

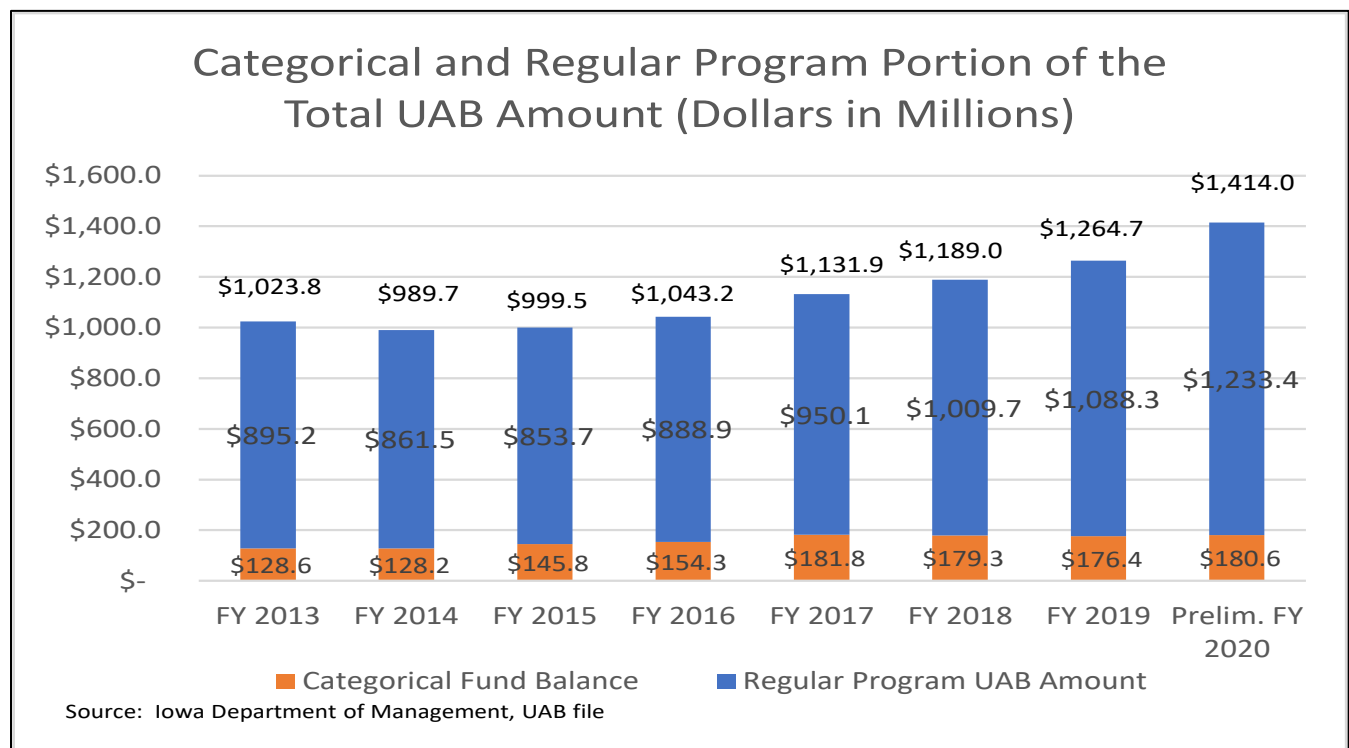


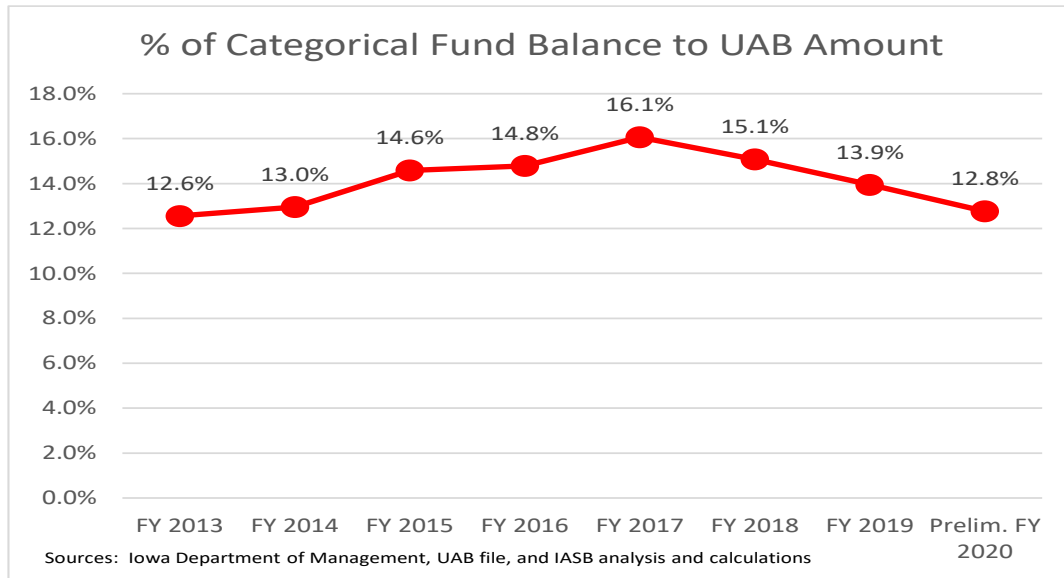
Categorical Fund Balances

School districts receive general fund dollars that are required to be spent for specific purposes and are referred to as “categorical funds.” These funds are included in a district’s overall general fund revenue amount and add to the district’s maximum authorized budget amount (maximum spending authority). Additionally, these categorical fund balances are included in