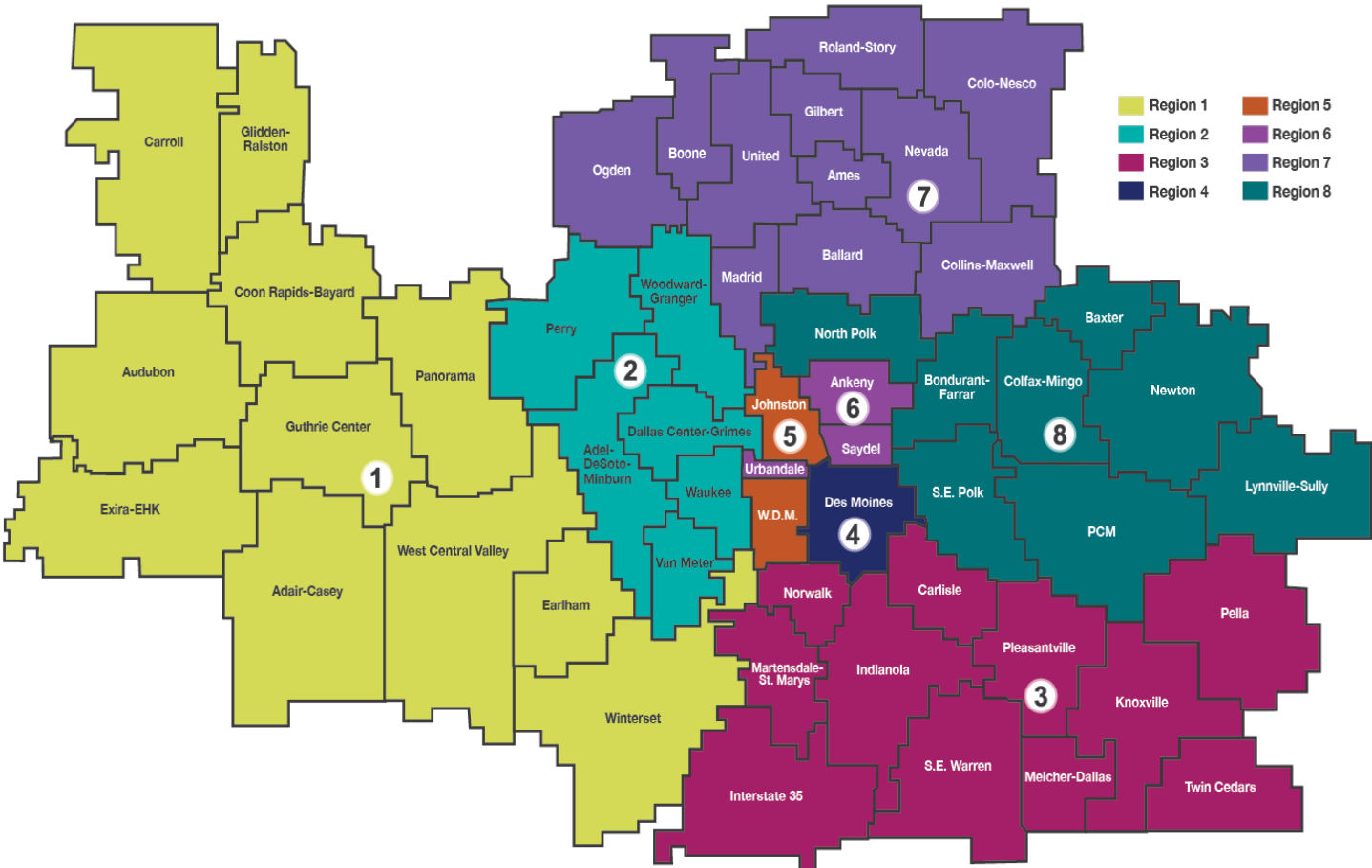
Enrollment Trends and Estimated Enrollments