the district’s unspent authorized budget (UAB) amount, they are considered “mini silos” of revenue and spending authority that can only be used for designated purposes.

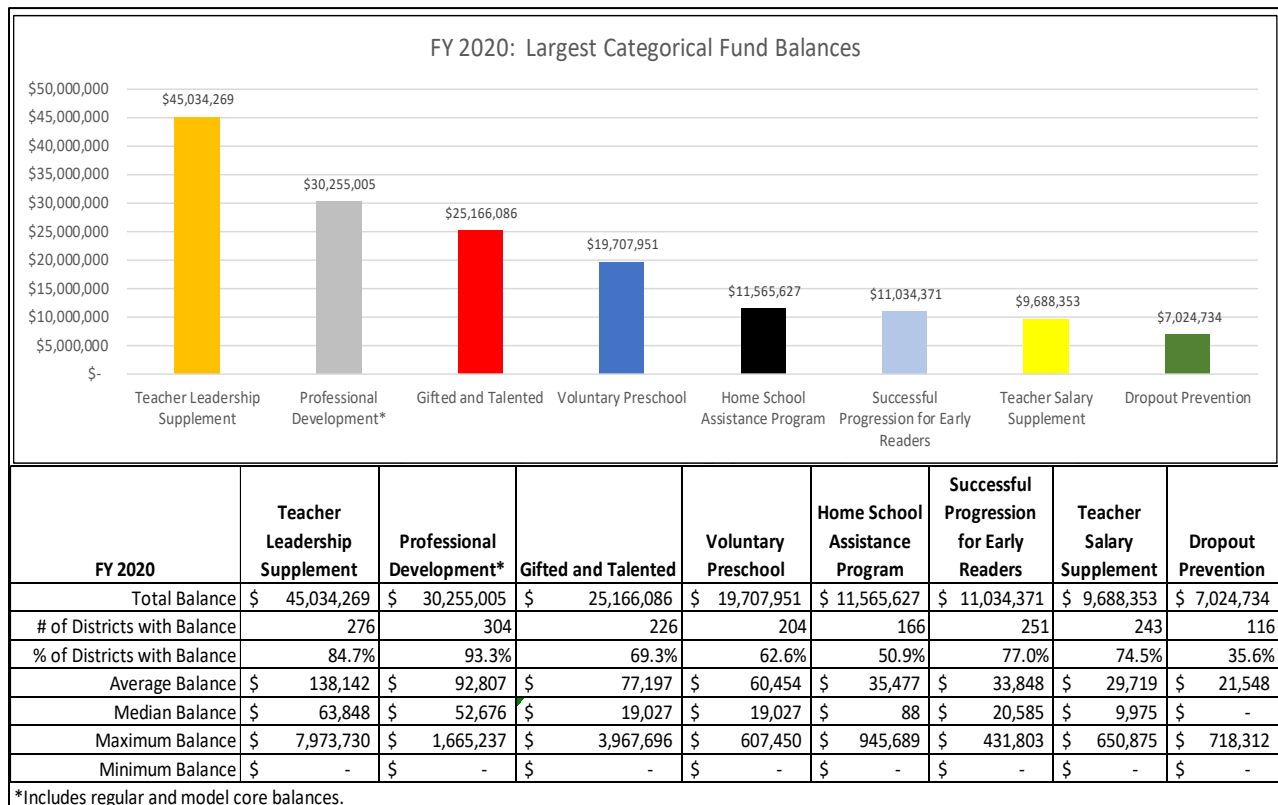
The Department of Education tracks the categorical fund balances as part of the Certified Annual Report (CAR) data collection and the Department of Management provides a calculation of the amount of categorical fund balances that make up each district’s overall UAB amount.

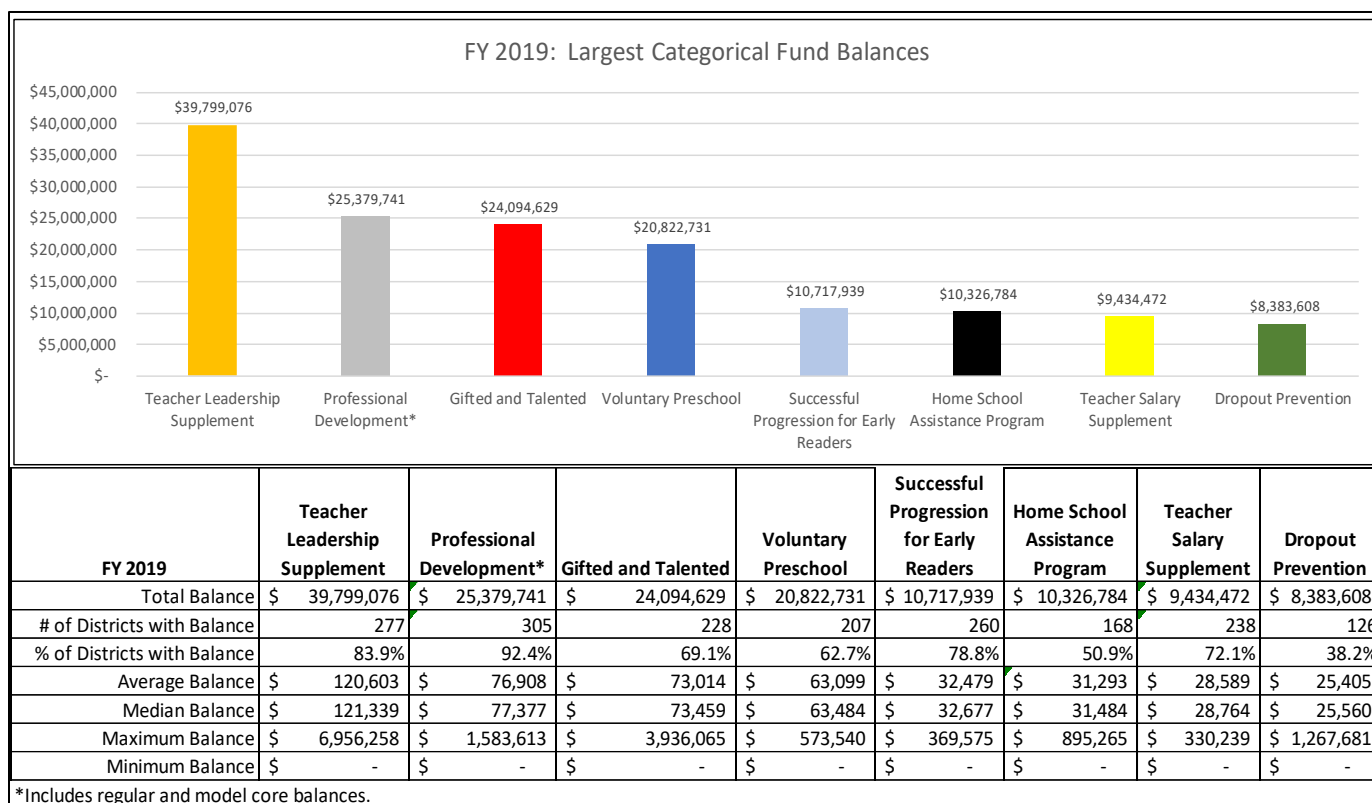
The following charts provide information on the total categorical fund balances and the overall unspent authorized budget (UAB) amounts from FY 2013 to FY 2020. The first chart details the total categorical fund balances amount (red), the non-restricted regular program fund balance amount (blue), and the total UAB amount. The second chart shows the percentage of all categorical fund balances compared to the total UAB amount. While the total categorical fund balances amount and percentage of the UAB increased from FY 2013 to FY 2017, those amounts have decreased the last three fiscal years.





The following charts detail the eight largest categorical fund balances by program area for FY 2019 and FY 2020. Note that the top eight were the same for each year. However, Home School Assistance Program (HSAP) balances moved past Successful Progression for Early Readers balances for fifth highest in FY 2020. The charts include a table detailing some statistics regarding each of the categorical fund balances including the number of districts with a balance, average balance, median balance and maximum balance. [Click here for district specific information regarding categorical fund balances and the impact on the overall UAB.](#)





Categorical Funds and the Flex Account

As a reminder, school districts can use the “Flex Account” concept to move certain unobligated categorical funds within the General Fund, aiding in reducing some larger categorical fund balances. Funds that are not needed to completely provide services in preschool, professional development, home school assistance and other expired or repealed state or local programs can be transferred to a Flex Account. These funds can then be transferred out, after a public hearing and board adopted resolution, to any other of these programs, as well as at-risk, dropout prevention, gifted and talented programs, or can be used to eliminate unpaid student meals, *or can be used for any other general fund purpose*. [Click here for IASB flexibility fund resources](#).

[House File 847](#), which has passed in the House chamber, and if passed by the Senate and signed by the governor, includes a provision to allow districts to transfer unobligated funds from the Teacher Leadership Supplement program to the Flex Account. As of this date, it is uncertain if this bill or provision will pass.