	Weighted Enrollment		Enrollment Served	
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	140,222.07	0.60%	133,073	0.67%
2011	141,695.72	1.05%	134,536	1.10%
2012	143,950.42	1.59%	136,808	1.69%
2013	146,277.18	1.62%	139,331	1.84%
2014	147,699.16	.97%	140,948	1.16%
2015	149,833.99	1.45%	143,085	1.52%
2016	152,104.25	1.52%	145,040	1.37%
2017	154,481.00	1.56%	147,023	1.37%
2018	156,817.41	1.51%	148,480	0.99%
2019	159,179.91	1.51%	150,245	1.19%
2020	157,603.82	(.99%)	148,774	(.98%)
2021 Estimate	159,593.46	1.26%	150,716	1.31%

4B. Budgeted FTE

	General Fund	Shelter Care	Total
Administrative/Supervisors	34.00	1.00	35.00
Certified	565.80	9.00	574.80
Classified	104.00	10.00	114.00
Total	703.80	20.00	723.80

4C. Heartland AEA Regional Map





Appendix A: Public Notice

PUBLIC NOTICE
HEARTLAND AREA EDUCATION AGENCY BUDGET ESTIMATE
FISCAL YEAR JULY 1, 2022 - JUNE 30, 2023

NOTICE: The Board of Directors of Heartland Area Education Agency, Polk County, Iowa, will meet February 8, 2022, at 5:30 p.m. at Heartland Area Education Agency, 6500 Corporate Drive, Johnston, Iowa. Or participate by phone 1-669-900-6833. Meeting ID: 934 2600 3165 followed by #. By desktop/laptop/smartphone at: <https://heartlandaea.zoom.us/j/93426003165>. Persons will be heard at that time for or against the following estimates. This is a summary of the supporting detail of budget revenues and expenditures on file with the board secretary. /s/ Jennifer Ugolini, Board Secretary

		[1]	[2]	[3]
Three-Year Budget Comparison		Budget	Re-Estimated	Actual
All Funds except Permanent Funds; Internal Service Funds; Private-Purpose, Pension and Investment Trust Funds; and Agencies		2023	2022	2021
Resources (Sources) (Account ID 8):				
Taxes (1100-1299)	1	28,336,411	27,731,735	27,187,418.00
Tuition/Transportation Received (1300-1499)	2	1,523,500	1,523,500	1,407,005.00
Earnings on Investments (1500-1599)	3	70,000	70,000	103,579.44
Nutrition Program Sales (1600-1699)	4	0	0	0.00
Student Activities & Sales (1700-1799)	5	0	0	0.00
Other Revenues from Local Sources (1800-1999)	6	2,364,688	2,405,010	2,674,336.25
Revenues from Intermediary Sources (2000-2999)	7	0	0	0.00
State Foundation Aid (3111)	8	38,204,810	34,256,297	33,695,226.00
Juvenile Home Tuition Aid Advance (3121)	9	1,465,000	1,375,000	1,379,058.03
Other State Resources including State Aid Categoricals (3112-3119, 3122-3999)	10	5,444,515	5,368,819	5,219,029.85
IDEA Grants (4510-4529)	11	34,898,739	40,098,509	32,596,850.44
Other Federal Sources (4000-4509, 4530-4999)	12	1,191,867	1,221,592	935,938.83
Total Revenues (Rows 1 - 12)	13	113,499,530	114,050,462.00	105,198,441.84
General Long-Term Debt Proceeds (5000-5199, 5400-5699)	14	0	0	0.00
Interfund Transfers In (5200-5299)	15	0	0	122,664.83
Proceeds of Fixed Asset Dispositions (5300-5399)	16	50,000	50,000	52,918.12
Upward Adjustments & Other Financing Sources (5000-5099, 5700-6999)	17	0	0	0.00
(Row 13 - 17)	18	113,549,530	114,100,462.00	105,374,024.79
Beginning Fund Balance	19	16,821,038	14,508,502	14,213,375.54
Total Resources (Row 18 + 19)	20	130,370,568	128,608,964	119,587,400.33
Requirements (Functions) (Account ID 9):				
Instruction (1000-1999)	21	4,203,552	4,358,451	3,934,100.25
Student Support Services (2100-2199)	22	49,861,700	44,509,205	43,193,704.98
Instructional Staff Support Services (2200-2299)	23	34,908,253	35,253,786	31,900,561.03
General Administration (2300-2399)	24	5,121,252	5,099,778	4,896,201.98
School Administration (2400-2499)	25	4,949,461	4,892,663	4,980,615.39
Business and Central Administration (2500-2519, 2540-2599)	26	6,843,725	6,602,356	6,556,898.33
Purchasing, Distributing, Printing, Publishing, Duplicating (2520-2539)	27	1,198,369	1,172,118	1,124,135.29
Plant Operation and Maintenance (2600-2699)	28	1,561,181	1,715,734	1,244,503.65
Student Transportation (2700-2799)	29	3,750	3,750	0.00
Other Support Services (2900-2999)	30	480	480	390.77
Noninstructional Programs (3000-3999)	31	242,072	241,912	158,947.70
Facilities Acquisition and Construction (4000-4999)	32	0	0	122,664.83
Debt Service (5000-5999)	33	0	0	0.00
Total Expenditures (Row 21 - 33)	34	108,893,795	103,850,233	98,112,724.20
Interfund Transfers Out (6200-6299)	35	0	7,937,693	6,966,174.14
Downward Adjustments & Other Financing Uses (6100-6199, 6300-6999)	36	6,876,777		
Total Expenditures & Other Financing Uses (Row 34 - Row 36)	37	115,770,572	111,787,926	105,078,898.34
Ending Fund Balance (Row 20 - Row 37)	38	14,599,996	16,821,038	14,508,501.99
Total Requirements (Row 37 + 38)	39	130,370,568	128,608,964	119,587,400.33



Appendix B: AEA Certified Budget

2022-2023 BUDGET WORKSHEET BY FUND

Resources and Requirements by Fund	
All Funds except Permanent Funds; Internal Service Funds; Private-Purpose, Pension and Investment Trust Funds; and Custodials	
Resources (Sources) (Account ID 8):	
Taxes (Controlled Funding) (1100-1299)	
Tuition/Transportation Received (1300-1499)	
Earnings on Investments (1500-1599)	
Nutrition Program Sales (1600-1699)	
Student Activities & Sales (1700-1799)	
Other Revenues from Local Sources (1800-1999)	
Revenues from Intermediary Sources (2000-2999)	
State Foundation Aid (Controlled Funding) (3111)	
Juvenile Home Tuition Aid Advance (3121)	
Other State Resources Including State Aid Categoricals(3112-3119, 3122-3999)	
IDEA Grants (4510-4529)	
Other Federal Sources (4000-4509, 4530-4999)	
Total Revenues (Rows 1 - 12)	
General Long-Term Debt Proceeds (5100-5199, 5400-5699)	
Interfund Transfers In (5200-5299)	
Proceeds of Fixed Asset Dispositions (5300-5399)	
Upward Adjustments & Other Financing Sources (5000-5099, 5700-6999)	
Total Revenues & Other Financing Sources (Rows 13 - 17)	
Beginning Fund Balance (Account ID 7, prior year)	
Total Resources (Row 18 + 19)	
Requirements (Functions) (Account ID 9):	
Instruction (1000-1999)	
Student Support Services (2100-2199)	
Instructional Staff Support Services (2200-2299)	
General Administration (2300-2399)	
School Administration (2400-2499)	
Business and Central Administration (2500-2519, 2540-2599)	
Purchasing, Distributing, Printing, Publishing, Duplicating (2520-2539)	
Plant Operation and Maintenance (2600-2699)	
Student Transportation (2700-2799)	
Other Support Services (2900-2999)	
Noninstructional Programs (3000-3999)	
Facilities Acquisition and Construction (4000-4999)	
Debt Service (5000-5999)	
Total Expenditures (Rows 21 - 33)	
Interfund Transfers Out (6200-6299)	
Downward Adjustments & Other Financing Uses (6100-6199, 6300-6999)	
Total Expenditures & Other Financing Uses (Row 34 - Row 36)	
Ending Fund Balance (Account ID 7, current year) (Row 20 - Row 37)	
Total Requirements (Row 37 + 38)	

General Fund	Special Revenue Funds					Capital Project Funds	Debt Service Funds	Proprietary Enterprise Funds	Total of Cols 1 - 8
	Special Education Instruction	Juvenile Home Instruction	Special Revenue Trust Fund	Other Special Revenue Funds					
10	25	26	27	2X	3X	40	6X		
28,336,411								28,336,411	
1,523,500								1,523,500	
70,000								70,000	
0								0	
0								0	
2,324,688	40,000							2,364,688	
0								0	
38,204,810		1,465,000						38,204,810	
								1,465,000	
5,374,687		69,828						5,444,515	
34,898,739								34,898,739	
1,101,741		90,126						1,191,867	
111,834,576	40,000	1,624,954	0	0	0	0	0	113,499,530	
0								0	
0								0	
50,000								50,000	
								0	
111,884,576	40,000	1,624,954	0	0	0	0	0	113,549,530	
16,821,038								16,821,038	
128,705,614	40,000	1,624,954	0	0	0	0	0	130,370,568	
2,842,690	39,999	1,320,863						4,203,552	
49,856,700		5,000						49,861,700	
34,787,226		121,027						34,908,253	
4,976,821		144,431						5,121,252	
4,949,461		0						4,949,461	
6,841,625		2,100						6,843,725	
1,198,369								1,198,369	
1,529,647	1	31,533						1,561,181	
3,750		0						3,750	
480		0						480	
242,072								242,072	
0								0	
0								0	
107,228,841	40,000	1,624,954	0	0	0	0	0	108,893,795	
0		0						0	
6,876,777								6,876,777	
114,105,618	40,000	1,624,954	0	0	0	0	0	115,770,572	
14,599,996	0	0	0	0	0	0	0	14,599,996	
128,705,614	40,000	1,624,954	0	0	0	0	0	130,370,568	

Adjust row 9, column 3, until row 38, column 3 equals zero.

(*) - Juvenile Home Instruction Rows 21-37 populated from Juvenile Home Instructional Program Requirements form Column 8.

**Three Year Comparison
General Fund Detail**

Detail of General Fund Balance, June 30 Account ID 7, Fund 10	
Nonspendable Fund Balance, Special Education Operating Unit	
Nonspendable Fund Balance, Other	
Restricted Fund Balance, Special Education Operating Unit	
Restricted Fund Balance, Other	
Committed Fund Balance, Special Education Operating Unit	
Committed Fund Balance, Other	
Assigned Fund Balance, Special Education Operating Unit	
Assigned Fund Balance, Other	
Unassigned Fund Balance, Special Education Operating Unit	
Unassigned Fund Balance, Other	
Total General Fund Balance (Rows 1-10)	

	[1]	[2]	[3]
	Budget 2023	Re-Estimated 2022	Actual 2021
1	143,358	143,358	143,358
2	1,506,605	1,506,605	1,506,605
3	50,737	225,929	220,073
4	844,013	844,013	897,985
5	71,131	71,131	71,131
6	1,026,551	1,026,551	1,026,551
7	1,049	1,049	36,026
8	0	0	2,150
9	0	0	0
10	10,956,552	13,002,402	10,604,623
11	14,599,996	16,821,038	14,508,502

Row 11, column 1 must equal the Budget Worksheets, row 38, column 1

Row 11, column 3 must equal the AEA Crosswalk Report from the CAR, row 38, column 1

Detail of General Fund Expenditures & Other Financing Uses Account ID 9, Fund 10	
Special Education Expenditures and Other Financing Uses	
Other Expenditures & Other Financing Uses	
Total General Fund Expenditures & Other Financing Uses (Rows 12 & 13)	

	[1]	[2]	[3]
	Budget 2023	Re-Estimated 2022	Actual 2021
12	92,777,211	89,115,717	82,788,976
13	21,328,407	21,044,966	20,592,414
14	114,105,618	110,160,683	103,381,390

Row 14, column 1 must equal the Budget Worksheets, row 37, column 1

Row 14, column 3 must equal the AEA Crosswalk Report from the CAR, row 37, column 1



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